



Update of the National Euro Changeover Plan for the Slovak Republic

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Only more than about 200 days are left until the 1st day of January 2009, which will enter Slovak history as the day of the introduction of the euro. While the last months were revolving around a certain, albeit not large, uncertainty as to whether Europe will accept us in the single currency club, today this question is virtually clear and solved, fortunately with a happy ending. Yes, we have not passed the entire political decision making process yet, but nevertheless we can afford such an optimistic statement without running the risk of forestalling. Although anything can happen and, above all at the theoretical level, anyone can speculate to his heart's content, the facts and rules are clear: The accession to the euro area is a political decision built on economic criteria.

WE ARE ENTERING THE HOME-STRETCH

The fact that we have fulfilled the economic criteria has been confirmed by the institution responsible for the assessment – the European Commission. Although our accession – more exactly the abrogation of the derogation from the obligation to introduce the single currency – must be approved by the supreme representatives of all 27 countries of the European Union, they have no space for a dismissing opinion.

ASSESSMENT AT THE PROFESSIONAL, NOT POLITICAL LEVEL

The European leaders have emphasized many times that the assessment will be performed on a professional, not on a political basis, and a possible hesitation to confirm the accession at the June summit would shatter the whole mechanism at the line European Commission – European Central Bank – European Council, which has been working so far. Apart from these formal or procedural arguments, there is no real reason, for which some of the 26 countries could place a veto on our accession to the euro area in an unprecedented way. We can thus look upon the euro as a real fact.

THE STORYBOARD AND THE COOK BOOK

In mid-April, the Slovak government approved the third – updated – version of the National Euro Changeover Plan for the Slovak Republic.

The National Plan has been the first fundamental document, which has dealt and deals with the euro changeover in Slovakia at the technical and organizational level.

The first version was drawn up by the NBS and the Ministry of Finance of the Slovak Republic in

the summer of 2005 and it became a kind of manual, storyboard or, say, cook book, according to which the euro should replace the independent Slovak koruna smoothly and without problems after 16 years of its existence.

The creators of the plan have divided the whole process into six areas – banking, business, legislation, information and statistics, general government and communication. A separate working committee for each of these areas has been established based on the approved national plan; the committee was assigned its tasks and a precise time schedule for their fulfillment. In addition, the central government bodies have received further recommendations as to how to proceed during the euro changeover.

It is necessary to point out that an early setting of a target date for Slovakia's euro area accession along with an early drawing up of this basic manual have been one of the main preconditions for Slovakia's start of the technical preparations within a reasonable time span in advance, without stress, and the individual institutions have had enough time to plan the steps and to start implementing them.

It is completely natural that almost 5 years in advance it had not been possible to identify or to exactly specify all tasks or concrete dates for their fulfillment. Therefore, already this initial version of the national plan had reckoned with ongoing updates, which then were fulfilled in the following years.

In March 2007, the NBS together with the Ministry of Finance submitted an updated version of the document at a meeting of the government of the Slovak Republic. The document reflected the fulfilled tasks, rendered more precisely some tasks,



and in some cases – for example in the case of the date for the selection of an information campaign agency – it rendered the set dates more real.

FIXATION OF THE KORUNA IN THE ERM II REGIME

The updated national plan has already contained the result of the competition regarding the design of the Slovak euro coins, a more precise time plan for the legislative tasks or for example the position, responsibilities and tasks of the government plenipotentiary for the euro. Last but not least, the updated version contains important facts, such as the fixation of the koruna in the ERM II regime, which was carried out on 28 November 2005 (which was, by the way, exactly 2 days before the approval of the umbrella law), as well as the revaluation of the central parity from the originally set level of 38.4550 SKK/EUR to 35.4424 SKK/EUR.

THE (PERHAPS) LAST UPDATE

The most recent version of the national plan was approved by the government on 16 April of this year. In addition to many specifications in terms of formulation and technical issues as well as factual specifications, or supplements to the individual chapters, the last update brought two main innovations. One of them – the production and distribution of starter kits – has been the result of a long and complicated discussion, not only in Slovakia, but also within a dialogue between Slovakia and the European Commission.

Following very detailed evaluations of the arguments in favor of starter kits (help to the public, frontloading to small businessmen and self-em-

ployed persons, a good communication element) and against the starter kit (expensive production and distribution, ambiguous necessity for a continuous cash circulation), the National Coordination Committee for the introduction of the euro adopted a resolution that it will add the task to produce and distribute starter kits in the national plan.

Based on that resolution, the public will be enabled to buy in the branches of banks or at post offices kits containing euro coins of various denominations with Slovak national sides in December 2008. The expected price of a kit will be SKK 500 and no restrictions on their quantity or other restrictions on their sale are expected for the time being. The only thing the buyer will have to fulfill is that he is not supposed to use those coins before the day of the introduction of the euro, because they will not be valid until that day.

MORE EFFECTIVE WORKING COMMITTEES

Another important element of the update, the importance of which is primarily internal, for employees involved in preparatory operations is a merge of the Working Committee for Information Technology and Statistics with the Working Committee for General Government. The reason for this step has been mainly previous experience, which has shown that the tasks and the sphere of operation of the committees overlapped to a considerable extent. In addition, both committees worked under the charges of the MinuUtry of Finance, so that the merge did not pose any problem or organizational trouble. In the new system, the committee for information technology has been kept in the form of a subcommittee of the Working Committee for General Government, which continues to be headed by the State Secretary František Palko. The head of the subcommittee is Pavel Bojňanský, the chief executive of the informatization section, who has replaced Albín Kotian.

OVERVIEW OF FURTHER IMPORTANT STEPS

The most recent update also contains an overview of new steps taken, such as the approval of the umbrella law, the entering into an agreement of partnership, with the European Commission, regarding the information campaign, the selection of a communication agency, and the approval of a detailed communication strategy. The considerably extensive annex to the document contains a very precise specification of the tasks of the individual governmental departments and sectors.

Due to the fact that only more than about 7 months are left to the date of changeover to the new currency, it is possible that the most recent update will be the definitive version. Nevertheless – if practice results in the need of another update – an update will be possible at any time in the second half of this year.

