

EVALUATION OF THE REGIONAL CONTRIBUTION OF INVESTMENT PROJECTS 2026

In accordance with Act No. 57/2018 Coll. on Regional Investment Aid Ministry of Economy of the Slovak Republic

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Contents

LIST OF ABBREVIATIONS	4
INTRODUCTION	5
1. EVALUATION OF THE REGIONAL CONTRIBUTION OF AN INVESTMENT PROJECT	6
1.1. General Information.....	6
1.2. Scoring Results.....	6
2. SCORING METHODOLOGY	7
2.1. Calculation of points for individual criteria.....	9
2.1.1. Criterion: Location	9
2.1.2. Criterion: Employment.....	9
2.1.3. Criterion: Employment – share (only for TJ).....	10
2.1.4. Criterion: Wages.....	10
2.1.5. Criterion: Wages – increase (only for TJ).....	10
2.1.6. Criterion: Environment.....	11
2.1.7. Criterion: Priority.....	11
2.2. Outputs of Evaluation	11
2.2.1 Projects with Presumed Regional Contribution	11

List of Abbreviations

BSC – business service center

EC – European Commission

GR – Regulation of the Government of the Slovak Republic No. 195/2018 Coll. laying down conditions for the granting of investment aid and setting the maximum intensity of investment aid and maximum amounts of investment aid in the regions of the Slovak Republic, as amended

IP – investment project

IND – industrial production

NCJ – newly created jobs

SAJS – share of available job seekers of productive age in the population of productive age, expressed as a percentage

TC – technological center

TJ – transferred job

Introduction

This material aims to introduce the model for evaluating the regional contribution of an IP and provides an overview and methodology of the process necessary for decision-making on the provision of investment aid. The objective of the methodology is to provide a clear presentation of the evaluation criteria, inputs, settings, and conclusions of the model, the output of which is the evaluation of the regional contribution of the IP.

The evaluation of the regional contribution of an IP is part of a broader process of assessing applications for investment aid pursuant to Act No. 57/2018 Coll. on Regional Investment Aid and on amendments and supplements to certain acts, as amended (hereinafter referred to as the "Act on IA").

The provisions of Section 15(5) and (6) of the Act on IA stipulate that investment aid may only be granted if the investment project has a significant regional contribution. If this contribution is not demonstrated the application for investment aid shall be rejected.

When assessing the regional contribution, the ME SR utilizes a mathematical model that evaluates the contribution of a specific investment in the location of its execution and the alignment of the investment with the main priorities of IA, which are:

- Reducing regional disparities by supporting investments that create jobs or transfer (maintain) existing jobs in regions with high unemployment (including so-called priority districts).
- Increasing the competitiveness of the Slovak Republic by supporting high-value-added investments that lead to the creation and retention of high-quality, high-skilled jobs with above-average wages.

The evaluation is based on data declared by the applicant and on publicly available and verifiable data.

This methodology applies to all IPs under the Act on IA, including the provision of extraordinary investment aid.

1. Evaluation of the Regional Contribution of an Investment Project

1.1. General Information

The model for evaluating the regional contribution of an investment project, as well as the method for assessing the character of investment projects and the values required to meet the minimum conditions, are based on the Act on IA and the GR.

The calculation of the scoring for the regional contribution of an IP is based on the following data:

- Year of IA application submission.
- District and region of the primary location where the IP is carried out.
- Classification of the primary area of the IP according to the SK NACE Rev. 2 code.
- Classification of the IP among priority areas.
- Enterprise size according to Annex No. 1 of Commission Regulation (EU) No. 651/2014, as amended.
- Type of IP (IND, TC, BSC).
- Classification of the IP based on land usage (i.e., whether it is carried out on industrially unused land, in an industrial park, on industrial area according to the land-use plan, or on other previously industrially used areas).
- Timeline for IP execution.
- Annual breakdown of the number of NCJ.
- Average gross monthly wage of an employee in a newly created job in individual years throughout the period of the obligation to retain the newly created job.
- Forms, amount, and timeline for drawing the requested investment aid.

Data solely for IPs transferring job positions:

- Average gross monthly wage of an employee in a TJP in individual years.
- Current average wage for existing job positions in the establishment.

1.2. Scoring Results

Based on the provided data, the model calculates the IP evaluation: a scoring result of pass/fail. The points achieved for individual criteria are summed, based on which the evaluation result is determined. The criterion for obtaining a "Pass" rating is reaching 50.0 points or more.

2. Scoring Methodology

Scoring for IPs creating new jobs:

1. Location: unemployment (SAJS) in the district (or region) where the IP is located compared to the average unemployment (SAJS) of the Slovak Republic.
2. Employment: number of newly created jobs (NCJ) by the IP.
3. Wages: declared gross monthly wage for newly created jobs compared to the average gross monthly wage in the district where the IP is located.
4. Environment: whether the IP will occupy new, previously industrially unused land, or if the project is located in an industrial park, on industrial area according to the land-use plan, or on another previously industrially used area (the terms "greenfield" and "brownfield" are also used for evaluation purposes).
5. Priority: whether the IP falls within a priority area according to the GR.

Scoring for IPs transferring existing job positions and not creating new jobs (Section 22(11) of the Act on IA):

1. Location: unemployment (SAJS) in the district (or region) where the IP is carried out compared to the average unemployment (SAJS) of the Slovak Republic.
2. Employment: number of transferred jobs within the IP.
3. Employment – share: the ratio of transferred jobs to the total number of existing job positions in the establishment.
4. Wages: declared gross monthly wage for transferred jobs compared to the average gross monthly wage in the district where the IP is located.
5. Wages – increase: percentage increase in wages for transferred jobs, adjusted for wage inflation.
6. Environment: whether the IP will occupy new, previously industrially unused land, or if the project is located in an industrial park, on industrial area according to the land-use plan, or on another previously industrially used area (the terms "greenfield" and "brownfield" are also used for evaluation purposes).
6. Priority: whether the IP falls within a priority area according to the GR.

Description of values for individual criteria in the resulting table

Indicator	IP Value	MIN value / value for MAX points
Location – unemployment	SAJS in the district or region where the IP is carried out (as set) in the year preceding the year of IP submission	A set multiple (based on model settings) of the average SAJS of the Slovak Republic in the year of IP submission
Employment – number of NCJ or TJ	Total number of newly created or transferred jobs of the IP	Set minimum/maximum number of newly created jobs for the given IP type
Employment – share of TJ	Ratio of transferred jobs to the total number of existing job positions in the establishment	Set minimum/maximum percentage share of transferred jobs in the total number of jobs
Wages (comparison with district)	Weighted average of the gross monthly wage of an employee (NCJ and TJ), discounted to the year of IP submission	A set multiple of the average nominal monthly wage of an employee in the district where the IP is carried out, discounted to the year of IP submission
Wages – increase	Percentage increase in wages for transferred jobs	Set minimum/maximum percentage growth of wages for transferred jobs adjusted for wage inflation
Environment	Identification of the type of the IP area as BF (brownfield) or GF (greenfield)	n/a
Priority area bonus	Identification of the type of the IP as belonging to a priority area according to the GR	n/a

Sources of underlying data for scoring

Data	Data Detail	Data Origin
SAJS	SAJS of districts, regions, and the SR for the previous calendar year	Statistical data from the Central Office of Labour, Social Affairs and Family
Wages	Average nominal monthly wage of an employee in the economy of the SR determined by the workplace method (EUR) for the previous calendar year	DataCube of the Statistical Office of the Slovak Republic
PD	List of priority districts	List of priority districts according to the Ministry of Investment, Regional Development and Informatization
Priority	List of priority SK NACE codes	GR

2.1. Calculation of points for individual criteria

2.1.1. Criterion: Location

The indicator of unemployment is the share of available job seekers of productive age in the population of productive age, expressed as a percentage (SAJS).

The number of points is awarded based on the ratio of SAJS IP / SAJS SR for the calendar year preceding the year of IP submission.

The SAJS IP for individual IP types is calculated as follows:

1. IP type IND – the evaluation is calculated based on the SAJS in the district of the primary location where the IP is carried out for the calendar year preceding the year of IP submission.
2. IP type TC – the evaluation is calculated based on the SAJS in the region of the primary location where the IP is carried out for the calendar year preceding the year of IP submission.
3. IP type BSC – the evaluation is calculated based on the SAJS in the region of the primary location where the IP is carried out for the calendar year preceding the year of IP submission

If the ratio of SAJS IP / SAJS SR is equal to or lower than the MIN value, the IP receives 0 points. If the ratio is higher than or equal to the MAX value, the IP receives the full number of points for the given criterion. In the case of a ratio within the range of MIN and MAX values, the number of points is calculated linearly within this range.

If the district of the primary location where the IP is carried out belongs, as of the date of the last data update, to the priority districts, the value of the indicator attains the maximum number of points according to the IP type.

2.1.2. Criterion: Employment

The indicator of employment is the number of newly created jobs (NCJ) within the execution of the IP, or the number of transferred jobs (TJ).

If the number of jobs is equal to or lower than the MIN value, the IP receives 0 points. If the number of jobs is higher than or equal to the MAX value, the IP receives the full number of points for the given criterion. In the case of the number of jobs being within the range of MIN and MAX values, the number of points is calculated linearly within this range.

2.1.3. Criterion: Employment – share (only for TJ)

The indicator is expressed based on the ratio of TJ / total number of jobs in the establishment.

If the ratio of TJ / total number of jobs in the establishment is equal to or lower than the MIN value, the IP receives 0 points. If the ratio is higher than or equal to the MAX value, the IP receives the full number of points for the given criterion. In the case of a ratio within the range of MIN and MAX values, the number of points is calculated linearly within this range.

2.1.4. Criterion: Wages

The indicator is expressed based on the ratio of IP wages / district wages.

IP wages are calculated as a weighted average of the discounted declared gross monthly wage of an employee, for the period from the creation of the first job until the end of the obligation to retain the last newly created job according to the Act on IA. Wages are discounted to the year of IP submission.

District wages are defined as the average nominal gross monthly wage of an employee in the economy of the Slovak Republic in the district of the primary location where the IP is carried out at time t-2, discounted to the year of IP submission.

If the ratio of IP wages / district wages is equal to or lower than the MIN value, the IP receives 0 points. If the ratio is higher than or equal to the MAX value, the IP receives the full number of points for the given criterion. In the case of a ratio within the range of MIN and MAX values, the number of points is calculated linearly within this range.

2.1.5. Criterion: Wages – increase (only for TJ)

The indicator is expressed based on the ratio of the net present value of the average wage for transferred jobs / net present value of the average wage for existing jobs. A percentage increase in wages is recorded if the wages for transferred jobs are higher and/or their growth is higher than 5 percent, which corresponds approximately to the average wage inflation over the last 20 years.

The net present value of the average wage for transferred jobs is calculated for the period from the transfer of the first job until the end of the obligation to retain the last transferred job according to the Act on IA.

The net present value of the average wage for existing jobs in the establishment is calculated for the same period. The average wage per job position will be discounted at a rate equal to the average wage inflation over the last 20 years.

2.1.6. Criterion: Environment

An investment project whose primary location of execution is situated in an industrial park, or an area that was previously industrially used, or on a pre-prepared area for industrial use, or on territory designated for industrial use according to the land-use plan (i.e., brownfield), receives the full number of points for the criterion.

An investment project whose primary location of execution will occupy new, previously industrially unused land (i.e., greenfield), receives 0 points for the criterion.

2.1.7. Criterion: Priority

If the IP belongs to the priority areas according to Section 4, Section 5, and Section 6 of the GR, it receives the full number of points for the given criterion. Otherwise, the IP receives 0 points.

The full number of points for this criterion is also obtained by IPs according to Section 10a and Section 10b of the GR, i.e., IPs implemented in sectors strategic for the transition to a climate-neutral economy and IPs ensuring sufficient production capacity in clean technology sectors.

2.2. Outputs of Evaluation

The points achieved in each of the above criteria are summed, based on which the evaluation result of the IP is determined.

An investment project is considered successful (demonstrating a significant regional contribution) if it achieves 50.0 points or more in the evaluation.

Even if the investment project receives the necessary number of points, it is subsequently necessary to assess the alignment of the investment project with the goals of investment aid. For example, in the case of investment projects that do not create new jobs in priority districts, have only a marginal share of transferred jobs compared to existing positions, or if the average wage level for newly created or transferred jobs does not reach the average wage in the district of execution, the ME SR may conclude that the regional contribution is absent.

The absence of regional contribution may also be stated if the investment is not in accordance with the strategy for supporting value-added growth, transformation to smart industry, or research and development activities.

2.2.1 Projects with Presumed Regional Contribution

In the case of IPs where the total eligible costs exceed EUR 110 million, the regional contribution is automatically presumed, as it is expected that the contribution of such investments will exceed the district where the IP is carried out. This means that for evaluation purposes, these investment

projects are automatically considered successful, even if the number of points achieved according to the above procedure is less than 50.0.