

# National Agency for Development of Small and Medium Enterprises



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# Foreword by the Director-General



The last year was for our Agency a year of challenges and serious changes resulting from the introduction of a new national currency and the impact of global economic and financial crisis. In this context, we performed activities aimed at creating a positive and motivating environment for new, as well as existing businesses and helped to sustain the growth of small and medium enterprises (SMEs) in Slovakia. SMEs are in fact a cross section in the entire national economy and a major source of innovative goods and services. As such, they play a crucial role in the current strategy of employment growth and competitiveness of the Slovak economy.

Significantly worsened market environment, and thus reduced reliability and solvency of businesses, forced banks to tighten up the conditions for granting loans. To help businesses cope with the crisis, which brought difficulties to access financial sources, the NADSME offered companies to finance their perspective projects through the venture capital.

We have supported the growth of SMEs through various initiatives: we assisted entrepreneurs when looking for new co-operation partners, organized information seminars and trainings to improve the ability of firms to adapt to the market and increase their competitiveness, provided relevant information relating to legislative framework for internal business, the common EU market, as well as on markets of third countries, etc.

In 2009, we also launched several new projects. The European Commission initiated the creation of the European Network of Female Entrepreneurship Ambassadors. Based on rich experience in promoting and supporting female entrepreneurs through the competition "Businesswoman of Slovakia", we developed a project to support female entrepreneurship in Slovakia. Its main mission is to inspire women to become entrepreneurs, provide support before the establishment of their own business. Another project of our Agency is called the City for business. It belongs to our activities concentrating on the enhancement of business environment at a local and regional level. It aims to spread awareness on ways how a local government can improve conditions for entrepreneurs and create public support for the introduction of such measures.

It was a difficult year in which we had, thanks to the professional approach and dedication of our employees and their activities, actively contributed to the process of improving the business environment and increasing economic output of our country, taking into consideration the technical, regional, social and industrial policy. We will continue encouraging the improvement of business environment in Slovakia through the variety of supportive tools. I believe that also in the next year we will achieve the stated objectives and growth in all key fields.

A handwritten signature in blue ink, appearing to read "János Mihalčík", with a blue circular stamp to its right.

# Structural Funds

In 2009, we successfully continued to implement the Operational Programme Competitiveness and Economic Growth (OP CaEG) by announcing the third call for proposal for submitting applications for the provision of non-returnable financial contribution (NFC), for which the Agency acts as the implementation body.

The implementation of the Sectoral Operational Programme Industry and Services (SOP IS) was prolonged till June 30, 2009. It enabled us to support further 23 projects from the standby package within the de minimis aid scheme.

The Section of Structural Funds secures the process of preparation and announcement of calls, the process of control of formal correctness of requests for the NFC, the process of the specialised control of requests, the process of verifying conditions under which aid was provided, project and financial implementation of the projects, on-the-spot control and monitoring.

## MEASURES IMPLEMENTED BY NADSME WITHIN THE OP CaEG

### 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 to 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 Submeasure 1.1.1 THE SUPPORT OF THE INTRODUCTION OF INNOVATIONS AND TECHNOLOGICAL TRANSFERS

The aim of the aid is to support 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.

The aid is aimed at projects from the field of introduction of innovative and progressive technologies in industry and services, which address some of the following activities:

- tangible and intangible investments for the purchase of innovative and progressive technologies, devices, apparatus and equipment,
- tangible and intangible investments for the purchase of technologies for effective evaluation of natural resources with the aim to reduce negative impact on the environment.

## The Call CaEG-111DM-0801

*(The Support scheme of the introduction of innovative and progressive technologies in industry and services - de minimis aid scheme - as on July 14, 2008)*

The specialised control of requests for the NFC was completed on January 28, 2009. Consequently, the evaluation committee met and recommended to approve 87 projects. However, as a consequence of a lasting economic crisis, only 71 contracts on the provision of NFC were signed by entrepreneurs in the amount of € 9,513,225.46. 25 projects were wrapped up in the amount of € 3,037,198.54 by the end of the monitored period.

## The Call CaEG-111DM-0901

*(The Support scheme of the introduction of innovative and progressive technologies in industry and services - de minimis aid scheme - as on June 15, 2009)*

This call for proposal was aimed at the purchase of innovative and progressive technologies and there were 5 principal changes in comparison with the call in 2008 (111DM-0801):

- the aid was provided in the maximum amount of € 500,000,
- primary wood processing was excluded from the scope of the aid,
- beneficiaries were allowed to implement projects from the day the call for proposal was announced,
- building work expenses were ineligible,
- the beneficiaries were obliged to fill the requests for NFC via the public section of the ITMS portal.

## Reception of requests for the NFC

September 14, 2009 was set as a deadline for the submission of applications for the provision of the NFC under the above-mentioned call. Beneficiaries were obliged to deliver requests for the NFC in a required time via mail to the NADSME as well as send it via the public section of the ITMS portal.

169 requests for the NFC were received before the deadline, out of which 4 projects were not registered in NADSME, due to the fact that they were registered in the ITMS under a different call. 1 request was not evaluated upon the request of the beneficiary. The total requested amount of the NFC reached € 46,161,431.80. The reception was carried out fluently, without any delay.

## Control of formal correctness

The formal correctness of requests for NFCs started to be checked on September 16, 2009 and was successfully completed on December 4, 2009. Out of the total number of 169 submitted requests, 109 met requirements of formal control and were advanced for the specialised control. On December 7, 2009 the ballot was carried out as well as the assigning of projects to external and internal evaluators.

The specialised assessment itself started on December 10, 2009 and the end of the process was planned for the year 2010.

## Introduction of the Submeasure 1.1.2 THE CREATION OF NEW JOBS THROUGH THE DEVELOPMENT OF ENTREPRENEURSHIP

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 final beneficiary, 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).

### Support of start-ups

*(The Call DOP2008-SIP001 as on August 28, 2008 according to the Support Scheme of start-ups - de minimis aid scheme)*

On February 18, 2009 the specialised assessment of requests for the NFC was completed. Consequently, the evaluation committee met and recommended to approve 108 projects. 21 projects were integrated into

the standby package.

106 enterprises signed the contracts on the provision of the NFC in the amount of € 9,672,926.80. 8 projects were wrapped up in the amount of € 281,460.84 by the end of the monitored period.

### MEASURES IMPLEMENTED BY NADSME 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. That means to contribute to the development of regions by the development of SMEs.

- De minimis aid scheme  
(The Call SOP IS-2006-1.1 as on August 16, 2006)

In 2009, due to the extension of programme period till June 30, 2009, we supported further 23 beneficiaries from the standby package of the projects in the amount of € 1,512,976.65 within de minimis aid scheme. As to December 31, 2009 all projects were implemented and completed. The final figure of supported projects within de minimis aid scheme was 217 in the total amount of € 17,809,222.91.

The call for proposal	Region	Amount of contracted financial contributions	Amount of drawn financial contributions	% of drawn financial contributions
CaEG-111DM-0801	Western Slovakia	€ 3,315,989.38	€ 1,648,581.58	49.72
	Central Slovakia	€ 2,607,104.03	€ 770,027.26	29.54
	Eastern Slovakia	€ 3,590,132.05	€ 618,589.70	17.23
Total		€ 9,513,225.46	€ 3,037,198.54	31.93

The call for proposal	Region	Amount of contracted financial contributions	Amount of drawn financial contributions	% of drawn financial contributions
DOP2008-SIP001	Western Slovakia	€ 2,206,843.83	€ 46,065.00	2.09
	Cent Slovakia	€ 2,345,500.52	€ 159,081.84	6.78
	Eastern Slovakia	€ 5,120,582.45	€ 76,314.00	1.49
Total		€ 9,672,926.80	€ 281,460.84	2.91

- State Aid Scheme

(The Call SOP IS-2004-1-1 as on June 15, 2004)

With regard to the finalization of the programme period, all project activities under the contract conditions were finished in 2008. All beneficiaries submitted the Final application for payment with the Report on the project realisation completion. All 50 projects were successfully implemented and completed in the total amount of € 37,805,268.10. The projects are in the process of monitoring at present.

### 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 main priority is to enable the public sector to ensure development in the field of industry and services and so to increase employment and living standard in the region. Moreover, the aim is to re-establish business activities by the regional development including revitalization of previous industrial and business premises with the help of the public sector.

### INCUBATORS

(The Call SOP IS-2004-1.2 as to April 7, 2004)

We supported 6 projects (€ 4,859,103.34) within this call. The implementation of these projects was completed in 2007. In 2009, all of them were in the process of monitoring.

In September, our control managers carried out on-the-spot control - ex-post monitoring of the final beneficiary (FB) Rimavská Sobota. This beneficiary did not fulfil fixed indicators even after 3 and half years of monitoring. The prognosis of the project were stagnant and falling down. Upon the statement issued by the Ministry of Economy of the SR (ME SR), a decision to rescission of the contract was made. The FB is obliged to return provided financial contribution not later than April 30, 2010.

### 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 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, the contracted amount was € 6,304,361.75.

By the end of 2009, we paid € 18,102.60 in the form of a refund under the National project.

The project was finished and it is in the process of monitoring.

## Project monitoring

The monitoring is carried out as follows:

- during the implementation of projects activities,
- after the implementation of projects (indicators monitoring - measurable indicators of outputs and impacts).

During the implementation, a project manager carries out monitoring at the project level. Monitoring at the higher level within the monitoring processes of the NADSME is carried out by its monitoring department.

Monitoring after the implementation of the project at its level is carried out by the monitoring department of the NADSME in co-operation with a respective project manager. Monitoring at the higher level within the monitoring processes of the NADSME is also carried out by its monitoring department. At the same time, this department is responsible for the elaboration of regular reports, which are part of the controlling process of the Intermediary body and the Managing Authority.

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

### On-the-spot controls executed in 2009

■ Table No. 3: The Measure 1.1 OP CaEG

Type of on-the-spot controls:	Number of controls
real project implementation connected with the submission of requests for payment	33
continuous control	9
monitoring during the process of project realisation	0
monitoring after the completion of project realisation	0
<b>Total number of controls</b>	<b>42</b>

■ Table No. 4: The Measure 1.1 SOP IS

Type of on-the-spot controls:	Number of controls
real project implementation connected with the submission of requests for payment	97
continuous control	9
monitoring during the process of project realisation	0
monitoring after the completion of project realisation	50
<b>Total number of controls</b>	<b>156</b>

■ *Table No. 5: The Measure 1.2 Incubators*

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	4
<b>Total number of controls</b>	<b>4</b>

■ *Table No. 6: The Measure 1.2 National projects*

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

# Department of Ongoing Control of Structural Funds

The department deals with the control of the projects financed from the Structural Funds and co-financed from the national sources under the SOP CaEG, the scheme Support and Introduction of Innovative and Advanced Technologies in Industry and Services, the priority Innovation and Growth of Competitiveness. The scope of activities of control managers include:

- the control of physical realisation in line with the project specification,
- the control of eligible expenses and approved financial plans of the project (of which the NADSME and the Payment unit of the ME SR are responsible),
- the control of provisions of the Contract on the provision of the NFC,
- the control of the application of the EU and Slovak legislation.

In 2009, the Department carried out the total of 17 on-the-spot controls in order to check the application of articles of the Contract on the provision of the NFC. There were 7 employees with the Department. The total amount of the funds checked reached € 4,109,426.



■ Picture No. 1: Project name: *Technological development of entrepreneurship within the service complexity and providing of the labour force*



■ Picture No. 2: *Rolling line*

# National and International Programmes

## Department of International Activities

In the co-operation with similarly-focused organisations, the 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.

SMEs are in need of assistance when placing their products and services at new markets for the first time (especially abroad). Thus, one of our priorities is to help them to be successful, especially via the organisation of their participation at specialised and sector-oriented matchmaking events. They have got a the chance to attend and present themselves at fairs and exhibitions, but also contribute from the active assistance when searching for new partners.

We reach our goals via the participation in international projects financed from EU sources and realization of state programmes aimed at increasing the innovative and competitive ability of the Slovak enterprises. Information services, counselling, and support co-operation services are provided by information officers of the Services for SMEs Department.

### Enterprise Europe Network

In February 2008, the Directorate-General for Enterprise and Industry came with the initiative “the Enterprise Europe Network”. The network officially started to act as an international counselling network for

entrepreneurs. It associates most important agents from the field of SME 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 Enterprise Europe Network builds on the experience of former the Euro Info Centres network running since 1987 and Innovation and Relay Centres opened in 1995.

In Slovakia, the Enterprise Europe Network associates, apart from the NADSME, the following partners under a common project named Business and Innovation Support Services in Slovakia (BISS): BIC Bratislava, s.r.o. (Business and Innovation Centre), Regionálne a poradenské informačné centrum Prešov (Regional Advisory and Information Centre), Slovenská obchodná a priemyselná komora (Slovak Chamber of Commerce and Industry), BIC Group, s.r.o., I-Europa, s.r.o.

As a member of the Enterprise Europe Network, the NADSME provided entrepreneurs with a number of services that 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 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

- 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

In the co-operation with national contact points, the Enterprise Europe Network 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.

### Website

Complex information on the activities of the Enterprise Europe Network is available at the website:  
<http://www.enterprise-europe-network.sk>

Registered users were regularly informed, via the electronic mail, on new articles, recently announced tenders and calls for proposals, new titles of books available at the on-line library (materials designed especially for entrepreneurs), events (trainings, seminars, international matchmaking events), offers for partnership in the member states of the EU as well as countries out of the EU.

### 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 the NADSME) upon the request of the person interested in publishing it via the BBS database. Offers and requests are distributed to the 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

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 at 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 the 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, counselling and services for the support of SMEs' co-operation and internationalization

#### *Information and counselling*

We provide information on the domestic market to interested entrepreneurs. In 2009, we received requests for this kind of information from 791 business organizations via e-mail, phone or in person.

In 2009, we also continued to organise 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 739 entrepreneurs.

Employees of the Services for SMEs Department published articles and newsletter with information on entrepreneurship, events, activities, calls for proposals and database via the Enterprise Europe Network web page [www.enterprise-europe-network.sk](http://www.enterprise-europe-network.sk). Together with our partners, we sent out 17 newsletters, published more than 1,000 articles and 200 notifications on current 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 prepared by EU institutions and offices.

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

#### *Entrepreneurs' Co-operation Database*

In 2009, we assisted entrepreneurs with the search for co-operation partners (production, business and project partners) by means of the European database and the communication system of the BCD, an internal correspondence network, and also by means of the organisation of their participation at international co-operation events. Last year, 889 offers for co-operation from foreign companies were translated and other 4,281 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 481 contacts. BCD services were used by 43 Slovak entrepreneurs. Foreign enterprises demanded contacts for 202 Slovak firms.

### ***Matchmaking events for SMEs from all over the Europe***

We organised the participation of Slovak entrepreneurs at the different sector-oriented co-operation events for SMEs from the whole Europe. They mostly took place within fairs and exhibitions. Bilateral co-operations were negotiated at these meetings based on the timetable prepared in advance. Applications were submitted to and meetings were organised with the help of the NADSME. Consequently, submitted company profiles were processed by software according to requirements of entrepreneurs and a preliminary timetable of meetings was generated. The timetable was further modified on the spot according to other requirements. The participation of entrepreneurs and other additional services were provided mainly free of charge.

The Services for SMEs Department took part in projects aimed at the preparation of matchmaking events for enterprises from the machinery and similar sectors, energy industry, protection of environment and waste management in the cross-border EU regions.

In 2009, we participated also at international co-operation events such as e.g. the International Fair of Crafts in the Slovenian Celje, WOOD TECH in Brno and the Meeting of Slovak and Czech Entrepreneurs in Ostrava. In Slovakia, we organised international matchmaking events during fairs such as ELO SYS in Trenčín and PRO ECO in Banská Bystrica. With the co-operation of the Slovak Chamber of Commerce and Industry in Trenčín we organised also the matchmaking events within the International Fair of Machinery "Brno MSV 2009" which was attended by 73 companies (also from the Czech Republic, Poland, Austria, Germany, Sweden and Hungary). All in all, in 2009 we assisted enterprises with the arrangement of 423 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 practice. We act as a contact point to which entrepreneurs could report their problems or remarks on the EU enterprises environment legislation. We got feedback from SMEs via online consulting and panelling. We provided entrepreneurs with 47 consultations focused at problems connected with the incorrect EU law application.

# INTERNATIONAL ACTIVITIES

## 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 2009. This project introduces the Enterprise Europe Network especially within two important categories:

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

We organized 3 co-operation events aimed at the area of technology, knowledge and innovation transfers and providing professional information into the Enterprise Europe Network newsletters.

In 2009, we searched for and sent 20 information on innovative solutions within research and development results, which took place in the EU in the field of medicine, biology, energy and environment, industrial, informational and communicational technologies. This information is for a commercial use.

We visited 6 firms in which we elaborated introductory analysis on their technical and innovation potential. On the basis of analysis we provided them with other professional services of the Enterprise Europe Network.

In 2009, entrepreneurs showed increased interest in co-operation events which was caused by the economic crisis. It is proven by the fact that we helped to create 105 profiles containing technological offers and requests for business co-operation (by 80 more than in 2008).

The BBS database represents a help in searching or offering innovative technological solutions or knowledge. The innovation technological offers and requests of the Slovak organizations are published

there. In 2009, we published 6 technological offers from Slovak firms, out of which 3 were subject to the interest of a foreign organization.

Another 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 took part in the implementation of 2 technological transfers last year.

### 2. Services to support SMEs participation in the EU 7FP for research, development and demonstrative activities

Science and research play a very important role in the SMEs' competitiveness ability. In this field, we provided services through 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 7FP. In 2009, 33 entrepreneurs took part in a seminar on possibilities how to join the 7FP aimed at the support of the SMEs scientific activities.

## Project „Boosting the Female Entrepreneurship in Slovakia“

This project originated as a reaction to the specific call for proposal of the European Commission “the European Network of Female Entrepreneurship Ambassadors”. It is managed by the Executive Agency for Competitiveness and Innovation within the Competitiveness and

Innovation Programme 2007 - 2013 and is meant for the members of EEN.

The project, aimed at the promotion of female entrepreneurship in Slovakia, was prepared in co-operation with the Regional Advisory and Information Centre Prešov (RAIC Prešov). Our effort to promote entrepreneurship as an opportunity to develop female career was supported by the following associated partners: Top Centrum Podnikateliek (Top Centre



■ Picture No. 3: The Female Entrepreneurship Ambassadors in Stockholm

of Businesswomen), Nadácia Integra (The Integra Foundation Slovakia), Materské centrum MACKO (The Mother Centre MACKO), Ekonomická univerzita Bratislava (The University of Economics in Bratislava), Ústredie práce, sociálnych vecí a rodiny (The Central Office of Labour, Social Affairs and Family).

The main goal of the project is to inspire and motivate women to start their own business in Slovakia as well as in the EU, by the network of successful female entrepreneurs - Ambassadors. In Slovakia, 9 Ambassadors have been appointed from all regions to inspire women and young girls through success stories in order to set up their own businesses.

Project activities are designed mainly for potential businesswomen, especially: mothers on maternity leave, unemployed, the employed who are considering entrepreneurship, and students. Ambassadors should become their role models and inspiration encouraging

target groups during our seminars to seize opportunities, make their dreams come true, and to start their own business. Ambassadors will present their authentic business experience and share stories so the target group will have a chance to personally confront opinions, ideas and knowledge about entrepreneurship with the business reality. Potential businesswomen will also have an opportunity to get in contact with the community and institutions that are focusing on the support of female entrepreneurs in Slovakia.

The project achieved success from its very start in August 2009. 37 businesswomen decided to take part in a call for the nomination of Ambassadors, out of which the evaluation committee selected nine. They took part in a ceremony in Stockholm in October 2009 and were appointed by the Sweden's Crown Princess Victoria. The project and the Slovak Ambassadors were introduced to the Slovak public during the opening conference which took place in November 2009 in Bratislava.

#### **Project „Making Progress and Economic enhancement a Reality for Small-to-Medium Enterprises“(MaPEeR SME)**

We started to implement an EU-funded international project MaPEeR SME in the end of 2009. It aims to acquire comprehensive insight into the design, implementation and impact of existing SME research and innovation programmes and initiatives at European, national and regional level and convey it in the most appropriate way to SME stakeholders and policy-makers. The project will last two years and will involve 15 highly experienced organisations, covering the 27 EU members' states plus Bosnia-Herzegovina. The essential part of activities will take place in 2010 and 2011.

#### **Project „Support of Slovak - Hungarian co-operation of small and medium enterprises“**

Implementation of this project started in 2009 under the framework of „the Hungary-Slovakia co-operation

cross-border program 2007-2013“. It is financed from the EU funds. We submitted application for the provision of the NFC together with the Hungarian associated organizations: Theodore Puskas Foundation and ITD Hungary Zrt. Thereafter, we started to implement activities aimed at encouraging co-operation between Hungarian and Slovak enterprises as well as relevant institutions.

The communication platform for SMEs - web page [www.sme-husk.eu](http://www.sme-husk.eu) was created and launched during a four-month implementation of the project in 2009. It enables registered users to access catalogues of foreign firms, filter them by pre-entered criteria and consecutively address foreign enterprises on-line with specific offer for a co-operation.

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In November, we arranged the first event, a co-operation meeting of Hungarian and Slovak entrepreneurs in Miskolc together with our partners. 73 meetings were held during one day between 19 companies.

At the same time, the first part of the analyses on economic environment of a cross-border region had been elaborated. Its aim was to identify possible areas of the SMEs co-operation. We also issued a manual Business in Slovakia and Business in Hungary in English, Hungarian and Slovak language together with our partners. Project implementation continues in 2010.

#### **Project “Grundtvig mobility” - Lifelong Learning Programme**

This programme enables employers to increase qualification of their employees by means of trainings abroad. The National Agency for Lifelong Learning Programme is an implementing agency of the programme in Slovakia. We were provided by a grant and one of our employee participated at a one week seminar “Project proposal preparation and management of European educational projects“ (his stay was co-financed by our Agency). The seminar was organized by the Cypriot University in Agros from October 9 till 14, 2009. 18 employees from 12 countries took part in the seminar. Obtained information about project management and new contacts of the above-mentioned employee resulted in the preparation of a new international project.

#### **Project „Global Education of Entrepreneurs“**

This project is co-financed by the SlovakAid and its implementation started in 2009. The aim of the project is to overcome delusive picture about developing countries by means of spreading knowledge about their problems and opportunities among Slovak entrepreneurs. By organizing conferences with the presence of important representatives of research and entrepreneurial life also from abroad and by issuing conferences proceedings, we aim to create a platform for the exchange and application of experience and know-how of relevant stakeholders and thus provide SMEs, as well as wider public with complex and quality information on less developed countries.

More than 150 clients participated at conferences we organized since June 2009. 3 free of charge professional

conferences took place with the presence of the academia, government (ME SR, Ministry of Foreign Affairs of the SR and the Slovak Investment and Trade Development Agency), private and non-governmental sector and representatives from respective countries:

- Perspectives of Doing Business in India, June 23, 2009, Bratislava
- Perspectives of Doing Business in the Western Balkan (Albania, Bosnia and Herzegovina, Montenegro, Macedonia and Serbia), September 28, 2009, Nitra
- Perspectives of Doing Business in the European countries from The Commonwealth of Independent States (Belarus, Moldavia and Ukraine), November 19, 2009, Prešov

The Conference proceedings were issued to every respective conference.

### ODESSA project

In 2009 we continued to implement the 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. Project implementation resulted in setting up effective evaluation tools for trainers, advisers and organizations, creation of training materials and training of the certification process advisers and auditors who apply above-mentioned standards. This project has been co-funded from the Grundtvig, subprogramme of the Lifelong Learning Programme. It operated at the two levels:

- development of international standards,
- pilot implementation of standards.

The outcome of the project is The Business Advice and Support International Standard - BASIS standards. It covers standards required of organizations, trainers and advisers who provide support and counselling to SMEs.

It is aimed at:

- organizations supporting enterprises,
- professional consultants.

BASIS standards are a clear indicator of quality in organisations, professional consultants and anyone involved in the support of SMEs. The Basis Standard is unique because of the following:

- its focus is on business support,
- its coverage is wide (while other standards address only quality, people development, or customer care, Basis does all these and more in a completely integrated model),
- it covers both organisations and individuals, unlike other standards and qualifications.

The project was joined by 16 entities (4 organizations and 12 consultants) within the standards pilot level in the first half of 2009 in Slovakia. They completed the pre-evaluation and evaluation process and after a successful achievement of the evaluation criteria (3 organizations and 10 professional consultants) had been awarded the Basis standards. Our Agency had been also awarded the Basis standards and will be responsible for their implementation among organizations supporting and educating SMEs. We are obliged to advertise the standards and its trademark in Slovakia. Moreover, we are responsible for update of all clients, consultants and assessors in the database, etc.

# 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, the 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 on 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

The total amount of the projects NADSME is obliged to monitor is 312.

A more detailed project list of single grant schemes is available in the table No. 7 and 8.

### FINANCIAL MEMORANDUM 2002

■ Table No. 7: FM 2002

Grant Scheme	IDGS	INTEG	TDGS 02
Risk projects detected on ex-post on-the-spot controls	1	0	1
Number of ex-post controls as to December 31st 2008	102	2	92 (K1-33, K2- 59)
Number of monitored projects	102	2	92 (K1-33, K2-59)
Number of paid out final payments	102	2	104
Number of finished projects	126 (K1-103, *K2-23)	2	108 (K1-35, K2-73)
Number of contracted projects	132 (K1-109, *K2-23)	2	110 (K1-37, K2-73)
Drawings (in %)	88.73	97.96	89.93
Drawings (in €)	3,904,102.09	2,644,846.49	4,946,216.78
Allocation (in € without technical assistance)	4,400,000	2,700,000	5,500,000

■ K2 – projects that are not monitored by NADSME

## FINANCIAL MEMORANDUM 2003

■ Table No. 8: FM 2003

Grant Scheme	SISME	TDGS 03
Risk projects detected on ex-post on-the-spot controls	0	0 (1 finding in 2007)
Number of ex-post controls as to December 31st 2008	72*	43 (K1-39, K2-4)
Number of monitored projects	73	43
Number of paid out final payments	73	47
Number of finished projects	73	52
Number of contracted projects	79	58
Drawings (in %)	89.46	81.74
Drawings (in €)	3,220,658.98	3,735,337.93
Allocation (in € without technical assistance)	3,600,000	4,570,000

■ \* One beneficiary refunded whole amount of money because a new owner of the company did not show interest in carrying on with the project sustainability. We stopped the process of monitoring of this project.

## WAYS 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 ME 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.

### 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 outcome 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).

### 3. *Solution of eventual discrepancies*

The most common discrepancies, which were recognized while executing ex-post monitoring, were as follows:

- low sustainability of the project,
- 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 outcome,
- insufficient update or non-working web pages created under the project.

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. Serious discrepancies were not found in 2009.

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 twice a year, evaluated monitoring reports, urged 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 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 ME SR and the submission 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 all respective materials and organized meetings with selected beneficiaries.

On the basis of on-the-spot control, we updated the database of planned visits to beneficiaries and elaborated reports in compliance with the requests of supervising bodies. In 2009, ex-post monitoring was carried out only at the beneficiaries of those Grant Schemes implemented within Financial Memorandum 2003.

As of November 30, 2009, all projects implemented within FM 2003 - Grant Schemes SISME and TDGS 03 - were successfully monitored via on-the-spot controls. No serious discrepancies occurred.

As of November 30, 2009, period of the project Phare monitoring was wrapped up for beneficiaries of all Grant Schemes implemented within the scope of the Financial Memorandum 2002 and 2003, beneficiaries' obligation to send monitoring reports to the implementing body twice a year was extinguished and so did obligation of the NADSME to carry out on-the-spot controls once a year.

Simultaneously, we carried out administration of monitoring reports from the beneficiaries of Grant Schemes. At the moment, they are being evaluated and the result will be subsequently submitted to the supervising body (the ME SR). In addition, archiving of all project documentation and records of our department is under process.

Monitoring reports sent from TDGS 03 scheme beneficiaries will be administered in the same way. Deadline for sending them to the NADSME is the end of February, 2010. Gained data will be incorporated into the material required by the ME SR and consecutively submitted to the ME SR.

In December 2009, beneficiaries of both Grant Schemes received a letter from the Director General of the NADSME saying that the 3-year monitoring period was officially over.

# DEPARTMENT OF NATIONAL PROGRAMMES

## FINANCIAL PROGRAMMES AND REGIONAL CO-OPERATION

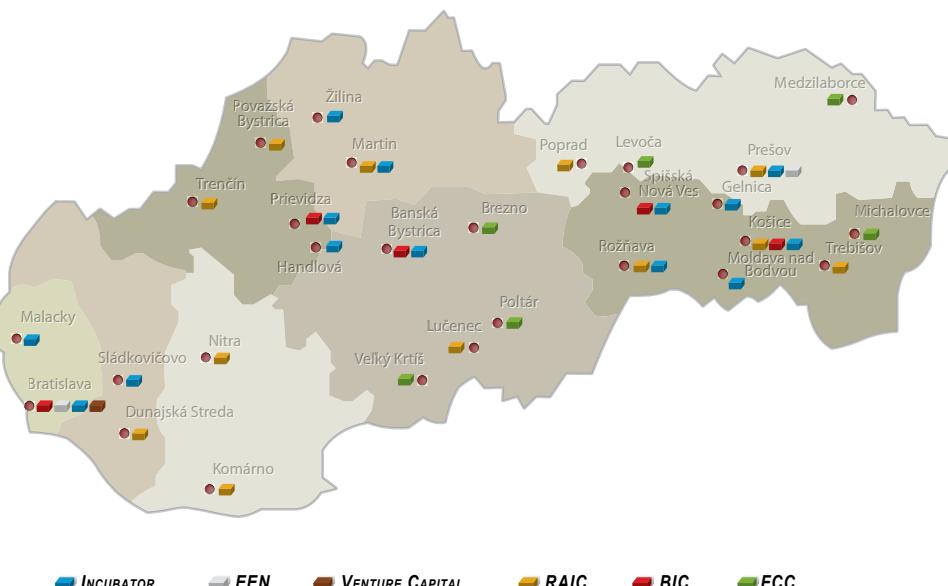
Main spheres of the department's activities in 2009 were as follow:

- 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, increase of skills and competence of entrepreneurs as well as the professional preparation of future entrepreneurs,
- 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 the 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 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.

In 2009, we carried out the programme „Learning, training and counselling for selected groups of those interested in entrepreneurship“, „Micro-loan programme“, and the programme „Support of SMEs via the network of incubators and the implementation of the Method „Research-based spin-off“. At the same

■ Picture No. 4: Regional Centres Network: RAIC, BIC, FCC and BaTI



■ Table No. 9: Subsidised counselling and training for those interested in entrepreneurship financed from the state budget and carried out by the network of regional organisations in 2009

	Information consultations		Professional consultations		Business plans and references	Trainings	
	number	hours	number	hours	number	number of trainings	number of participants
BIC/BIC-TI Prievidza	354	177	562	2,141.5	341	45	1,281
BIC/PI Spišská Nová Ves	123	73	248	347.5	44	14	336
FCC Brezno	16	8.5	39	56.5	2	1	12
FCC Levoča	11	5.5	24	75	6	0	0
FCC Medzilaborce	6	3	9	35	0	0	0
FCC Michalovce	4	2	15	43	1	0	0
FCC Poltár	37	22	30	24.5	0	0	0
FCC Veľký Krtíš	179	118.5	292	893	172	0	0
RAIC Dunajská Streda	131	87.5	270	907	130	1	13
RAIC Komárno	116	67.5	143	345	33	5	79
RAIC Košice	113	63.5	45	65.5	3	12	201
RAIC Lučenec	107	73	227	579.5	33	19	369
RAIC Nitra	50	29	110	419	23	2	47
RAIC Poprad	9	6	13	15	0	31	643
RAIC Považská Bystrica	93	61	200	645	70	10	186
RAIC Prešov	120	62.5	171	273	3	6	160
RAIC Trebišov	10	5	27	164.5	9	2	46
RAIC Trenčín	237	188.5	444	1,236.5	174	9	131
RAIC Martin	18	18	36	90	13	4	56
<b>Total</b>	<b>1,734</b>	<b>1,071</b>	<b>2,905</b>	<b>8,356</b>	<b>1,057</b>	<b>161</b>	<b>3,558</b>

time, we monitored results of already completed programmes 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 and subsidised counselling and training services available on the whole territory of Slovakia via the network of RAICs, BICs and FCCs (picture No. 4).

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 2009, regional centres delivered 4,639 information and professional consultations in the total amount of 9,427 hours. Consultations and trainings provided focused on all thematic areas connected with the start-up of a company or getting a trade licence. Regional centres thus elaborated or assisted with the elaboration of 1,057 business plans and references, carried out 161 trainings for 3,558 participants (table No. 9).

In 2009, for the second year, we carried out monitoring on clients satisfaction with delivered counselling and educational services. The main goal of monitoring was to gain overall knowledge on the quality of services provided by centres, verify the service range and fulfilment of programme goals, gain a survey on programme impacts, examine clients' satisfaction, effectively use and reallocate financial sources of the programme. During the monitoring, we addressed 73 % from all 5,326 clients. As many as 3,118 clients participated in the monitoring of satisfaction. Clients' evaluation showed excellent results in the provision of services by contracted partners and their professional work. Centres helped to create 3,264 new enterprises.

#### **The Programme "Support of SMEs via the network of incubators and the implementation of the Method „Research-based spin-off”**

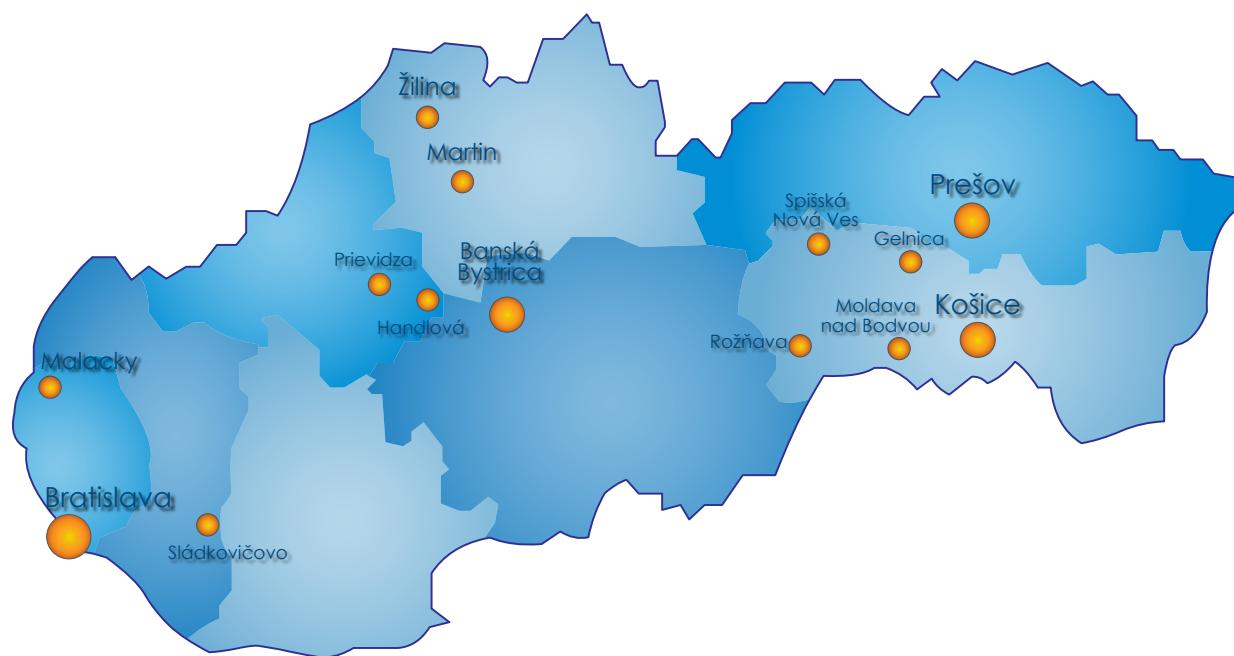
We continued with the realisation of the programme aimed at the support of start-ups - incubated companies - via BaTI also in 2009. The provision of financial aid to incubators was carried out with the aim to create suitable starting conditions for the operation of their companies for the minimum period of 3 years, and in

such a way to increase the survival rate and improve their competitiveness at the market. 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 were not carried out in 2009.

As on December 31, 2009 there were 16 subjects (out of the partner network of incubators) supporting newly established, especially small companies, in different regions of Slovakia (picture No. 5). 8 of them met eligibility criteria for the provision of financial contribution in line with conditions of the programme. We drew Contracts on the co-financing of operational costs for the period of January - December 2009 with 5 incubators; the remaining 3 did not apply for the contribution. Under the programme, the total amount of € 57,262.86 was drawn from the state budget.

An important measurable criterion of the investment into the network of incubators is the impact on employment in regions. 5 supported incubators safeguarded, through their operation and activities, 289 jobs in 92 incubated firms and other 16 jobs in the management and operation of incubators.

■ Picture No. 5: Business and technological incubators in Slovakia



## The Support Loan Programme

The Support Loan Programme had been implemented from revolving funds from 1994 till March 30, 2005. During this period, the total amount of 1,173 loans was provided in the amount of € 128,989,257. In 2009, we continued to monitor the settlement of 5 loans (the principal being € 180,000) in the co-operation with banks, as well as to solve problematic loans, including the claim of non-settled due amounts from entrepreneurs.

The main goal of the programme 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 € 33,194 for the period of 8 years. The programme was funded from the state budget, the EU (through the Phare programme) and 4 Slovak banks (Slovenská sporiteľňa, a.s., Tatra banka, a.s., Unicreditbank, a.s. - former Poľnobanka, 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 Micro-loan Programme

In 1997, the NADMSE launched a pilot project „the Micro-loan Programme“ with the help of the RAIC 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 2009, 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 meeting the definition of SME on the basis of the EU recommendation 2003/361/ES. In 2009, 15 centres were operating under the programme that covers the whole territory of Slovakia.

In the co-operation with the ME SR we prepared the modification of conditions and provisions of the existing programme based on the Slovak Government Decree No. 141/2009, article C.3 on the use and disposal of revolving funds. After the annotation process, the material was submitted at the session of the Government of the SR at the end of the year.

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 2009, the minimal amount of a micro-loan was € 1,659.70 and the maximal amount was € 49,790.88. The interest rate was derived from the basic interest rate of the European Central Bank which changed several times during 2009. At the beginning of the year, the rate reached 4.99 % p.a. while at the end of 2009 it was 3.00 % p.a. 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.

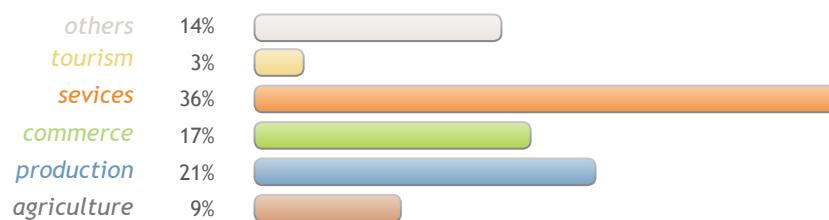
■ Table No. 10: The overview of provided micro-loans by individual centres

Centre	2009		Cumulatively as to December 31, 2009	
	Number	Amount in €	Number	Amount in €
Fond fondov s.r.o. Bratislava	20	759,068	148	2,931,925
RAIC Dunajská Streda	10	197,241	72	1,231,059
RAIC Komárno	15	315,704	132	2,265,416
RAIC Košice	9	357,590	49	1,288,657
RAIC Lučenec	14	320,535	97	1,861,586
RAIC Martin	5	159,744	88	1,441,919
RAIC Nitra	10	266,300	134	1,565,775
RAIC Poprad	12	485,416	26	931,245
RAIC Považská Bystrica	13	366,279	192	2,518,028
RAIC Prešov	9	268,526	199	3,314,964
BIC Prievidza	14	423,380	203	3,797,809
BIC Spišská Nová Ves	16	264,413	112	1,568,022
RAIC Trebišov	6	220,914	97	1,666,056
RAIC Trenčín	8	194,828	82	1,757,384
RAIC Zvolen	0	0	159	2,068,702
<b>Total</b>	<b>161</b>	<b>4,599,938</b>	<b>1,790</b>	<b>30,208,548</b>

In 2009, 237 SMEs submitted the request for the provision of a micro-loan, out of which 161 micro-loans were provided in the total amount of € 4,599,938. The average amount of the micro-loan reached € 28,571. All in all, 1,790 micro-loans were provided since the launch of the programme in the amount of € 30,208,548.

An important factor which has to be mentioned in connection with the implementation of the Micro-loan Programme is its impact on the employment in regions. In 2009, 366 jobs were created and another 960 were safeguarded thanks to the financial support of the programme. Since the start of the programme, the total amount of 2,897 jobs was created and other 4,792 were safeguarded.

■ Chart No. 1: Provided micro-loans share per economic industries of SR in 2009



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

In 2009, 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: „Quality“ and „Innovation Technologies“ were monitored. The scheme was realized from August 2003 till December 31, 2006. It was aimed at the improvement of the SMEs competitiveness via the introduction and use of innovations and quality management systems according to selected international standards.

Results achieved by beneficiaries in 2004-2005 were the subject of the monitoring. Regarding the part Quality, the economic performance of 13 enterprises, and in the part Innovation technologies, the performance of 25 companies receiving NFC, were monitored. Economic

indicators that were monitored and compared from the point of cross-year changes are as follows: turnover, added value, company's profit, tax obligation, export activity, number of employees of individual companies.

# Business Environment Analysis and Venture Capital

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

Every year, the NADSME prepares “The Report on the state of SMEs and their support in Slovakia”, an information material especially for the use by the professional public and also for the needs of governmental institutions. The material assesses the current state of the SME sector in Slovakia and its development in a chronological context, together with the development of business environment as such. It provides a complex overview of support and a detailed insight into our activities for the support of SMEs and their assessment. An important part of the publication is dedicated to a set of recommendations and proposals for the enhancement of the business sector and measures to be taken in the state support of SMEs.

The document “Small Business Act for Europe“ is of a great importance for the future creation of the policy for the support of SMEs and for the enhancement of business environment in Slovakia together with other EU states. The Act was adopted by the EU Council in December 2008. It aims to improve the overall political attitude towards entrepreneurship, to irreversibly anchor the „Think Small first“ principle in policy making, from regulation to public service, and to promote SMEs‘ growth by helping them tackle remaining problems which hamper their development. In order to secure the successful implementation of the document, the European Commission came up with a unique form of a political partnership between the EU and member states which respects the principles of subsidiary and proportionality.

The “Small Business Act for Europe“ rests on a main pillar made of 10 principles, which should be respected when creating rules for SMEs and enhancing legal and administrative environment at the EU and national

level. In line with this, we prepared “The Audit of Small Business Act recommendations and the elaboration of basic recommendations for SMEs in Slovakia by the European Commission“. The document was put at disposal to the Ministry of Economy of the SR in order to be used during the formulation of measures for the enhancement and simplification of conditions for the operation of small enterprises in Slovakia.

With the aim to conduct analysis of current problematic areas of the business environment and to look for ways how to enhance system drawbacks, we elaborated several studies. They concentrated especially on the impacts of economic crises on SMEs, the overall regulation burden for entrepreneurs stemming from most important acts that influence business environment, and also an analysis of the realisation of measures of the Innovation Strategy of the SR from the view of SMEs.

## Co-operation with institutions associating entrepreneurs

We are aware of the importance of the 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 Craft Industry Association, 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.

## 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 a qualified preparation of legislative changes and initiatives for the SMEs' support. 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.

With the aim to broaden and update data on the attitude of SMEs towards current issues connected with the business environment, we conducted several surveys. Their results were used at the preparation of thematic studies. Namely, they were surveys aimed at the identification of sources of unjustified burden for entrepreneurs and the opinion of SMEs on current changes in the business environment.

In line with the assessment of the introduction process of Euro as a national currency in the SR (as from January 1, 2009) and its impact on entrepreneurship, we conducted a representative survey among SMEs. The findings confirmed the successful management of the change in the currency, the quality of the information campaign, and benefits brought by Euro with regard to the ongoing economic crises.

## City for business

After the completion of the public administration reform, the local administration can chose from several legal ways how to influence the regional development, business environment and also the attractiveness of regions for investors. The project "The City for business" belongs to our activities concentrating on the enhancement of the business environment at a local and regional level. It aims to spread awareness on ways how a local government can improve conditions for entrepreneurs and create public support for the introduction of such measures. Thanks to the complexity

of this problematic, it is the first project of this kind in Slovakia.

The introductory part of the project dealt with the creation of methodology and a database of data for the evaluation of local business conditions. The main outcome is a report on the business environment quality in Slovak regions. Individual areas are evaluated based on the set of data coming from several resources. Apart from data from official databases, also questionnaires were distributed among SMEs and Slovak cities. The report contains also profiles of the business environment of each Slovak city. This makes it useful also when comparing the quality of business environment from the regional aspect.

From the perspective of supporting positive changes in the activities of local governments, an important part of the project was to publish results of the evaluation and presentation of successful cities and their approaches to create optimum conditions for business. These were mainly carried out in the co-operation with ECOPRESS Inc. as a publisher of a daily newspaper - *Hospodárske noviny* and co-organiser of the City for business competition. The winners in respective regions of Slovakia and the winner of the whole competition were gradually announced from January to March 2010. By providing information, we attracted professional as well as the lay public, praised the most helpful self-governments and motivated those which linger in their approach to business.

Based on a positive feedback gained from the current realisation of the competition „The City for business“, we plan to implement the project also in the future.

## 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”, and “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.

## 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. A long-term mission of Fond Fondov, s. r. o. is to manage the activity of individual funds in such a way to stimulate the development of SMEs at the whole territory of Slovakia, to appreciate the amount of funds and thus to use profits gained for the realisation of a long-term support of SMEs.

In 2009, Fond Fondov, s.r.o. managed 4 venture capital funds without legal entity (Fond štartovacieho kapitálu - the Start-up fund, Regionálny fond štartovacieho kapitálu - the Regional start-up fund, Fond INTEG - the INTEG fund and Fond SISME - the SISME fund) together with 3 venture capital funds with separate legal entity (Fond Seed Capital, k. s. - the Seed Capital Fund, k.s., Slovenský Rozvojový Fond, a. s. - the Slovak Development Fund, a.s. and Slovenský rastový kapitálový fond, a. s. - the Slovak Growth Capital Fund, a.s.). The set-up of funds with independent legal entity provided for the entry of institutional investors into the funds with the aim to increase the amount

of funds available for SMEs, the management of funds by professional management companies, and also the coverage of a wider spectrum of requests for the amount of investment for SMEs.

During 2009, 26 investments in the amount of € 13.9 millions were made within all venture capital funds in the portfolio of the NADSME / Fond Fondov s.r.o. The investment activity of funds increased significantly in comparison with the previous year. At the time of economic crises, the offer of venture capital helps to finance perspective projects of companies that would not otherwise be realised due to a more difficult access to funds.

# Programme “SUPPORT OF SUCCESSFUL BUSINESS PRACTICE”

The EU puts the support of economic growth and the creation of new jobs at the first place. In line with this trend, policies for the support of entrepreneurship and the creation of favourable business environment, especially for SMEs, became crucial, together with their successful implementation at a local and national level. Undoubtedly, one of the most effective ways how to express the support for and to motivate start-ups together with existing SMEs is to showcase and share best practices, as well as to award those that have proved to be successful.

“The Small Business Act” for Europe reflects the European Commission’s support for the entrepreneurial culture and help to share best practices in the entrepreneurial education. Within our scope of activities, we support also initiatives promoting sound entrepreneurial thoughts and ideas and implement best practices in the area of entrepreneurial education of those interested to start-up, e.g. by promoting best practices, entrepreneurial initiatives as well as entrepreneurship as such.

## Students’ firm of the year 2009

The project is a part of the world competition „the Global Student Entrepreneur Awards“. We organised the project in the co-operation with a non-profit non-governmental organisation Junior Chamber International - Slovakia, under the professional patronage of the Slovak Association of Entrepreneurs and the Slovak Association of Craft Industries. It focused on the support of competitiveness, imaginativeness, creativity, education and preparation of students for their future occupation. The main goal of the project is to demonstrate to the general public that it is possible to develop a company and at the same time to acquire a new knowledge and skills while studying at the university.

## Business Master

A long term decrease in the interest of the young to start up has been recorded throughout the whole EU. That is why all policies aimed at the support of SMEs focus more and more on the support of young entrepreneurs. The lack of interest among the young to consider entrepreneurship as a career option and consequently low entrepreneurial ambitions among them prevail also in Slovakia. Under the programme “The Support of successful entrepreneurial practice”, we initiated the creation of an interactive entertaining guide of a starting entrepreneur called “the Business Master”. In line with the programme’s goals, the main mission of the Business Master can be defined as follows:

- to introduce and share best practice in terms of entrepreneurial politics and experience,
- to publicly present examples of successful politics for the entrepreneurial support and share experience of successful entrepreneurs,
- to strengthen trust in the experience of being an entrepreneur,
- to encourage and inspire potential entrepreneurs.

The Business Master stimulates entrepreneurial ambitions, develops entrepreneurial thinking and skills of potential entrepreneurs through success stories of enterprises, products or ideas while applying one of the most effective educational forms - education through experiences.

# Businesswoman of Slovakia 2009

The national competition dedicated to female entrepreneurs was established by the NADSME in 1999 with the co-operation of the Canada Fund for the Slovak Republic, Zväz moravsko-sliezskych podnikateľov (the Association of Moravian - Silesian Entrepreneurs), the association Profesionálne ženy (Professional Women) and Slovenský živnostenský zväz (the Slovak Craft Industry Association). Its main aim is to award and highlight success of women in business, their ability to synchronize personal and professional lives and, at the same time, motivate others to start up their own business or develop existing enterprises.

In 2009 we organised the 10th annual round of the project. Top Centrum Podnikateľiek (the Top Centre of Businesswomen) was the professional partner. The patronage over this prestigious project was taken over for the fourth year by the wife of the Slovakian President Mrs. Silvia Gašparovičová.

The competition is designed for all female entrepreneurs (sole traders as well as proprietors of commercial companies) whose share in the company is at least 50 % and who have been in business for at least 12 months. Nominated entrepreneurs are divided by the jury into three categories:

- 1. OUTSTANDING BUSINESSWOMAN - main category**
- 2. STARTING BUSINESSWOMAN**
- 3. SUCCESSFUL SOLE TRADER**

Traditionally, the jury awards one businesswoman with the special prize - Jury's prize. It is given to a woman who does not explicitly fall into the above-mentioned categories or whose entrepreneurial activities are exceptional, innovative or progressive.



Picture No. 6: First Lady of the Slovak Republic, Mrs. Silvia Gašparovičová

In 2009, 20 % of women from eastern Slovakia, 24 % from central Slovakia and 56 % from western Slovakia took part in the competition. Half of them competed in the main category Outstanding Businesswoman. All the businesswomen together employ more than 180 people. The most frequent scope of business was accounting and retail / wholesale. Apart from these, female entrepreneurs operating in the following areas were also nominated: viniculture, horse breeding, IT marketing, counselling in the food industry, sale of experience and unusual gifts, and others.

The award giving ceremony was held on November 30, 2010 in the Divadlo Aréna in Bratislava. Many important personalities from the business sector and also personalities from professional bodies and politics took part.

The winners of individual categories were as follows:

### Outstanding businesswoman category

1. Jana ĎURÍKOVÁ, Jana Ďuríková VITIS, Opatovská Nová Ves  
- production and sale of wine grape plants, agritourism
2. Tatiana HEBELKOVÁ, Floriplast s.r.o., Komárno  
- production and sale of handmade candles
3. Eleonóra SOLÁROVÁ, EDS Eleonóra Solárová, Bratislava  
- retail, interior arrangement services



■ Picture No. 8: Winners of the competition Businesswoman of Slovakia 2009

### Starting businesswoman category

1. Drahoslava GEMZICKÁ, Pedikúra Drahuška, Liptovský Mikuláš  
- pedicure, manicure, massage, depilation services
2. Hana SEKULOVÁ, Darček-prekvapenie s.r.o., Ivanka pri Dunaji  
- unusual gifts and experiences (e.g. flight in a hot-air balloon)
3. Slavomíra KOLLÁROVÁ, Slavomíra Kollárová, Trebišov  
- production and sale of decorative products

### Successful sole trader category

1. Lucia BARUTÍKOVÁ, Jazdecká škola, Kozárovce  
- horse riding school, horse breeding
2. Alena KAPRALČÍKOVÁ, Alena Kapralčíková, Udiča  
- registry services
3. Juliana BAJTOŠOVÁ, Poľovnícke potreby, Kežmarok  
- retail of hunting accessories

### Jury's prize

Dáša GUZMANOVÁ, BILAX GM spol. s r.o., Bratislava  
- accounting services

The main prize was a car (Toyota Auris). All winners gained trophies produced by the protected workshop of the artist Eva Režná from Malacky and many other prizes.



■ Picture No. 7: Jana Ďuríková – Outstanding Businesswoman 2009

# NATIONAL WEB SITE FOR SMALL AND MEDIUM ENTERPRISES

## WWW.MSPONLINE.SK

In the current modern era of information engineering the electronic provision of information becomes a sought-after service. Websites are unquestionably most popular source of information for the general public as well as for entrepreneurs. Decision-making in many key areas is based precisely on access to fresh information within an unlimited time frame. Internet also serves as a virtual demand and supply market of companies around the world.

Therefore, more and more potential entrepreneurs as well as SMEs recourse to the Internet in order to obtain various updated information and find potential business partners. In 2001, the programme Web site for SMEs was adopted for the purpose of satisfying this target group. The national portal has been set up in order to effectively provide a complex package of information for SMEs in one place.

Provided information is as follows:

- **1. Counselling and Information section**
- **Business in Slovakia** (business types, business organizations and their contacts, business support, co-operation, coaching and training for SMEs, an overview of important institutions in Slovakia and their contacts),
- **Legislation of the SR** that affects business activity, sorted by its topic,
- **Entrepreneur's Calendar of Duties** by months,
- **The European Union** (institutions, legislation, business conditions in the EU countries, the profile of member and candidate countries, useful contacts),
- **Analysis and statistical information** about the business environment,
- **The Media monitoring,**
- **Consulting.**

**2. E-business**

A detached module B2B (business to business) [www.obchodnypartner.sk](http://www.obchodnypartner.sk) is a part of the web site. It functions as a contact place for business cooperation and as a database of enterprises.

**OBCHODNYPARTNER.sk** enables simple and direct B2B trading between not only Slovak SMEs but also foreign enterprises seeking suitable business partners in Slovakia. Online trading is no longer so unknown, as it was. The e-world, the world of e-commerce is becoming a commonplace in Slovakia. Companies can update their profile whenever it is necessary, and actively search for their business partners via the web page **OBCHODNYPARTNER.sk**.

A part of the web site [www.msponline.sk](http://www.msponline.sk) is also a business e-journal - Monthly Entrepreneurship <http://mp.msponline.sk/> - aimed at entrepreneurs. It is a successor of the Enterprise journal that was published for the last time in November 2005 (due to economic reasons). The readers of this journal called for its re-issuing. Therefore, we restored its issue in an electronic form. The Monthly Entrepreneurship contains all that a small and medium entrepreneur needs to know.

The annual subscription is € 4.98 and regular columns are devoted to topics such as:

- venture capital,
- co-operation of entrepreneurs, seminars, exhibitions and fair trades,
- European Union news,
- business legal advisory,
- Slovak regions and their support activities,
- EU funds and current calls for proposal,
- calendar and duties of a businessman.



■ Table No. 11: NADSME web portals traffic overview in 2009

indicator	web page	monthly avarage 2009	Total 2009
number of visits	www.nadsme.sk	7,622	91,458
	www.msponline.sk	12,967	155,600
	podnikanie	929	11,152
	www.obchodnypartner.sk	12,393	148,714
page views	www.nadsme.sk	28,030	336,355
	www.msponline.sk	24,344	292,129
	podnikanie	3,256	39,071
	www.obchodnypartner.sk	27,906	334,868

# FINANCIAL DIRECTOR AND THE DEPUTY OF THE DIRECTOR- GENERAL

The balance sheet of the NADSME as on December 31, 2009

	2008	2009
Balance sheet	Amount in thousand €	Amount in thousand €
<b>Total Assets</b>	<b>85,240,357</b>	<b>90,612,704</b>
1. fixed assets	45,751,693	58,982,573
intangible fixed assets including adjustments	132,825	151,661
tangible fixed assets including adjustments	374,415	307,438
financial investments	45,244,453	58,523,474
2. current assets	39,488,664	31,630,131
financial assets	28,670,716	21,485,440
receivables	10,278,721	10,070,140
temporary active accounts	526,856	54,141
inventory	12,371	20,410
<b>Total Liabilities</b>	<b>85,240,357</b>	<b>90,612,704</b>
1. equity	83,880,706	81,949,253
2. external short-term capital	1,359,651	8,663,451

# NADSME STATUTORY BODIES

## ASSEMBLY OF REPRESENTATIVES OF ASSOCIATION MEMBERS

**Peter Žiga**

*State Secretary, Ministry of Economy of the SR*

**Ján Oravec**

*President, Entrepreneurs Association of Slovakia*

**Stanislav Čižmárik**

*President, Slovak Craft Industry Association*

from July 22, 2009

**Peter Masár**

*President, Slovak Craft Industry Association*

up to July 22, 2009

**Ivan Rybárik**

*State Secretary, Ministry of Economy of the SR*

up to September 15, 2009

**Peter Kažimír**

*State Secretary, Ministry of Finance of the SR*

up to January 13, 2009

## SUPERVISORY BOARD

**Peter Bučka**

*Head of the Service Department,*

*Ministry of Economy of the SR*

**Karol Pavlú**

*Honourable Head, Entrepreneurs Association of Slovakia*

**Ján Kahan**

*Vice-President, Slovak Craft Industry Association*

from July 22, 2009

**Stanislav Čižmárik**

*Vice-President, Slovak Craft Industry Association*

up to July 22, 2009

## NADSME MANAGEMENT

**Milan Jankura**

*Director-General, Statutory Deputy*

**Miroslav Dunajčin**

*Financial Director and Deputy of the Director-General*

**Branislav Valovič**

*Head of Structural Funds*

**Vladimír Jakubec**

*Head of National and International Programmes*

up to May 31, 2009

**Peter Pacek**

*Head of National and International Programmes*

from July 1, 2009

# Organization Structure

