

## Annex 2: Terms and definitions

**‘Central Coordinating Body’:** the main body responsible for efficient management and use of the Structural Funds and the Cohesion Fund with a view to ensure coordination of management processes of the Structural Funds and the Cohesion Fund in the Slovak Republic. In the Slovak Republic, the tasks of the central coordinating body are fulfilled by the Ministry of Construction and Regional Development of the Slovak Republic.

**‘Centre of excellence in research and development’<sup>1</sup>:** a research and development organisation is referred to as centre of excellence based on its successful participation in the competition for grants from the national programme for centres of excellence (the National Programme). The National Programme is usually adopted by the government of the country concerned for 10 years and individual R&D organisations compete with their projects for support under the programme. The objective of the project is concentrated on interdisciplinary topics corresponding to the research programme of the R&D organisation. A project may last for up to 5 years. A panel of internationally recognised experts is set up for the selection of projects to be supported under the National Programme.

Research and development organisation asking for assistance under the national programme has to meet the following main criteria:

- it is engaged in a research programme in a field of science, which is important for the development of the country;
- it takes part successfully in international science and technology cooperation providing added value for European research area;
- its research and development results are used by the economy or society;
- its research and development results are used for the education of researchers;
- high level of qualification of staff;
- research infrastructure corresponding to international standards;
- research results are, at least on European level, used for scientific education of new workers.

**‘Technology Transfer Centre’:** a specific tool of the innovation policy supporting the targeted transfer of technology produced by research activity of the higher school, where the centre is located, into business practice.

**‘Certifying Authority’:** national, regional or local public authority or entity appointed by the member state with a view to certify cost statements and payment orders before submission to the European Commission (EC). In the Slovak Republic, the Certifying Authority is responsible for preparation of payment orders, receipt of payments from the European Commission as well as their disbursements. The role of the Certifying Authority is fulfilled by the Ministry of Finance of the Slovak Republic. In relation to the State Treasury, the Certifying Authority acts on behalf of the Ministry of Finance of the Slovak Republic as a client of State Treasury.

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<sup>1</sup> Centre of Excellence Policies in Research, Aims and Practices in 17 Countries and Regions, Publications of the Academy of Finland, 2003

**‘European Territorial Cooperation Objective’ (objective 3):** objective of the EC enabling to use assistance from the European Regional Development Fund targeted at cross-border, supra-national and inter-regional cooperation.

**‘Convergence objective’ (objective 1):** objective of the EC enabling to use assistance from the structural funds and the Cohesion Fund for regions, whose development is lagging behind and whose per capita gross domestic product measured in purchasing power parities and calculated based on EC data as the average for the period of 2000-2002 is less than 75% of the EU-25 average.

**‘Regional competitiveness and employment objective’ (objective 2):** objective of the EC enabling to use assistance from the European Regional Development Fund and the European Social Fund for regions, with the exception of the least developed regions.

**‘Disparities’:** are the main barriers that need to be overcome in order to attain the strategy objective. They are the result of the synthesis of the weaknesses and threats identified in the SWOT analysis;

**‘Effectiveness’:** relation between the financial inputs and the outputs, results and/or impacts produced.

**‘European Regional Development Fund (ERDF)’:** one of the main tools of EC structural and regional policy, whose objective is to contribute to the development of the least developed regions of the European Union and territorial cooperation;

**‘European Social Fund (ESF)’:** one of the main tools of EC structural and regional policy helping to attain the objectives particularly in the field of active employment policy and free movement of workforce and in combating unemployment and discrimination of various groups of people on the job markets.

**‘Development factors’:** the main drivers redressing the identified disparities. Development factors might be existing or future drivers.

**‘Innovation growth poles’:** are defined centres of settlement (regional capitals and towns, in which district offices are located) and part of the territories of first and second level core settlement areas (these core settlement areas include, in addition to the above settlement centres also certain areas, which are referred to as cohesion growth poles) in accordance with the Spatial Development Perspective of Slovakia.

**‘Innovative business’:** a business offering marketable products, technologies and services with higher value added.

**‘IT Monitoring System (ITMS)’:** information system administered and developed by the central coordination body in cooperation with the managing authorities, the certifying authority and the audit authority, used to record data relating to the NSRF, all operational programmes, projects, certifications, controls and audits with a view to ensure efficient and transparent monitoring of all processes related to the implementation of the Structural Funds and the Cohesion Fund. It ensures communication with SFC2007 EC database, monitoring systems of the neighbouring countries and beneficiaries. It provides the connection to the Information System of Funds Accounting (ISUF);

**‘Categorisation of Structural Fund assistance’:** categorisation of assistance from the Structural Funds introduced by the European Commission, as contained in Annex II of the Implementing Regulation. Assistance from the Funds is assigned to the relevant categories within 5 different dimensions (priority theme, form of finance, territory type, economic activity and location (NUTS) dimension). Each category is assigned a code. In the process of

Funds implementation, each project is assigned the appropriate category (category code) for each of the dimensions. This allows the Commission preparing statistics on the use of the Funds (within the defined categories in 5 dimensions) for operational programmes of all Member States. In addition to that, the Commission requires ex-ante information at operational programme level - i.e. what financial resources are planned for the individual categories for the first three dimensions.

**‘Cluster’:** usually defined as “geographic concentration of interconnected companies, specialised suppliers, service providers and companies operating in related industrial branches and institutions (such as universities or trade associations), which are competing, but also cooperating with each other“.

**‘Cohesion growth poles’:** are defined as centres of settlement, which are important for cohesion of the relevant territory. They fulfil some higher level functions for neighbouring communities and concentrate the most important local facilities. These are mostly centres, which are already fulfilling some higher level functions for neighbouring communities and which have good location and accessibility from nearby villages.

**‘Cohesion Fund’:** a financial tool of the EC targeted on those member states, whose per capita gross domestic product measured in purchasing power parities and calculated based on EC data as the average for 2001-2003 is less than 90% of EU 25 average. It supports transport infrastructure and environment projects.

**‘Concentration’:** a principle, based on which interventions are implemented in a selective manner in specific themes (sectors) and territories (according to NUTS classification). The selection criterion is efficiency and effectiveness of intervention.

**‘Slovak Spatial Development Perspective’:** nationwide spatial planning documentation with a legally binding part. It contains a certain "vision" of the spatial arrangement and functional use of the territory of Slovakia with the aim of guiding decisions at present and in the short and medium term. The purpose of nationwide spatial planning documentation is to express the ideas of optimum spatial relationships at national and international level.

**‘Convergence’:** the coming together or equalling of level. Overall convergence consists of three partial convergence areas: nominal convergence, real convergence and structural convergence.

**‘Lisbon Strategy’:** EU strategy adopted by the heads of states and governments of the Member States in Lisbon in March 2000, according to which Europe should, by 2010, become the most dynamic and competitive knowledge-oriented economy, which will be capable of sustainable growth with higher number of jobs and greater social cohesion. The Slovak Government joined the Lisbon process;

**‘Marginalised Roma communities’** are concentrations of the Romani that suffer under a high level of social exclusion and deprivation.

**‘National Reform Programme’:** in line with the new coordination processes, Lisbon strategies of the Member States are drafted in three-year programming cycles and are presented in National Reform Programmes. The focus and the content of these strategic documents are based on the new principles of EU economic policy, the so-called *Integrated Guidelines*, which present a synthesis of the past Broad Economic Policy Guidelines and Employment Guidelines. For the priority areas of the strategy, separate *action plans* were prepared, which were approved by the government of the Slovak Republic in July 2005. These action plans define concrete main tasks in the individual areas. For each of the tasks, there are clearly defined objectives, sequence of steps, indicators for progress evaluation and

responsibilities for task fulfilment. This strategy was also used as the basis for drafting the National Reform Programme.

**‘National Development Plan’:** an analysis of the situation prepared by the Member State in light of the EU Cohesion Policy objectives (objectives 1, 2 and 3), the priority needs for the attainment of these objectives, as well as the strategy, the planned priority activities, their specific objectives and the relevant indicative allocations for 2000-2006, or in the case of Slovakia for 2004-2006. The plan is used by the Commission as the basis for preparing the Community Support Framework.

**‘National Strategic Reference Framework (NSRF)’:** – program document of the member state containing an analysis of the situation in light of the objectives stated in Council Regulation No. 1083/2006 EC and the priority axes for attaining these objectives, including strategy, planned priority activities, their specific objectives and the related funding. It is the reference tool for preparing the programming of the Structural Funds and the Cohesion Fund and applies to objectives 1 and 2 and may also, if a Member State so decides, apply to objective 3. In the Slovak Republic, the NSRF applies to objectives 1 and 2.

**‘Nominal convergence’:** a process, which started with Slovakia’s entry to ERMII in 2005 and which will be completed by the adoption of Euro in 2009 or 2010. Nominal convergence requires meeting the Maastricht criteria in the area of public finance, inflation, interest rates and currency rate.

**‘Measure’:** the means used over a period of several years to implement a priority axis of an operational programme, consisting of groups of related activities and allowing the financing of projects.

**‘Operational programme (OP)’:** document submitted by a Member State and adopted by the Commission setting out a development strategy with a coherent set of priorities to be carried out with the aid of a Fund, or, in the case of the Convergence objective, with the aid of the Cohesion Fund and the ERDF.

**‘Audit authority’:** national, regional or local public authority or entity functionally independent from the managing authority and the certifying authority designated by a Member State for each operational programme and responsible for providing assurance of proper functioning of the management and control systems. In Slovakia the tasks of the audit authority are discharged by the Ministry of Finance.

**‘Growth poles’:** areas with expanding sectors located in an urbanized area, changing economic activities taking place in the zone of their influence. Their economic performance and competitiveness is higher than that of the other parts of the region. The most important (largest) growth poles determine not only the performance and competitiveness of the region, but also of the entire national economy.

**‘Beneficiary’:** an operator, organisation, legal entity, natural person or administrative unit, which receives moneys from the national budget for co-financing and assistance from the Structural Funds or the Cohesion Fund in order to implement a project or operation. If financial engineering tools are used, beneficiaries are entities administering venture capital funds, guarantee funds and loan funds.

**‘Priority axis’:** one of the priorities of the strategy in the operational programme, consisting of a group of related operations with concrete, measurable objectives.

**‘Community Support Framework 2004 – 2006’:** the basic programming document of a Member State for the use of the Funds in 2000 - 2006 or 2004-2006, as applicable, approved by the Commission after consulting the Member State affected. The Commission shall

prepare the Community Support Framework on the basis of the approved development programme of the Member State (National Development Plan 2004-2006 in the case of Slovakia). The Community Support Framework outlines the strategy and the priorities for the activities of the Fund and of the Member State, their specific objectives and the contribution from the Funds and from other sources. This document is divided into priorities and shall be implemented through one or several operational programmes. In the case of Slovakia, it applies to objective 1 of EU Cohesion Policy. In the next programming period 2007-2013, the Community Support Framework shall be replaced by a document entitled the National Strategic Reference Framework.

**‘Managing authority’:** national, regional or local public or private body designated by a Member State, which is responsible for the management of an operational programme. A managing authority is appointed for each operational programme. In the Slovak Republic, managing authorities are appointed by the Government of the Slovak Republic.

**‘spin-off<sup>2</sup>’:** spin-offs are organisational units or firms established by carving out a certain activity or group of people from the primary organisation (the parent company), including for example a higher school. The primary organisation usually preserves dominant influence on the activities of the new organisation. Spin-offs created by higher schools or state R&D organisations are usually established with the aim of using commercially the outputs of research and development.

**‘Intermediate body under the managing authority (IB/MA)’:** any public or private body or service, which acts under the responsibility of a managing authority or which carries out duties on behalf of such an authority. Defining the scope and the tasks of the intermediate body under the managing authority is the responsibility of the managing authority and forms a part of the responsibility delegation document.

**‘Strategic priority’:** one of the theme priorities of the strategy of the National Strategic Reference Framework of the Slovak Republic for 2007-2013, which consists of a group of related specific priorities with concrete, measurable objectives.

**‘Community Strategic Guidelines on Cohesion (CSG)’:** a strategic EC level document adopted by the Council of the EU, which, taking into account the other relevant EC policies, defines the framework for the use of structural funds and of the Cohesion Fund for each of the objectives.

**‘Synergic effect’:** the effect of concentration caused by the combination of several interventions in one territory or with one final beneficiary.

**‘Specific priority’:** one of the mutually related theme priorities under one strategic priority of the National Strategic Reference Framework of the Slovak Republic for 2007-2013, with concrete, measurable objectives.

**‘Territorial unit for statistics’:** NUTS is a standard for the hierarchic classification of administrative areas of the Member States of the European Union for the purposes of regional statistics. The division does not need to correspond to the administrative division of the state. The system was introduced by the Statistical Office of the European Commission (EUROSTAT) in cooperation with the national statistical institutes (in the case of the Slovak Republic with the Statistical Office of the Slovak Republic);

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<sup>2</sup> with the original meaning in English – offshoot, by-product.

**'State aid'**: any assistance provided from the national budget or in any other form from public resources to an undertaking, provided such assistance distorts or potentially distorts competition by favouring certain businesses or the production of certain types of goods and might negatively influence trade between the Member States;

**'Technology Platform'**: European Technology Platform (ETP) / National Technology Platform (NTP) is an association of leading industrial companies, research and financial institutions, small and medium-sized enterprises, national public administration authorities and consumer associations involved in research, development and innovation in a certain technology area of strategic importance for the EU, with the aim of creating medium-term up to long-term vision of future technological development and mobilising financial resources for the attainment of the vision. At present, technology platforms are considered to be the means for the support to efficient public-private partnerships (PPP).

Technology platforms are concentrated on areas, which have significant economic impacts, are in the centre of public attention on European (national) level and offer great potential of value added.

**'Technology centre'**: an initiative concentrated on the support to technology-related business plans of developing small and medium-sized. Its operation is based on the development of real property (buildings and set of buildings, industrial premises). To support these small and medium-sized enterprises, the technology centre uses, in addition to the available infrastructure, also the offering of specialised services and contacts to large customers for the products of small and medium-sized enterprises (large businesses demanding innovation).

**'Technology incubator'**: a specific business incubator orientated on technology. According to internationally accepted definition, business incubator is an organisation or institution, whose objective is to create favourable environment for start-up companies. It provides comprehensive support to start-up businesses, including rooms for their operation, advisory and consulting services, access to venture capital, contact to customers, intermediation of accounting, legal and financial services. Certain strong universities generate tens of new companies per year. After their operations grow in size, the businesses usually change location (by moving to technology innovation centres or science/technology parks etc.).

**'Sustainable development'**: development that preserves the possibility for current and future generations of satisfying their basic needs, while at the same time not reducing the diversity of the nature and preserving the natural functions of eco-systems. Sustainable development comprises the following components: economic, social and environmental components.

**'Efficiency'**: the relation between the planned value and the actually achieved value of a measurable indicator (relation between the planned target value and the target value actually achieved).

**'Science/technology park'**: an initiative concentrated on the support of commercial use of R&D outputs by small and medium-sized. Its operation is based on the development of real property (plots of land, buildings, networks). Its activities are very closely linked to one or several science and research institutions (universities, academies and other state-owned research and development organisations).