



European Construction Sector Observatory

Policy measure fact sheet

Slovakia

Construction Information System
(Informačný Systém Výstavby)

Thematic Objective 4

January 2018

In a nutshell

Implementing body:	Ministry of Transport and Construction of the Slovak Republic
Key features & objectives:	The Programme aims to digitize the existing building code and land planning procedures in order to simplify and speed up the lengthy bureaucratic processes.
Implementation date:	01/09/2017 – 31/08/2021
Targeted beneficiaries:	Citizens and entrepreneurs
Targeted sub-sectors:	Building authorities, second-instance appellate bodies.
Budget (EUR):	35 million (provided by EU funds and the State Budget, through the Operational Programme Integrated Infrastructure 2014-2020)

The Slovakian construction sector is legally regulated by the Building Act no. 50/1976¹, which has been in force since 1976 and is characterised by complex and lengthy administration processes.

According to the Act, municipalities represent building authorities and their decisions have to be approved by the corresponding city mayor². The building authorities work independently and due to the lack of a uniform system for registering relevant information and data, their activities and construction-related processes are mostly recorded in hardcopies. Therefore, to obtain a building permit, a citizen or a foreign entrepreneur is required to engage with the administrative process via standard mail service or face-to-face communication with the relevant authorities³.

Other issues with the Slovakian construction system relate to the different ways in which the Building Act is implemented⁴.

For instance, project documentation authorisation, which is typically enclosed with the construction application/request, often

The main problems are largely the consequence of inconsistent law interpretations, the lack of trained and knowledgeable staff and the fact that Slovakian building authorities lack the required level of management expertise or methodologies.

lacks a final verification. This creates a significant risk that the quality of construction work may be largely neglected, potentially resulting in a serious safety threat to the public and the environment.

Additionally, there is neither a clearly defined methodology for the development of zoning plans nor a one-stop-shop portal to effectively manage zoning plan documentation⁵. Even when some zoning plans happen to be published online, they are rarely in a format that enables further processing of the data, including automated evaluations.

Due to the deficiencies of the current national construction system's administration processes, the Ministry of Transport and Construction of the Slovak Republic (hereinafter referred to as the 'MTC SR')⁶ is unable to access data on current or planned construction projects across the country.

The MTC SR therefore has to primarily rely on data gathered through statistical surveys, which are carried out by the National Statistics Office. However, survey data is often not complete, up-to-date or fully representative⁷. This therefore has an impact on the overall management of the investment flows into the Slovakian construction sector and regional development.

To help to address these problems, MTC SR launched a project to computerise the Building Code, Land Planning and Regional Development. The 'e-STAK' solution⁸ was then later renamed as the 'Construction Information System' (Informačný systém výstavby)⁹. The project aimed to simplify, streamline and accelerate administrative procedures required to obtain planning and building permits.

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The first phase of the project was completed in 2015 and focussed primarily on the assessment of the conditions of the Slovakian construction system and ways to improve it¹¹.

In the second phase, a public procurement process was run to select a contractor to develop a suitable software solution. The contract was awarded to a regional software specialist, Asseco Central Europe¹². The contract has not yet been signed; however, the system is expected to be fully operational by the end of 2021¹³.

1

General description

Table 1 provides a breakdown of the construction permit process, time, cost and procedures required to obtain a building permit in the Slovak Republic¹⁴. Although some of the procedures progress in parallel*, Slovakia performs significantly below the OECD average of 152 days with respect to the time it takes to obtain a building permit for a warehouse, which is 286 days¹⁵.

Table 1: Construction permit process

Procedure	Call 3	Total
Obtain certificate of ownership of the land	41	150
Request and obtain a location permit from the Municipality	>2,181	>6,800
Obtain consent from water and sewage provider and request water and sewage connection *	268M	830M
Request and obtain the construction permit from the Municipality	493M	1.4BN
Receive on-site inspection before construction *	493M	1.4BN
Obtain water and sewage connection	493M	1.4BN
Request occupancy permit *	493M	1.4BN
Receive final inspection from the Municipality	493M	1.4BN
Obtain an occupancy permit from the Municipality	493M	1.4BN
Obtain an occupancy permit from the Municipality	493M	1.4BN

* Procedure takes place simultaneously with the previous procedure.
Source: Doing Business overview for Slovakia, World Bank, 2017¹⁶

To improve the situation, the MCT SR announced a public tender for services related to the design, development and implementation of the **Construction Information System** (formerly known as the Electronic Building Code / the Project for Computerisation of the Building Code and Land Planning "e-STAK") in early August 2015¹⁷.

The **Construction Information System** aims to prepare and put in place a programme for e-services provided by building authorities, second-instance appellate bodies and the MTC SR to speed up and simplify the zoning procedures and regional development administration processes for all parties involved in the construction-related procedures (citizens and entrepreneurs especially)¹⁸. More specifically, the programme aims to:

- Shorten the time required to obtain a building permit to reach the EU average of 168 days;
- Allow for an electronic submission of a construction application / request and tracking of the course of its proceedings;
- Reach an effective communication with building authorities as well as other concerned persons/bodies through a single and specialised portal;
- Introduce a common approach for developing zoning plans; and
- Ensure the submission of required documentation in a format suitable for further processing and evaluation¹⁹.

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The new system will provide citizens and entrepreneurs with a public portal, where all important information, data and documents on construction, zoning procedures and regional development will be stored.

In addition, it will give them an ability to submit relevant documents (e.g. application/ proposal) online using a web interface.

The system will also benefit **authorised persons or entities** (e.g. building authorities) by providing them with an effective project documentation management tool and an intranet solution to manage all processes, procedures and activities.

2

Achieved or expected results

Based on the comparative analysis conducted, the new Construction Information System seems to be the best available solution. It has the potential to significantly improve, simplify and speed up processes related to construction, zoning and regional development in Slovakia. The new solution is also expected substantially increase public satisfaction with the state administration in Slovakia²⁰.

As the programme has not yet been implemented, its specific results and measurable impacts are not available for analysis. However, in May 2017 the MTC SR published a 'Feasibility Study on the Construction Information System'. The study outlines the results that are expected to be achieved once the system is deployed and fully operational²¹.

The study is also designed to inform the general public about the urgency and appropriateness of the new system, while making relevant comparisons between alternative solutions observed in the neighbouring countries (Czech Republic, Poland and Austria) and the current Slovakian administration process.

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The pre-identified strengths of the system are:

- Unification of all activities executed by individual building authorities;
- Introduction of an electronic system that will accelerate administrative processes, contribute to an increased avail-

ability of data and allow for an easy analysis of all relevant information;

- Clarity of data, limiting the number of fraud cases as a result of submitting incorrect / false documentation;
- Availability of data and information required for the preparation/assessment of various applications; and
- An electronic communication between all concerned authorities that are involved in the preparations of various projects²³.

The pre-identified weaknesses of the system are:

- Long lead time to create and deploy the system;
- Legislation must be amended to clearly define the obligations and duties associated with the system;
- Need for professional training for all staff that will have to work with the system (e.g. building and land planning authorities);
- Need to work 'online', meaning that all relevant offices will be required to have an Internet connection²⁴.

As the Construction Information System is currently in the preparation phase, it is being proposed with the aim of finding ways to limit its pre-identified weaknesses. Failure to address them could turn those weaknesses into threats which may hinder deployment and the benefits of using the new system.

The Construction Information System **implementation process** involves three main phases of work. Phase 1 was successfully completed in 2015 and included:

- Detailed analysis of construction and land planning procedures;
- Proposal to improve construction and land planning procedures;
- Definition of the requirements for the development of a suitable software solution;
- Proposal of the legislative changes required²⁵.

Phase 2 covers the development of the suitable software solution, as part of the public procurement announced in August 2015. A strong regional software centre that specialises in IT services and products – Asseco Central Europe²⁶ – won the procurement procedure and the entire system is expected to be fully implemented by the end of August 2021²⁷.

Phase 3 covers project implementation and deployment with a start date of September 2017, following the signing of the contract between MTC SR and Asseco. Phase 3 encompasses five activities:

1. Analysis and design;
2. Purchase of the HW and the box software;
3. Implementation;
4. Testing;
5. Deployment²⁸.

Table 2 shows the estimated duration, start and end date of each activity. In total, it is estimated that the Construction Information System should be deployed within 1,034 days.

Table 2: Construction information system deployment plan

Task Name	Duration (Days)	Start	Finish
Construction Information System	1043	01/09/17	31/08/21
1. Analysis & design	173	01/09/17	01/05/18
2. Purchase of HW & box SW	871	01/05/18	31/08/21
3. Implementation	1043	01/09/17	31/08/21
4. Testing	478	01/11/19	31/08/21
5. Deployment	348	01/05/20	31/08/21

Source: Ministry of Transport and Construction of the Slovak Republic, Construction Information System, 2017²⁹

Phase Three will also cover a range of supporting activities:

- Project management in accordance with the laws of the Slovak Republic;
- Financial accountancy;
- Providing information on the progress of the project to the general public³⁰.

3

Perspectives and lessons learned

From a **government perspective**, the Construction Information System is expected to bring a significant improvement by preparing and putting in place a programme for e-services provided by building authorities, second-instance appellate bodies and the MTC SR so that citizens and entrepreneurs are able to handle the entire procedure – from submitting their requests to the issuance of a valid decision pursuant to the Building Act – by electronic means.

In particular, the Ministry states that once fully implemented, the Construction Information System should significantly shorten the time required for obtaining a construction permit to reach the European Union average (168 days).

The Department of the Informatics and Registry at the MTC SR notes that, in general, the representatives of the target groups have given positive feedback on the Construction Information System and its related benefits. However, the department also underlines that the responses are not always positive, because some groups have false expectations that go beyond the scope of the project. The department is concerned that unrealistic expectations may negatively impact how the new system is perceived. To prevent this from happening, the MTC SR aims to support the implementation and deployment of other construction-related initiatives (e.g. preparation, authorisation and control of buildings) in parallel with the Construction Information System³¹.

From **another government perspective**, the Department of Construction and Housing Policy in Košice believes that the current state administration process in construction is no longer acceptable. The department is strongly in favour of the newly proposed system because it promises to improve the building permit process.

The department points out that construction-related documentation tends to be extremely extensive and that almost 50% of the regions in Slovakia are under-developed. These regions often lack the necessary technical equipment to convert complex documentation into an electronic format. A key concern is that once implemented, the Construction Information System might not be immediately operational by all concerned bodies.

The Department therefore emphasises the need to limit the first phase of project implementation to those operations that are feasible and are relatively easy. These are, for instance, the determination of building authorities or the announcement of the initiation of small constructions.

In addition, the department states that there is an urgent need to amend current legislation to provide targeted training to relevant employees and to provide relevant authorities across all regions in Slovakia with a compatible hardware and software solution³².

From a **private sector perspective**, the Chairman of the Management Board at the Institute for Transport and Economy, argues that the Slovakian construction sector urgently needs more simplified administration processes, in addition to the new Construction Information System. This essentially requires a change to building law, in particular to effectively deal with illegal construction work³³.

Endnotes

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- 5 Ibid
- 6 The Ministry of Transport and Construction of the Slovak Republic was formerly called the Ministry of Transport, Construction and Regional Development.
- 7 Ibid
- 8 Ministry of Finance of the Slovak Republic, Invitation to the National Project: Computerization of the Building Code, Land Planning and Regional Development, July 2013: http://www.informatizacia.sk/ext_dok-ts_pv_es-stavebneho-poriadku-up-a-rr/15589c
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- 11 Ministry of Finance of the Slovak Republic, National Reform Programme of the Slovak Republic, April 2015: http://www.finance.gov.sk/Components/CategoryDocuments/s_LoadDocument.aspx?categoryId=8046&documentId=13145
- 12 Konzervatívny Denník Postoj, February 2016: <https://www.postoj.sk/10424/zakazka-na-informacny-system-vystavby-uz-ma-vitaza-cena-znama-nie-je>
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- 15 Ministry of Transport and Construction of the Slovak Republic, Construction Information System, May 2017: http://www.mindop.sk/comments/comments/downloadfile/ISV_SU_20170504_final.pdf
- 16 Dealing with Construction Permits, Doing Business in Slovakia, World Bank, 2017: <http://www.doingbusiness.org/data/exploreeconomies/slovakia#dealing-with-construction-permits>
- 17 SME Ekonomika, August 2015: <https://ekonomika.sme.sk/c/7949674/informacny-system-vystavby-moze-stat-do-45-milionov-eur.html>
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- 22 Ibid
- 23 Ibid
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- 25 Ministry of Finance of the Slovak Republic, National Reform Programme of the Slovak Republic, April 2015: http://www.finance.gov.sk/Components/CategoryDocuments/s_LoadDocument.aspx?categoryId=8046&documentId=13145
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- 27 Ministry of Finance of the Slovak Republic, National Reform Programme of the Slovak Republic, April 2017: http://www.finance.gov.sk/Components/CategoryDocuments/s_LoadDocument.aspx?categoryId=8046&documentId=15551
- 28 Ministry of Transport and Construction of the Slovak Republic, Construction Information System, May 2017: http://www.mindop.sk/comments/comments/downloadfile/ISV_SU_20170504_final.pdf
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- 30 Ministry of Transport and Construction of the Slovak Republic, Construction Information System, May 2017: http://www.mindop.sk/comments/comments/downloadfile/ISV_SU_20170504_final.pdf
- 31 Interview held with Mr. Šiagi, Department of Informatics and Registry, Ministry of Transport and Construction of the Slovak Republic.
- 32 Interview held with Mr. Styk, Department of Construction and Housing Policy in Košice.
- 33 Interview held with Mr. Matej, Chairman of the Management Board at the Institute for Transport and Economy.