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# STATE OF THE ENVIRONMENT REPORT – SLOVAK REPUBLIC

## 2018

*25<sup>th</sup> anniversary of annual reports*

# ENVIRONMENTAL ECONOMY

## KEY QUESTIONS AND KEY FINDINGS

### How are environmental protection costs evolving?

**National expenditure on environmental protection** for the **public administration** sector reached EUR 553 million (34.5%), for the **corporate** sector it reached EUR 772 million (48.1%) and for the **household** sector EUR 279 million (17.4%). The total national expenditure for environmental protection was EUR 1.604 billion which, compared to the previous monitored period of 2015, was a decrease of 16.3%.

*The costs for businesses and municipalities for environmental protection fluctuate in a year-on-year comparison. Costs in 2018 are significantly higher than to 2000 (by 225.7%). The share of business costs for environmental protection are far higher than those of municipalities.*

*More than half the costs of businesses and municipalities for environmental protection result from waste management (62.6% in 2018), followed by costs for waste water management (17.9% in 2018) and air protection (9.9% in 2018).*

*The SR is one of the EU Member States with the lowest share of taxes with an environmental aspect in GDP (in 2017 this share was 1.76% for the SR, while the EUR-28 average was 2.4%).*

## NATIONAL EXPENDITURE ON ENVIRONMENTAL PROTECTION

Total expenditure on environmental protection reached EUR 1.604 billion in 2016. Compared to 2008 this was an increase of 27.8%. Compared to the preceding year it was a decrease of 16.3%.

Over two thirds of expenditure came from EU sources, including co-financing (70%), from the state budget (18%) and from the Environmental Fund (10%), especially in the form of capital expenditure.

**Table 021 I** National expenditure on environmental protection (EUR millions)

Year	Public administration	Businesses	Households	Total
2008	500	510	245	1 255
2009	551	648	271	1 470
2010	581	598	379	1 558
2011	553	607	266	1 426
2012	574	720	294	1 588
2013	534	695	266	1 495
2014	586	709	258	1 553
2015	740	912	265	1 917
2016	553	772	279	1 604

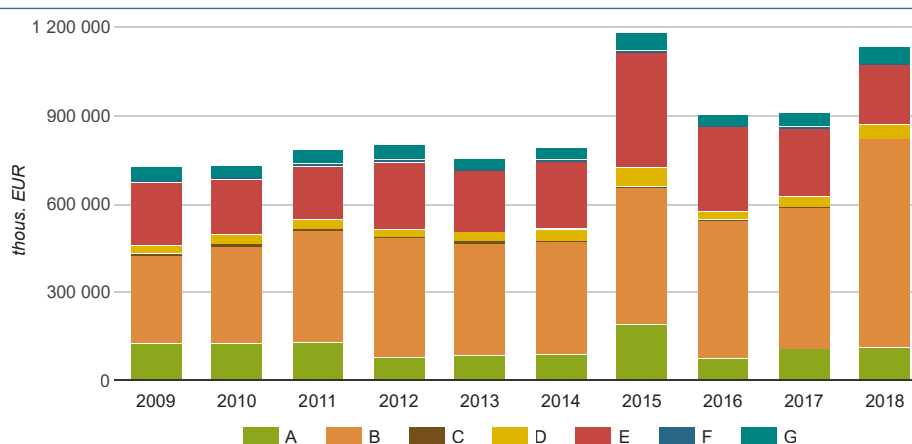
Source: Statistical Office of the Slovak Republic

## ENVIRONMENTAL COSTS AND REVENUES FOR BUSINESSES AND MUNICIPALITIES

Environmental protection costs for **businesses and municipalities** show a fluctuating trend. In 2018 they reached EUR **1 139 868 000** (of which: investments EUR 304 066 000, current costs EUR 835 802 000). Compared to 2009 this was an increase of 55.3% and compared to the preceding year an increase of 24.9%. Revenues from environmental protection reached EUR **1 063 090 000** in 2018, an increase of 31.4% compared to the preceding year.

Environmental protection costs for **soil and groundwater protection** reached EUR 58 143 000 in 2018, an increase of 18.7% compared to 2009 and an increase of 19.4% compared to the preceding year.

**Chart 097 |** Trend in environmental protection costs for businesses and municipalities by area



Source: Statistical Office of the Slovak Republic

Note:

A - Air protection

B - Waste management

C - Reducing noise and vibration

D - Other

E - Waste water management

F - Biodiversity and landscape protection

G - Soil and groundwater protection

## SELECTED SOURCES OF FINANCING IN THE AREA OF ENVIRONMENTAL CARE

### Environment Fund

**Environment Fund** was established through Act No 587/2004 on the Environment Fund and on amendments and supplements to some other Acts. The main mission of the Fund is to provide funds to applicants in the form of **subsidies** or **loans** to promote projects within the framework of activities focused on achieving national environmental policy objectives at national, regional or local level.

**Environment Fund** income from selected economic instruments was **EUR 26 881 251** in 2018. In 2018 the Fund also received funds from proceeds from the **auctioning of**

**quotas based on Act No 414/2012 on emissions trading of EUR 229 692 891 and from the exclusion of non-existing old vehicles from the register pursuant to Section 54(7) of Act No 223/2001, on waste, of EUR 108 028.**

In 2018 the largest income item for the Environment Fund from fines was fines for violation of the Integrated Pollution Prevention and Control Act of **EUR 334 008** (26.3%), violation of the Water Act of **EUR 298 910** (23.5%) and violation of the Air Protection Act of **EUR 239 122** (18.8%).

**Table 022 I** Overview of Fund income from environmental fees and fines (2018)

<b>Fees</b>	<b>EUR</b>
Air pollution fees	10 671 632
Fees for extracted minerals	2 204 904
Gas and liquid storage fees	979 061
Fees for discharging waste water into surface water	2 233 696
Fees for groundwater abstraction	10 058 608
Fees for land exploration	733 350
Financial compensation for interference in a habitat of European importance under the Nature and Landscape Protection Act	0
<b>Total for fees</b>	<b>26 881 251</b>
<b>Fines</b>	<b>EUR</b>
Violation of the Water Act	298 910
Violation of the Public Water Supply and Sewerage Act	999
Violation of the Air Protection Act	239 122
Violation of the Nature and Landscape Protection Act	108 907
Violation of the Fisheries Act	0
Violation of the Waste Act	238 028
Violation of the Act on Integrated Pollution Prevention and Control	334 008
Violation of the Emissions Trading Act	0
Violation of the Packaging Act	401
Violation of the Biocides Act	0
Violation of the Act on Prevention of Serious Industrial Accidents	18 000
Violation of the Chemicals Act	0
Violation of the Act on the Use of Genetic Technologies and Genetically Modified Organisms	0
Violation of the Environmental Product Labelling Act	0
Violation of the Geological Act	1 860
Violation of the Act on Trade in Threatened Species of Wild Fauna and Flora (CITES)	29 382
Block fines	1 174
<b>Total for fines</b>	<b>1 270 791</b>
<b>Total for fees and fines</b>	<b>28 152 042</b>

Source: Environment Fund

In 2018 the Environmental Fund provided **293** subsidies totalling **EUR 32 909 973.96**. The largest share of the subsidies went to water protection and use, totalling EUR 26 392 514 (80.2%). **EUR 2 570 370** (7.8%) was directed to the development of waste management and **EUR 1 695 016** (5.2%) to air and ozone layer protection.

The Environment Fund expanded the "Specification of support activities in the form of subsidies for 2018" to **improve**

**the energy efficiency of existing buildings, including thermal insulation, where a subsidy of EUR 14 013 861 was provided**, there was support for **electromobility with a subsidy of EUR 997 380** and for the **fight against flooding** with a provided subsidy of **EUR 79 304.65**.

Financial support in the form of loans totalling **EUR 1178 514.21** was provided in two cases in 2018.

**Table 023 I** Overview of provided subsidies and loans (2018)

Programme	Environment Fund	Number of approved projects	Financing amount (EUR)	Drawing as of 31 December 2018 (EUR)	
Priority axis 1	Air protection and ozone layer	1.1 Support for heat and hot water generation through the use of low-emissions sources	3	225 245	225 244.99
		1.2 Promoting the generation of heat, hot water and electricity through the use of renewable resources	3	380 000	379 523.19
		1.3 Supporting projects aimed at adapting to the unfavourable consequences of climate change while improving air quality	14	1 089 771	1 078 007.66
Priority axis 2	Protection and use of water	213	26 392 514	25 710 763.70	
Priority axis 3	Development of waste management	3.1 Prevention of biodegradable municipal waste generation and recovery of biodegradable municipal waste	22	1 292 168	1 248 643.33
		3.2 Introducing separate collection in municipalities and building collection yards	15	1 278 202	1 260 483.30
Priority axis 4	Nature and landscape protection	4.1 Establishment of TSES elements and green infrastructure based on approved TSES documentation	0	0	0
		4.2 Protection of the natural species composition of ecosystems	2	200 000	183 455
		4.3 Implementation of approved care programmes	0	0	0
		4.4 Implementation of measures in buffer zones protected areas	1	350 000	350 000
		4.5 Implementation of measures to achieve or maintain the favourable status of protected species and habitats	3	330 000	329 989.47
		4.6 Implementation of measures aimed at fulfilling, achieving and maintaining the mission of zoos	1	78 000	77 900
Priority axis 5	Environmental training, education and promotion	5.1 Environmental training, education and promotion	13	973 839	856 528.01
Priority axis 6	Research, development and research aimed at identifying and improving the status of the environment	6.1 Research and development aimed at identifying and improving the status of the environment	2	320 000	318 685.68
Priority axis 7	Environmental burdens	7.1 Removal of environmental burdens	0	0	0
		7.2 Support for the removal of the consequences of accidents	0	0	0
		7.3 Supporting the elimination of the consequences of an extraordinary deterioration in water quality or an extraordinary endangerment to the quality of water endangering or damaging the environment	1	234.96	234.96
			Funding amount (EUR)	Drawing as of 31 December 2018 (EUR)	
Village renewal programme			800 000	767 097.37	
Extraordinary subsidies			287 149	286 234	
Services of general interest			79 304.65	79 304.65	
Compensation			10 000 000	10 000 000	
Electromobility			997 380	917 200.26	
Thermal insulation			14 013 861	13 673 688.75	

Source: Environment Fund

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### Green Education Fund

The Green Education Fund (GEF) is an instrument of the environmental policy of the SR focusing on promoting the development of environmental training, education and awareness in the territory of the SR through the promotion of the principles of shared responsibility and direct support for selected activities. It was established in 2017.

**Eligible applicants** that may submit project plans are civic associations, interest associations of legal entities, foundations and non-profit organizations performing public benefit services with an environmental focus.

**Table 024 I** GEF implementation

Indicator name	2017		2018	
	Number of projects delivered	Number of approved projects	Number of projects delivered	Number of approved projects
Project scope: regional	20	18	19	14
Project scope: nationwide	24	10	21	14
Required financial support	EUR 294 299.55		EUR 282 114.60	
Approved financial support	EUR 153 809.30		EUR 170 797.80	

Source: Slovak Environment Agency

## OPERATIONAL PROGRAMMES

### Operational Programme Quality of Environment (OP QE) (2014 - 2020)

The OP QE is a programme document of the SR for drawing assistance from the EU structural funds and the Cohesion Fund in the 2014 to 2020 programming period in the area of the sustainable and effective use of natural resources,

ensuring environment protection, active adaptation to climate change and support for an energy-efficient low-carbon economy.

**Table 025 I** Implementation of the Operational Programme Quality of Environment (EUR)

Priority axis	Allocation 2014-2020		Approved NFC application	Contracting		
	EU sources	SR sources		Contracted NFC	Contracted EU sources	Contracted SR sources
PA 1- Sustainable use of natural resources through environmental infrastructure development	1 475 851 729	147 938 969	1 083 188 127	947 543 289	854 917 632	92 625 657
PA 2- Adaptation to the adverse effects of climate change with the focus on flood protection	385 260 853	66 877 119	102 584 389	101 012 805	87 733 424	13 279 381
PA 3- Promoting risk management, emergency management and resilience to emergencies affected by climate change	260 901 369	42 971 993	204 096 199	184 105 001	150 913 655	26 629 094
PA 4- Energy efficient low-carbon economy in all sectors	938 886 480	88 957 935	632 020 716	521 521 610	460 601 957	56 794 866
PA 5- Technical assistance	77 000 000	15 775 942	62 688 208	51 055 594	42 373 351	8 682 243

Priority axis	ESIF drawing (at national level)		% drawing (EU sources)
	EU sources	SR sources	
PA 1- Sustainable use of natural resources through environmental infrastructure development	327 142 419	31 560 804	22.17
PA 2- Adaptation to the adverse effects of climate change with the focus on flood protection	3 151 242	542 612	0.82
PA 3- Promoting risk management, emergency management and resilience to emergencies affected by climate change	4 336 226	765 654	1.66
PA 4- Energy efficient low-carbon economy in all sectors	144 624 009	20 323 578	15.4
PA 5- Technical assistance	26 433 198	5 416 085	34.33

NFC – Non-repayable financial contribution

Source: Office of the Deputy Prime Minister of the SR for Investments and Informatization

### Rural Development Programme (2014-2020)

In relation to the environment, the Rural Development Programme (RDP) is focused – through two areas – on addressing the regeneration, conservation and

strengthening of ecosystems related to agriculture and forestry, on promoting resource efficiency and on promoting the transition to a low-carbon economy.

**Table 026 I** Implementation of the Rural Development Programme

Priority axis		Number of approved applications		Allocation 2014-2020 (EUR)	
PA 4 Recovery, conservation and enhancement of ecosystems related to agriculture and forestry	4 A Recovery, conservation and enhancement of biodiversity in areas of the Natura 2000 network and in areas with natural or other specific restrictions and in agricultural activity with high natural value and the regeneration, retention and improvement of the status of Europe's landscape areas	2015**	5034	896 538 000	
		189*	2016**		5890
	4 B Improving water management, including management of fertilizer and pesticide use	2017**	6262		
	4 C Preventing soil erosion and improving its management	2018**	6526		
PA – 5 Promoting resource efficiency and promoting the transition to a low-carbon, climate-resilient economy in the agricultural, food and forestry sectors	5A Increasing water efficiency in agriculture			19 223 650	
	5B Increasing the efficiency of energy use in agriculture and food processing				
	5C Facilitating the supply and use of renewables, by-products, waste, residues and other non-food raw materials for bioeconomics purposes	1			
	5D Reducing greenhouse gas and ammonia emissions from agriculture				
	5E Promoting the conservation and sequestration of carbon dioxide in agriculture and forestry	15	2016**		25
		2017**	15		
		2018**	19		

Priority axis		Committed expenditure (contracts concluded) (EUR)	Drawing (EUR)
PA 4 Recovery, conservation and enhancement of ecosystems related to agriculture and forestry	4 A Recovery, conservation and enhancement of biodiversity in areas of the Natura 2000 network and in areas with natural or other specific restrictions and in agricultural activity with high natural value and the regeneration, retention and improvement of the status of Europe's landscape areas	896 238 000.00	526 663 324.36
	4 B Improving water management, including management of fertilizer and pesticide use		
	4 C Preventing soil erosion and improving its management		
PA – 5 Promoting resource efficiency and promoting the transition to a low-carbon, climate-resilient economy in the agricultural, food and forestry sectors	5A Increasing water efficiency in agriculture	97 552	97 552
	5B Increasing the efficiency of energy use in agriculture and food processing		
	5C Facilitating the supply and use of renewables, by-products, waste, residues and other non-food raw materials for bioeconomics purposes		
	5D Reducing greenhouse gas and ammonia emissions from agriculture		
	5E Promoting the conservation and sequestration of carbon dioxide in agriculture and forestry		

Source: Ministry of Agriculture and Rural Development of the Slovak Republic

Note:

\* project measures of the RDP SR 2014-2020 within the framework of priority 4 contribute towards several focus areas (4A, 4B and 4C)

\*\* non-project measures (M10;M11;M12;M13;M15) of the RDP SR 2014-2020 within the framework of priority 4 contribute towards several focus areas (4A, 4B and 4C) and measures of continuing commitments from the RDP SR 2004-2006 and RDP SR 2007-2013 within the framework of measure 8.1, which contributes towards P5 5E. A payment application is submitted every year for the duration of the commitment

### Operational Programme Fisheries (2014-2020)

Within the framework of environmental protection, Operational Programme Fisheries finances the promotion of aquaculture that is environmentally sustainable, resource efficient, innovative, competitive and knowledge-based.

**Table 027 I** Implementation of the Operational Programme Fisheries (EUR)

Priority axis	Allocation 2014-2020		Approved NFC application	Contracting		
	EU sources	SR sources		Contracted NFC	Contracted EU sources	Contracted SR sources
PA 2- Fostering environmentally sustainable, resource efficient, innovative, competitive and knowledge based aquaculture	9 406 530	3 135 510	1 087 798	577 752	433 314	144 438

Source: Office of the Deputy Prime Minister of the SR for Investments and Informatization

### Operational Programme Integrated Infrastructure (2014-2020)

This is a programming document of the Slovak Republic for the drawing of European Union funds in the transport and informatics sector for 2014 to 2020. Its global objective is to focus on sustainable, greener and more cost-effective transport infrastructure.



**Table 028 I** Implementation of the Operational Programme Integrated Infrastructure (EUR)

Priority axis	Allocation 2014-2020		Approved NFC application	Contracting		
	EU sources	SR sources		Contracted NFC	Contracted EU sources	Contracted SR sources
PA 1 - Railway infrastructure	725 839 166	128 089 265	660 175 263	660 175 263	561 148 974	99 026 289
PA 2 - Road infrastructure	1 142 500 000	201 617 648	1 598 814 746	1 547 105 271	1 315 039 481	232 065 791
PA 3 - Public passenger transport	322 350 000	322 350 000	174 805 950	175 185 150	156 726 507	18 458 643
PA 4 - Water transport infrastructure	116 450 000	116 450 000	7 707 238	292 156	254 771	37 385
PA 5 - Railway infrastructure	282 232 227	282 232 227	1 920 240	1 920 240	1 632 204	288 036
PA 6 - Road infrastructure	484 757 228	484 757 228	225 694 436	193 582 408	164 545 047	29 037 361

Priority axis	ESIF drawing (at national level)		% drawing (EU sources)
	EU sources	SR sources	
PA 1 - Railway infrastructure	186 219 073	32 862 189	25.66
PA 2 - Road infrastructure	673 665 846	118 882 208	58.96
PA 3 - Public passenger transport	124 493 710	14 656 534	38.62
PA 4 - Water transport infrastructure	25 201	1 482	0.02
PA 5 - Railway infrastructure	917 958	161 993	0.33
PA 6 - Road infrastructure	117 262 305	20 693 348	24.19

Source: Office of the Deputy Prime Minister of the SR for Investments and Informatization

### **Integrated Regional Operational Programme (2014-2020)**

The European Commission has approved an instrument that represents aid from EU funds for 2014-2020. One of the priorities of the operational programme related to environmental protection is safe and environmentally friendly

transport in the regions, focused on low-carbon transport systems or the development of urban mobility through the support of cycling.

**Table 029 I** Implementation of the Integrated Regional Operational Programme (EUR)

Priority axis	Allocation 2014-2020		Approved NFC application	Contracting		
	EU sources	SR sources		Contracted NFC	Contracted EU sources	Contracted SR sources
PA 1- Safe and environmentally-friendly transport in regions	416 829 257	64 903 523	215 899 816	192 948 871	164 392 523	28 556 348

Priority axis	ESIF drawing (at national level)		% drawing (EU sources)
	EU sources	SR sources	
PA 1- Safe and environmentally-friendly transport in regions	29 088 117	7 616 255	6.98

Source: Office of the Deputy Prime Minister of the SR for Investments and Informatization

**Horizon 2020 (2014-2020)**

This focuses on three main areas - excellent science, industry leadership and societal challenges. Seven areas have been identified as social challenges where targeted investment in

research and innovation can benefit citizens. Four areas are relevant to the environment.

**Table 030 I** Implementation of the Horizon 2020 programme

	Priority area	Number of approved projects with Slovak participation	Amount of financing for Slovak partners (EUR)
Societal Challenges	Food security, sustainable agriculture and forestry, marine and maritime and inland water research, and the Bioeconomy	23	24 986 503.00
	Secure, clean and efficient energy	32	5 209 253.0
	Smart, green and integrated transport	37	5 277 200.00
	Climate action, environment, resource efficiency and raw materials	19	2 722 880.00

Source: Ministry of the Environment of the SR

**EEA Grants and Norway Grants**

As part of this programme projects focusing on mitigation and adaptation measures in urban areas and schools, projects to improve awareness of climate change and the regeneration of damaged wetland ecosystems will be especially promoted. An important part of the programme is bilateral cooperation with the contributing states of Norway, Iceland and Liechtenstein. This will contribute towards strengthening bilateral relations between Slovakia and the contributing states, through which projects with donor partnerships will be further supported, and events and activities focusing on establishing contacts prior to announcing calls to submit project applications will be implemented, including during the implementation of the individual projects.

The goal of this programme is "To mitigate climate change and reduce vulnerability to climate change", which will be achieved through two outputs:

The first output, entitled "Increased Resilience to Climate

Change and the Ability to Respond to Climate Change within the Framework of Targeted Territories" will be supported through two open calls to submit projects focusing on action plans to mitigate and adapt to climate change implemented by local authorities in urban areas. In addition, the output will be supported through one open call to submit projects and one Small Grants Scheme (SMG) focusing on improving awareness of climate change. The Small Grants Scheme is intended for primary and secondary schools. The output will also be supported through one pre-defined project focusing on measures, educational activities and improving awareness in the Living Lab in Dropie, which was supported by the contributing states as a pre-defined project. The ambition of the project is to lead environmental education in the form of innovative methods and demonstrations of the whole complexity of climate change for schools, local governments and various other target groups in Slovakia.

## SELECTED ECONOMIC ENVIRONMENTAL POLICY INSTRUMENTS

### FEES FOR GROUNDWATER ABSTRACTION

Fees for groundwater abstraction show a fluctuating trend and reached EUR 10 058 600 in 2018. Total fees for groundwater abstraction decreased by 13.4% compared to

2005 and decreased by 1.6% compared to last year. These fees are income for the Environment Fund.

### LAND EXPLORATION PAYMENTS

Land exploration payments are implemented through Act No 569/2007, on geological work. 50% of the payment is income for the Environment Fund and 50% is sent to the budget of the municipality in which the exploration area is located.

Income for the Environment Fund from exploration payments reached EUR 733 350 in 2018. Income from payments for land exploration increased by 88.9% in 2018 compared to 2005 and increased by 7.5% compared to the preceding year.

## PAYMENTS FOR EXTRACTED MINERALS

**Payments for extracted minerals** show a fluctuating trend. In 2018, payments for extracted minerals reached EUR 2 316 820.99, a decrease of 6.9% compared to 2005. Compared to

the preceding year they increased by 7.1%. Such payments are income for the state budget and the budgets of the municipalities.

## PAYMENTS FOR THE STORAGE OF GASES AND LIQUIDS

**Payments for the storage of gases and liquids** show a fluctuating trend. In 2018, payments for the storage of gases and liquids reached EUR 1 406 509, an increase of 37.7%

compared to 2005 (an increase of 12.6% compared to the preceding year).

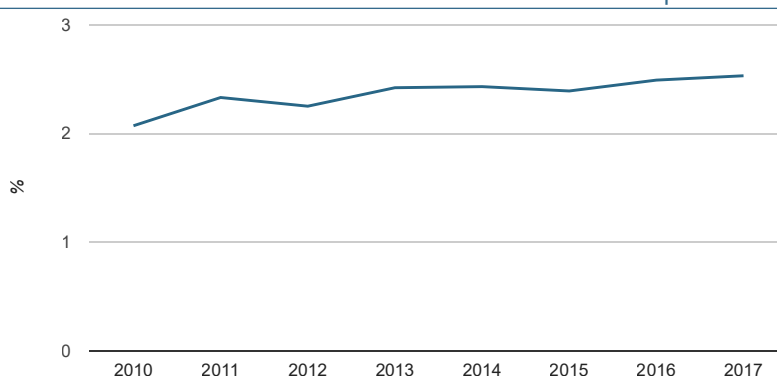
## TAXES WITH AN ENVIRONMENTAL ASPECT

Pursuant to Regulation No 691/2011 of the European Parliament and of the Council, taxes with an environmental aspect apply to taxes for **energy, transport and pollution**.

the SR between 2006 and 2013 had a falling trend, while in 2014 there was slight growth to 1.77% and subsequently in 2015 a decrease to 1.76%. In 2017 the share of taxes with an environmental aspect in GDP was 1.76%, a decrease of 0.05% compared to 2016.

**The share of taxes with an environmental aspect in GDP in**

**Chart 098 I** Trend in the share of taxes with an environmental aspect in GDP



Source: Statistical Office of the Slovak Republic, Eurostat

In 2017 the SR was one of the EU Member States with the lowest share of taxes with an environmental aspect in GDP.