

# EU Funds in Slovakia

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## Introduction

- **Consultancy on project financing focused on raising subsidies from EU development funds**
- **Branches**
  - Slovakia
  - Czech Republic
  - Romania
  - Bulgaria
- **[www.eufc.eu](http://www.eufc.eu)**

## Economic Situation in Slovakia

### ▪ Financial Environment

- Banks healthy
- Equity requirement 20 – 30 %
- Large projects stopped

### ▪ Economic Environment

- HDP – downfall by app. 14% to - 4,5% (estimate)
- Public finance – downfall of VAT income by 40 %
- Unemployment rates started to rise again

### ▪ EU funds situation

- Political decision making
- Due to change in bank financing inability to draw approved grants

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## Overview of EU funds

### ▪ 11 Operational programmes

### ▪ EUR 15 billion from structural funds for programming period 2007-2013

### ▪ App. EUR 4 billion for private sector, mainly through the following programs:

- Environment
- Competitiveness and Economic Growth
- Agriculture
- Bratislava region

### ▪ Co-financing from Structural funds for SMEs:

- Usually 25-50% of eligible project costs, but there are few exceptions
- Depends on: The respective program, Locality

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## Availability

- **Competitiveness**
  - De minimis available
  - Large projects EUR 70 million left
- **Environment**
  - EUR 160 million available this year
- **Research & Development**
  - EUR 1,5 billion available

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## Limits

- **Maximum grant amounts:**
  - **Maximum grant amount is specified in:**
    - The respective Operational Program and schemes of state aid
    - Call for proposals published through the internet, which define more detailed conditions
- **Maximum amount of the grant – examples:**
  - OP Competitiveness and Economy Growth defined max. EUR 2-6 million
  - OP Environment basically max. amount EUR 12 million
  - In case of co-financing through Scheme De Minimis-max. EUR 200 000 for one beneficiary (only SME) in period of 3 consequent years
  - Agriculture – max. EUR 3 million
- **Maximum project duration:**
  - Max. 1-3 year

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## Fields of Interest

- **New Technology**
- **Energy Savings**
- **Renewable Sources of Energy**
- **Environment**
- **Recycling**
- **Research & Development**
- **Agriculture**
- **Tourism**
- **Education and Trainings**

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## Examples

- **Biomass / biogas**
  - Competitiveness
  - Environment
- **Solar power plant**
  - New act on renewable sources of energy
  - Competitiveness
- **Research & Development**
  - Applied development
  - Competitiveness
  - Research & Development

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## Examples

- **Recycling**
  - Environment
  
- **Engineering**
  - Construction permit required at submission
  - Eligible cost for public sector projects
  
- **Wood**
  - Competitiveness

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## State Aid

- **Eligible for large project basically for investments exceeding EUR 7,5 million**
- **Forms of state aid:**
  - Cash subsidy (rarely used)
  - Tax holidays
  - Subsidy for new jobs and education + social enterprise
  - Purchase of land and infrastructure
- **Basic conditions**
  - State aid must be approved by the Slovak Government before any activity regarding the project has started
  - References of subsidies up to 45 % of the investment, most of it in the form of tax holidays applicable during 5 years
  - The project must work for at least 5 years

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## Conclusion

- The system of EU Funds in Slovakia is complicated
- Each program has a different approach
- Generally huge amounts of grants are still available
- Real availability depends on specific project

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