1. Key development issues and rationale for Bank involvement

Since FY01, the Slovak Republic has made significant progress in implementing reforms that helped it to achieve sustainable growth; the country’s GDP growth rates came close to those of the EU, as public expenditures declined, while fiscal deficit was reduced to an average 3.6% of GDP in 2003 (and is expected to decline further this year). As indicated in the Country Partnership Strategy document, Slovakia now faces a number of challenges to achieve full benefits from its membership in the EU and to build capacity to productively use newly available EU resources. Development of Information and Communications Technology (ICT) and advancement to e-Government are among the tools that the Government of Slovakia (GoS) intends to use to address these challenges.

Since 2002, GoS has been implementing reforms to make its public administration system more transparent and efficient, including through e-Government. Between 2002 and 2004, GoS has invested over SKr 5 billion (about €140 million) in information technology, completed a broad study of possible use of e-Government applications across the public sector (20 selected institutions), and prepared a ‘roadmap’ describing how Slovakia should adopt e-Government as part of its 2010 Lisbon strategy.

The e-Government study concluded that proper implementation of the e-Government reform in Slovakia could potentially save it about SKr 3.7 billion (or €100 million) a year in terms of time saved by businesses and citizens, and through higher efficiency levels in public administration.

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1 Country Partnership Strategy. May 6, 2004
2 Currently available in Slovak only, this study (generally referred to as ‘the IS Audit’) includes about 150 pages of analysis and projections, and some 1,500 pages of annexes containing the responses received to a government-wide questionnaire prepared by a consultancy company.
3 This roadmap is still being finalized; however, the Bank team was able to obtain an internal document describing its main lines.
The Study concluded that the efforts made to-date had been productive, in particular in providing sufficient internet connectivity and communication infrastructure for central government entities; allowing the launching of some (limited) e-Government services (internal management and communication, services to businesses and citizens).

Among the EU new members, Slovakia has been the most active in designing its national Lisbon Strategy -- ‘Slovakia’s medium term strategy to develop a knowledge-based economy’. The final document was presented at a high-level multi-stakeholder conference in Bratislava on January 25, 2005, and was very well received. In the area of e-Government, the GoS’s objective is to pursue the public sector reform by encouraging the adoption across various ministries and government bodies of efficient ways to handle information and deliver services to businesses and citizens through: (i) enhancing the overall efficiency and transparency of the Slovak government by replacing antiquated procedures with cost-effective and more transparent ones, and (ii) optimizing the use of Slovakia’s knowledge resources as a tool to achieve international competitiveness. To achieve these goals GoS currently plans to contribute about SKr 1 billion annually between 2005 and 2010 (about €130 million in total during the 5 year period) to support development of the ICT infrastructure and e-Government, in particular.

The proposed e-Government Project is client-driven and will support the government’s agenda. It will be financed within the SIDEM TA umbrella and will follow a fast-track preparation schedule given the small Loan size (expected to be €4.5 million or less) and urgency on behalf of GoS to commence the program. The Project is fully consistent with the Country Partnership Strategy goals, as it directly relates to the challenge of making Slovakia fully competitive in European and World Markets through implementation of the structural reforms. The proposed Project will also stimulate and facilitate the participation of private enterprises (especially SMEs) in the economy by simplifying and reducing costs associated with their access to government’s services and information, which will contribute to the objective of improving the income base and reducing unemployment in the country.

The involvement of the Bank will be instrumental to design the framework for the e-Government development area and to coordinate the reform effort (it is acknowledged that the proposed Loan amount is marginal in comparison with the government’s own expenses in this area). The Bank will help leveraging experiences and international best practices to ensure that activities are designed in the most effective manner, as well as facilitate the government reform process to increase the likelihood of effective delivery of current and future services, with a high degree of sustainability.

2. Proposed objective(s)

The main objective of the project is to contribute to the government’s public administration modernization agenda. The project will specifically: (i) facilitate access to government information by citizens and businesses, and (ii) aim at enhancing the efficiency of government services. The enhancement of government efficiency, the simplification of administrative procedures and the easier access to information will reduce transaction costs in the economy and provide greater convenience to the users. The development of e-Government would also help to enhance consistency between the central and regional levels of government, increasing efficiency
and transparency at regional levels, and contributing to reducing regional disparities and marginalization of some parts of the Slovak population.

If the Project is successful, its **outcome** would contribute to the achievement of such broad government’s goals as improving transparency of the public sector, reducing corruption and improving revenue growth.

3. Preliminary description

The e-Government Project is expected to be implemented over a period of two to three years. It would finance technical assistance, training, study tours, and, possibly, some incremental costs associated with the Project implementation. The Project would support the following three components:

**(i) Developing an e-Government Strategy and Framework (approx. $1.5 million)**. This component will help Government of Slovakia: (a) formulating an e-government benchmarking and strategy, (b) establishing a coordination unit within the Ministry of Finance, and (c) enhancing ‘back-office efficiency’ across the various parts of the GoS.

The e-Government Strategy will include the provision of a range of possible tools and approaches (including relevant business models involving the immediate or gradual involvement of the private sector, and adequate monitoring and evaluation tools for the various activities involved) to provide a unified inter-ministerial information management strategy and implementation plan. The Strategy will define e-Government as a path towards better government services, which will help a majority of the Slovak population to access government services online.

**(ii) Establishing e-Government Services and Applications (approx. $1.5 million)**. This component will help the Government to design and implement services and applications to be shared by several (or all) ministries. These services may include interactive portals, one-stop e-services, and/or procurement gateways. The World Bank’s contribution to this effort would focus on providing technical assistance and advice on the overall design, implementation and evaluation of such applications. Specific e-government applications and online services may include:

- the Ministry of Finance (portal and on-line services), with particular emphasis on fiscal services (on-line tax and VAT declaration),
- the Ministry of School, with public libraries to obtain a specific information carrier via on-line portal,
- the Ministry of Pensions and National Insurance, with special attention to on-line declaration of social contributions made by employers,
- the Ministry of Justice (portal and on-line services), especially with regard to new enterprise registration,
- the Bureau of Statistics, with on-line submission of data to statistical offices, and
- other entities (public or private) which the GoS would designate as possible hosts/promoters of specific e-government services and applications.
(iii) Training and Capacity Enhancement (approx. $1.5 million). This component will provide technical assistance to GoS in the design and delivery of relevant training services to enhance capacity in e-Government. Such training will combine class meetings/sessions and virtual courses (possibly through the use of GDLN). The capacity building will focus on:

a. Sharing of international best practices,

b. Managerial training for a shared strategic vision of e-government (international best practices could be brought in through GDLN sessions),

c. Specific training/certification in e-government application and related areas (e.g. information security), and

d. Methodological and practical bases for a consistent cross-departmental approach to monitoring and evaluation in the area of e-government

The project output will be a developed e-Government policy and structure that will be used by the relevant Ministries and citizens and businesses to exchange services and information between the government and the private sector.

4. Safeguard policies that might apply

No safeguard policies are expected to apply to this project. The project will not have any environmental impact as it is a technical assistance loan.

5. Tentative financing

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Total 6.53

6. Contact point

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