# The context for Better Regulation in the Slovak Republic

This chapter describes the administrative and legal environment for regulatory reform in the Slovak Republic and assesses the communication with stakeholders on strategy and policies. It also looks at the policies, processes and institutions for evaluating the efficiency and effectiveness of programmes aimed at improving the regulatory environment. The role of e-government in support of regulatory policy and governance is briefly reviewed. Finally, it provides recommendations for the Slovak Republic to develop a formal and explicit regulatory policy.

#### **Regulatory policy and core principles**

Laws and regulations are key levers for governments to shape economic development and societal wellbeing. A well-developed regulatory policy – the process governments use to create policies and, if necessary, regulation – is therefore crucial for a country to achieve its policy objectives. Poorly designed or insufficiently implemented legislation can be ineffective in achieving their objectives while imposing unnecessary costs on citizens and businesses (OECD, 2018[1]).

The objective of regulatory policy is to ensure that regulations are made in the public interest. It addresses the permanent need to ensure that regulations and regulatory frameworks are justified, of good quality and "fit-for-purpose" (OECD, 2010[2]).

Building on that idea, the OECD developed the 2012 *Recommendation of the Council on Regulatory Policy and Governance* (OECD, 2012<sub>[3]</sub>) to advise governments on how to develop explicit, dynamic, and consistent "whole-of-government" policy to pursue high-quality regulation.

#### Box 2.1. The 2012 Recommendation of the OECD Council on Regulatory Policy and Governance

The 2012 Recommendation of the OECD Council on Regulatory Policy and Governance provides governments with clear and timely guidance on the principles, mechanisms and institutions required to improve the design, enforcement and review of their regulatory framework to the highest standards; it advises governments on the effective use of regulation to achieve better social, environmental and economic outcomes; and it calls for a "whole-of-government" approach to regulatory reform, with emphasis on the importance of consultation, co-ordination, communication, and co-operation to address the challenges posed by the inter-connectedness of sectors and economies. The Recommendation advises governments to:

- Commit at the highest political level to an explicit whole-of-government policy for regulatory quality. The policy should have clear objectives and frameworks for implementation to ensure that, if regulation is used, the economic, social and environmental benefits justify the costs, the distributional effects are considered and the net benefits are maximised.
- 2. Adhere to principles of open government, including transparency and participation in the regulatory process to ensure that regulation serves the public interest and is informed by the legitimate needs of those interested in and affected by regulation. This includes providing meaningful opportunities (including online) for the public to contribute to the process of preparing draft regulatory proposals and to the quality of the supporting analysis. Governments should ensure that regulations are comprehensible and clear and that parties can easily understand their rights and obligations.
- Establish mechanisms and institutions to actively provide oversight of regulatory policy, procedures and goals, support and implement regulatory policy, and thereby foster regulatory quality.
- 4. Integrate Regulatory Impact Assessment (RIA) into the early stages of the policy process for the formulation of new regulatory proposals. Clearly identify policy goals, and evaluate if regulation is necessary and how it can be most effective and efficient in achieving those goals. Consider means other than regulation and identify the trade-offs of the different approaches analysed to identify the best approach.

- 5. Conduct systematic programme reviews of the stock of significant regulation against clearly defined policy goals, including consideration of costs and benefits, to ensure that regulations remain up to date, cost justified, cost effective and consistent, and deliver the intended policy objectives.
- 6. Regularly publish reports on the performance of regulatory policy and reform programmes and the public authorities applying the regulations. Such reports should also include information on how regulatory tools such as RIA, public consultation practices and reviews of existing regulations are functioning in practice.
- 7. Develop a consistent policy covering the role and functions of regulatory agencies in order to provide greater confidence that regulatory decisions are made on an objective, impartial and consistent basis, without conflict of interest, bias or improper influence.
- 8. Ensure the effectiveness of systems for the review of the legality and procedural fairness of regulations and of decisions made by bodies empowered to issue regulatory sanctions. Ensure that citizens and businesses have access to these systems of review at reasonable cost and receive decisions in a timely manner.
- As appropriate apply risk assessment, risk management, and risk communication strategies to the design and implementation of regulations to ensure that regulation is targeted and effective. Regulators should assess how regulations will be given effect and should design responsive implementation and enforcement strategies.
- 10. Where appropriate promote regulatory coherence through co-ordination mechanisms between the supranational, the national and sub-national levels of government. Identify cross-cutting regulatory issues at all levels of government, to promote coherence between regulatory approaches and avoid duplication or conflict of regulations.
- 11. Foster the development of regulatory management capacity and performance at sub-national levels of government.
- 12. In developing regulatory measures, give consideration to all relevant international standards and frameworks for co-operation in the same field and, where appropriate, their likely effects on parties outside the jurisdiction.

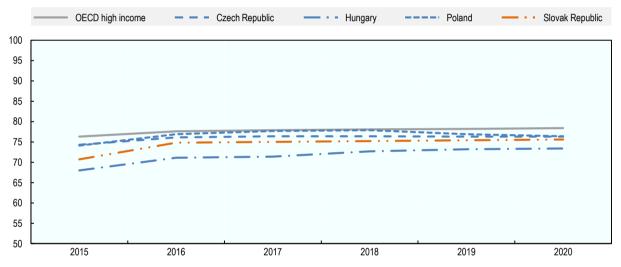
Source: (OECD, 2012<sub>[3]</sub>), Recommendation of the Council on Regulatory Policy and Governance, OECD Publishing, Paris, <u>www.oecd.org/gov/regulatory-policy/2012-recommendation.htm</u>.

#### History of Better Regulation in the Slovak Republic

The Slovak Republic has made great strides in developing its regulatory policy framework. The obligation to conduct regulatory impact assessments as spelled out in the *Unified Methodology for the Assessment of Selected Impacts*<sup>1</sup> has been in place since 2010 with reforms laying the grounds for assessing economic, social and environmental impacts including an SME Test and impacts on innovation in 2015. On 24 January 2018, a whole-of-government policy for regulatory quality was introduced: the *RIA 2020 Better Regulation Strategy* (Ministry of Economy of the Slovak Republic, 2017<sub>[4]</sub>). The strategy outlines a set of principles and tools that aim to improve the regulatory environment in the Slovak Republic and increase the transparency of the law-making process. Most recently, reform efforts have focused on administrative burden reduction: a national action plan for reducing administrative burdens for businesses by 25% has been carried out 2007-12 and a new reduction target (25% by the end of 2020) was set in 2016 as reform intention for the optimisation of the regulatory impact assessment procedure.

Despite the efforts undertaken by the Slovak government to enhance the business environment and the quality of regulation, regulatory obstacles still harm business performance in Slovakia, especially for SMES, which employ 70% of the country's workforce (OECD,  $2019_{[5]}$ ). According to the World Economic Forum, the main shortcomings are due to dysfunctions in administrative management, along with corruption, creating serious barriers for businesses (World Economic Forum,  $2017_{[6]}$ ). The World Bank's Doing Business indicators 2019 also highlight problems stemming from an inefficient administration, like inefficient procedures for starting a business or granting building permits, areas that are essential for the proper functioning of businesses (World Bank,  $2020_{[7]}$ ).

Regulatory reform efforts and initiatives like the introduction of a one stop shop for business registration undertaken in the recent years have led to some improvements to the business environment. Consequently, Slovakia was able to improve its World Bank Doing Business scores since 2015 by 5 points, closing the gap to OECD high income average (see Figure 2.1). However, Slovakia is still lagging behind some peers and improvements have stagnated recently.



#### Figure 2.1. World Bank Doing Business Scores 2015-2020

Note: An economy's ease of doing business score is reflected on a scale from 0 to 100, where 0 represents the lowest and 100 represents the best performance.

Source: World Bank Doing Business Scores, available at https://www.doingbusiness.org/en/data/doing-business-score.

#### Towards a whole-of-government approach to regulatory policy

Efforts to improve regulatory policy in the Slovak Republic were first introduced in 2007 with the *Better Regulation Agenda and Action Plan for reducing administrative burdens for businesses* approved by Government Resolution No. 833/2007. The Action Plan introduces a burden reduction target for businesses by 25% by 2012 and lays out corresponding measures and recommendations. This initiative followed the European Commission's Action Plan for Reducing Administrative Burdens, presented by the European Council in March 2007.

The Selected Impact Clause of *Government Resolution No. 122/2010* from June 2010 introduced the requirement to conduct impact assessments for primary laws and subordinate legislation in the Slovak Republic. The clause stipulated the assessment of regulatory impacts in five selected areas: impacts on the budget of the public administration, impacts on the business environment, social impacts, impacts on the environment and impacts on the informatisation of society. When positive or negative impacts were identified, a more detailed analysis was required.

In 2014, a methodology for assessing selected impacts was developed lead by the Ministry of Economy: the *Unified Methodology on the Assessment of Selected Impacts*. The new methodology was approved by the *Government Resolution no. 24/2015* and came into effect in accordance with Government Resolution No. 55/2015 from 1st October 2015. The methodology was amended in April 2016.

The purpose of the methodology is to improve the impact assessment system in Slovakia. The methodology is based on previous Slovak experiences with regulatory impact Assessment, and recommendations of the EU, OECD and best foreign practices. It introduced several changes to the impact assessment process: The Permanent Working Commission of the Legislative Council of the Government of the Slovak Republic for the Assessment of Selected Impacts was established (further referred to as the *RIA commission*); a formal requirement to consult with businesses in the legislative process and an SME Test were introduced.

The *Unified Methodology* is now one of three basic legal documents civil servants have to abide by when drafting a legal text, together with the Act on Lawmaking and on the Collection of Laws No. 400/2015 and the Legislative Rules of the Government (Government of the Slovak Republic,  $2016_{[8]}$ ).

In March 2017, the Action Plan "Initiative for Open Government" 2017-19 was adopted. The *Operational Programme* project under the responsibility of the Office of the Plenipotentiary of the Government for the Development of the Civil Society promoted stakeholder engagement and participatory processes in policy making. This was followed by the National Action Plan 2020-21 adopted in November 2019, aiming at further strengthening public consultation efforts.

In 2017, 2018 and 2019, the Ministry of Economy prepared three "anti-bureaucratic" packages, which were approved by a government resolution. The proposed 89 measures aimed to gradually reduce the administrative burden for entrepreneurs.

In 2018, a regulatory reform process took off in the Slovak Republic with the introduction of the RIA 2020 strategy. This initiative is part of the *Improving the Business Environment* project in Slovakia (see Figure 2.2), which is funded by EU structural funds through the *Operational Programme Effective Public Administration*; as well as the *Intelligent Regulations* project, funded by the *Integrated Infrastructure*.



#### Figure 2.2. Better Regulation National Project in the Slovak Republic

Source: (Danilak and Hlluskova, 2019[9]).

In January 2018, a strategic whole-of-government policy for regulatory quality "**RIA 2020**" was adopted with the purpose of paving the way towards a new better regulation culture in the Slovak Republic. The strategy was developed following a consultation process with the business community and is based on OECD recommendations from the 2015 Regulatory Policy Outlook (OECD, 2015<sub>[10]</sub>) and international best practice. The introduction of RIA 2020 was a crucial step towards sound regulatory practice, committing to an explicit whole-of-government policy for regulatory quality at the highest political level as recommended in (OECD, 2012<sub>[3]</sub>).

## Box 2.2. RIA 2020 – Objectives, principles and measures of Slovakia's Better Regulation Strategy

The *RIA 2020 Strategy* was introduced by Government Order No. 32/2018 with the goal to initiate a new "culture of regulation" in the Slovak Republic. It includes 38 specific actions aimed at improving the better regulation framework, primarily carried out by the Ministry of Economy. The implementation of the strategy is co-ordinated, evaluated and implemented by the Ministry of Economy in co-operation with the members of the RIA Commission for the assessment of selected impacts. Ministry staff, in co-operation with the analytical institutes of the individual ministries, will ensure further fulfilment of the objectives of the strategy according to the Action Plan.<sup>1</sup> Support for better regulation and the implementation of the action tasks is provided by the *Operational Programme Effective Public Administration*.

The strategy has five strategic objectives:

- 1. Raise awareness of the importance of better regulation efforts by communicating its benefits;
- 2. Improve the quality of the ex ante impact assessment process;
- 3. Introduce systematic ex post evaluation of regulations;
- 4. Make use of innovative and future-looking approaches to regulation-making;
- 5. Promote horizontal co-operation within the administration to better connect bodies tasked with better regulation functions.

1. Available at <u>www.mhsr.sk/podnikatelske-prostredie/lepsia-regulacia/ria-2020-strategia-lepsej-regulacie/dokumenty</u>. Source: Based on information received from the Slovak government. For further information on the RIA 2020 Strategy, available at <u>https://www.mhsr.sk/podnikatelske-prostredie/lepsia-regulacia/ria-2020-strategia-lepsej-regulacie</u>.

The implementation of the strategy was planned to begin in 2016 but experienced some delay due to a lengthy procurement process. As a result, the already very ambitious reform programme faces some serious time constraints and it is unclear if all tasks can still be accomplished in the short time period that is left. According to the action plan, the Ministry of Economy was responsible for publishing annual progress reports on the progress of the implementation of the 38 tasks laid out in the RIA 2020 strategy. This has so far not been the case.

Information from the Slovak Government indicates that there is a delay in implementation for a majority of the tasks. So far, 8 out of 38 tasks outlined in the RIA 2020 Action Plan have been reported as fulfilled. These include preparing training material for the RIA 2020 Strategy, publishing RIA quality reviews by the RIA Commission and information on better regulation activities on the MoE's website, a legislative stocktaking exercise, developing a methodology for the *ex post* review of legislation and proposing measures for the improvement of the business environment (by the Interdepartmental Working Group for Doing Business), preparing SME tests (by the SBA). Several tasks are currently under way.

The preparation of the action plan with a timeline and performance indicators to track project progress can be considered good practice. However, the tasks lack detailed implementation steps and the indicators are not specific enough, rarely measurable and in many cases not realistic.

Overall, the RIA 2020 Strategy aims to achieve a complete overhaul of the regulatory policy system – a task that takes other OECD countries at least several years – in a short period of time. There is a serious risk that the tasks outlined by the strategy will not be achieved, which is augmented by a lack of implementation control: The MoE as the body reviewing the implementation of the tasks is at the same time the body responsible for carrying out a significant number of tasks. It is unclear what measures are taken in the event tasks are not being implemented on time. A failure to implement a majority of the tasks could create a serious credibility issue for the better regulation agenda in the Slovak Republic.

#### Communicating the benefits of regulatory reform

Despite these ambitious reform plans, there are no efforts undertaken to systematically communicate benefits and costs of regulatory reform to the public and within the administration. An overarching communication strategy on regulatory reform is not foreseen as part of the RIA 2020 Strategy. The Strategy itself does not spell out the benefits of using regulatory management tools.

The RIA Commission publishes an annual report on the performance of the commission's work, opinions on RIAs issued and the quality of impact assessment statements. While the annual report is an important step towards increasing transparency of the RIA system, it is not widely advertised and does little to convey the importance of regulatory management tools to civil servants.

As a result, government officials are aware e.g. of the requirement to conduct impact assessments, but do not fully understand the purpose of the exercise. RIA is considered an additional burdensome obligation with unclear benefits in an already cumbersome legislative process. Communicating the benefits of RIA to civil servants could help generate support and buy-in for regulatory reforms across the administration.

#### Drivers of better regulation in the Slovak Republic

OECD data and recommendations have provided a strong impetus for Better Regulation reform efforts in the Slovak Republic. The 2012 *Recommendation of the Council on Regulatory Policy and Governance* and the 2015 Regulatory Policy Outlook offered a normative framework and concrete policy recommendations for countries wishing to improve their regulatory policy systems. The close co-operation between the Slovak Republic and the OECD has inspired to date the most extensive reform effort to improve the Slovak regulatory environment – the development of the RIA 2020 Strategy.

Next to the OECD, businesses are traditionally one of the strongest drivers of better regulation efforts in the Slovak Republic. The strong support of the business community calling for regulatory reform means that better regulation takes on a higher priority on the government's agenda. As a result, businesses' interests are particularly considered in the legislative process: for example, consultations prior to the public consultation process are conducted more systematically with businesses than other stakeholder groups. The National Action Plans I and II are good examples for national reform efforts aiming at improving the regulatory environment for businesses by putting in place measures to reduce administrative burdens hampering business activity.

However, the strong interconnectedness of Slovakia's regulatory reform agenda and interests of the business community also carries the risk of neglecting the interests of other stakeholders. Some ministries reported engaging with a set list of stakeholders, mostly businesses, during the consultation phase of the legislative process. There are limited efforts undertaken to reach out to other, potentially smaller and less organised, constituents from civil society and the general public. These groups are almost never consulted with in the early stages of the legislative process, when the different regulatory options are discussed. This issue is further discussed in Chapter 4.

Another strong driver of better regulation in the Slovak Republic are generous EU-funds available for regulatory reform projects. On the one hand, these funds enable the government to undertake large-scale projects and hire additional staff needed to carry out projects. On the other hand, this availability of funds carries the risk that governments are incentivised to undertake broad reform projects, not prioritising the most urgent areas for reform. Also, a significant number of staff in BR units is funded from EU-funds, effectively making the government's better regulation reform efforts' continuity dependent on EU grant availability. This might potentially harm the sustainability of the reform efforts in the long run.

#### Transparency and e-government

The legislative framework for consultations with the general public in the Slovak Republic is based on *Act No. 400/2015* on lawmaking and on the collection of laws. According to §10, all draft legislation together with the accompanying impact assessment statement has to be published for commenting on Slov-Lex, the central consultation platform of the Slovak Government. All comments submitted are visible on the website. A preliminary information document is also published for every planned law. The portal is managed by the Ministry of Justice. For further information, see Chapter 4.

The Information Systems in Public Sector Act No. 95/2019 C.I.a. provides the legal foundation for the promotion of e-government in the Slovak Republic and established responsibilities and guidelines for all bodies tasked with developing public sector electronic services. Act No. 177/2018 adopted in March 2018 lays out measures to reduce administrative burdens through the use of public administration information systems and on amendments. (European Commission, 2019[11]) The Office of the Pleni-potentiary of the Government for the Development of the Civil Society is tasked with promoting e-services and e-government in the Slovak Republic.

The Central Public Administration Portal (CPAP),<sup>2</sup> managed by the Slovak Government Office and operated by the National Agency for Networking and Electronic Services (NASES), is the Slovak Republic's central e-government portal. It provides government services and information to the public, acting as a single access point. Civil servants and civil society representatives reported that the portal is not designed in an intuitive, user-friendly way. The deputy prime minister's office is currently working on improving the user-interface of the platform.

The RIA 2020 strategy foresees that all goals of the strategy should be complemented by a Better Regulation IT platform specifically created for this purpose, along the three following components: *data*, *analytics* and *communication*. This means that the platform will

- provide necessary *data* for regulators to calculate impacts of regulations both in the *ex ante* and *ex post* phase;
- include a *regulation register* listing rights and obligations stemming from legislation in an easily accessible and searchable way for entrepreneurs and the general public;
- provide analytical tools to help regulators calculate these impacts;
- enable *communication* of draft legislation in the early stages of the legislative process by providing tools to organise public consultation (working groups, roundtables etc.) and allow for the RIA Commission to communicate with law drafters throughout the process.

OP Effective public administration and OP Integrated infrastructure provide methodological and analytical inputs for the IT platform. The platform is currently in the early stages of the public procurement process.

#### Ex post evaluation of regulatory policy

Information on the performance of regulatory policy and regulatory reform programmes is necessary to identify if regulatory policy is being implemented effectively and if reforms are having the desired impact. They can also provide a benchmark for improving compliance by ministries and agencies with the

requirements of regulatory policy such as reporting on the effective use of impact assessment, consultation, simplification measures and other practices (OECD,  $2012_{[3]}$ ). Evaluations can furthermore help to target scarce resources to those reforms that result in the greatest improvements, and to generate the political support needed to implement regulatory policy reforms. The European Commission for example undertook a comprehensive evaluation of its consultation system to inform the reform of its consultation system in 2015 (see Box 2.3).

#### Box 2.3. Evaluating the European Commission's consultation practices

The <u>2012 review of the EU Commission's consultation policy</u> is a comprehensive report describing and reviewing current consultation practices. It addresses issues such as the openness and reach of consultation and the use of input received during consultation.

The review draws upon different sources. First, it contains an analysis of international standards, among them the 2012 OECD Recommendation of the Council on Regulatory Policy and Governance. Second, an open consultation of external stakeholders was used to gather a wide range of opinions. Third, input from different Commission services was sought, including data on consultations and impact assessments carried out between January 2010 and August 2012.

The report provides indicators concerning the Commission's consultation practices, for example on the type of consultation, consultation tools, languages and length, as well as the availability of consultation outputs, and percentage of consultations with external parties in which the minimum consultation period was respected. The report also identifies measures that could be taken to enhance the quality of consultation, for example:

- Adjusting the minimum standards;
- Improving planning, for example by publishing a rolling calendar of planned consultations online;
- Improving follow-up and feedback, for example through developing alert systems to notify respondents at key stages throughout the policy-making cycle.

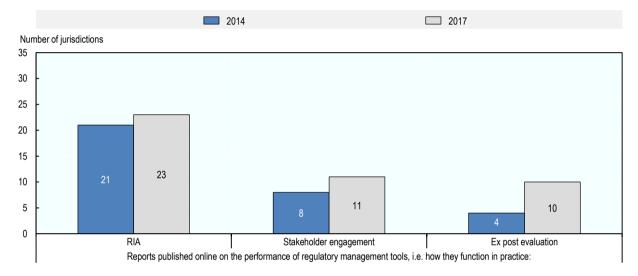
The European Commission's consultation practices were further refined in the <u>Better Regulation</u> <u>guidelines</u> and accompanying Better Regulation "Toolbox", which were adopted by the European Commission in May 2015 as part of a "Better Regulation Package". Reforms included new opportunities for the general public to participate in consultations on inception impact assessments for new regulatory initiatives with major impacts, on regulatory proposals after adoption by the European Commission, and on draft texts of delegated acts before adoption by the Commission.

In 2018, the European Commission took stock of its 2015 Better Regulation Package. The College of Commissioners adopted a Commission communication describing the Better Regulation Agenda, discussing its strengths and shortcomings, and identifying possible avenues for progress.

Source: (OECD, 2014[12]), (European Commission, 2015[13]) and (OECD, 2016[14]); in: (OECD, 2019[15]).

Until 2017, there was no requirement in place in the Slovak Republic to evaluate the performance of regulatory reform programmes. The RIA 2020 Strategy introduced the obligation to monitor and evaluate the progress of such programmes, notably the strategy itself. The Ministry of Economy as the national co-ordinator of better regulation efforts in the Slovak Republic is responsible for this task and reports on progress in the annual report of the RIA Commission and the MoE's annual report on business environment.

Following international good practice, the RIA Commission systematically evaluates the performance of the RIA system in the Slovak Republic since 2016. The RIA Commission's annual report<sup>3</sup> includes an evaluation of the Commission's work, the opinions on RIA statements that had been issued, an evaluation of the overall quality of the RIA process and recommendations for improvement. It is available on the MoE's website. (OECD, 2017<sub>[16]</sub>) There is however no evaluation conducted of the consultation practices used by ministries, which is the case in a majority of OECD countries (see Figure 2.3 centre bars). Also, the Commission's annual report does not provide recommendations for future improvement of the regulatory management system.



#### Figure 2.3. Reports on the performance of regulatory management tools

Note: Data is based on 34 OECD member countries and the European Union. Source: Indicators of Regulatory Policy and Governance Surveys 2014 and 2017, <u>http://oe.cd/ireg</u>.

Like many better regulation units in OECD countries, the MoE in the Slovak Republic has also tracked the total impact measures to reduce administrative burden. The three burden reduction packages implemented since 2016 are expected to reduce administrative burdens for businesses by more than 100 mil. EUR. The actual burden reduction will be verified in the *ex post* evaluation stage. For more information on the national action plans to reduce administrative burdens and the burden reduction packages, see Chapter 6.

#### Assessment and recommendations

Since 2007, the Slovak Republic has introduced a broad set of useful and important reforms that strengthen regulatory policy and have already supported the improvement of the business environment. The current better regulation agenda contains a whole-of-government political commitment to the use of regulatory management tools, introducing systematic *ex post* evaluation of regulations and elements of innovative rule-making. With the introduction of the RIA 2020 Strategy, the Slovak Republic follows the OECD *Recommendation of the Council on Regulatory Policy and Governance*, committing at the highest political level to an explicit whole-of-government policy for regulatory quality.

The RIA 2020 Strategy is a comprehensive better regulation effort following international best practice, but risks being too ambitious. The Strategy aims to achieve significant progress to a best practice regulatory system. While this effort is highly acknowledged, it means a complete overhaul of the regulatory policy system – a task that takes other OECD countries at least several years – is envisaged in a short period of

time. The implementation of some tasks is delayed and there is a risk that the tasks outlined by the strategy will not be achieved in the foreseen timeframe. Progress reporting since the start of the programme has not been regular. A failure to implement a majority of the tasks could create a serious credibility issue for the better regulation agenda in the Slovak Republic.

Despite ambitious reform plans, the objectives and results of Better Regulation are not systematically communicated within the administration and to the general public. An overarching communication strategy on regulatory reform is not foreseen as part of the RIA 2020 Strategy and the Strategy itself does not spell out the benefits of using regulatory management tools. As a result, the benefits of regulatory management tools like RIA are not fully understood across the administration and by external stakeholders, which limits the capacity to gather support and buy-in for reforms across the administration, in parliament and from the general public.

Better Regulation efforts in the Slovak Republic are largely driven by OECD recommendations, businesses and EU-funds. OECD data and recommendations have provided a strong impetus for Better Regulation reform efforts in the Slovak Republic and inspired the development of the RIA 2020 Strategy. Combined with the strong support of the business community calling for regulatory reform, this means that Better Regulation takes on a high priority on the government's agenda and generous EU-funds available for regulatory reform programmes provide the necessary resources. As a result, businesses' interests are particularly considered in the legislative process. This however also carries the risk of neglecting interests of other stakeholders. Large EU-funds allow for ambitious reform efforts but can incentivise governments to undertake large-scale projects that aim to achieve too much at once, not prioritising the most urgent areas for reform. A failure to achieve these (very) ambitious reform goals might pose credibility issues for the Better Regulation agenda in the Slovak Republic at large.

The OECD Secretariat makes the following policy recommendations:

- Regulatory reform efforts should target the most urgent areas of reform. Choosing priority
  areas for the Slovak BR agenda will be a crucial task for the Ministry of Economy as the national
  co-ordinator of better regulation in order to effectively employ the resources available. The
  generous EU-funds available should be used to undertake targeted reform programmes, tackling
  one issue at a time. This effort should be complemented by an action plan with a realistic timeline
  and SMART<sup>4</sup> performance indicators. Progress should be tracked systematically and evaluation
  results should be systematically published online to ensure accountability.
- The Slovak Republic should add a communication strategy to its whole-of-government policy for regulatory quality. To generate support and buy-in for regulatory reforms across the administration, in parliament and from the general public, the benefits of regulatory management tools and regulatory reform programmes should be spelled out in the RIA 2020 Strategy. In addition, the Strategy should be complemented with a clear communication strategy to help engage the public in the scrutiny of the regulatory process. The realisation of this strategy should be supported by the Ministry of Economy overseeing implementation and co-ordination.

#### Notes

<sup>&</sup>lt;sup>1</sup> Available at <u>https://www.mhsr.sk/podnikatelske-prostredie/jednotna-metodika</u>.

<sup>&</sup>lt;sup>2</sup> Available at <u>https://www.slovensko.sk/sk/titulna-stranka</u>.

<sup>&</sup>lt;sup>3</sup> The 2018 annual report is available at <u>https://www.mhsr.sk/uploads/files/vyxNJ0LI.pdf</u>.

<sup>&</sup>lt;sup>4</sup> See Chapter 5, Box 5.6. SMART Objectives for regulation.

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