

Slovakia: Catching-up Regions Initiative

Steering Committee No.1 - minutes

May 17th- 18th, 2018

Prešov (Slovakia), Office of the Prešov Self-Governing Region

The first Steering Committee (SC) meeting was organized on May 17th - 18th, 2018 in Prešov, with participation from the European Commission (EC), the Deputy Prime Minister's Office for Investments and Informatization of the Slovak Republic (DPMOfII), the Prešov Self-Governing Region Office (PSK), members of the World Bank (WB) Team, as well as other invited experts. During this meeting) the Steering Committee was established, ii) the rules and guidelines of procedures and the Action Plan (AP) of the Slovakia: Catching-up Regions initiative (CuRI) were adopted, and iii) four components of the CuR were discussed: secondary vocational education and training (VET), energy efficiency (EE) of public buildings in PSK, geographic information system (GIS), and tourism (TOU). The personnel composition of the SC changed depending on the discussed component.

A summary of the key points discussed:

1. General

- 1.1. The SC participants welcomed finalization of the Action Plan that was accepted by the SC members and thanked all engaged stakeholders for their efforts to finalize the AP. PSK informed the SC participants that it would finalize its CuRI teams as soon as possible. While the PSK counterpart VET, EE and GIS teams are already in place (some minor personnel changes can still occur), PSK will finalize the TOU team shortly.
- 1.2. The EC reiterated the importance of the Slovakia CuR initiative and highlighted the success of two CuRI already implemented phases in Poland that are to be followed by the third phase soon – as a positive example.
- 1.3. The SC approved the Rules and guidelines of procedures of the SC, which describe responsibilities for organization of future SC meetings.
- 1.4. The SC agreed that the issue of ethnic minorities, e.g. Roma, should be taken into consideration within the CuRI framework and activities. The WB team will provide more information about incorporation of this theme in the inception report (to be delivered by the end of May 2018).

2. Improving VET in secondary schools: matching the existing supply of vocational secondary study programmes and needs of the labour market in the PSK (VET)

- 2.1. The WB team presented recent developments in the VET component, including presentation of the planned activities within the component, expected outcomes and results, timelines, and next steps.
- 2.2. The WB team informed the SC about two missions to Presov region and pre-mission background research that had already been carried out prior to the SC, The aims of the missions and prior research were to (i) identify and review potential evaluation designs and conceptual frameworks for use in the supply-side (employer/firm) and demand-side (school/provider) studies,(ii) assessment of potential data collection instruments, (iii)

identification and interviewing of international and local consultants/experts, and (iv) meeting with key stakeholders at the national and regional level. One of key piece of information obtained from the stakeholder meetings was that the Government of Slovakia (GoS) is currently updating the regulatory framework for secondary VET and dual education and it is expected that these changes could significantly impact the legal environment and effectiveness of secondary VET. The WB team will closely monitor this progress and keep these potential policy changes in mind, especially in light of the proposed third VET activity on supporting development of future VET investment packages.

- 2.3. The WB team informed the SC about a workshop co-organized by the PSK Education Department with directors of secondary VET schools and held at the PSK offices on May 16, 2016. The main goal of the workshop was to inform the stakeholders about the SK CuRI work and the VET component, better understand the current state of affairs and key issues in secondary VET in Presov region, and outline next steps for the coming months (especially under “Activity #2” of the component, the supply-side/school/VET provider study).
- 2.4. The PSK asked the WB to provide some guidance on how best to incorporate possible strategic communications for specific stakeholders and members of society living in the Presov region into the next stages and implementation of the VET component activities, since they expect wide public and political discussion on the VET reform in the PSK. The WB team agreed with the importance of this request and will consider how to more explicitly incorporate strategic communications into “Activity 3.1”, support for development of the investment packages for secondary VET.

Next steps:

- The WB will focus on finalization of team formation – international and local team members.
- The WB will take initial decisions on, and complete, the first draft of the proposed companies’ data collection instruments (“Activity #1” of the component), including preparations for data collection management (procurement and programming of tablets, etc.) and development of training for data collectors. These will all be presented, discussed, modified, and agreed upon with PSK Education Department representatives during a technical mission in mid/late June, 2018 prior to the next SC meeting.
- The PSK will collect and provide the WB with requested background data on schools (list of schools, study programs, number of students and employees at each schools, etc.) till May 30, 2018.

3. Energy Efficiency (EE) of Public Buildings in the PSK region

- 3.1. The WB team presented recent developments including the outcomes of the April 2018 mission and the stakeholders meeting organized by the Deputy Prime Minister’s Office for Investments and Informatization of the Slovak Republic on April 25 in Bratislava.
- 3.2. Key findings from the mission included: (i) large potential for EE in PSK building portfolio; (ii) funding to do preparatory work and EE investments for the PSK building portfolio; (iii) high risks due to political turnover period and the alignment with longer term payback periods; (iv) risks to guarantee savings due to high regulatory charges in the tariff; (v)

National government (represented by the Ministry of Finance and the Ministry of Economy) if is working on a new Energy Performance Contract (EPC) framework, that would enable the use of resource finance instead of debt to local entities, which should be ready by the end of June; and (vi) availability of ESIF funds, but tight preparation timeframe to apply.

- 3.3. The WB team presented the proposed action plan for the component, expected outcomes and results, and next steps.
- 3.4. The proposed action plan was accepted but the SC Participants.
- 3.5. The PSK informed of difficulties in accessing some of the data collected for their buildings, and committed to providing it by June 8th. The Bank emphasized the need to move on a fast pace and to flag delays beforehand to see what the Bank could do to help unlock the issue preventing to move forward.
- 3.6. The SC Participants also discussed possibilities of the SK CuRI components interlinkages (e.g. EE & VET components), however it was clarified that the energy savings had to pay for the investments made, and therefore adding other activities of overall building improvement may hinder the ability to pay for investments from savings.

Next steps:

- The WB will focus on finalization of team formation – international and local team members.
- The PSK was asked to:
 - help with translation of main text (Chap. 1-8) of technical study on energy consumption in PSK public buildings (2015);
 - provide the WB team with a database on public buildings till end of May, 2018;
 - establish a focal point for energy management unit and provide contacts.

4. A3.2> Supporting the development of the endogenous potential of Prešov region for tourism (TOU)

- 4.1. The EC informed partners that the tourism component should be also oriented towards SMEs and innovation. It is tough for EC to finance this economic sector and in the future is will also need to stress innovation even more in this sector.
- 4.2. The WB stressed that writing a tourism development strategy is not enough. It needs to be an actionable document with clear guidelines for the PSK how to develop the region and how to invest hundreds of million euros to attract consumers / potential tourists. There is a need in terms of developing a tourism product in lagging regions like Poloniny in PSK (Snina, Medzilaborce districts) that the government should create an enabling environment for the private sector to develop products that could be attractive to potential visitors (and this is beyond the SK CuRI, so far).
- 4.3. The WB team presented recent developments and initial insights from the mission that is carried out in May 11-22, 2018.
- 4.4. The WB presented action plan and planned activities in the TOU component, including timeline.
- 4.5. The SC Participants agreed that tourism is an important economic sector for the lagging regions, such as the PSK. However, as in case of the Poloniny National Park (PNP), two

resorts in the national government are fighting agriculture, forestry (employment) vs environment. One of big challenges is outmigration. Another big issue is poor transport infrastructure and accessibility of the Poloniny region. There are 10 municipalities located in the area of PNP, facing several development problems, e.g. no tourism accommodation infrastructure, lack of water and sewage infrastructure. However, representatives of those villages participating at the SCM express their view that they don't want to kill specificity of PNP by building there a Disneyland. They are looking for environmental sensitive and adequate response to their development needs, incl. change of legislation that can help to develop infrastructure, new tourism attractions and create more favourable conditions for investment, incl. human capital investment in local people. Several examples of more liberal legislation were presented from Poland. Sustainable development aspects: financial, social, environmental are interconnected and all three need to be addressed and developed.

- 4.6. The SC Participants also discussed the issue of very limited impact of already implemented projects incl. projects financed by the Norwegian & Switzerland Financial Mechanisms, EU funds and others. The WB proposed to take the PSK representatives to a functioning park outside Slovakia to show how it works and how things could function.
- 4.7. The SC Participants agreed that coopetition approach makes sense – this is about creating clusters that on the one hand compete, but on the other hand collaborate and reinforce each other. Such cooperation/synergy is need also between the CuRI and current initiative of the Slovak Government under the Support of Least-Developed Districts. Snina and Medzilaborce districts (where the PNP is located) are currently elaborating their development action plans and representatives of those regions asked for cooperation, esp. in the area of defining the tourism development priorities.

Next steps:

- The WB will focus on finalization of team formation – international and local team members.
- Missing counterpart – the PSK has to put in place also its team – till mid-June, at latest.
- The WB will finalize its desk research till mid-June on:
 - data for PSK & PNP, Slovakia's national Travel and Tourism Competitiveness, EU Funding for Tourism Sector, models from similar destinations / protected areas, and will determine data needed from the PSK, and or methods how to gain them within the planned activities (visitation, accommodation, source markets, attractions inventory, visitors infrastructure, etc.) to identify gaps and for further analysis.

5. A3.1> Geographic Information System (GIS)

- 5.1. The PSK informed partners that it created the GIS Unit within the Property Management Department, and already nominated a person in charge of the Unit. The GIS Unit has already 2.5 people employed. The PSK will provide CuRI partners with their organogram.
- 5.2. The WB team informed about the recent developments in the component. In 2015 PSK bought some GIS infrastructure that is run by an external company, data is old from 2008/2009 and the system was not in use so far. There is a need to validate whether this old system could be utilized.

- 5.3. The WB presented action plan and planned activities in the GIS component, including timeline.
- 5.4. The WB informed that their GIS consultant will come to the Presov region for his 1st mission on June 11-15, 2018. He will organize one day training on GIS and open data for the PSK staff.
- 5.5. The WB will cover from the SK CuRI budget also one more basic, but more tailored training for the PSK staff in late June 2018. Content of the training will be agreed between the WB, the PSK and external Czech based company during the June 11-15.
- 5.6. The EC asked for the Roma aspect to be incorporated into the GIS system. The WB will consider this issue and in cooperation with the PSK will decide what kind of info could be useful for the PSK/system to be included, what the purpose is and who would use it and will deal with legislation related to data sensitivity and confidentiality.

Next steps:

- The PSK will provide access to the existing GIS (Intergraph company) and WB/PSK will validate whether (and how) the old PSK GIS system could be utilized within the SK CuRI. There is a need to further review the contract with Integraph, current portal and data, as it might serve as a temporary solution.
- The PSK will prepare information about what kind of data/services/uses it would like to have in the GIS, incl. scope of data and areas where this system will be initially operational. It will include information on main stakeholders: PSK organogram, external data producers, users, intermediaries. PSK will also do the preliminary geospatial data inventory with the assistance of the WB expert – deadline: June 8, 2018.
- The WB: organizing a basic GIS/Open data training in Prešov during June 11-15.
- The WB will focus on finalization of team formation – international and local team members.
- The DPMOfII will inform partners on the possibility of the SW/HW/Human resources ESIF financing (expected call in June 2018 within the OP Effective public administration 2014-2020).

6. Other issues

- 6.1. The WB will finalize the Inception Report till May 30, 2018. There will be a paragraph or two on the ability of relevant SK CuRI components to appropriately incorporate activities related to the Roma population into component activities.
- 6.2. The next SC meetings are initially planned for:
 - SC2: June 28-29, 2018
 - SC3: September 13-14, 2018
 - SC4: week of October 22-26, 2018
 - SC5: week of December 3-7, 2018

7. Attachments

7.1. Agenda

CuRI SC1 agenda: Office of the Prešov Self-Governing Region, May 17th - 18th, 2018 (Námestie mieru 2; 1st floor)

17-May (Thursday)		
start	end	item
12:30	12:10	Welcome
12:10	13:30	Establishment of the SC, approval of the Rules & Procedures, approval of the Action Plan
13:30	15:00	Act 1 VET Reform: matching the existing supply of vocational secondary study programmes and needs of the labour market in the PSK
15:00	15:30	Coffee break, snack
15:30	16:30	Act 2 Energy Efficiency
18-May (Friday)		
start	end	item
8:00	9:30	Act 3.2 Supporting the development of the endogenous potential of Prešov region for tourism
9:30	11:00	Act 3.1 Geographic Information System
11:00	11:30	Coffee break, snack
11:30	12:00	Conclusions: Wrap up & next steps

7.2. Rules and guidelines of procedures of the SK CuRI Steering Committee (1 x pdf)

7.3. Action plan (EN and SK versions) for the SK CuRI (1 + 1 pdf)

7.4. PPT for each component (4 x pdf)

7.5. List of Participants (3 x pdf)