



# annual report 2008

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# Foreword by the Director-General

The last year was specific for Slovakia mainly due to preparations for the entry into the Eurozone which naturally influenced also activities of our organisation. During this period, the National Agency for Development of Small and Medium Enterprises (NADSME) concentrated on initiatives aimed at spreading the awareness and at preparing entrepreneurs for the currency change. At the beginning of 2008, we actively participated in conducting surveys focused on the readiness of small and medium entrepreneurs (SMEs) for the adoption of Euro. The survey helped us to identify problematic areas. We used the results in setting up a programme of the information campaign in Slovakia which was realised in June and October.

In order to keep up with the ever changing business environment as well as crises which hit the whole world economy hard, we supported the growth of SMEs through initiatives aimed at the increase of innovation and competitive ability of Slovak enterprises. For instance, in line with our main mission we assisted entrepreneurs when looking for new co-operation partners, provided information on legislative changes on the common EU market, as well as on markets of third countries. We also organised information seminars and trainings with the aim to enhance the ability to adapt to the market and increase the competitiveness of our companies.

Moreover, the portfolio of our activities comprise also the provision of counselling services for SMEs, the participation in international projects financed from the EU funds, the implementation of state programmes as well as taking part in calls for the submission of projects. Worth mentioning is for instance an international project "ODESSA" (The Operation Development for Europe's SME Support Agencies) aimed at developing quality standards of educating managers in SMEs. Under the project, we took part in the realisation phase together with partners from the Great Britain, Spain, Bulgaria, Switzerland and the United Arab Emirates.

In the last year, we ended our activities in networks of Innovation Relay Centres and Euro Info Centres and put our experience in use within the new project of the European Commission for the support of entrepreneurs Enterprise Europe Network. At the same time, we also completed the project System of integrated employment and retraining of visually impaired people.

Furthermore, the NADSME still acts as an Intermediary Body under the Managing Authority for the Sectoral Operational Programme Industry and Services together with

the Operational Programme Competitiveness and Economic Growth, i.e. we secure a complex implementation process starting with the publication of the call till the project monitoring.

Through our daughter company Fond fondov s.r.o. we facilitated the access of SMEs to venture capital. As co-operation partners in investment funds, we addressed institutional investors from bank as well as financial sector.

The NADSME actively contributes to the enhancement of business environment and the increase of economic performance of the country through our activities taking into account technological, regional, social and industrial politics. We are keen on undertaking these efforts also in the future and by means of different support tools on fostering enhancement of business environment in Slovakia.

A handwritten signature in blue ink, appearing to read "János Mihalčík". The signature is fluid and cursive, with a horizontal line extending from the end of the last name.

# SECTION OF NATIONAL AND INTERNATIONAL PROGRAMMES

## DEPARTMENT OF INTERNATIONAL ACTIVITIES

### SERVICES FOR SMALL AND MEDIUM ENTREPRENEURS



Podpora podnikania na dosah ruky

It is small and medium enterprises (SMEs) that are in need of assistance when trying to enter new markets, particularly in the phase of the first launch of their products and services abroad. That is why we focus on helping SMEs with internationalization and entering new markets, concerning the common European market or markets outside the European Union (EU). NADSME enables and facilitates to Slovak entrepreneurs their participation at specialised and sectional co-operation events. The focus is not only on the presentation of entrepreneurs at fairs and exhibitions but also on the active support when searching for new partners.

We reach our goals via participation in international projects financed from EU sources and realization of state programmes aimed at increasing the innovative and competitive ability of Slovak enterprises.

In the co-operation with similarly-focused organisations, NADSME is able to provide entrepreneurs also with information on the development and changes in legislation at the common market as well as out of the European market, i.e. at the markets of third countries. Apart from counselling, we help entrepreneurs to anticipate and flexibly adapt to market changes and so improve their competitiveness.

Information services, counselling and support services of the co-operation of entrepreneurs are provided by our information officers from the Department of Services for SMEs.

#### Enterprise Europe Network

The Directorate-General for Enterprise and Industry came with a new initiative in February 2008, when Enterprise Europe Network officially started to act as an international counselling network for entrepreneurs. The network associates the most important agents from the field of SMEs support. The Network gathers nearly 600 organizations with approximately 4,000 experienced professionals who provide their services in more than 40 countries. The Enterprise Europe Network's goal is to provide SMEs with complex and easily accessible information, counselling and support services in business, innovation and research. The new Enterprise Europe Network builds on the experience of former Euro Info Centres network running since 1987 and Innovation and Relay Centres opened in 1995.

Due to the common project called „BISS Slovakia“ (Business and Innovation Support Services in Slovakia), there are following partners acting on behalf of the Enterprise Europe Network: NADSME, BIC Bratislava, Ltd. (Business and Innovation Centre), the Regional Advisory and Information Centre Prešov (RAIC Prešov), the Slovak Chamber of Commerce and Industry (SCHCI), BIC Group, Ltd. and I-Europa, Ltd.

As a member of the Enterprise Europe Network, we provided entrepreneurs with a number of services in the previous year. These services can be divided into the following 3 categories:

#### 1. Information, counselling and support services for the co-operation and internationalisation of SMEs

- informing and increasing awareness about European policies, legislation and initiatives aimed at and influencing SMEs,
- counselling and providing of information on opportunities offered by the common European market of goods and services,
- increasing SMEs participation in the EU policy creation,
- providing feedback from SMEs to the European Commission via online consulting and panelling,
- supporting the improvement of cross-border activities and SMEs' co-operation.

#### 2. Support of innovation, technology and knowledge transfer (implemented in the co-operation with the Department of International Activities)

- the dissemination of the information on how to support innovations in the EU,
- the support of international, technologically oriented co-operation,
- technology and know-how transfer,
- the analysis of technological situation of enterprises,
- organisation of partnership events in selected technological sectors,
- exploitation of results from research and development,
- increase of SMEs' innovation capacity, including the establishment of connections to adequate national and European financial schemes.

#### 3. Services encouraging SMEs to participate in the Seventh Framework Programme for Research and Technological Development - FP7 (implemented in the co-operation with the Department of International Activities)

NADSME, as a member of the Enterprise Europe Network and in the co-operation with national contact points, ensured the following:

- providing information on and raising awareness about the FP7,
- the research and development needs identification and searching for adequate partners,
- increasing the participation of Slovak enterprises (especially SMEs), universities and research institutes in European research programmes,
- supporting the preparation and implementation of FP7 projects.

We informed registered entrepreneurs on new articles, actual calls for proposal and tenders, new books in the online library, events (trainings, seminars, and international co-operation events), partnership offers in member as well as not member states of the EU via e-mails.

Complex information on Enterprise Europe Network activities in the Slovak Republic are available at: <http://www.enterprise-europe-network.sk>.

#### Databases for entrepreneurs

Web page of the Enterprise Europe Network contains also specialized sections on particular services provided via databases to entrepreneurs.

#### The Business Co-operation Database - BCD

The database operates on the basis of commercial co-operation of entrepreneurs from all around the world and enables them to publish their offers for co-operation via co-operation profiles. At the same time, it offers the opportunity to search for co-operation partners in more than 43 states. The registration conditions and actual offers for co-operation are available at the web page. The selection of offers is regularly sent to registered clients via e-mail.



#### ***The Bulletin Board Service - BBS***



The BBS system was developed to create an easier transfer between the EU member states and associated countries. Every technological offer and request enters database by the network member within the partnership organizations of the Enterprise Europe Network (e.g. in the Slovak Republic it is NADSME) upon the request of the person interested in publishing it via the BBS database. Offers and requests are distributed to all network members and that is how they are delivered to the relevant final recipient. Offers are matched with respective requests on the technological code basis.

#### ***The Feedback Database - FDB***



One of the main goals of the Enterprise Europe Network is to inform the European Commission on entrepreneurs' problems, which they come across while applying the EU legislation and the European Commission policy into the praxis. Entrepreneurs, with the help of the Enterprise Europe Network, could send suggestions directly to the European Commission via an electronic form available on the web page. We provided this service in the co-operation with the European Commission, local institutions and those supporting SMEs.

#### ***The Research and Technology Development Results Database - RTD***



The RTD database contains results of research and development from projects financed by the EU, i.e. framework programmes for research, technology development and demonstrative activities. It is an important source of new technologies and services which are ready for commercial use. It contains hundreds of actual project results prepared to be used in the praxis, or additional research. It also provides information on actual status of the technology development in selected areas.

#### ***Information and counselling for SMEs***

We provide information on the domestic market to interested entrepreneurs. We received requests for this kind of information from 352 business organizations in 2008.

At the same time we proceeded with the organisation of informational seminars and trainings aimed at making entrepreneurs familiar with the problems of enterprise in the EU. In the co-operation with our partners, we organized 22 events in different regions of Slovakia which were attended by 969 entrepreneurs.

Employees of the Department of Services for SMEs published articles and newsletters with information on enterprise, events, activities, calls and databases via the Enterprise Europe Network web page. Together with our partners, we sent out 21 newsletters, published more than 1,500 articles and 166 notifications on actual tenders and calls for proposals.

In the co-operation with the Publications Office of the European Union, we placed a lot of publications for SMEs at the web page, in the section "Library". They are set into 3 categories: legislation and EU documents; analysis, studies and manuals; programmes and financing. Publications are released in those languages (official EU languages) in which they were elaborated by EU institutions and offices.

#### ***Services for the support of SMEs' co-operation and internationalization***

In 2008, we assisted entrepreneurs with the search for co-operation partners (manufactural, business and project) by means of the whole Europe database and the communication system of the BCD, an internal correspondence network and arrangement of their participation at international co-operation events. 553 offers for co-operation from foreign companies were translated and other 764 offers were published in English. All of them were published in different periodicals as well as at the web page of the Enterprise Europe Network. Slovak entrepreneurs searching for foreign partners requested 280 contacts. 17 Slovak entrepreneurs used the services of the BCD. Foreign enterprises demanded contacts for 362 Slovak organizations.

We ensured that Slovak entrepreneurs were present at the different sector-oriented co-operation events for SMEs from the whole Europe. Bilateral negotiations took place at these meetings based on the time table prepared in advance. Negotiations took place mostly in the premises of fairs and exhibitions. Applications in the form of a company profile were consequently processed according to requirements of entrepreneurs. A preliminary time-table of meetings was generated by software. The time-table was further modified according to other requirements. The participation of entrepreneurs and other additional services were provided mainly free of charge.

Thanks to the initiative of the Department of Services for SMEs, we took part in projects aimed at the preparation of co-operation events for enterprises from the area of machinery and other related industries, energy, environment protection and waste management in the cross-border EU regions.

In 2008, we continued to implement the project called „PAVE PRINCESS“. In March, 6 Slovak enterprises took part in the event aimed at renewable energy sources in Austrian Wels. In April, the event aimed at bio energy was held in Danish Viborg. 2 Slovak entrepreneurs took the opportunity to meet partners from other countries. In May, the exhibition ELMIA RECYCLING aimed at waste management, recycling and bio energy was held in Swedish Jönköping. 1 Slovak enterprise participated.

Under the GLOBAL CLUSTER project, we arranged additional co-operation events, e.g. in January it was the co-operation event aimed at agricultural, food and vine industry took place in Berlin. 2 Slovak companies participated. Similar event focusing on the machinery sector drew attention of 17 Slovak enterprises in Nitra. All in all, in 2008 Slovak enterprises attended 428 business meetings with foreign partners.

#### ***Increasing involvement of SMEs in the EU policy creation***

One of the main goals of the Enterprise Europe Network is to inform the European Commission on the problems of entrepreneurs, which they interfere with while applying the EU legislation and the European Commission policy into the praxis. We act as a contact point to which entrepreneurs could report their problems or remarks on EU enterprises environment legislation. We got feedback from SMEs via online consulting and panelling. We provided entrepreneurs with 9 consultations centred at problems connected with the incorrect EU law application.

Within the Enterprise Europe Network, we invited and signed co-operation agreements with the following associated partners: The Ministry of Economy of SR, the Slovak Crafts Industry Federation, the Slovak Design Centre, the Slovak Standards Institute, the Slovak Agency of Environment, the Institute of Technology (Slovak Academy of Sciences), and the Association of Construction Entrepreneurs of Slovakia. All of them contribute to credibility and professional guaranty of the project.



## DEPARTMENT OF INTERNATIONAL ACTIVITIES

### INTERNATIONAL ACTIVITIES

In compliance with the main goals of the Agency, especially its involvement into international structures and possibilities to finance SMEs from international sources, we created the Department of International Activities.

Main activities of our managers connected with searching, evaluating and implementing projects are as follows:

- active searching for new projects/activities and their evaluation,
- elaboration and submission of project proposals for approval,
- planning with respect to sources and terms,
- implementation and monitoring of approved projects/activities,
- financial control of implemented projects/activities,
- elaboration of requested project documentation (contract drafts, amendments, statements of finance etc.) and reports,
- management and archiving of respective project documentation,
- communication with all involved parts in department activities.

We focused on the participation in international projects for the purpose of SMEs support, i.e. monitoring calls for proposal, active addressing of possible project partners and requested documentation preparation. In 2008, we took part in the preparation and implementation of the following projects.

#### ODESSA project



In 2008 we were involved in the kick-off of a realisation phase of the two-year international programme „ODESSA“ (Organisation Development for Europe's SME Support Agencies).

The project aims to improve competitiveness and raise the quality of SME support through internationally recognised standards for organisations supporting SMEs as well as for advisors and mentors to SMEs. Together with the lead project partner Exemplas Ltd. from the Great Britain, the Chamber of Commerce and Industry in Toledo (Spain) and the Bulgarian Agency for Support of SMEs we applied for a grant under the Lifelong Learning Programme GRUNTVIG financed from the EU funds in 2007. The programme attracted also partners from outside the EU the Swiss Federation for Adult Learning together with The Abu Dhabi Chamber of Commerce to become associated partners.

During 2008, 3 international meetings of the project team took place (in the Great Britain, Spain and Slovakia). We had the possibility to discuss mainly topics such as the difference in standards in individual participating countries which revealed a gap between original and new member countries of the EU. To sum it up, it can be said that newly joint countries lack any standards for educating SMEs whatsoever while those with a longer tradition of membership in the EU possess a wide range of similar standards.

Therefore, the composition of the unified, internationally respected standards became a common goal. These standards, which were suggested and commented by NADSME, were approved by consensus of all present members of the partnership in Bratislava.

4 organizations and professional consultants showing an interest to participate in the pilot phase of the project were chosen during the year. All of them actively took part in the ranking of organizations providing SMEs with educational and counselling services.

Participating organizations are part of the network of Regional Advisory and Information Centres (RAIC) and the First Contact Centres (FCC) - FCC Poltár, RAIC Komárno, RAIC Poprad and RAIC Trebišov.



An international expert trained chosen NADSME employees to become evaluators and consultants at the end of the year. They will rate centres on the basis of created standards and advise them how to improve in respective areas to become the first owners of standards in Slovak Republic.

#### Innovation Relay Centre (IRC)

In 2008, we successfully finished a 4 year project "Innovation Relay Centre" (IRC). We joined it in the years 2004-2008 within the scope of The 6th Framework Programme together with following partners: BIC Bratislava, BIC Group and the Slovak Chamber of Commerce and Industry.

Through the use of various support tools, this European network aimed at encouraging companies scientific institutions and universities, to co-operate in the field of a common development and transfer of technologies. The IRC helped not only SMEs but also universities and scientific institutions to commercialize their project results for industrial purposes.

The IRC Slovakia co-operated directly with the European Commission, The Directorate-General for Enterprise and Industry. It was part of the European Network of 71 IRCs in the EU and associated countries (European Innovation Relay Centre Network).

The Network associated nearly 250 organizations in the whole Europe with more than 1,000 experts in the field of technology and innovation development. This is how an easy geographical access was guaranteed in 33 countries, including the EU ones, new member states, Island, Israel, Norway, Switzerland and Chile.

Results of the IRC Slovakia project:

- we gained more than 1,000 clients, especially SMEs, out of which 350 used the BBS system,
- we visited more than 350 enterprises,
- we published 90 technological offers and requests in the BBS system,
- we made 100 technological audits,
- we organized 35 days of technological transfer,
- we mediated the closing of 60 technological transfer contracts.

IRC's activities and results will be still used within the Enterprise Europe Network, which joins initiatives aimed at the support of entrepreneurship and innovations for SMEs in the whole EU.

#### Mutual activities with the Enterprise Europe Network

The Department of International Activities co-operated with the Department of Services for SMEs in the project „BISS Slovakia“, in 2008. This project introduces the Enterprise Europe Network especially within 2 important categories:

##### 1. Innovation, technology and knowledge transfer support

We organized 2 seminars aimed at the area of technology, knowledge and innovation transfers and providing professional information into Enterprise Europe Network newsletters.

We searched for and sent 30 information on innovative solutions within research and development results, which took place in the EU in the field of medicine, biology, energy, environment, industrial, informational and communicational technologies.

We published 2 major results of the research and development in which Slovak institutions took part and which were disseminated through the international Enterprise Europe Network into partner states.



As a part of SMEs' support, we visited 11 firms in which we elaborated introductory analysis on their innovation potential. On the basis of analysis we will provide these firms with professional services of the Enterprise Europe Network.

Seeing that Slovak SMEs actively participate at co-operation events organized not only in Slovakia, we helped to create 20 profiles containing technological offers and requirements on the ground of which they were able to identify with their foreign partners.

The BBS database represents help in searching or offering innovative technological solutions or knowledge. The innovation technological offers and requests of Slovak organizations are published there. In 2008, we published 2 technological offers from Slovak firms, out of which 1 was subject to the interest of a foreign organization.

We organized 2 co-operation meetings designed for innovative firms from the EU as a help for the Slovak SMEs to increase their innovative potential. Besides co-operation events, we were involved also in the organization of a business mission to Udine (Italy). Above all, we also provided professional consultations at mentioned meetings and carried out 8 specialized technological audits, which helped us to discover what the actual state of monitored SMEs was and to outline solutions of its further development.

Our next goal within the Enterprise Europe Network is providing information to entrepreneurs with regard to the access to financial sources at the field of innovations, science and research. Biggest added value for SMEs is a transfer of innovative technologies and of knowledge – taking into consideration innovative solutions or products for SMEs from abroad or vice versa. We shared in one technological transfer last year.

## **2. Services to support SMEs participation in the EU 7th Framework Programme for research, development and demonstrative activities**

Science and research play very important role in the SMEs' competitiveness ability. In this field, we provided services throughout the RTD database, in which results from research and development from countries of the Enterprise Europe Network are published. The information on specific results of research and development from this database was sent to our clients. We actively participated in the promotion of the 7th Framework Programme. In 2008, a newsletter on this programme was published for our clients.



## **DEPARTMENT OF INTERNATIONAL ACTIVITIES**

### **PHARE MONITORING**

On February 28, 2007 the implementation of the Tourism Development Grant Scheme (TDGS 2003) was accomplished. At the same time, we finished the implementation of all grant schemes of the Phare programme.

With regard to the letter from the European Commission received in 2006, a claim laid at the Sectoral Monitoring Subcommittee for ECOSOC (Economic and Social Council) projects, and according to the Grant Scheme contracts NADSME was obliged to actively monitor supported projects during the period of 3 years after the disbursement of the final payment. It means that the position of the Programme Authorising Officer (PAO) did not expire on the day of the disbursement of Phare funds. In line with the wording of the financial agreement as well as EU directives, the PAO is responsible also for the execution of monitoring, storage of documents and provision of information on individual programmes during the following 5 years after the completion of the programme.

At the completion of the TDGS 2003, the Department of Phare Monitoring was created as of March 1, 2007. Its main goal is to monitor those grant beneficiaries, which were provided with financial resources within the Financial Memorandum FM 2002 and FM 2003 of the Phare Programme.

#### **Monitoring applies to the following 5 schemes:**

##### **FM 2002**

1. Industry Development Grant Scheme (GS IDGS 2002) - 102 projects within the investment projects (C1)
2. Innovation and Technology Development Grant Scheme (GS INTEG) - 2 technological incubators
3. Tourist Development Grant Scheme (GS TDGS 2002) - 92 projects

##### **FM 2003**

1. Grant Scheme of the Support of Innovative SMEs (GS SISME) - 73 projects
2. Tourist Development Grant Scheme (GS TDGS 2003) - 43 projects

Total amount of the projects NADSME is obliged to monitor is 312.

A more detailed project list of single grant schemes is stated in the table No.1 and 2.

*Table No. 1: FM 2002*

Grant Scheme	Allocation (in € without technical assistance)	Drawings (in €)	% drawings	Number of contracted projects	Number of finished projects	Number of paid out final payments	Number of monitored projects	Number of ex-post controls as to December 31st 2008	Risk projects detected on ex-post on-the-spot controls
<b>IDGS</b>	4 400 00	3 904 102,09	88,73	132 (K1-109, *K2-23)	126 (K1-103, *K2-23)	102	102	102	1
<b>INTEG</b>	2 700 000	2 644 846,49	97,96	2	2	2	2	2	0
<b>TDGS 02</b>	5 500 000	4 946 216,78	89,93	110 (K1-37, K2-73)	108 (K1-35, K2-73)	104	92 (K1-33, K2-59)	92 (K1-33, K2-59)	1

\* K2 – projects that are not monitored by NADSME



Table No. 2: FM 2003

Grant Scheme	Allocation (in € without technical assistance)	Drawings (v €)	% drawings	Number of contracted projects	Number of finished projects	Number of paid out final payments	Number of monitored projects	Number of ex-post controls as to December 31st 2008	Risk projects detected on ex-post on-the-spot controls
<b>SISME</b>	3 600 000	3 220 658,98	89,46	79	73	73	73	73	0
<b>TDGS 03</b>	4 570 000	3 735 337,93	81,74	58	52	47	43 (K1 - 39, K2 - 4)	43	0

### The way individual forms of monitoring are carried out

#### 1. Submission of monitoring reports

Monitoring reports are submitted to NADSME every 6 months by beneficiaries. Forms for the monitoring reports are available at the Agency web page. They are submitted via e-mail and consequently by post based on the preceding reminder from Monitoring Managers. Completed monitoring reports serve as a base for the procession of analysis and statistical evaluation required by the Ministry of Economy of the SR. Under industrial grant schemes, beneficiaries submit requested cumulative data always as to April 30 and October 31 of an individual year. In case of Tourism Grant Scheme, the submission deadlines are June 30 and December 31 of an individual year. Technological incubators supported under the INTEG 2002 are obliged to submit forms four times a year – always at the end of each quarter.

#### 2. On-the-spot control with the beneficiary (ex-post monitoring)

Controls carried out by NADSME focus on the following:

- the sustainability of the project (the form of the future implementation of project activities),
- the follow-up of the main project goal and sustainability of project outputs in line with the grant contract,
- the function and operation efficiency of investment projects,
- the archiving of the complete project documentation with the final beneficiary (contract, annexes to the contract, financial documentation, technical documentation and documentation of the public procurement),
- visual branding of project outputs (information boards with the EU logo on the acquired property).

As to the end of 2008, all 312 projects were monitored.

#### 3. Solution of eventual discrepancies

The most common discrepancies, which were recognized in 2008, were as follows:

- the project does not meet its main purpose in comparison with goals defined in the grant contract - low sustainability of the project respectively,
- missing or inadequate visual branding of the property acquired under the Phare projects,
- insufficient presence of innovation companies or starting entrepreneurs at the premises of technological incubators,
- damaged or missing project outputs,
- insufficient update or non-working web pages created under the project,
- unclear archiving of the project documentation.

Identified discrepancies are to be corrected by a beneficiary before the deadline determined by NADSME. The negligence of the visual marking reached the highest percentage of the above-mentioned failures. In case of serious discrepancies, findings were reported to the Ministry of Finance of the SR (MF SR).

In 2008, we found 2 serious discrepancies, which were reported to the MF SR. One was already non-existing organization (GS IDGS 2002), and the other was that beneficiary was not able to sustain outputs of the project in required state (GS TDGS 2002). 5 beneficiaries settled up their financial irregularities arisen during the implementation in 2008.

Apart from the main activities, that is. on-the-spot controls, the department carried out other activities. We prepared and distributed monitoring report forms to beneficiaries, evaluated monitoring reports, pressed on the beneficiaries, whose monitoring reports were not submitted in time, or were not specific enough.

We provided consultations to those beneficiaries who requested less-serious or serious changes with impact on project outputs. Thereafter we submitted requests to the MF SR for endorsing. We also consulted:

- upon reports elaboration for the European Commission (Joint Monitoring Committee) with the Government Office of the Slovak Republic,
- the preparation of materials for the meeting of ISMC (Internal Supervising and Monitoring Committee for European funds) with the Ministry of Economy of the SR,
- submitting of irregularity reports with the Slovak Government and the Department of Payments of MF SR.

In addition, we organized regular quarterly meetings of ex-post monitoring with supervising bodies. During the European Commission audit, we prepared and organized meeting with selected beneficiaries.

On the basis of on-the-spot control, we updated database of planned visits to beneficiaries and elaborated reports in compliance with the requests of supervising bodies.





## DEPARTMENT OF NATIONAL PROGRAMMES

### FINANCIAL PROGRAMMES AND REGIONAL CO-OPERATION

Main spheres of the department's activities are:

- the implementation and management of support programmes in the sector of SMEs financed from the public sources,
- proposals for the conception and preparation of specific programmes for the support of SMEs,
- the securing of the implementation of support programmes, provision of counselling and information for those interested in business - starting and existing entrepreneurs at the regional level - in co-operation with particular regional institutions, especially Regional Advisory and Information Centres (RAICs), Business Innovation Centres (BICs), First Contact Centres (FCCs) and business and technological incubators (BaTI),
- the support and monitoring of learning programmes in the field of skill and competence enhancements and the development of SMEs,
- the administration, co-ordination and monitoring of the implementation of support financial tools funded from revolving resources,
- the support of the development of Slovak network of BaTI, stimulation of their mutual co-operation and networking,
- the co-ordination, monitoring and evaluation of the activities of the institutional network of regional centres with the focus on results achieved through the implementation of support programmes and preparation of measures aiming to improve the effectiveness of programmes and support provided to target groups,
- carrying out activities and projects facilitating employment and self-employment as well as integration of different target groups, inc. visually impaired clients and endangered groups at the labour market, into the further training and preparation for entrepreneurship.

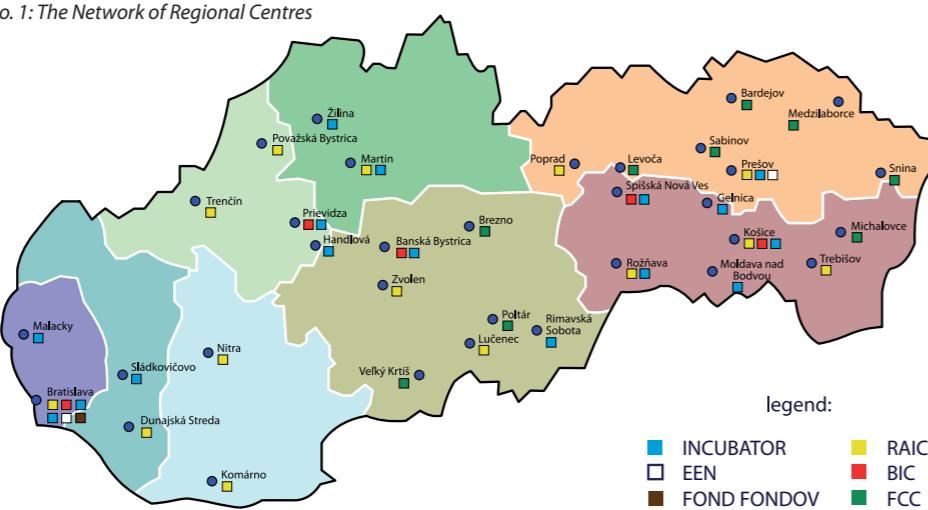
In 2008, we carried out the programme „Learning, training and counselling for selected groups of those interested in entrepreneurship“, „Micro-loan programme“, the programme „Support of SMEs via the network of incubators and the implementation of the Method „Research-based spin-off“ and we finished the project „System of integrated employment and retraining of visually impaired people“ (SIZAR).

At the same time, we monitored results of already finished programmes: „The Support Loan Programme“ and „The Support Scheme of the Purchase of Innovation Technologies and Setting up of Quality Management Systems“.

#### Counselling and information services for selected groups of those interested in entrepreneurship

We supported those interested in entrepreneurship in the form of the provision of discounted counselling and training services available on the whole territory of Slovakia via the network of RAICs, BICs and FCCs – picture No. 2.

Pic. No. 1: The Network of Regional Centres



The services delivered under the programme „Learning, training and counselling for selected groups of those interested in entrepreneurship“ are subsidised from the state budget. In 2008, regional centres delivered 3,136 information and professional consultations in the total amount of 6,930 hours. Consultations and trainings provided focused on all thematic areas connected with start-up of a company or getting a trade licence.

Regional centres thus elaborated or assisted with the elaboration of 484 business plans and references, carried out 33 trainings for 607 participants (chart No. 3).

In 2008, we carried out for the first time monitoring on clients satisfaction with delivered counselling and educational services. The main goal of monitoring was to gain overall knowledge on quality of services provided by centres, certify service range and programme aims fulfilment, gain survey on programme impacts, examine clients satisfaction, effectively use and reallocated financial sources of the programme.

During the monitoring, we addressed 1,170 clients out of 1,760. 917 participated in monitoring of satisfaction. Clients' evaluation showed excellent results of centres and their professional work. Centres helped to create 897 new enterprises and 887 new jobs.

Table No. 3: Subsidised counselling and training for those interested in entrepreneurship financed from the state budget and carried out by the network of RAIC/BIC/FCC in 2008

Centre	Information consultations		Professional consultations		Business plans and references		Trainings	
	number	hours	number	hours	number	number of trainings	number of participants	
BIC Prievidza, s.r.o.	93	46,5	142	469	67	11	329	
BIC Spišská Nová Ves, s. r. o.	66	33	159	531,5	47	4	45	
FCC Bardejov	16	8	13	39	0	0	0	
FCC Brezno	3	1,5	11	88	3	0	0	
FCC Levoča	37	18,5	71	146,5	5	0	0	
FCC Medzilaborce	2	1	12	74	2	0	0	
FCC Michalovce	16	8	16	48	0	0	0	
FCC Poltár	49	24,5	78	114	26	0	0	
FCC Veľký Krtíš	112	56	139	388	24	0	0	
RAIC Dunajská Streda	24	12	212	733	119	0	0	
RAIC Komárno	70	35	78	240,5	4	0	0	
RAIC Košice	79	39,5	82	321	11	2	29	
RAIC Lučenec	191	95,5	241	677,5	15	4	72	
RAIC Nitra	114	57	140	530	34	0	0	
RAIC Poprad	40	20	80	116,5	0	8	89	
RAIC Považská Bystrica	79	39,5	123	420	58	1	19	
RAIC Prešov	7	3,5	14	19	0	3	24	
RAIC Rožňava	12	6	13	34	10	0	0	
RAIC Trebišov	21	10,5	72	369	23	0	0	
RAIC Trenčín	110	55	139	616	36	0	0	
RAIC Zvolen	70	35	90	350	0	0	0	
<b>Total</b>	<b>1 211</b>	<b>605,5</b>	<b>1 925</b>	<b>6 324,5</b>	<b>484</b>	<b>33</b>	<b>607</b>	

## The Project SIZAR

Since 2005 till March 2008, NADSME took an active part in the project "System of integrated employment and retraining of visually impaired people – SIZAR" together with the chief partner the Slovak Blind and Partially Sighted Union and other partners – the Agency of Assisted Employment and the Institute of Labour, Social Affairs and Family. The main goal of the project financed from the EU funds, Equal Community Initiative, was the facilitation of employment and retraining of blind and partially sighted people.

In 2008, we continued to carry out main activities of the project. In February, we presented results and knowledge on integration of partially sighted (PS) clients into professional educational business courses – Starting up and Telemarketing – during the last two-day conference of the project. On the one-day national workshop seminar of the incubators' representatives, we presented alternatives how to integrate PS clients into the target group of the counselling-educational service, which is implemented within the state supported program "Learning, training and counselling for selected groups of those interested in entrepreneurship". Main goal of the seminar was to achieve regional accessibility and efficiency of counselling and educational service also for clients with visual or other disabilities and for other endangered groups on the Slovak labour market.

Project finished in March 2008. Results and impacts of the project from all 4 partners were published in print, audiovisual and electronic media.

## The Programme: Support of SMEs via the network of incubators and the implementation of the Method „Research-based spin-off“

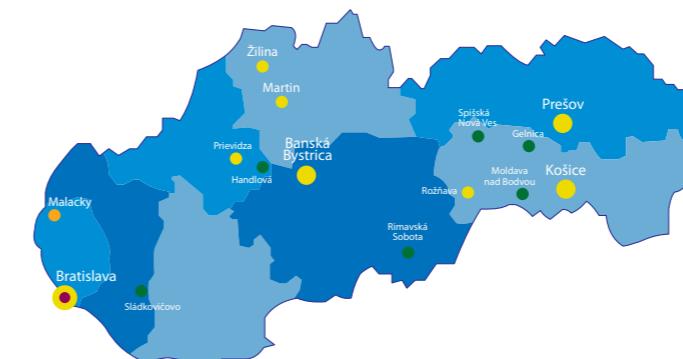
In 2008, we realized also the programme for the support of entrepreneurs – incubated companies - via business and technological incubators. It concerned the financial support of incubators in such a way so that they could provide starting entrepreneurs with suitable starting conditions for the operation of their companies for the minimum period of 3 years, the aim being the increased survival rate and improvement of SMEs competitiveness. The financial resources of the programme were allocated solely for non-investment costs, i.e. the partial settlement of operational costs of incubators. Investment activities such as reconstruction and enhancement of technological parameters of buildings were not carried out.

As to December 31, 2008 16 business and technological incubators were in operation in Slovakia, supporting newly created companies in Slovak regions (see picture No. 2). 9 of them met eligible criteria in accordance with conditions set in the programme and that is why contracts were drawn with them with the purpose to co-finance operational costs for the period of January – December 2008. Finally, 5 incubators drew financial funds, 4 did not draw since their business operation was profitable. From the state budget, funds in the amount of Sk 2,137,463.68 (€ 70,950.79) were used.

An important factor of investments into the development of the incubators' network is its impact on employment at the regional scale. In direct connection to the operation and activities of incubators, 1,235 jobs were created in 281 incubated companies, out of which 295 jobs were created by 101 companies in 5 supported incubators.

In February 2008 we organized the second national meeting of incubators' representatives with the aim to support the development of the incubator's network, intermediate the exchange of best practice between more experienced and newly-opened incubators, motivate networking and mutual co-operation in regions and initiate establishing of The Slovak Association of Business and Technological Incubators (SABTI). Its mission is to create possibilities for co-operative partners to develop economical potential in regions, improve business environment and guarantee providing of services to the SMEs by its members on the EU qualitative level.

Pic. No. 2: Business and Technological Incubators in Slovakia



## The Support Loan Programme

The Support Loan Programme had been implemented from revolving funds as to April 2005. In 2008, NADSME continued to monitor the settlement of loans in co-operation with banks as well as in the solution of problematic loans of this, already completed, programme.

Its main goal was to enable SMEs to access fixed and operational capital in the form of a midterm loan. It was designed for SMEs employing fewer than 250 persons and operating in the area of production, crafts, services and active tourism. The loan was provided in the maximum amount of SK 10 mil. (€ 33,194) for the period of 8 years. The programme was funded from the state budget, the EU (through Phare programme) and 4 Slovak banks (Slovenská sporiteľňa, a.s., Tatra banka, a.s., Unicreditbank, a.s. - primarily Poľhobanka, a.s. and Istrobanka, a.s.). At the end of 1998, Ľudová banka, a.s. joined the fund and in 2001 so did VÚB, a.s. The program was implemented from 1994 till March 30, 2005. During this period, the total amount of 1,173 loans was provided in the amount of Sk 3,885,930,343 (€ 128,989,257).

## The Micro-loan Programme

In 1997, NADMSE launched a pilot project the Micro-loan Programme with the help of 3 RAICs in Považská Bystrica, Zvolen and Prešov. Its main goal was to solve the problem of the access of small entrepreneurs in regions to small loans. In 2008, the programme was implemented in line with the directive of the Slovak Government No. 701/2002. It is designed for small entrepreneurs employing less than 50 persons and fulfilling definition of SME on the basis of the EU recommendation 2003/361/ES. In 2008, 15 centres were operating under the programme that covers the whole territory of Slovakia.

A micro-loan could be used for the acquisition of tangible and intangible fixed assets, reconstruction of operational premises as well as for the purchase of necessary stock, material or goods. In 2008, the minimal amount of a micro-loan was Sk 50,000 (€ 1,659.70), maximal amount was Sk 1,500,000 (€ 49,790.88) with the interest rate changing 3 times. In December it dropped down to 5.00% p.s.. The maturity period varied from 6 months to 4 years. It was possible to prolong the maximum grace period for principal repayment of 6 months. 155 SMEs submitted the request for the provision of a micro-loan in 2008, out of which 132 micro-loans were provided in the total amount of Sk 97,247,781 (€ 3,228,034.97). The average amount of the micro-loan reached Sk 736,726 (€ 24,454.82). All in all, 1,631 micro-loans were provided since the launch of the programme in the amount of Sk 771,164,972.20 (€ 25,597,987.54) - chart No. 4.

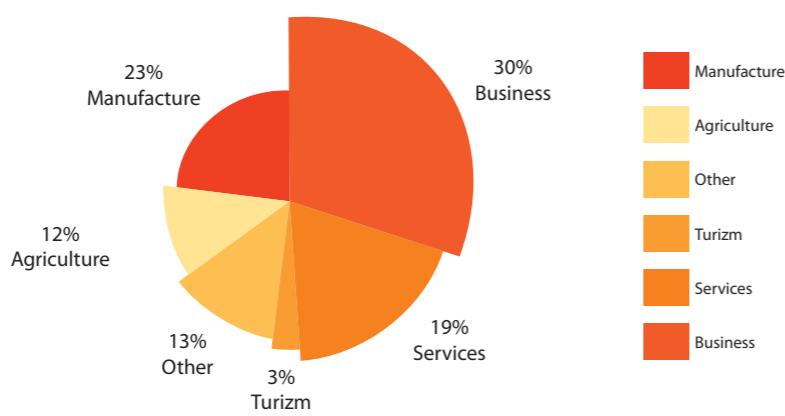
Another important factor which has to be mentioned in connection with the implementation of the "Micro-loan Programme" is its impact on employment in regions. In the 2008, 278 job positions were created and other 617 were maintained thanks to the financial support of the programme. Since the start of the programme, the total amount of 2,531 jobs was created and other 3,832 were maintained.



Table No. 4: The overview of provided micro-loans by individual centres

Centre	Year 2008		Cumulatively as to December 31st, 2008	
	number	in SK	number	in SK
Fond fondov s.r.o. Bratislava	7	3 280 000,0	127	65 459 500,0
RAIC Dunajská Streda	6	3 250 000,0	62	31 144 800,0
RAIC Komárno	13	9 360 000,0	117	58 737 037,6
RAIC Košice	4	3 700 000,0	40	28 049 335,8
RAIC Lučenec	10	8 950 000,0	83	46 425 725,0
RAIC Martin	9	8 567 458,6	78	38 626 820,6
RAIC Nitra	4	2 200 000,0	124	39 148 000,0
RAIC Poprad	5	6 000 000,0	14	13 431 033,0
RAIC Považská Bystrica	7	3 461 264,6	179	64 823 587,6
RAIC Prešov	16	15 800 000,0	190	91 777 000,0
BIC Prievidza	22	15 970 000,0	190	101 338 000,0
BIC Spišská Nová Ves	11	4 699 010,3	96	39 272 514,2
RAIC Trebišov	8	5 058 148,0	91	43 536 347,0
RAIC Trenčín	5	4 451 900,0	75	47 073 562,0
RAIC Zvolen	5	2 500 000,0	159	62 321 710,0
<b>Total</b>	<b>132</b>	<b>97 247 781</b>	<b>1 631</b>	<b>771 164 972,7</b>

Chart No. 1: Provided micro-loans share per economic industries of SR in 2008



#### The Support Scheme of the Purchase of Innovation Technologies and Setting up of Quality Management Systems

In 2008, impacts of the state support programme „The Scheme of the Purchase of Innovation Technologies and Setting up of Quality Management Systems“ consisting of 2 parts: „Duality“ and „Innovation Technologies“ were monitored. The scheme was realized from August 2003 till December 31, 2006. It was aimed at the improvement of the SME's competitiveness via the introduction and use of innovations and quality management systems according to the selected international standards.

The results achieved by beneficiaries in 2004-2005 were the subject of monitoring. Regarding the part Quality, the economic performance of 155 enterprises, and in the part Innovation technologies the performance of 27 companies receiving non-returnable financial contributions, were monitored. Economic indicators that were monitored and compared from the point of year-on-year changes: turnover, added value, company's profit, tax obligation, export activity, number of employees of individual companies.

## DEPARTMENT OF NATIONAL PROGRAMMES

### BUSINESS ENVIRONMENT ANALYSIS

Last year, our main activities within the Business Environment Analysis concentrated mainly on the following:

- the co-operation in the provision of state support and development of SMEs,
- the co-operation with institutions associating entrepreneurs,
- information activities,
- business environment monitoring,
- venture capital.

### Co-operation in the provision of state support and development of SMEs

For the need of the ME SR and in order to inform the business community, we elaborate a publication "The State of SMEs and its support in Slovakia" on annual basis. The report assesses the current state of the SME sector, its development in the chronological context as well as the development of business environment. It provides a complex overview of activities for the SME's support and a detailed picture of NADSME activities for the SME's support together with their assessment. An important part of the report is also a set of recommendations and proposals for the improvement of business environment and state support measures for the sector of SMEs.

Based upon the request of the ME SR, we took part in the preparation of "The Mid-term SME Development Strategy for 2009 - 2013" which will be submitted for the approval to the Slovak Government during 2009.

In order to conduct a deep analysis of actual problematic areas of business environment as well as to look for ways how to enhance system discrepancies we worked on several studies. They dealt especially with the administrative burden analysis of entrepreneurs connected with activities of local government bodies, the analysis of interconnection between the labour market and the Slovak education system as well as the assessment of the implementation of measures of the Complex business environmental audit.

### Co-operation with institutions associating entrepreneurs

We are aware of the importance of co-operation among institutions supporting business activities and creating business environment as well as those acting on behalf of entrepreneurs. That is why we pay attention to the co-operation with associations of SMEs, especially with the Slovak Union of Crafts, the Slovak Association of Entrepreneurs, the Slovak Chamber of Crafts, the Slovak Chamber of Commerce and Industry, the Slovak Business Alliance, the Slovak Association of Production Co-operation and the Slovak Association of Small Enterprises. The recommendations and suggestions of these organizations are included in the assessment of the state of SMEs and their support.



# STRUCTURAL FUNDS

## Information activities

Ongoing changes in the business legislation framework as well as changes in the system of business support create a strong demand of the business public for relevant, complex and correct information. In order to satisfy the demand, we prepared and systematically updated information materials for entrepreneurs, such as e.g. The Support of SMEs in Slovakia – a guide through initiatives, The review of legislative regulations for SMEs, The list of legislation for the support of SMEs. For those interested in doing business on the basis of a trade licence or setting up a commercial enterprise, we produced and regularly updated a guide "The basic administrative steps to take when starting up."

Each year, we prepare and publish "The Report on the state of SMEs in Slovakia" especially for the professional public and for the needs of governmental institutions. The complex material on the state and development of SMEs and its support in Slovakia is very often used as a source of information for institutions such as the EU, OECD and EC UN when preparing a comparative analysis and various studies.

## Business environment monitoring

Activities directed at the enhancement of business environment are the most efficient tools for the improvement of competitiveness and economic performance of the national economy. The monitoring of business environment and its features is a base for the qualified preparation of legislative changes and initiatives for the SMEs' support.

Within the activities of business environment enhancement for SMEs, we actively co-operated with the representatives of governmental institutions and business organisations. We drew quantitative and qualitative information on the SME sector from statistical data, own surveys, consultations with representatives of the business sector, universities, foreign partners etc. Together with the Statistical Office of the Slovak Republic and the Datacentre we continued with developing a database information system on SMEs. Apart from the detailed information on the SME sector, the information system is a suitable tool for the assessment of impacts of adopted legislation on business environment.

With the aim to get unbiased data on the attitude of the public towards entrepreneurship and on the relation between SMEs and measures for business support, we conducted two representative surveys in the 4th quarter of the last year. While the first one concentrated on getting the public opinion on entrepreneurship, including business potential assessment, another one focused on the opinion of SMEs on measures taken by the Government, regional and local governmental bodies for the business support. We provided results of both surveys to relevant institutions and the public for the future use.

In February 2008, in line with the preparation for the introduction of Euro as a national currency in the SR, we conducted a representative survey aimed at the actual state of readiness of SMEs and at the identification of weaknesses in the preparation at which the promotion campaign should focus. Consequently, we used the findings in the elaboration of the programme of information campaign for SMEs in such a way to assist them effectively with the preparations for the adoption of Euro. The following survey, which we carried out in November 2008, confirmed sufficient awareness of entrepreneurs as well as a significant headway of SMEs in the preparation process of a smooth introduction of the new currency.

## Venture capital

We implement the support of growth-oriented business projects in the form of a provision of venture capital (an investment into the equity of a company) through the specialised daughter company Fond fondov s.r.o. In 2008, Fond fondov s.r.o. set up Slovenský rastový kapitálový fond, a. s. (The Slovak Growth Capital Fund, a.s.) which enlarged the existing portfolio of venture capital funds and further broadened the offer of funding of business plans of a higher risk rate and higher potential of appreciation. In 2008, there were 31 investments approved in the total amount of Sk 371.9 mil. (€ 11.9 mil.).

The NADSME acts as an Intermediary Body under the Managing Authority for the Sectoral Operational Programme Industry and Services (SOP IS) and the Operational Programme Competitiveness and Economic Growth (OP CaEG) based on the Authorisation of delegation of powers from the Managing Authority (MO) to the Intermediary body (IB) and secures the process of calls, i.e. evaluation, implementation, financial control, monitoring and checking of applications for the provision of non-returnable financial contribution (NFC) as described below.

The programme period 2004-2006

SOP IS

- Measure 1.1 The Support of development of new and existing enterprises and services
- Measure 1.2 The Support of construction and rehabilitation of infrastructure

The programme period 2007-2013

OP CaEG

- Measure 1.1 Innovations and technological transfers

The system of financial management of Structural Funds, which comprises a complex of consequent and mutually intertwined sub-systems and activities, we secure through an effective financial planning, budgeting, accounting, recording, payments to final beneficiaries and a financial control during the realisation of the aid from the Structural Funds.

In the previous year, we changed our organisational structure and two departments were created - SOP IS Implementation and CaEG Implementation. After the organisational change, there were two main tasks awaiting us in 2008. The first one was to successfully complete the implementation of projects within the SOP IS and the other one was the publication of first two calls for the submission of NFC within the OP CaEG. All in all, it is possible to say that we have managed to fulfil those tasks with success since both of them were realised without major problems.

## MEASURES IMPLEMENTED WITHIN THE SOP IS

### Introduction of the Measure 1.1 THE SUPPORT OF DEVELOPMENT OF NEW AND EXISTING ENTERPRISES AND SERVICES

The Measure 1.1 focuses on the support of the development of enterprises operating in the field of industry and services, the increase of employment and living standard in regions via the private sector and the assistance to SMEs when trying to succeed in the international co-operation as well as when entering the EU market. Under the implementation of the Measure 1.1, the call SOP IS-2004-1.1 as on June 15, 2004, we concentrated especially on the following areas in 2008:

- the acceptance of payment applications together with the preparation of the proclamation on the verification for payment applications,
- the project monitoring in line with contracts on the provision of NFC coming into effect,



- the project monitoring after the completion of their realisation,
- the contact with authors of projects from the standby package and consequent drawing of contracts for the provision of the NFC.

We addressed applicants for the provision of NFC from the standby project based on the following:

1. the gradual release of funds as a consequence of the non-acceptance of contract conditions upon the signing by successful applicants under the call, refusal to sign the contract on the provision of the NFC from our side due to the shortcomings in the fulfilment of all conditions necessary for the signing of contracts from the side of the applicant respectively,
2. the withdrawal from the contract on the provision of the NFC, whether from our side or that of the aid recipient,
3. the relocation of funds not withdrawn from the Measure 1.1 The Support of development of new and existing enterprises and services, the call SOP IS-2004-1.1 as on June 15, 2004,
4. the relocation of funds from the Measure 1.3 The Support of entrepreneurship, innovations and applied research and 1.4 The Support of energy saving and use of renewable energy sources in line with the letter by the MO for the SOP IS (the ME SR) as on April 30, 2008.

*The state of projects by the end of the period monitored (for the whole implementation period of SOP IS)*

As to December 31, 2008 there were 50 contracts on the provision of the NFC signed in the total amount of Sk 1,139,573,488.20 (€ 37,826,909.92) signed. By the end of the year 2008 all aid recipients realised planned contracted activities and submitted the Final application for payment together with the Report on the project realisation completion.

From the total amount of 50 received Final applications for payment, Proclamations on the verification at the level of the IB/MO were not issued for 3 applications as on December 31, 2008 (those applications were in the approval process with the IB/MO).

During 2008, one contract on the provision of NFC was signed under the State Aid Scheme and, at the same time, no one withdrew from the contract on the provision of the NFC. By the end of the year, all aid recipients realised planned contracted activities and submitted the Final application for payment together with the Report on the project realisation completion.

*Implementation of the Measure 1.1 THE SUPPORT OF DEVELOPMENT OF NEW AND EXISTING ENTERPRISES AND SERVICES*

*Table No. 5: The overview of submitted and refunded Requests for payments (RP) under the call of the SOP IS-2004-1-1 in 2008*

	Number	Amount	State budget funds	ERDF funds
<b>Submitted RP</b>	10	Sk 89,784,297.16 € 2,980,292.68		
<b>Refunded RP</b>	6	Sk 53,028,374.06 € 1,760,219.55	Sk 24,474,634.20 € 812,409.02	Sk 28,553,739.86 € 947,810.52

Remaining 4 RPs were undergoing the approval process as to December 31, 2008.

**Introduction of the Measure 1.1 THE SUPPORT OF DEVELOPMENT OF NEW AND EXISTING ENTERPRISES AND SERVICES (De minimis aid scheme)**

Under the Measure 1.1 The Support of development of new and existing enterprises and services we published the call SOP IS-2006-1.1 for the submission of projects within the De minimis aid scheme on August 16, 2006. The deadline for the submission of projects was set on October 20, 2006.

Within the implementation of the Measure 1.1, the call SOP IS-2006-1.1 we concentrated mainly on the following areas during 2008:

- the contact with authors of projects from the standby package and consequent drawing of contracts for the provision of NFC,
- the acceptance of payment applications together with the preparation of the proclamation of the verification for payment applications,
- the project monitoring in line with contracts on the provision of NFC coming into effect,
- the project monitoring after the completion of their realisation.

*The state of projects by the end of the period monitored (for the whole implementation period of SOP IS)*

As to December 31, 2008 there were 197 contracts on the provision of the NFC in the total amount of Sk 499,832,990.45 (€ 16,591,415.74) signed. All in all, by the end of the year, 196 aid recipients realised all contracted activities and submitted the Final application for payment together with the Report on the project realisation completion. One contract on the provision of the NFC was in the process of a withdrawal from the side of the IB/MO at the end of the year.

With regard to the fact that the majority of Final applications for payment was submitted to the IB/MO in the 4th quarter of 2008, the Declarations of verification were not issued at the level of the IB/MO to 75 applications out of the total amount of 196 as to December 31, 2008 (they were in the process of registration and approval by the IB/MO respectively).

*Description of project implementation during 2008*

110 contracts on the provision of NFC were signed under the De minimis aid scheme. Out of this amount only 4 were signed within the package of originally approved projects by the evaluation committee. 14 projects were contracted from the standby package of projects approved by the evaluation committee and 92 were contracted also from the standby projects based on the relocation of funds as on April 30, 2008. Moreover, recipients or the IB/MO withdrew from 14 contracts on the provision of NFC.

*Implementation of the Measure 1.1 THE SUPPORT OF DEVELOPMENT OF NEW AND EXISTING ENTERPRISES AND SERVICES (De minimis aid scheme)*

*Table No. 6: The overview of submitted and refunded Requests for payments (RP) under the call of the SOP PS-2006-1.1 as on August, 16 2006 (De minimis aid scheme) in 2008*

	Number	Amount	State budget funds	ERDF funds
<b>Submitted RP</b>	190	Sk 456,926,595.87 € 15,167,184.35		
<b>Refunded RP</b>	77	Sk 187,403,911.47 € 6,220,670.23	Sk 86,494,113.33 € 2,871,078.58	Sk 100,909,798.14 € 3,349,591.65

Remaining 113 RPs were undergoing the approval process as on December 31, 2008

**Introduction of the Measure 1.2 THE SUPPORT OF CONSTRUCTION AND REHABILITATION OF INFRASTRUCTURE**

The Measure concentrates on the support of business development in the field of industry and services, the increase of employment and living standard in regions via the public sector. The call number SOP PS-2004-1.2 as on April 7 2004, which was published by the MO for the SOP IS in co-operation with the NADSME, includes eligible activities of the support of incubators' construction, the support of the development of technological parks, and the support of constructions of research and development centres.



In 2008, our activities within the Measure 1.2 concentrated primarily on the monitoring of projects by the public sector which had been provided by the NFC during 5 years after their completion. The object of our monitoring rested in the preservation of the purpose and features of the implemented project (sustainability).

As to December 31, 2008 the total amount of 6 contracts on the provision of the NFC were signed in the amount of Sk 146,385,347.05 (€ 4,859,103.34).

By the end of the period monitored, all 6 projects contracted under the Measure 1.2 of the SOP IS were completed out of which 1 project was completed in 2006 and remaining 5 during 2007. No one withdrew from the contract on the provision of the NFC during 2008.

#### *Implementation of the Measure 1.2 THE SUPPORT OF CONSTRUCTION AND DEVELOPMENT OF INFRASTRUCTURE*

Due to the fact that the last project under the Measure 1.2 (a call of SOP IS-2004-1.2 as on April 7, 2004) was completed on October 29, 2007, we did not receive any RP from financial beneficiaries in 2008.

#### **Introduction of the National project**

The implementation of the National project "The set-up of a network with information link between science, academic and specialised libraries, including their modernisation" is a part of the Measure 1.2 of the SOP IS "The support of construction and development of infrastructure".

It aims at modernising and interconnecting science, academic and technological libraries with business practice.

The final beneficiary is the Slovak National Library Martin (SNL Martin) which signed the contract with the NADSME on the provision of the NFC on April 24, 2007. Consequently, the final beneficiary drew contracts on the co-operation with 10 project partners:

- the Central Library of the Slovak Academy of Sciences,
- the State Science Library in Košice,
- the State Science Library in Prešov,
- the State Science Library in Banská Bystrica,
- the Slovak University of Agriculture in Nitra,
- the Slovak University of Technology in Bratislava,
- the University of St. Cyril and Methodius in Trnava,
- the Trenčín University of A. Dubčeka in Trenčín,
- the Technical University in Zvolen,
- the Žilina University in Žilina.

By the end of the period monitored, all project partners as well as the final beneficiary realised all contracted activities and submitted Reports on the completion of the project realisation together with the Final application for payment.

Due to the fact that project partners, namely the Central Library of the Slovak Academy of Sciences and the Slovak University of technology in Bratislava, are located in the Bratislava region and from the geographical point of view the SOP IS concerns only regions of the Aim 1, i.e. the whole territory of the SR apart from the Bratislava region, costs of those two partners are considered not eligible. That is why funds from those projects were returned.

#### *Implementation of the National project*

By the end of 2008, we paid Sk 180,296,125.99 (€ 5,984,734.95) in the form of a refund and a settlement of advance payments under the National project.



#### **Project monitoring under the SOP IS**

The monitoring is secured in the form of processing, summarising and assessing data which we gain at the project level from final beneficiaries through the following:

- reports on the process of the project implementation,
- reports on the completion of the project implementation,
- the monitoring and the assessment of indicators at the level of projects after their completion – lists of indicators,
- controls of a real project implementation,
- controls – on-the-spot project monitoring.

Projects are monitored during their implementation as well as realisation and even after their completion. In the implementation phase, final beneficiaries (FB) / aid beneficiaries (AB) are obliged to submit the Report on the project implementation progress at First Contact Information Centres (FCIC) that summarise Reports and send them in the form of Monthly reports on the implementation project progress to the NADSME. Based on the above-mentioned reports we prepare Quarterly Operative Reports for the need of the ME SR. Information gained are relevant not only for the project monitoring but also for the assessment of the measure, priorities and a whole SOP IS.

After the project completion, FB / AB send to the NADSME Reports on the completion of the project implementation together with the Final request for payment. Before the deadline set in the contract, FB / AB are obliged to submit to the FCIC an attachment to the Contract on the provision of the NFC – The list of indicators, filled in every six months. The fulfilment of given indicators is monitored during 5 years after the completion of the project implementation.

Based on data collected from FB / AB and FCICs, we assess the state of indicators at the level of measures and prepare the Semi-annual monitoring report on the state of indicators' fulfilment for the need of the ME SR.

An indispensable part of the project monitoring is undoubtedly also the control, i.e. the on-the-spot monitoring. This kind of control is carried out e.g. in cases when the Report on the project implementation progress has not been submitted, the communication between the AB and the IB/MO is missing, the fulfilment of activities, milestones or indicators of the project output and impact is verified.

#### **On-the-spot project implementation controls**

Charts below depict the overview and details of controls carried out in 2008 by the NADSME.

Table No. 7: On-the-spot controls realised in 2008 under the Measure 1.1 of the SOP IS

Type of on-the-spot controls:	Number of controls
real project implementation connected with the submission of requests for payment	131
continuous control	40
monitoring during the process of project realisation	0
monitoring after the completion of project realisation	36
<b>Total number of controls</b>	<b>207</b>

Table No. 8: On-the-spot controls realised in 2008 under the Measure 1.2 of the SOP IS

Type of on-the-spot controls:	Number of controls
real project implementation connected with the submission of requests for payment	0
ex-post control	0
monitoring during the process of project realisation	0
monitoring after the completion of project realisation	3
<b>Total number of controls</b>	<b>3</b>



## MEASURE IMPLEMENTED UNDER THE OP CaEG

### Introduction of the OP CaEG: Measure 1.1 INNOVATION AND TECHNOLOGICAL TRANSFERS

The Measure focuses on the support of the private sector in which innovations and transfer of technologies help to decrease the energy intensity and ecological impacts as well as increase the production effectiveness. In such a way also the increase of competitiveness of enterprises, services, and the effectiveness, the growth of added value and the modernisation of equipment are secured. Apart from the transfer of technologies and innovations, the Measure should contribute also to the creation of new jobs through the support of entrepreneurship.

### Introduction of the OP CaEG: Submeasure 1.1.1 THE SUPPORT OF THE INTRODUCTION OF INNOVATIONS AND TECHNOLOGICAL TRANSFERS

The aim of the aid under the call CaEG – 111DM – 0801 as on July 14, 2008 (De minimis aid scheme) – The Support scheme of the introduction of innovative and progressive technologies in industry and services – rests in the support of projects focusing on the following:

- the increase of competitiveness of existing enterprises through the introduction of innovative and progressive technologies,
- the creation of an environment increasing the innovation potential of enterprises in industry and services,
- the development of ecological production as a necessity for the preparation of a sustainable growth in industry.

#### Receipt of requests for the NFC

October 17, 2008 4.00 pm was set as a deadline for the submission of applications for the provision of the NFC under the above-mentioned call. 205 requests for the NFC were received before the deadline and in a required form. The total requested amount of the NFC reached Sk 813,262,439.04 (€ 26,995,367.42). The receipt was carried out fluently, without any delay.

#### Control of formal correctness

The formal correctness of requests for NFCs started to be checked on October 20, 2008. Any discrepancies found in requests for NFCs and their attachments were gradually consulted with the Implementation Manager of the MO.

Due to the fact that the system for project administration (ITMS - Information Technology Monitoring System) did not work properly, the extension of the period for the control of formal correctness and completeness of requests for NFCs was requested several times. Thus the process of formal control was successfully completed on December 11, 2008. Out of the total number of 205 submitted requests, 101 met requirements of formal control and were advanced for the specialised control. Consequently, on December 12, 2008 the ballot was carried out as well as the assigning of projects to external and internal evaluators within the premises of the NADSME. The specialised assessment itself was planned (due to the approaching Christmas holidays) for the new year 2009. Consequently, after the completion of this process, the evaluation committee met on January 1, 2009 and 87 projects were supported.

The most common discrepancies identified during controls of formal correctness were as follows:

- the form of the request for the provision of the NFC was not filled in properly, in line with conditions of the call respectively,
- compulsory attachments to the request for the provision of the NFC were not submitted in a required form and in line with the conditions of the call.

## Introduction of the OP CaEG: Submeasure 1.1.2 THE CREATION OF NEW JOBS THROUGH THE DEVELOPMENT OF ENTERPRENEURSHIP

The call DOP2008-SIP001 as on August 28, 2008 (De minimis aid scheme), the Submeasure 1.1.2 is specific due to the fact that it is realised in line with the measure of a different operational programme, i.e. the Measure 1.2 The Support of creation and maintaining of jobs through the increase of the adaptability of employees, enterprises and the support of entrepreneurship under the Operational Programme Employment and social inclusion (OP EaSI). For the FB, it represents the possibility to draw financial contributions from two funds: the European Regional Development Funds (ERDF) and the European Social Fund (ESF). The aim of the provision of aid in the form of the support of eligible projects rested in the increase of the following:

- the support of start-ups,
- the creation of jobs,
- the competitiveness of entrepreneurs,
- employment,
- the adaptability of employees.

The implementation body of the ESF aid as well as a partner agency that took part in the realisation of the call together with us was the Social Implementation Agency (SIA).

The SIA was also responsible for the whole call and that is why it secured the administration and the promotion of the call as well as the receipt of projects. We helped with individual activities. By the deadline of the call (November 28, 2008), the SIA received 220 applications for the NFC in the required form.

#### Control of the formal correctness

The process of the formal control was started on December 1, 2008 by SIA employees as well as ours. Members of the committee for the control of the formal correctness assessed the fulfilment of eligibility criteria and the completeness of submitted application for the NFC. This process was not completed in 2008. Thus for 2009 the ballot and the division of projects to external and internal assessors were planned together with their assessment, the meeting of the committee and other steps in line with the processes.



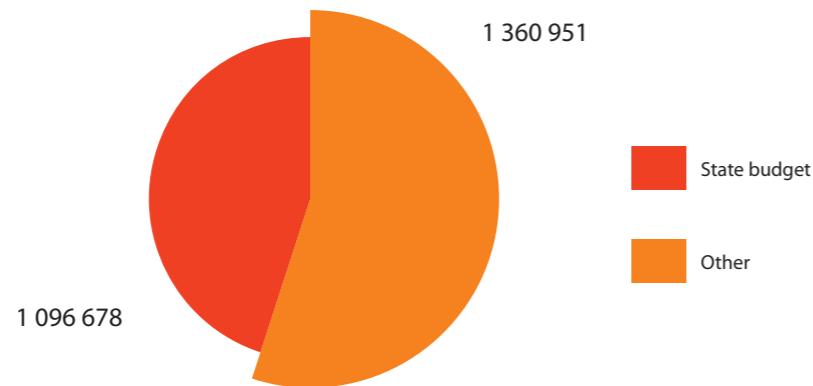
# FINANCIAL DIRECTOR AND THE DEPUTY OF THE DIRECTOR-GENERAL

## BALANCE SHEET

Table No. 9: The balance sheet of the NADSME as on December 31, 2008

	2007	2008
Balance sheet	Amount in €	Amount in €
<b>Total assets</b>	<b>86 466</b>	<b>85 240</b>
<b>1. fixed assets</b>	<b>40 242</b>	<b>45 752</b>
intangible fixed assets including adjustments	46	133
tangible fixed assets including adjustments	336	374
financial investments	39 860	45 244
<b>2. current assets</b>	<b>46 224</b>	<b>39 489</b>
financial assets	35 877	28 671
receivables	10 180	10 279
temporary active accounts	162	527
inventory	5	12
<b>Total liabilities</b>	<b>86 466</b>	<b>85 240</b>
1. equity	85 056	83 881
2. external short-term capital	1 409	1 360

Chart No. 2: NADSME operational costs in €

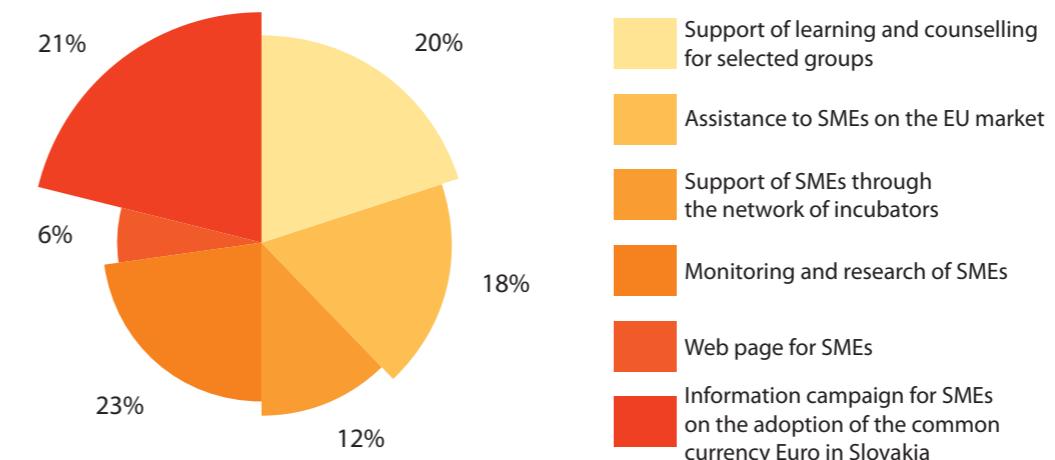


## DISBURSEMENT OF FUNDS FOR SUPPORT PRGAMMES OF SMEs

Table No. 10: Disbursement of state budget funds for SME support programmes in Slovakia in 2008

Support programme	Amount in Sk	Amount in €
Support of learning and counselling for selected groups	3 822 571,32	126 886
Assistance to SMEs on the EU market	3 500 000,00	74 588,50
Support of SMEs through the network of incubators	2 247 053,01	116 179
Monitoring and research of SMEs	4 498 957,00	149 338
Web page for SMEs	1 199 229,94	39 807
Information campaign for SMEs on the adoption of the common currency Euro in Slovakia	3 999 425,65	132 757
<b>Total</b>	<b>19 267 236,92</b>	<b>639 555</b>

Chart No. 3: Support programmes for SMEs



# NADSME STATUROTY BODIES AND MANAGEMENT

## ASSEMBLY OF REPRESENTATIVES OF ASSOCIATION MEMBERS

### **Peter Žiga**

State Secretary of the Ministry of Economy of the SR

### **Ján Oravec**

President of the Entrepreneurs Association of Slovakia

### **Peter Masár**

President of the Slovak Craft Association

### **Martina Valkovičová\***

Head of National and International Programmes

### **Vladimír Jakubec\*\***

Head of National and International Programmes

### **Branislav Valovič**

Director of Structural Funds

\* as to April 30, 2008

\*\*as from May 1, 2008

## ADMINISTRATIVE BOARD

### **Ivan Rybárik**

State Secretary of the Ministry of Economy of the SR

### **Peter Kažimír**

State Secretary of the Ministry of Economy of the SR

### **Vojtech Ferencz**

Director-General of the Section of Strategy of the Ministry of Economy of the SR

### **Ľuboš Halák**

Member of the General Council of the Entrepreneurs Association of Slovakia

### **Ján Maršala**

Vice-President of the Slovak Craft Association

## SUPERVISORY BOARD

### **Ing. Karol Pavlú**

Honourable Head of the Entrepreneurs Association of Slovakia

### **Stanislav Čižmárik**

Head of the Slovak Association of Roofing Contractors

### **Peter Bučka**

Head of the Service Department of the Ministry of Economy of the SR

## NADSME MANAGEMENT

### **Milan Jankura**

Director-General, NADSME Statutory Representative

### **Miroslav Dunajčín**

Financial Director and Deputy of the Director-General

NADSME STATUROTY  
BODIES AND MANAGEMENT



# NADSME ORGANISATION STRUCTURE

