

Kotnikova ulica 5, 1000 Ljubljana

Partnership Agreement between Slovenia and the European Commission 2021–2027

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LIST OF ABBREVIATIONS AMIF – Asylum, Migration and Integration Fund CLLD – Community-Led Local Development ITI – Integrated Territorial Investments Czk – Centre for Creativity EaSI – EU Employment and Social Innovation Programme EESSI – Eucropean Structural and Investment Funds (ERDF, CF, ESF+ and JTF) ERDF – European Structural and Investment Funds (ERDF, CF, ESF+ and JTF) ERDF – European Social Fund EMFAF – European Maritime, Fisheries and Aquaculture Fund EAFRD – European Agricultural Fund for Rural Development ETC – European arritorial cooperation programmes EUMSS – EU Maritime Security Strategy EUSAIR – EU Strategy for the Adriatic and Ionian Region EUSALP – EU Strategy for the Alpine Region EUSALP – EU Strategy for the Danube Region GFCM – General Fisheries Commission for the Mediterranean CEF – Connecting Europe Facility DRI – Development Risk Index MBVI – Instrument for Financial Support for Border Management and Visa Policy KET – Key enabling technology CF – Cohesion Fund ESCR – Eastern Slovenia Cohesion Region WSCR – Western Slovenia Cohesion Region WSCR – Western Slovenia Cohesion Region MTO – Knowledge Transfer Office LAG – Local action groups MIDDSZ – Ministry of Education, Science and Sport MKGP – Ministry of Education, Science and Sport MKGP – Ministry of Agriculture, Forestry and Food MOP – Ministry of the Environment and Spatial Planning SME – Small and medium-sized enterprises MSY – Maximum sustainable yield MZI – Ministry of Infrastructure NECP – Integrated National Energy and Climate Plan of the Republic of Slovenia 2030 RRP – Recovery and Resilience Plan RES – Renewable energy sources	12. Preliminary climate contribution target								
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PE – Population equivalent									
RAS – Recirculating aquaculture systems									
R&D – Research and development									
RDP – Regional development programme	-								
LDS – Local development strategy									

SNV – Slovenian National Internal Security Programme

SPOT – Slovenian Business Points

JTF - Just Transition Fund

SRIP - Strategic Research and Innovation Partnership

SDS 2030 – Slovenian Development Strategy 2030

SVDP – Government Office for Digital Transformation

S4 – Slovenian Smart Specialisation Strategy

S5 – Smart Specialisation Strategy 2030

SVRK – Government Office for Development and European Cohesion Policy

TEN-T – Trans-European Transport Network

TRL – Technology readiness level

SUS – Sustainable Urban Strategy

ZMOS – Association of Urban Municipalities of Slovenia

Note

For investments supported by the resources of funds governed by the Common Provisions Regulation (CPR), Slovenia and the competent authorities undertake to comply with the horizontal principles contained in the Charter of Fundamental Rights of the European Union and with the principles set out in Articles 9(1), (2) and (3) of the CPR when selecting and carrying out operations. Accessibility to the built infrastructure and services that receive support from Union funds is ensured throughout the period of preparation and implementation of programmes, with persons with disabilities and reduced mobility being granted the same level of access to all infrastructure, services and goods.

1. Selected policy objectives and the JTF-specific objective

Selected	Programme	Fund	Justification for the selection of a policy objective or JTF-
objective			specific objective
PO1: A more competitive and smarter Europe by promoting innovative and smart economic transformation and regional ICT connectivity	ECP 2021– 2027 programme	ERDF	Improvements to the research, development and innovation ecosystem are key to achieving economic stability in Slovenia. Support measures are often insufficiently coordinated, while the limited support available for technology transfer and the generally poor level of cooperation between science and business make it difficult to set up and expand innovative businesses. Most small and medium-sized enterprises (SMEs) in Slovenia have low innovation capacity, while the share of innovative enterprises is actually falling and is below the EU average. The country's slow digital transformation is limiting productivity growth and, after making progress, Slovenia has fallen back in its efforts to achieve the 2020 R&D spending target. The key challenges for the industrial transformation and
			further economic and social development of Slovenia, the achievement of the sustainable development goals with a view to making progress towards the objectives of the Slovenian Development Strategy (SDS 2030) and the fulfilment of the EU Council recommendations of 2019 and 2020 are:
			Capacities and the deployment of advanced technologies Slovenia has been classified as a moderately innovative country for the last four years. The decline in innovation performance is largely related to relatively low public investments in R&D, which are below the EU average, and to the resulting lack of human resources for R&D, reduced cooperation between innovation stakeholders and a reduction in the innovation capacities of companies. In line with S5, inadequate research infrastructure is one of the challenges in this area and has led to a lack of a support environment for enterprise and innovation and, consequently, prevented an increase in the enterprise index. Slovenia is also below the EU average when it comes to the Eco-Innovation Index. Despite the presence of innovation hubs in both cohesion regions, the Western Slovenia Cohesion Region (WSCR) is more successful in innovation terms than the Eastern Slovenia Cohesion Region (ESCR). The ESCR accounts for only just

¹ European Commission (2021). European Innovation Scoreboard 2021, Publications Office of the EU, Luxembourg.

²European Commission Country Report – Slovenia (2019 and 2020).

³ European Commission (2019b). European Innovation Scoreboard 2019, Publications Office of the EU, Luxembourg.

⁴ European Commission. <u>The Eco-Innovation Scoreboard and the Eco-Innovation Index | Eco-Innovation Action Plan (europa.eu)</u> (Eco-Innovation Scoreboard for 2021).

over a quarter of the country's R&D researchers,⁵ produces fewer scientific publications, makes lower public and private investments in R&D, and has fewer people employed in hightech and knowledge-based services.⁶

Strengthening the sustainable growth and competitiveness of SMEs and creating jobs

The enterprise activity of companies (particularly SMEs) in the initial stages remains untapped. 7,8. This activity further fell as a result of the pandemic in 2020.9 Newly established companies with more than ten employees represent a particular challenge. Business innovation activity has been steadily falling in Slovenia since 2010 and, despite improvements in the 2016–2018 period, remains below the EU average due to the fact that SMEs are struggling to catch up. 10 The gap between Slovenia and the EU average therefore continues to widen. 11 Slovenian SMEs lag behind chiefly in relation to the uptake of innovative products and services, as well as the introduction of process and organisational innovations, although the WSCR performs slightly better than the ESCR in this regard. 12 13 After several years of growth, there was a fall in 2020 to 908 fast-growing enterprises with a total of 48,554 employees (58% in the WSCR and 42% in the WSCR). 1415

Developing knowledge and skills for smart specialisation, industrial transition and entrepreneurship

While Slovenia has, in EU terms, an above-average share of the population who are highly educated, it faces a growing mismatch between the supply of knowledge and skills on the one hand and the needs of society and the economy on the other; this is largely due to demographic changes, rapid technological progress and the structure of employment in the country. In the ESCR, 28.5% of the population aged between 25 and 64 have tertiary education. This figure is 38.7% in the

https://www.umar.gov.si/fileadmin/user_upload/razvoj_slovenije/2021/slovenski/POR2021_skupaj.pdf

⁵ Statistical Office of the Republic of Slovenia, available at: https://pxweb.stat.si/SiStatData/pxweb/sl/Data/-/2372410S.px/table/tableViewLayout2/

⁶ European and Regional Innovation Scoreboards 2021. Available at: https://ec.europa.eu/research-and-innovation/en/statistics/performance-indicators/european-innovation-scoreboard/eis#

⁷ Global Entrepreneurship Monitor (2017). Growth of Entrepreneurial Opportunities, London.

⁸ Global Entrepreneurship Monitor (2018). Untapped Potential of Entrepreneurship, London.

⁹ Global Entrepreneurship Monitor (2021). Global Report 2020/2021, London.

¹⁰ Institute of Macroeconomic Analysis and Development (2021). 2021 Development Report, Ljubljana. Available at:

¹¹ Eurostat (2020). Eurostat Portal Page – Science and Technology – Community Innovation Survey. Available at: https://ec.europa.eu/eurostat/web/microdata/community-innovation-survey

¹² Institute of Macroeconomic Analysis and Development (2020). 2020 Development Report, Ljubljana.

¹³ European Commission (2019b). European Innovation Scoreboard 2019, Publications Office of the EU, Luxembourg.

¹⁴ Statistical Office of the Republic of Slovenia. Available at: https://pxweb.stat.si/SiStatData/pxweb/sl/Data/-/1430911S.px

¹⁵ The number of fast-growing enterprises and the number of people they employ rose to their highest level for several years in 2019 (1,179 enterprises and 78,046 employees). However, these figures fell back in 2020 to 908 and 48,554, respectively. Both indicators are always lower in the ESCR (Source: Statistical Office of the Republic of Slovenia. Available at: https://pxweb.stat.si/SiStatData/pxweb/sl/Data/-/14309118.px)

^{/1430911}S.px).

¹⁶ Institute of Macroeconomic Analysis and Development (2020). 2020 Development Report, Ljubljana.

WSCR.¹⁷ Twenty-five per cent of jobs are highly vulnerable to automation and 27% to marked changes, which is well above the OECD average. The lack of relevant knowledge and skills is found among those with secondary and tertiary education¹⁸ and those already in employment. The fact that employees' digital skills are lacking can be illustrated by the 2020 figures from the Statistical Office, which show that 45% of companies with at least ten employees have a low digital index: 32% of companies have a very low digital index, 22% have a high index and 1% have a very high digital index. In terms of company size (number of employees), the figures for digitalisation level show that small and medium-sized enterprises account for the highest number of enterprises with a low digital index (46% and 41%, respectively), while large enterprises are more likely to have a high digital index (56%).

Digital transformation

According to the 2021 Digital Economy and Society Index (DESI), Slovenia ranks 13th among EU Member States. While progress has been made in recent years in the area of digital public services in particular, it remains below the EU average. Slovenia has a medium-low penetration rate with an average level of digitalisation in public services. Public digital services for businesses remain problematic. ¹⁹ Slovenia is also lagging behind in productivity growth; this is due to insufficient use of advanced technologies and internet services and to a lack of investment in advanced digital technologies, particularly artificial intelligence, where we are one of the three lowest-ranked EU countries (despite the fact that we have proven scientific and innovation potential in this area). Slovenia also lags behind in terms of the provision of digital skills.

Improving digital connectivity

The development of a knowledge society is also based on the widespread use of ICT infrastructure, where powerful electronic communications network infrastructure is crucial. According to the latest DESI (2021), Slovenia is ranked 9th in the EU in terms of connectivity. According to estimates, fixed broadband is available in 88% of the WSCR and 59% of the ESCR.²⁰ There is insufficient coverage in rural areas (a coverage rate of around 60%). While Slovenia's broadband penetration of at least 100 Mbps improved in 2020, but it still

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¹⁷ Institute of Macroeconomic Analysis and Development (2020). Regional Policy Objectives of Slovenia 2021–2027, Ljubljana.

¹⁸ Employment Service of Slovenia (2019). Employment Preview 2019/II, Ljubljana. Available at: https://www.ess.gov.si/files/12836/
Porocilo_napovednik_zaposlovanja_2019_II.pdf

¹⁹ European Commission, Digital Economy and Society Index (DESI) 2021 – Slovenia, 2021. Available at: https://ec.europa.eu/newsroom/dae/redirection/document/80600

²⁰ Government Office for Digital Transformation (2022). Own calculation.

	1		lags behind the EU average. ²¹ In the first quarter of 2021, 93%
			of households with at least one person aged between 16 and 74
			had access to the internet (2020: 90%). This figure was 95%
			in the WSCR (2020: 91%) and 91% in the ESCR (2020:
			89%). ²² There is a particular need to increase interoperability
			between public IT systems, which are mostly designed as
			closed systems (which prevents data exchange in support of
			service delivery). In the area of digital connectivity, we will
			build on the actual needs identified in the Gigabit
			Infrastructure Development Plan 2030, which will be fully in
			line with the EU's digital objectives.
PO2: A	ECP 2021-	ERDF	In order to make a successful transition to a low-carbon
greener, low-		CF	circular economy, it will be necessary to break the link
carbon	programme	EMFAF	between economic growth and growth in the consumption of
Europe	programme		raw materials and non-renewable energy sources, and the
transitioning	MFAP		associated increased environmental burden. The key
towards a net-			challenges that are faced by Slovenia and addressed in the
zero carbon			Slovenian Development Strategy 2030, the National Energy
economy and			and Climate Plan 2030 (NECP), the EU Council
resilient			Recommendations of 2019 and 2020, and that will also
Europe by			contribute to achieving the objectives of the Paris Agreement
promoting			and the European Green Deal, are:
clean and fair			
energy			Reducing greenhouse gas emissions
transition,			While Slovenia is, for the moment, managing to control
green and			greenhouse gas emissions, activities will need to be stepped up
blue			in this area if the objectives are to be achieved. The transport
investments,			sector represents the biggest challenge, with the share of
the circular			transport emissions in the non-ETS growing, peaking at 52%
economy,			in 2019. Emission estimates for 2020 show a sharp decrease
climate			resulting from reduced transport activity during the
change			coronavirus pandemic. Although Slovenia is exceeding its
mitigation			annual targets, this does not mean that emissions are under
and			control over the long term. ²³ The share of renewable energy
adaptation,			sources (RES) in end-use energy consumption has barely
risk			increased in Slovenia over the last decade. It was below the
prevention			planned levels in 2019, while estimates for 2020 indicate a
and			significant increase. However, this will not be sufficient to
management,			reach the 2020 target of 25%, 24 and the country has a long way
and			to go if the target of 27% set out in the Slovenian Development
sustainable			Strategy 2030 is to be reached. ²⁵ Slovenia aims to improve
urban			energy efficiency by at least 35% by 2030, i.e. if the adopted
mobility			policies and measures are systematically implemented, end-

²¹ European Commission, Digital Economy and Society Index (DESI) 2021 – Slovenia, 2021. Available at: file:///C:/Users/tstamcar/Downloads/DESI_2021 Slovenia sl_2YufeG9fQdXFqDRq8mq8hlkjGY_80600.pdf. ²² Statistical Office of the Republic of Slovenia (2021). Available at: https://www.stat.si/StatWeb/News/Index/9704

²³ Climate Mirror 2021.

²⁴ Climate Mirror 2021.

²⁵ Institute of Macroeconomic Analysis and Development (2020). 2020 Development Report, Ljubljana.

use energy consumption will not exceed 54.9 TWh (4,717) ktoe) in 2030. The implementation of measures under the ECP 2021–2027 programme will, through its objectives, contribute to the achievement of the National Energy and Climate Plan (NECP) decarbonisation, RES and energy efficiency objectives at levels compatible with the targets and commitments set by the EU for 2030. Energy and material efficiency in relation to sustainable use and local energy supply is modern society's most important developmental segment. The accelerated development of these areas, which is based on increasing the quality of energy services in tandem with reducing energy input, is one of the cornerstones of the transition towards a climate-neutral society. For Slovenia, the accelerated development of energy-efficient technologies also means reducing energy dependency, which will contribute not only to the achievement of environmental and climate objectives, but also an increase in security of energy supply and other positive national economic effects. First and foremost, efforts will be made to encourage the use of solar and wind energy. Biomass will be used for energy purposes in line with sustainable principles of biomass use (mainly waste wood for heating and cogeneration) and measures to ensure adequate air quality, especially in densely populated and urban areas, and with the possible promotion of the cascading principle of biomass use, according to which residues are only used for energy purposes as a last resort (i.e. the use of residues which do not have any uses other than for incineration). In the non-ETS, buildings accounted for 10.1% of all non-ETS emissions in 2019, with the public sector lagging behind the end-use energy and CO₂ reduction targets. Only 38% of the planned area will be renovated in the central government sector in the 2014–2023 period. In line with the guidelines of the Long-Term Strategy for the Energy Renovation of Buildings to 2050, the energy renovation of buildings in this part of the public sector will need to be maximised if the target of 3% of the total floor area is to be reached. Calculations for the 2013–2019 period show that the ESCR accounted for 62% of renovated buildings owned by municipalities and the WSCR for 38%.²⁶

Circular economy

Slovenia used 5.4% fewer materials in 2019 than the year before.²⁷ Despite the improvement in resource productivity in 2019 (2.07 PPS/kg), the country still lags behind the EU

²⁶ LIFE Climate Path 2050 (2020). Local traffic-light system for climate activities.

²⁷ Statistical Office of the Republic of Slovenia (2021). Calculations of materials cycles. Available at: https://www.stat.si/StatWeb/News/Index/9292

average in this area by six percentage points.²⁸ The carbon intensity rate is also falling more slowly in Slovenia than in the EU as a whole²⁹ (between 2013 and 2017 it improved from 0.52 to 0.42 of the EU average), while the country was in the bottom quarter of Member States when it came to emissions productivity in 2018, lagging behind the EU average by 13.1 percentage points.³⁰ Total waste from manufacturing and service activities accounted for around nine-tenths of the total volume in 2019.³¹ The WSCR generated 523 kg and the ESCR 462 kg of municipal waste per inhabitant in 2020.³² In 2019 around 34,800 tonnes of sludge from municipal and joint treatment plants were generated (expressed as tonnes of dry matter).³³ Slovenia continues to be faced with the problem of a lack of capacity to handle such waste and a lack of all the necessary infrastructure for subsequent material recovery of phosphorus from phosphorus-rich ash. The EU already identified phosphate rock as a critical strategic raw material in 2014.³⁴ In comparison with the EU, Slovenia has a low rate of raw material circulation in the economy (EU 28: 12.4%, Slovenia: 11.4%).³⁵ There are also opportunities to apply circular economy principles in the commercial maritime fisheries sector, as the country has innovative recycling technology for waste fishing gear containing Polyamide 6.

Environmental infrastructure

There are still areas in Slovenia where the public drinking water supply system and the urban waste water drainage and treatment system has not yet been built or is inadequate. In the ESCR in 2020, 74% of waste water was treated (secondary and tertiary treatment). This figure was 58% in the WSCR. 36 Despite extensive investments in the construction of waste water drainage and treatment systems, Slovenia does not yet comply with the requirements of the Urban Waste Water Treatment Directive. Data shows that, as far as drinking water supply is concerned, special attention should be paid to the provision of back-up water resources and the replacement of old and obsolescent systems, as water losses in the water

https://pxweb.stat.si/SiStatData/pxweb/sl/Data/-/2750230S.px/

²⁸ Institute of Macroeconomic Analysis and Development (2021). 2021 Development Report, Ljubljana.

²⁹ European Commission (2020). Country Report – Slovenia 2020, working document of Commission services, SWD (2020), 523 final, Brussels.

³⁰ Institute of Macroeconomic Analysis and Development (2021). 2021 Development Report, Ljubljana.

³¹ Institute of Macroeconomic Analysis and Development (2021). 2021 Development Report, Ljubljana.

³² Statistical Office of the Republic of Slovenia (2021). Available at: https://pxweb.stat.si/SiStatData/pxweb/sl/Data//2700010S.px/table/table/iewLayout2/

^{/2700010}S.px/table/tableViewLayout2/

33 Waste Management Programme and Waste Prevention Programme 2022. Available at:
https://www.gov.si/gseate/ministrstys/MOP/Operationi-programi(op.odpadki-2022.pdf

https://www.gov.si/assets/ministrstva/MOP/Operativni-programi/op_odpadki_2022.pdf

34 European Commission (2014). Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52014DC0297.

³⁵ Eurostat (2021), Circular materials use rate. Available at: https://ec.europa.eu/eurostat/databrowser/view/cei_srm030/default/table?lang=en
³⁶ Statistical Office of the Republic of Slovenia (2021). Shares of treated and untreated waste water. Available at:

supply network are problematic and amounted to 27% nationally in 2020 (28.3% in the WSCR and 26.8% in the ESCR).37

Adaptation to climate change

Disasters, whose magnitude, incidence and impact are all increasing as a result of climate change ('climate-related disasters'), caused EUR 2.66 billion of damage in Slovenia between 2008 and 2020.³⁸ Climate change is also affecting the frequency, extent and incidence of large-scale wildfires, as well as storms, ice storms and other weather-related phenomena. Expert analyses predict that these will increase and spread from areas in which they traditionally occur,³⁹ meaning that preparations have to be made to deal with this. Floods (damage of EUR 1.64 billion), ice storms (damage of EUR 0.7 billion, with the ice storm of 2014 causing damage of around EUR 0.43 billion and other storms causing damage of around EUR 0.3 billion) and large-scale wildfires, which cause less damage because they destroy less infrastructure but are nevertheless fairly frequent and incur high emergency intervention costs (EUR 0.25 million in the case of three fires), present the highest or a high risk. 40 These are events that have caused 88% of all damage caused by climate-related disasters over the past 12 years. Despite preventive activities, Slovenia is not achieving the expected results in this area, as such accidents cannot be fully prevented or minimised. It is crucial to ensure that a comprehensive approach is in place to manage such disasters, consisting of the balanced implementation of preventive measures (including the monitoring and forecasting of extreme weather events and the implementation of preparedness measures and rapid and effective response in the event of the occurrence of such disasters, which helps to minimise their impact or damage and thereby contributes to faster recovery). The preliminary flood risk assessment for Slovenia⁴¹ identifies 86 areas of significant flood impact, and

³⁷ Statistical Office of the Republic of Slovenia (2021). Public water supply system. Available at:

https://www.stat.si/StatWeb/news/Index/9877

38 Damage is estimated in accordance with the Protection Against Natural and Other Disasters Act (Uradni list RS, 64/94 and 28/06), the Elimination of the Consequences of Natural Disasters Act (Uradni list RS, 75/03, 90/07 and 102/07) and the Decree on the Methodology for Assessing Damage (Uradni list RS, 67/03, 79/04 and 81/06), available at http://www.sos112.si/slo/page.php?src=os74.htm. The aggregate data is available for specific types of climate-related disaster (floods, storms, drought, ice storms, large-scale wildfires) in a Slovenian Ministry of Defence document, 'Draft content relating to protection, rescue and relief for insertion into ECP 2014-2020, MFF 2021-2027 and NGEU No 024-8/2020-10' of 13 August 2020, which is available at https://www.gov.si/novice/2020-08-25-ministrstvo-za-obrambo-bo-za-podrocjezascite-in-resevanja-poskusalo-pridobiti-evropska-sredstva/. The damage estimates contained in the official records do not include damage caused by wildfires, as the damage has not been assessed in full, although the emergency intervention costs have been calculated (EUR 0.25 million in the case of three wildfires).

³⁹ ARSO (2018), Estimate of climate change until the end of the 21st century, Ljubljana; ARSO (2018), Climate variability in Slovenia 1961–2011, Ljubljana; Ministry of Defence (2018), National disaster risk assessment, Version 2.0, No 84000-3/2018/3, 6 December 2018. ⁴⁰ Ministry of Defence (2018), National disaster risk assessment, Version 2.0, No 84000-3/2018/3, 6 December 2018. In addition to the overall risk level, which is highest in relation to floods, the frequency of a particular type of disaster is taken into consideration when priorities are being determined (large-scale wildfires and storms are the most common events), as are the extensiveness of and damage caused by an event (highest in the case of the ice storm of 2014).

41 Ministry of the Environment and Spatial Planning (2019). Preliminary flood risk assessment for Slovenia, Ljubljana.

the flood risk may further increase in future as a result of climate change.⁴² The aquaculture sector is also increasingly faced with problems related to longer periods of drought and the provision of ecologically acceptable flow. The equipment used by most fish farms has not yet been well adapted to deal with these problems. Climate change is also causing problems at sea. The sea level has risen by 10 centimetres since 1993⁴³ and, as a result, the country is faced with increasingly more frequent flooding in coastal towns.

Preserving biodiversity

Slovenia has one of the highest shares of areas protected by Natura 2000 status in the EU. In Slovenia in 2019, the majority of plant and animal species were in an insufficient (38%) or poor (14%) state, and less than 30% were in a favourable state. In terms of habitat types, 38% were in a favourable state, 32% were in an insufficient state and 30% were in a poor state.⁴⁴ Measures to improve their state have been implemented with greater intensity since 2015. In addition to the public service of nature conservation throughout Slovenia and the management of natural resources, one important element in the management of Natura 2000 areas for achievement of the objectives of those areas is the management of national protected areas. In the last two years, we have also faced the challenges brought by measures to tackle the Covid-19 pandemic; as a result of restrictions of movement and travel, visits to nature conservation areas that were already under pressure, including Natura 2000 areas, have further increased. Many of these areas do not have adequately developed infrastructure that enable nature-friendly visits.

The Natura 2000 network includes 2.5% of Slovenia's sea, with 1.6% protected as a fishing reserve. There are also other protected marine areas (fishing reserves and nature parks). The status of fishery resources in the Adriatic Sea and the Mediterranean is deteriorating. The Adriatic has poor stocks of sardine and anchovy, with other fish species also at risk. In many places, the maximum sustainable yield (MSY), a key objective of the CFP, is not being achieved. While the recommendations of the General Fisheries Commission for the Mediterranean (GFCM) are being implemented, future measures will have to be more ambitious.

Green infrastructure in an urban environment

⁴⁴ Slovenia's reporting under the Habitats Directive and the Birds Directive (2019).

⁴² Ministry of Defence (2016). Flood risk assessment for Slovenia, Ljubljana.

⁴³ https://www.eee.europa.eu/data-and-maps/figures/trend-in-absolute-sea-level

Fifty-five per cent of the Slovenian population live in urban settlements. 45 Increased population concentration and density and the focus on the internal development of settlements before expansion to new areas pose an increasing challenge to the maintenance and improvement of the quality of life and the environment in cities. The challenge of ensuring high-quality and useable urban green spaces has been addressed by the Urban Agenda for the EU partnership, 46 which highlights, inter alia, the need to invest in accessible and attractive green and blue urban infrastructure, which should increasingly be used as a tool to achieve urban environmental, social and economic development goals. Actions under this priority will address the growing need for better governance within the context of the efficient and rational use of already limited urban space, while ensuring a high quality of life for urban residents and visitors. One important step is to provide a sufficient quantity of accessible and attractive green spaces in cities. In accordance with the Spatial Development Strategy of Slovenia, we will pursue the objective in urban areas of ensuring that at least 40% of a settlement's planning zone is made up of green and open spaces.

Sustainable urban mobility

Public transport use in Slovenia is very low compared to other countries around the world. Car journeys accounted for 86.5% of all passenger-kilometres travelled, buses for 11.7% and trains for a mere 1.8% in 2017. More and more Slovenian cities are offering bicycle rental schemes to their inhabitants. Sustainable urban mobility is linked to air quality, as transport is a major contributor to particulate and nitrogen dioxide emissions. Residents of urban areas are also exposed to excessive noise from traffic. As transport is responsible for a high share of greenhouse gas emissions, air pollutants and noise emissions, Slovenia must manage the growth of passenger and freight transport over the next decade and direct transport flows towards zero- and low-emission means of transport. The development of the market for alternative transport fuels must be accelerated if the national strategic objectives in this field are to be achieved. According to the national Strategy for Development of the Market for the Deployment of Appropriate Infrastructure for Alternative Fuels in the Transport Sector, 5,311 electric vehicles should have been registered in Slovenia in 2020, although the actual

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⁴⁵Statistical Office of the Republic of Slovenia (2022). Population by large and five-year age groups, gender and level of urbanisation, Slovenia, annual. Available at: https://pxweb.stat.si/SiStatData/pxweb/sl/Data/-/05C1015S.PX/table/tableViewLayout2/

⁴⁶ Sustainable Use of Land and Nature-Based Solutions Partnership Action Plan (2018). Available at: https://ec.europa.eu/futurium/en/system/files/ged/sul-nbs_finalactionplan_2018.pdf

			figure was just over 3,600,47 which represented a mere 0.3%
			7
			of all passenger cars registered in that year. ⁴⁸ In the WSCR in
			2020, 552 cars were registered per 1,000 inhabitants; these
			cars were, on average, 10.3 years old. The figures for the
			ESCR were 558 and 10.5 years old, respectively. ⁴⁹
			The European Union adopted the Urban Mobility Package in
			2013, relaunching it as the Urban Mobility Framework in
			December 2021. Under the Urban Mobility Package, Slovenia
			has already provided national support for the preparation of
			Integrated Transport Strategies (ITS – SUMP), and
			encouraged cities to draft them through co-financing and
			national guidelines. Slovenian towns and cities have recently
			1
			started to invest mainly in active mobility and public transport
			infrastructure. Although they have already implemented a
			significant portion of the measures, many of the needs remain.
			The strategies will therefore need to be reviewed to take into
			account the updated national guidelines for the preparation of
			strategies and the revised indicators. Where data is available,
			the use of sustainable urban mobility indicators (SUMI) is also
			advised.
PO3: A more	ECP 2021-	ERDF	Transport is a major source of greenhouse gas emissions in
connected	2027	CF	Slovenia. In line with the eighth development objective of the
Europe by	programme		Slovenian Development Strategy 2030, the EU Council
enhancing			Recommendations of 2019 and 2020, the Paris Agreement and
mobility			the European Green Deal, the key challenges are:
			Supporting the development of a trans-European
			transport network
			Owing to its geographical location and history, Slovenia is an
			intensive transport and transit area in which two Trans-
			European Transport Network (TEN-T) corridors cross.
			Investment in upgrading railway lines on the TEN-T network
			corridors has been a key consideration in Slovenia since 2007, and has led to tangible progress in achieving TEN-T standards
			up to this point. Seventy-seven per cent of rail infrastructure
			on the TEN-T core network will comply with TEN-T
			standards after the investments of the 2014–2020 financial
			perspective, up from 44% in 2007 (for the TEN-T
			comprehensive network, these figures are 55% and 46%,
			respectively). The share of the network's compliance with
			TEN-T standards fluctuates according to parameter. By
			implementing the investments co-financed by EU funds for the
			2014–2020 programming period, the following TEN-T
L	L	<u> </u>	respectively and following that I

⁴⁷ This is the total number of registered battery electric vehicles (BEV), excluding plug-in hybrids. Slovenia should have 40,096 registered electric vehicles and 7,000 publicly accessible charging stations by 2025, with these figures rising to 129,690 electric vehicles and 22,300 charging stations by 2030.

charging stations by 2030.

⁴⁸ Ministry of Infrastructure and the Statistical Office of the Republic of Slovenia (2021).

⁴⁹ Statistical Office of the Republic of Slovenia (2022). Available at: https://pxweb.stat.si/SiStatData/pxweb/sl/Data/-/2221104S.px/table/tableViewLayout2/

parameters will be fully achieved on the TEN-T core network: electrification of lines, ERTMS deployment, a track gauge of 1,435 mm and an axle load of 22.5 tonnes. The parameters of the operation of 740-metre-long trains and a speed of 100 km/h for freight trains still need to be ensured on a specific part of the core network. More investment will be needed in the future on the comprehensive TEN-T network, where only the 1,435 mm track gauge parameter will be fully achieved after the investments made in the 2014–2020 programming period. As a key part of the TEN-T motorway network has already been constructed in Slovenia, the challenge is primarily to ensure road safety and smooth traffic flow on the existing network. CO₂ emissions growth needs to be reduced by nine percentage points by 2030 (baseline year 2020), with transport contributing by far the largest share of greenhouse gas emissions in Slovenia. According to transport model projections, passenger traffic is expected to increase by 30% between 2017 and 2030, while freight transport is projected to increase even more (by between 60% and 80%).⁵⁰

Supporting the development of national, regional and local mobility

There has been a significant increase in traffic in Slovenia since EU enlargement. In Slovenia, as in the rest of the EU, most goods are transported by lorry and most passengers by car. 51 The European Commission's 2020 Country Report for Slovenia⁵² finds that sustainable transport links, particularly rail transport, are not sufficiently developed to fully support a shift to other modes of transport in order to reduce carbon dioxide emissions. Furthermore, poor transport connections between regions reduce productivity, as time is lost in traffic jams and delays in transport are expensive. While the carbon intensity of transport was slightly lower in 2018 than in 2013, the implementation of low-carbon transport projects is behind schedule. Transport emissions accounted for 52.1% of all non-ETS greenhouse gas emissions in Slovenia in 2019, with the majority of these emissions coming from road transport. While the share of RES in transport is increasing, it was still only 8% in 2019, i.e. short of the planned target. More action will be required in the field of transport if the more ambitious target of reducing emissions from non-ETS sectors by 15% by 2030 (EU Decision No 406/2009/EC, EU Regulation (EU) 2018/842) is to be met.⁵³ The National Transport Development Programme provides for the preparation of projects on

⁵⁰ Transport model projections.

⁵¹ Institute of Macroeconomic Analysis and Development (2020). 2020 Development Report, Ljubljana.

⁵² European Commission (2020). 2020 Country Report, Brussels.

⁵³ Institute of Macroeconomic Analysis and Development (2020). 2020 Development Report, Ljubljana.

		development axes connecting different regions to the TEN-T core network. The main objective of the development of the rail network in Slovenia is to ensure smooth traffic flow and achieve TEN-T standards on the core network by 2030, and to ensure clock-face scheduling on regional and main railway lines (this will require additional investment in regional railway lines). Upgrades to the transport network must provide for an integrated approach to solving common transport problems at the level of regions and functional areas, including railways, roads, cycle links and other transport solutions. Slovenia is characterised by a particularly large number of local centres/small towns. It has encouraged the preparation of integrated transport strategies in these areas as well, with smaller cities focusing their local strategies primarily on providing a safe environment for active mobility and ensuring good access to local public transport nodes ('first kilometre'). This is also in line with the recommendations of the EU's Urban Mobility Package. On the basis of the needs identified in the revised integrated transport strategies, municipalities will continue to carry out measures to improve the conditions for walking and cycling and for access to public transport.
PO4: A more ECP	2021– ESF +	
social Europe 2027 implementing prograthe European Pillar of Social Rights	ERDF	Slovenia's development in the 2014–2019 period was largely focused on the challenges faced by individual population groups. The Covid-19 epidemic brought a halt to the favourable labour market trends that had prevailed since 2014. As long as the pandemic eases and the labour market continues to recover, the risk of social exclusion, which is mainly brought about by unemployment (and the fall in income caused by long-term unemployment and inactivity), can be projected, by 2030, to return to (or even be lower than) the lowest level, which was recorded in 2019. ⁵⁴ The average risk-of-social-exclusion rate in Slovenia was 15% in 2020, with five statistical (NUTS 3) regions in the Eastern Slovenia Cohesion Region recording rates that were higher than the average. This will be addressed with more resources under the measures. ⁵⁵ However, demographic trends will have the greatest impact on the labour market situation and the social security of vulnerable target groups in the future. Slovenia has one of the three fastest-ageing populations in the EU. ⁵⁶ By 2030, the over-65s will represent almost 25% of the country's total population. Although Slovenia's system of social transfers significantly reduces the at-risk-of-poverty/social-exclusion

Ministry of Labour, Family, Social Affairs and Equal Opportunities (2021). Background documents for determining Slovenia's objectives up to 2030.
 Statistical Office, available at: https://www.stat.si/StatWeb/News/Index/9624
 Institute of Macroeconomic Analysis and Development (2019). Economic Challenges 2019. Ljubljana, page 13.

rate, there are some population groups, particularly women

aged 65 and over and people aged 75 and over, with an at-risk-of-poverty rate that is higher than the EU average.

The number of people living below the at-risk-of-poverty threshold in Slovenia is also strongly influenced by the income status of individuals aged 55 and over, particularly pensioners⁵⁷.

Employers are already struggling to recruit adequate staff, with 54.6% estimating that this will continue into the future.⁵⁸ Regarding workload, the proportion of people faced with demands that exceed their capacity is highest among those in the 50–64 age group.⁵⁹ The growth in the elderly population is becoming a pressing issue for the labour market and one that requires an integrated approach to maximising employment of the active population and increasing occupational health and safety. There is also an urgent need to provide education and training to employees, particularly the over-54s and those with lower levels of education, at the same time providing adequate support to businesses to help prolong their employees' working lives. Comprehensive pre- and post-retirement counselling and support services should also be put in place, with a focus on prolonging careers and reactivating older people.

In 2020 the positive downward trend in the long-term unemployment rate was halted by a strong increase in unemployment. At the end of May 2022, 60 58,854 people were registered as unemployed. The long-term unemployed accounted for 55.5% of this number (31,025) and, strikingly, 69.8% of the long-term unemployed had been out of work for more than 24 months (21,671). The over-50s generally find themselves in the most difficult situation, accounting for 46.2% of all long-term unemployed people (14,333), followed by people with primary education (34.4%, 10,665), people with disabilities (24.2%, 7,512) and young people up to the age 29 (11.6%, 3,587). The regional distribution of long-term unemployment for May 2022 shows that it is more pronounced in the ESCR, which accounts for 57.9% (17,976) of all long-term unemployed people in Slovenia (42.1%, 13,049 in the WSCR). People who have completed secondary education or less (ISCED Level 3) account for 51% of the unemployed (15,849).⁶¹

Slovenia is currently experiencing positive downward trends in registered unemployment. According to the Employment Service of Slovenia (ZRSZ), the average registered

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⁵⁷ Ministry of Labour, Family, Social Affairs and Equal Opportunities (2021). Background documents for determining Slovenia's objectives up to 2030, pages 19–20.

⁵⁸ Data from Employment Forecast 2022/I, available at: <u>Porocilo Napovednik zaposlovanja pomlad 2022.pdf (gov.si)</u>
⁵⁹ Ministry of Labour, Family, Social Affairs and Equal Opportunities (2022). Well-being indicators report available at:

⁵⁹ Ministry of Labour, Family, Social Affairs and Equal Opportunities (2022). Well-being indicators report, available at: https://www.gov.si/novice/2022-05-31-objavljamo-porocilo-kazalniki-blaginje/

⁶⁰ Registered unemployment figures for May 2022, available at: <u>trg_dela_maj_2022.pdf (gov.si)</u>

⁶¹ Employment Service of Slovenia figures on the long-term unemployed, available at: DBO 2022.pdf (gov.si)

unemployment rate was 8.7% in 2020 and 7.6% in 2021. Employers in Slovenia are positive about employment trends in the first half of 2022 and predict a 2.8% increase in the number of people in employment. However, current improvements in the core employment and unemployment rate indicators does not mean that active employment can be expected to grow for the entire duration of the Multi-Annual Financial Framework (MFF). In addition to measures to preserve jobs, additional measures and resources are therefore needed in this area to reactivate and retrain unemployed people, including young people, who remain highly vulnerable to temporary employment. Due to their lack of experience, and depending on their level of educational attainment, it is difficult for young people to find suitable employment, especially a first job, when entering the labour market. This can lead to them accepting various forms of employment, precarious work (part-time temporary employment, shift work, Sunday work, agency work and student work). In its 2021 analysis of young people and the labour market, 62 the Employment Service found that young people were more likely to make use of flexible forms of work than other age groups. The risk of precarity is most common in student work and among agency workers, economically dependent selfemployed people, platform workers, individuals working mainly through civil law contracts, and employees with employment contracts of less than three months. In its document 'Towards Decent Work', the MDDSZ identifies three key measures to tackle precarity: changes to labour law and labour market regulation, systemic changes to labour inspection to ensure better supervision of the use of atypical forms of work, and the provision of adequate information to interested parties and the general public. NGOs also recognise awareness-raising as one of the measures to combat precarity among young people; these can take the form of national awareness campaigns, formal and nonformal education, and the popularisation and upgrading of some of the existing Slovenian Employment Service programmes.

Ensuring a sufficiently broad range of general and professional competencies

In the face of adverse demographic trends, the development of relevant knowledge and skills is becoming a growing challenge for young people and adults. According to 66.7% of employers, the main problem encountered when trying to fill vacancies is the complete lack of staff, while only 12.7% identify candidates' lack of competence, knowledge and skills as a key problem (in particular, a lack of vocationally specific

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⁶² Employment Service of Slovenia (March 2021). Young people and the labour market. Available at: https://www.ess.gov.si/_files/14103/Analiza_Mladi_in_trg_dela_2021.pdf.

skills, horizontal skills and inadequate education). In the next few years, labour market developments will be further affected by a lack of workers resulting from demographic changes, which could again lead to increasing constraints on the growth of value added.

Demand is outstripping supply mainly in the technical professions, catering, health and social care, and unskilled occupations.⁶³ In the years leading up to 2030, we are expecting growth mainly in business and manufacturing, with a decline in primary activities.⁶⁴

Shifts in the structure of enrolment in tertiary education are therefore not sufficient, and there is a need to bolster lifelong learning and reskilling,⁶⁵ as well as providing a more visible role for lifelong career guidance and stronger integration with development approaches along the pupil/student-knowledge institutions—economy axis. As a result of the epidemic, adult participation in lifelong learning fell sharply in the second quarter of 2020 (to 5.6%). This was the first time it had fallen to below the EU average (7.9%).66 The results of the PIAAC survey showed that 24.9% of adults in Slovenia had reached only the first or less than the first level of literacy skills (OECD average 18.9%) and 25.8% had reached only the first or less than the first level of numeracy skills (OECD average 22.7%). At the same time, 31.18% of adults aged between 16 and 65 had achieved only the lowest literacy and numeracy levels (OECD average: 27.18%) and 18.4% of survey respondents admitted that they did not have basic computer skills (OECD average: 14.6%). It is therefore imperative to strengthen digital skills and knowledge, the knowledge required for energy transition, the circular economy, climate change mitigation and adaptation, and social development in general, at the same time increasing adults' motivation to participate in adult education.

The results of the PISA 2018 survey show that one in five pupils do not achieve basic literacy, numeracy and science skills. The best-performing group was that of 15-year-olds with the highest socio-economic status, while the worst-performing group was that of 15-year-olds with the lowest socio-economic status. The disparities between boys and girls in reading and science further widened in Slovenia between 2015 and 2018, and were particularly marked in reading literacy (a difference of 13.9 percentage points; EU-27: 9.9 percentage points). There is also a significant difference

66 Institute of Macroeconomic Analysis and Development (2021). European Pillar of Social Rights Slovenia 2010–2020, Ljubljana.

⁶³ Employment Service of Slovenia (2021). Employment Forecast 2021/II. Available at: https://www.ess.gov.si/_files/14807/Porocilo_Napovednik_zaposlovanja_2021_jesen.pdf.

⁶⁴ CEDEFOP (2018). 2018 Skills Forecast Slovenia, https://www.cedefop.europa.eu/files/cedefop_skills_forecast_2018_-_slovenia.pdf).

⁶⁵ Institute of Macroeconomic Analysis and Development (2021). 2021 Development Report, Ljubljana.

between the average reading performance of pupils with a migrant background (8.9% of pupils) and those born in Slovenia. This difference is one of the biggest in the EU (63 points; EU: 44.9 points) and has increased by 12 percentage points since 2015.

In order to improve the academic performance of all schoolchildren, future work with vulnerable groups should follow the proposed work programme and recommendations and the draft amendments to the emerging legal bases for the integration of immigrant children at the level of pre-primary, primary and secondary education; account should also be taken of the experiences and lessons learned from the educational work undertaken in Roma settlements in the 2014–2020 period.

Pupils in Slovenia also report one of the lowest levels of availability of ICT for their own use at school. Policies exist at national level for investments in school digital infrastructure and for the development, availability and quality of digital learning resources, but few schools have ICT strategies (greatly below the EU average at all ISCED levels).⁶⁷

A review of data on the completion of studies in tertiary education shows that more men than women in most fields of study are enrolled in first-cycle (undergraduate) professional education compared to university (academic) study programmes. However, the ratio between men and women changes by the time studies are completed, as a result of higher drop-out or employment rates among men (we are still reviewing the phenomenon of 'job out'). The differences in higher education attainment are also, to a certain extent, 'inherited' from secondary education, which is completed by more women than men. The PISA study found that men with better knowledge and skills tended to opt earlier for vocational education, in contrast to women, who enrolled in general secondary schools (gimnazije) with comparable or lower knowledge and skills, and then continued their education in higher education institutions.

The proportion of new teachers in the workforce is the lowest in the EU (3.9%; EU-23: 11.6%) and the proportion of teachers under the age of 30 is below the EU average (6.4% vs 7.4%).⁶⁸ The challenge is therefore and above all to promote the teaching profession and to replace teachers who are about to retire.

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⁶⁷ Review of education and training for 2020. Available at: https://op.europa.eu/webpub/eac/education-and-training-monitor-2020/countries/slovenia_sl.html.

^{2020/}countries/slovenia_sl.html. 68 Review of education and training for 2020. Available at: https://op.europa.eu/webpub/eac/education-and-training-monitor-2020/countries/slovenia_sl.html.

An analysis of the state of public education infrastructure⁶⁹ shows that the past few decades have seen no systematic investment, or that resources in this area have been insufficient over that period. The existing building stock is therefore in a relatively poor condition and requires significant investment. The greening of education infrastructure is also one of the key dimensions of the new European Education Area By 2025, in line with the Commission's proposal, which also draws attention to this area in the recommendations to Slovenia (CSR 2019). ^{70,71,72}.

Ensuring solidarity-based and sustainable social protection, health care and long-term care systems

Ensuring the resilience of the health care and long-term care systems requires a sufficient supply of critical medical equipment and the elimination of shortages of health workers, 73 something that became particularly apparent during the pandemic. The ageing of the population calls for an increase in existing capacities to provide long-term care, strengthen deinstitutionalisation and ensure better home care.⁷⁴ As the population ages, there will be an increasing need for health care and nursing professions, as shown by the results of the 2021 Occupational Barometer survey, with staff shortages expected in many health care professions next year. The professions for which employers are experiencing the greatest difficulty in finding suitable staff include nurses, institutional care workers, physiotherapists, nursing professionals, doctors and health professionals. 75 In 2019, 2,802 adults were living in institutional care in the ESCR, of whom only 296 lived in intermediate structures (residential communities with fewer than six people). These figures were 1,779 and 172 (respectively) for the WSCR. Lifestyle indicators are worsening in Slovenia, as reflected in higher levels of absenteeism due to illness. The Covid-19 pandemic has also had a significant impact on mental health. More attention should be paid to preventive activities⁷⁶ and to new (alternative) models of health care. The pandemic has also highlighted the need to regulate health infrastructure in the area of communicable diseases. At the time of the epidemic, excess mortality in Slovenia was higher than in most European countries (91% and 80% in November and December 2020, respectively).

⁶⁹ Internal documents of the Ministry of Education, Science and Sport, SPIS no 024-41/2019/170.

⁷⁰ Rupnik Vec et al. (National Education Institute, 2020).

⁷¹ Association of Parents' Councils of Slovenia (ZASSS, 2020).

⁷² Schooling and education in Slovenia under Covid-19 conditions (2020), Ljubljana.

⁷³ European Commission (2020). EU Council Recommendations, COM (2020) 524 final, Brussels.

⁷⁴ https://www.zsss.si/wp-content/uploads/2016/07/UMAR_2016_Demografske_Spremembe_C2_P.pdf

⁷⁵ Employment Service of Slovenia – Occupational Barometer (gov.si)

⁷⁶ Institute of Macroeconomic Analysis and Development (2020). 2020 Development Report, Ljubljana.

The social protection system is extremely extensive and includes a wide range of stakeholders; this leads to a lack of cohesion within the profession and makes it more difficult to provide high-quality services to the individual and acquire information for analysis. The highly diverse nature of the system is also evident when it comes to evaluating users' needs (the deviations are considerable). The lack of a uniform approach is also reflected in the fact that there are many different record-keeping systems, which does not allow for uniform assessments to be made – a fact pointed out by the Court of Auditors, 77 and something that became particularly apparent during the Covid-19 pandemic. For this reason, particular attention will need to be paid to the digitalisation of social care services and to the creation of links between social services centres and other institutions in the fields of the labour market, health care and staff training.

The expansion of existing and the creation of new community-based services require the development and acquisition of new knowledge on the part of employees and service users. Therefore, as part of the overhaul of the system, the need has arisen to support and further educate social security staff in line with changed working methods and the principles of deinstitutionalisation.

Tackling poverty and social exclusion

The at-risk-of-poverty and at-risk-of-social-exclusion rates are below the average for the EU-28. In 2020, 254,000 people (12.4%) of the population had an income below the poverty threshold, a rise of 11,000 on the year before. This number included 97,000 pensioners (19.5% of all pensioners), of whom 64,000 were women and 33,000 were men; 46,000 were in active employment (5% of the total workforce), 38,000 were unemployed (43.4% of all unemployed people), 41,000 were minors (10.5% of all children), and 32,000 were classified as other persons (19.6% of people unfit for work, housewives, students and other inactive and unclassified people). In terms of age, the at-risk-of-poverty rate has risen for people aged between 30 and 74 and fallen in all other age groups. The at-risk-ofpoverty rate has increased for one-member older households (i.e. people aged 65 or over), households with at least three adults with dependants, and households of two adults with one dependent child. In addition to the groups mentioned above, the risk of social exclusion is also high among people with disabilities, children and young people with special needs, persons serving custodial sentences, migrants regardless of status, and members of the Roma community.⁷⁸

⁷⁸ Social Protection Institute of the Republic of Slovenia (2019). Social status in Slovenia 2018–2019, Ljubljana. Available at: https://irssv.si/upload2/Socialni%20polozaj%20v%20Sloveniji%202018 2019 koncno%20porocilo.pdf.

⁷⁷ http://www.rs-rs.si/fileadmin/user_upload/Datoteke/Revizije/2019/KAM/KAM-2_RSP_RevizijskoP.pdf

Although the long-term at-risk-of-poverty rate has decreased compared to the previous year, 7% of the Slovenian population (124,000 people, or one in 14) had been living below the at-risk-of-poverty threshold for an extended period of time. The severe material deprivation rate was 3% (62,000 people) in 2020, with 309,000 people (15% of the total population) at risk of social exclusion in 2020.

Key measures to tackle poverty and prevent social exclusion (and consequently improve the employment opportunities of the most vulnerable target groups) will be aimed at strengthening their competencies and developing and upgrading the support environment, thereby offering them various forms of prevention in local settings.

Strengthening the role of culture and tourism

Together with all its related activities, tourism accounts for 9.9% of GDP⁷⁹ and employs 6.5 % of Slovenia's total workforce. However, there were 35% fewer tourist arrivals and 28.7% fewer overnight stays in 2021 compared to 2019. Gradual growth towards the results recorded in 2019 is expected by 2024, provided any renewal of the Covid-19 crisis does not lead to unexpected new or long-term disruption to the tourism economy. A more resilient tourism sector requires structural changes and digital and green transitions within business operations. Negative demographic trends, staff shortages in tourism and changes in activities all require a smart, systemic and determined approach to motivation, inclusion and education in order to ensure greater satisfaction on the part of the local population and thereby increase value added and improve the quality of services for guests. Alongside the changes, there are plans to increase productivity and make significant increases in value added per employee, which on average exceeds the 2019 figure by 34% in all tourism-related activities and 64% in accommodation only (I 55). Effectively implemented structural changes would lead to stable growth by 2028 and to the achievement of the objectives set in the area of tourism development.

In addition to nature, the Slovenian Tourism Strategy 2022–2028⁸⁰ highlights the importance of culture, authenticity, health and quality

of life. Slovenia is a green destination that offers diverse and easily accessible cultural experiences with a strong local and authentic character. Tourism and culture are therefore complementary. Key challenges include the lack of cultural elements in the tourist products and services on offer, the need

80 Ministry of Economic Development and Technology (2022). Slovenian Tourism Strategy 2022–2028.

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⁷⁹ Hosting (2021). Evaluation of the Strategy for the Sustainable Growth of Slovenian Tourism 2017–2021, Ljubljana.

	to project an image of Slovenia as a green, 'boutique' destination, and the imbalance between tourism, the
	environment and the local population. The management of
	natural and cultural heritage and its integration into tourism is
	of strategic importance for the development of individual
	destinations and the tourist environment of Slovenia, and has
	an impact on raising the quality of life for the local population.
	Cultural heritage is a common good and a value of the living
	environment, making it an important component of the public
	space of cities and other environments. ⁸¹ It can act as a catalyst
	for positive change because it has the power to connect people
	with places, foster a sense of belonging and promote social
	inclusion. Respect for cultural heritage goes hand in hand with
	respect for people's diversity, and is also an important
	component of the public sphere. By revitalising cultural
	heritage, we increase the value of common spaces for all
	citizens and visitors. It is important for the creation and
	development of social potential and, as an integral part of the
	cultural and creative sectors, has an important economic
	impact. Cultural heritage is therefore one of Europe's greatest
	assets and an integral part of the lives of its citizens. Linking
	cultural heritage and the economy (tourism) and harnessing the
	development potential offered by cultural heritage remain key
	challenges for Slovenia. Investments in the renovation of
	cultural heritage sites have a proven impact on the income of
	the Slovenian economy (a multiplier of 2.945), while the
	impact on value added is 1.236. By spending EUR 32 million
	on maintaining immovable cultural heritage, the state is able
	to stimulate economic activity by exerting a direct and, in
	particular, a strong indirect impact to generate revenue of EUR
	137 million, value added of EUR 61 million and the
	employment of 1,800 people. The net fiscal impact is positive by EUR 6 million. ^{82,83}
	An important challenge facing Slovenia in the next few years
	lies in mobilising the potential of cultural heritage for the
	sustainable development, development breakthrough and
	resilience of tourism.
PO4: A more Programme to ESF+	By analysing needs, we have identified the following as the most
social Europe Eliminate	materially disadvantaged groups: jobless households with
implementing Material	dependent children, households with partially active adults with
the European Deprivation	dependent children, households without dependent children and
Pillar of in Slovenia	no work intensity, the unemployed, retired women (especially
Social Rights 2021–2027	those over 75), and one-member households (particularly one-

Rel European Union (2018). Cultural Heritage Counts for Europe.

Rel European Union (2018). Cultural Heritage Counts for Europe.

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			member households containing a person aged 65 or over). The key objective of the programme is therefore to provide continuous assistance to the identified target groups in the form of food and to involve those groups in various accompanying measures that will stimulate their social inclusion.
PO5: A	ECP 2021-	ERDF	Adequate promotion of balanced economic, social and spatial
Europe closer	2027	EMFAF	development is key to better harnessing development
to citizens by	programme		potentials at regional and local levels. Balanced regional, local
fostering the			and urban development is one of the important factors in
sustainable			maintaining key macroeconomic balances. 84 The key
and integrated			challenge faced by Slovenia and addressed by the SDS 2030,
development			the EU Council Recommendations of 2019 and 2020 and the
of urban,			Strategic Platform for the Development of the WSCR ⁸⁵ and
rural and			ESCR ⁸⁶ is:
coastal areas			
and local			Reducing development disparities
initiatives			Although Slovenia reached 90% of the EU's average
			development level in 2008, the financial and economic crisis
			again widened the gap; and although the gap narrowed with
			the strengthening of economic growth from 2016, the process
			was once again interrupted, this time by the Covid-19
			pandemic. ⁸⁷
			Slovenia has two NUTS 2 regions with differing levels of
			development. The challenge facing the ESCR, as the less-
			developed region, is to reduce the development gap at EU
			level, the level of the Slovenian average and the level of the
			more developed WSCR region. Despite the overall higher
			level of development of the WSCR as a whole, there are
			significant differences in the level of development between
			and within the NUTS 3 development regions. After a
			prolonged period of stability, the Covid-19 pandemic in 2020
			led to an increase in regional disparities, particularly between
			the constituent regions of the WSCR. ⁸⁸ The most pressing
			disparities are those relating to demographics (the above-
			average ageing of the population and depopulation on the one
			hand, and high overall population growth and a lack of social
			infrastructure to meet that growth on the other hand). More
			attention should therefore be paid to increasing the diversity
			and accessibility of services of general social importance
			(health care, social care, culture) and to ensuring adequate
			social infrastructure, which is important for cross-border
			cooperation, intercultural dialogue and improved quality of
			life.

Regional Policy Objectives of Slovenia 2021–2027, UMAR, Working Paper 3/2020, Volume XXIX, pp. 25, 26.
 Institute of Macroeconomic Analysis and Development (2020). 2020 Development Report, Ljubljana. Page 19.
 WSCR Development Council (2019). Starting points for the WSCR Development of the Eastern Slovenia Cohesion Region.
 Regional Policy Objectives of Slovenia 2021–2027, UMAR, Working Paper 3/2020, Volume XXIX, pp. 25, 26.
 Institute of Macroeconomic Analysis and Development (2022). 2022 Development Report, Ljubljana. Page 31.

			Of the NUTS 3 regions, only Osrednjeslovenska (Central Slovenia) exceeded the EU average in 2019. Closing the considerable development gap between the less-developed regions and the European average is a long-term objective of those regions and one that will take a considerable amount of effort to achieve. At the same time and in parallel with regional disparities, consideration should be given to the specific characteristics of different forms of settlement. Urban and rural areas face different challenges in development that affect quality of life. Slovenian towns and cities are centres of employment, education, administration, culture and services, and play a key role in the balanced development of the country. Over half (55%) of the Slovenian population live in towns and cities, which are also where more than 90% of all people work. Urban areas in Slovenia, as in the rest of the world, are faced with high levels of suburbanisation. The uncontrolled expansion of urban areas and settlements also puts great pressure on areas that have not yet been built on and that should primarily be dedicated to nature conservation and food supply. At the same time, inner cities contain free, under-utilised and, in some cases, even environmentally degraded areas whose renovation or revitalisation could help to reduce the need for urban expansion. Under the Spatial Planning Act (ZUreP-3), the premises laid down by the EU for achieving the net-zero growth of built-up areas and the findings of at least two EU Urban Agenda partnerships on culture and cultural heritage and on the sustainable use of space and nature-based solutions, we will, within this priority, continue to promote measures to renovate and revitalise empty and under-utilised buildings and/or land for greener, more socially inclusive and more productive Slovenian towns and cities. Regional development programmes identify a variety of development needs and challenges that are then further defined in the sustainable urban strategies and local development strategi
			operations. The active involvement and participation of partners at lower levels, who have greater knowledge of local
			potentials and challenges, can make a key contribution to balanced development, higher value added and an increase in the territorial resilience in both cohesion regions.
JTF-specific objective: Europe for a	ECP 2021– 2027 programme	JTF	In line with the Paris Agreement, which commits almost 200 countries to limit climate change, in 2018 the European Commission set the long-term goal of a climate-neutral Europe
			by 2050. With the adoption of the Regulation establishing the

 89 Institute of Macroeconomic Analysis and Development (2021). 2021 Development Report, Ljubljana. Page 116. 90 European Commission (2019). Country Report.

Just Transition

framework for achieving climate neutrality on 9 July 2021, this commitment became legally binding on Member States. The transition to a climate-neutral economy poses a challenge for all Member States, particularly for those heavily dependent on fossil fuels and/or greenhouse-gas-intensive industries. In Annex D of the Country Report for Slovenia of 26 February 2020, the EC identified two coal regions: Savinjsko-Šaleška and Zasavska.

Coal regions: Savinjsko-Šaleška and Zasavska

An important part of the transition is the phasing-out of coal use – and this is the case in Slovenia as well. The NECP envisages a reduction in coal consumption by at least 30% by 2030; this is mainly dependent on the closure of Block 5 of the Šoštanj thermal power plant, which is, as a result of the phaseout activities that have already been carried out, currently the only operational coal-fire thermal power plant in the country. Block 6 of the plant, which only started operating in 2016, generates energy from lignite excavated in the last working Slovenian coal mine (Premogovnik Velenje). The mine employs 1,200 workers (approximately 2,000 are employed in the Premogovnik Velenje Group), down from the figure of 12,500 for the Slovenian mining industry as a whole before the mines began to be closed prior to 1990. Past mine closures did not follow the principles of Just Transition for all, as the focus was mainly on land remediation and care for workers who were directly employed in mining. A Just Transition should also address the long-term restructuring of the region, from the economic, social and environmental points of view and taking into account the provision of a stable (new) source of energy. In the case of the Zasavska region, which has seen the closure of the Zagorje, Trbovlje and Hrastnik mines, these principles were not consistently observed. 91

Taking into account the principles of Just Transition, a National Strategy for the Phasing-Out of Coal and the Restructuring of Coal Regions was drawn up and adopted by the Slovenian government on 13 January 2022 and sets 2033 as the year in which Slovenia makes its final exit from coal. Together with the comprehensive environmental impact assessment, it provides the basis for regional Just Transition plans for both coal regions, Savinjsko-Šaleška and Zasavska, and more specifically for the most affected functional areas within those two regions.

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⁹¹ Ministry of Infrastructure (2021). The National Strategy for the Phasing-Out of Coal and the Restructuring of Coal Regions in Accordance with the Principles of a Just Transition.

2. Policy choices, coordination and complementarity

Where relevant, cohesion policy programmes will support investments that successfully link the principles of sustainability, aesthetics and inclusiveness in line with the New European Bauhaus initiative, with a view to finding accessible, inclusive, sustainable and attractive solutions to the challenges posed by climate change.

Policy Objective 1: A more competitive and smarter Europe by promoting innovative and smart economic transformation and regional ICT connectivity

With a view to developing and improving research and innovation capacities and deploying advanced technologies, we will use ERDF funds to bolster investment in research infrastructure, particularly public research infrastructure, and research capacities (with a focus on those that relate to national strategic development priorities). This is crucial for scientific excellence and for the implementation of cutting-edge research. In the priority areas of the Slovenian Sustainable Smart Specialisation Strategy (S5), we will provide support to innovation clusters (Strategic Research and Innovation Partnerships, SRIPs) and research projects mainly at TRL 3-9, as well as individual instruments at lower TRLs, e.g. financing concept-testing as a means of continuing to fund selected projects (e.g. the Centre for Creativity). We will upgrade the Knowledge Transfer Offices (KTOs) and ensure the accelerated transfer of research results into society is carried out in a way that is stable over the long term. Closer cooperation will be established between the KTOs, Slovenian Business Points (SPOT) and the measures taken by the Slovenian Enterprise Fund. Investments to strengthen research infrastructure will be prioritised. Investments in research infrastructure (facilities and equipment) are essential if the scientific research and innovation ecosystem is to be upgraded to an extent that ensures adequate knowledge transfer between the academic (universities and institutes) and commercial spheres and to society as a whole. Top-class research infrastructure will foster integration with the economy and the creation of new innovative products and technologies, thereby making the economy more competitive and integrating it into international research and innovation networks; it will also create new jobs with high value added per employee and strengthen innovation activity overall. The actions complement PO4 actions, which address educational infrastructure. We will also promote the recruitment of young researchers in public research organisations and in business and industry. We will horizontally link research and innovation actions and ensure their integration with complementary EU funding instruments (e.g. Horizon Europe) and activities to develop the European Research Area, including through transnational actions. In all S5 priority areas, particular attention will be paid to promoting the principles of innovation, a low-carbon, circular economy and the acceleration of digitalisation, the deployment of enabling technologies (KETs), relevant knowledge and skills, and support for investments that manage to link together the principles of sustainability, aesthetics and inclusiveness in line with the New European Bauhaus initiative. Given the sustainable nature of the upgraded S5, with the central objective of the green transition pursued in all priority areas throughout the entire package of measures, integration with PO2 measures will also be ensured at a horizontal level.

Within the framework of the relevant specific objectives/measures, the use of financial instruments is envisaged insofar as the results of the analysis of the preliminary assessments of market needs and the funding gaps on the market for the implementation of financial instruments in the 2021–2027 programming period demonstrate the need to use financial instruments.

In order to strengthen the sustainable growth and competitiveness of SMEs and create jobs, we will use ERDF resources to upgrade and implement supportive enterprise and innovation environment services, including at regional level, for competitive enterprise. This will include providing more efficient support for international business through the use of integrated services to businesses (e.g. SPOT Global, SPOT points, innovative environment operators), and developing and providing services for specific target groups (e.g. young people, women, the elderly, the cultural and creative sector). We will promote internationalisation by strengthening brands, export plans, feasibility studies, participation at international fairs, etc.) and trans-regional cooperation, support young and start-up enterprises in their initial operations, and promote business growth and development (incentives to strengthen the competitiveness and competencies of SMEs and incentives for innovation, including social innovation). Actions will focus on the introduction of innovative approaches across various business segments, driven by trends in the global environment and incorporating, for example, the development of new and improved products and services, including in the field of the silver economy and the use of natural renewable materials, thereby enabling a faster green transition. We will bolster the transition of new enterprise units and start-ups to a faster growth phase by providing support for fast-growing enterprises (scale-up financing, particularly equity). We will promote development partnerships to strengthen cooperation in global value chains, and support pilot and demonstration projects.

Using ERDF resources, we will address all key target groups when promoting knowledge and skills for smart specialisation, industrial transition and entrepreneurship, while other types of measure/target group will be addressed through PO4 or ESF+ actions (including measures of a horizontal-cross-sectional or systemic nature). The core sets of measures will aim to strengthen knowledge and skills for smart specialisation and the industrial transition and to support innovation for businesses and other stakeholders in the economy, chiefly by upgrading staff development measures in the S5 priority areas and horizontal topics towards greater openness and flexibility. We will support the design and implementation of flexible study programmes for the upskilling of graduates in S5 areas with a view to closing the gap between graduate skills and employers' expectations more quickly, and secure longer-term effects by updating regular study programmes. We will also consolidate skills for all systemic smart specialisation providers, both at stakeholder (SRIPs, social partners, etc.) and institutional level (ministries, services, agencies, etc.). We will also develop skills and competencies for social innovation and systemic innovation by creating a hub to tackle social challenges, piloting the transition to a low-carbon circular economy, including the blue economy sectors. A new systemic tool, the Foresight Competence Platform, which, like other measures of a more systemic nature, is relevant to S5 (education system, career centres and lifelong career guidance, scholarship policy, etc.) is being developed within the context of PO4 and is crucial to the implementation of measures to promote the development of knowledge and skills.

Taking the identified development gaps into account, we will take action to promote a supportive and business environment for the digital transformation of society, the public sector and businesses: the actions will support the comprehensive and secure **digital transformation of SMEs**, both by upgrading the support and business environment (strengthening the functioning of existing and new digital transformation mechanisms and institutions) and by deploying targeted instruments for SMEs (e.g. digital vouchers, incentives for digital transformation, e-business) as a response to the low integration of digital technologies into SMEs' business processes. The actions will also address promotion of the development and use of artificial intelligence and other advanced digital technologies in the economy and society. We will also support investments in a common standardised architecture and digital infrastructure for the deployment of new technologies (Internet of Things, Big Data, artificial

intelligence/machine learning, blockchain and cybersecurity), providing users with greater access to digital services.

Using ERDF funds, we will support the digitalisation of public administration services and processes for businesses and citizens/society as a whole. We will follow the modern principle of co-creation with users, make full use of data and advanced digital technologies, and provide building blocks for the development of smart digital services. The actions will address smart cities, communities and villages (we will monitor local communities in Slovenia, and measure the participation of local communities/municipalities in the sharing or use of data within a common data infrastructure).

We will address the issue of the digitalisation of the Slovenian language (including through the provision of modern digital resources and language technologies with the help of artificial intelligence), including adaptations for vulnerable groups and the established, publicly available Slovenian language corpuses necessary for algorithmic processing to the economy, the public sector and academia, digital innovation in the accessibility of culture, ⁹² the integration of digital content into the education system or e-education, assistance in the transfer of innovation and developed technologies to the economy and public administration, and e-space (development of the 'geospatial digital twin', e-justice, etc.). We will take additional action to increase digital inclusion and digital competencies in society and the economy.

We will use ERDF resources to **improve digital connectivity** and support the construction of open, high-capacity broadband infrastructure to businesses, households and public institutions in areas where such networks do not yet exist (capacity will enable speeds of at least 100 Mbps to the end-user, upgradable to 1 Gbps in the future) and there is no interest in building them on the part of operators/developers. For educational institutions, those investments will also be supported outside those areas in order to ensure long-term economic sustainability and adequate technical management of this infrastructure, which is necessary for ensuring a smooth education process. We will use ERDF resources to support the construction of high-capacity broadband infrastructure in the ESCR and the WSCR.

According to the Innovation Index, the ESCR lags behind the WSCR, although the WSCR's results have recently declined. We will therefore invest in research, development and innovation and in strengthening SMEs in both regions. Given the fact that educational institutions are situated in the WSCR as a matter of priority, resources for the strengthening of knowledge and skills will be allocated to the WSCR to a greater extent, although steps will be taken to ensure that the impact of the measures is shared equally between the two regions. In the area of digital connectivity, we will build on the real needs that have been identified in the Gigabit Infrastructure Development Plan 2030 and that are fully in line with the EU's digital objectives. The plan is to ensure (i) gigabit connectivity for all major drivers of socioeconomic development, such as schools and transport hubs, and the major providers of public services and digitally intensive businesses by 2025; (ii) uninterrupted 5G coverage for all urban areas and for all major terrestrial transport routes by 2025; (iii) internet connectivity of at least 100 Mbps to the user, which may be upgraded to gigabit speed for all households in rural and urban areas by 2025; (iv) gigabit connectivity for all households in rural and urban areas by 2025; (iv) gigabit connectivity for all households in rural and urban areas by 2028.

⁹² We will comply with Commission Recommendation (EU) 2021/1970 of 10 November 2021 on a common European data space for cultural heritage in the digitalisation of cultural heritage, which is important from the point of view of the sustainable development of the economy and of society as a whole.

Policy Objective 2: A greener, low-carbon Europe transitioning towards a netzero carbon economy and resilient Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate change mitigation and adaptation and risk prevention and management, and sustainable urban mobility

The European Green Deal has set ambitious targets for the transformation of the EU economy towards a sustainable future, and established a framework to shape the pathway towards a climate-neutral, circular economy no later than by 2050. In this context, Slovenia undertakes, using Partnership Agreement resources, to secure the greatest impact on: the supply of clean, accessible and secure energy; acceleration of the transition towards sustainable and smart mobility; the mobilisation of industry for a clean and circular economy; renovation initiatives involving construction and renovation that complies with energy and materials efficiency principles; ambitions to achieve zero pollution for an environment free of toxic substances; the preservation and restoration of ecosystems and biodiversity and the mitigation of climate change; the construction of regions and cities that are resilient to the impacts of climate change and in other areas, in line with specific initiatives under the European Green Deal. Slovenia will also use funds to mobilise and strengthen research into sustainability. Slovenia also undertakes to respect the 'do no significant harm' principle when making investments under all policy objectives. Bearing in mind that the European Green Deal also highlights the fact that the objectives can only be achieved if no one is left behind and if they are carried out in a fair and inclusive way, Slovenia will support those who are most vulnerable and most exposed to the social and economic consequences of the transition, for example through reskilling and upskilling.

We will dedicate resources from the ERDF, CF and EMFAF, in addition to national resources, to support investments in this area, including the blue economy sectors. The EMFAF will contribute to the green transition and ensure the resilience of the marine commercial fishing, aquaculture and processing sectors. In the context of the implementation of the Common Fisheries Policy and investments in aquaculture and processing, the EMFAF will also contribute to the digital transition.

Within the framework of the relevant specific objectives/measures, the use of financial instruments is envisaged insofar as the results of the analysis of the preliminary assessments of market needs and the funding gaps on the market for the implementation of financial instruments in the 2021–2027 programming period demonstrate the need to use financial instruments.

In the field of **reducing greenhouse gas emissions**, we will use ERDF and CF funds to invest in the energy renovation of buildings as a matter of priority, in line with the NECP and the policies set out in S5. The investment priorities are set out in the Long-Term Strategy for the Energy Renovation of Buildings by 2050. In the economy, support will be given to horizontal measures to increase the efficient use of energy and the use of renewables in SMEs. In the field of renewables, we will support district heating and cooling systems by deploying the technologies identified in the NECP, thereby achieving synergies between climate and air protection policies. As geothermal energy is one of the underexploited potentials of renewable sources, Slovenia will increase investment in its exploitation.

Using EMFAF resources, we will support investments in a greener and more energy efficient fleet, in more selective fishing gear and in increasing the environmental performance of the fisheries, aquaculture and processing sectors (e.g. by building closed recirculating aquaculture systems (RAS), combined with investments in energy efficiency, the modernisation of water ventilation equipment using modern

technologies, e.g. algae water purification technologies). As algae and shellfish farming contribute to CO₂ reduction, the EMFAF will encourage investments in these sectors as well (low-trophic-level aquatic organisms).

We will address the transition to a low-carbon **circular economy** by supporting horizontal measures and measures to create and strengthen an appropriate supportive and innovative environment and to develop appropriate instruments to support the transformation of the economic sector (SMEs, start-ups, value chains) towards climate neutrality and resource efficiency. The creative and cultural sector will also play an important role in this, as the European Commission also recognises. 93 In accordance with the revised Slovenian Waste Management and Prevention Programme (2022), we will support measures to promote investments to regulate sewage sludge treatment at municipal and joint treatment plants; this will have a positive impact on the transition to a circular economy. We will also ensure that measures are interlinked within the context of the implementation of Slovenia's Comprehensive Strategic Decarbonisation Project through the transition to a circular economy. In line with the policies set out in the NECP and S5, we will ensure integration with PO1 actions when carrying out research and development measures. Using ERDF resources, we will also support the capacity-building of stakeholders in the economy and support environment, and deploy ESF+ resources for labour market, education and training measures. In relation to the circular economy, EMFAF resources will be used to help commercial marine fisheries companies to purchase fishing gear that can be recycled after its use comes to an end (Polyamide 6). EMFAF resources will also go towards innovations in the aquaculture and processing sectors, the building of closed RASs, the use of alternative energy sources and secondary raw materials, and increases in resource efficiency in SMEs. We will complement the investments with the actions set out in PO5. By investing in the preservation and development of small aquaculture-breeding establishments, we will help to strengthen local supply chains and improve the supply of high-quality food, as well preserve biodiversity and the country's aquaculture tradition. ⁹⁴ We will support measures to raise consumer awareness of the benefits that the consumption of local products brings to the environment and to human health. The sustainable blue economy sectors will play a fundamental role within the context of the EMFAF for the transition to a circular economy as well, in line with the EU Guidelines for a Sustainable Blue Economy.

In the area of **climate change adaptation**, and with the help of CF and ERDF resources, a substantial portion of investments will be aimed at flood-safety measures, the upgrading of the system for warning and providing information in relation to weather-related emergencies and adaptation to them in a changing climate, improvements to preparedness and response to floods, large-scale wildfires, ice storms and extreme weather generally. Flood-related measures will be implemented in areas identified as being at serious risk of flooding in order to plan and implement a combination of construction and non-construction flood protection measures that will take into account ecosystem-based flood safety approaches at the planning stage itself. We will support measures that increase the capacity level of protection, rescue and relief forces (infrastructure, programming and implementation), preparedness, response and equipment (purchase of specialised equipment).

EMFAF resources will be directed towards improving the efficiency of the use of natural resources in fisheries, aquaculture and processing. By investing in improvements to the energy efficiency of vessels, emission reduction, more selective fishing and gear with Polyamide 6, the EMFAF will contribute to

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⁹³ Communication from the Commission (2020): A new Circular Economy Action Plan For a Cleaner and More Competitive Europe,

Brussels.

⁹⁴ EU Farm to Fork Strategy.

improving the marine environment and reducing by-catches. In aquaculture and processing, investments in improving water quality and resource utilisation and innovations (e.g. RAS, the introduction of new mollusc species, algae farming, better use of water through ventilation, solutions to reduce processing waste, the development of environment-friendly packaging) will contribute to efforts to adapt to climate change. The EMFAF will also contribute to increasing the environmental performance of fisheries (selectivity, temporary suspension of fishing activities, implementation of the Common Fisheries Policy and GFCM recommendations for achieving MSY), aquaculture and processing sectors to manage risks and respond to adverse events.

We will invest CF and ERDF resources in the construction of **environmental infrastructure**, in particular to achieve compliance with the requirements of European legislation in the priority areas set out in the current Operational Programme for the Drainage and Treatment of Urban Waste Water. Only investments in equipping agglomerations with a total load equal to or greater than 2,000 p.e. will be supported. For drinking water supply, the basis for the prioritisation of investments will be set out in the Operational Programme for Drinking Water Supply. Funding will be reserved for supply systems that serve more than 10,000 inhabitants.

For **biodiversity conservation**, we will focus ERDF funding, as a matter of priority, on those Natura 2000 sites that will be defined in the Natura 2000 Management Programme 2022–2028. We will support activities to improve the conservation status of habitats and habitat types in Natura 2000 areas that do not have a favourable conservation status, provide high-quality interpretative services in those parts of nature laid out for public visits, and improve the status of natural values. The implementation of these measures will also significantly contribute to the achievement of several objectives of the EU Biodiversity Strategy for 2030, to the implementation of the Habitats Directive (92/43/EEC) and the Birds Directive (2009/147/EC) and to compliance with the legally binding EU targets for restoring degraded ecosystems. We will also invest in **green infrastructure in the urban environment**, addressing improvements to the quality and usability of existing and the creation of new green infrastructure, **and improve the ambient air pollution information and alert system for citizens** by expanding the existing national monitoring network to areas not yet covered by measuring stations, thereby enabling adequate policy planning and making data available to the public.

Complementary to these investments, EMFAF resources will focus on achieving maximum sustainable yield (MSY) as a key objective of the Common Fisheries Policy and the GFCM recommendations for the conservation of marine biological resources and the marine environment, on modernising the fishing sector through more selective fishing gear, on temporarily suspending fishing activities, and on implementing other obligations under the Common Fisheries Policy. Achieving good environmental status of the sea and inland waters is crucial for Slovenia. An important part of the EMFAF is the conservation of marine biodiversity in line with the Biodiversity Strategy for 2030, in particular by improving the management of protected areas and contributing to the creation of new protected areas in line with the Biodiversity Strategy 2030 Action Plan. We will also invest in the digitalisation of controls and investments to improve traceability and enforcement in fisheries, and in measures to combat illegal, unreported and unregulated (IUU) fishing. In addition to data collection under the Common Fisheries Policy (data on the fishing of commercial species and other data), the EMFAF will also contribute to increasing scientific knowledge about marine resources and the environment in order to fill the data gaps⁹⁵ and thereby enable effective management decisions to be taken. This will involve, in particular,

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⁹⁵ Marine Strategy Framework Directive.

efforts to improve data under the D1, D2, D6 and D10 of descriptors of Directive 2008/56/EC so as to better ensure the achievement of good environmental status of the sea. Through the activities referred to in Article 11 of Directive 2000/60/EC, the EMFAF will contribute to improving the environmental status, navigability and biodiversity of inland waters. The EMFAF will also contribute to the implementation of the objectives of the Zero Pollution Action Plan (investments in a greener and more energy efficient fleet, the collection of marine litter and waste fishing gear through the recycling of collected fishing gear containing Polyamide 6). In the area of aquaculture, the EMFAF will contribute to the objectives of the Farm to Fork Strategy, environmental aquaculture services, the use of low environmental impact production methods, conversion to organic aquaculture, the innovative use of low-trophic-level species (e.g. algae), and the maintenance of aquaculture in Natura 2000 areas in line with conservation objectives. In the area of aquaculture, the EMFAF will support sustainable aquaculture through implementation of the Strategic Guidelines for the Development of Aquaculture 2021-2030, which promote a more competitive and sustainable EU aquaculture. In order to meet its objectives, the EMFAF will also contribute to the promotion of sustainable aquaculture (including EU aquaculture). Investments and innovation in aquaculture will also be possible in the processing sector. Through networking and the exchange of knowledge and good practices in aquaculture, we will help to raise awareness of the benefits of good organisation, including within the context of EU Regulation 1379/2013. Activities to support maritime spatial planning (including, in this context, research on underwater cultural heritage) and maritime surveillance (CISE and a contribution to the EUMSS) will be complementary to these activities.

In the area of **sustainable urban mobility**, in line with the objectives set out in the Urban Mobility Framework and on the basis of the revised integrated transport strategies drawn up by urban municipalities, we will allocate ERDF funding to public transport improvements, active mobility infrastructure with a focus on enhancing multimodal travel (first and last kilometres), vehicle-sharing, and the establishment of a complete network of infrastructure for cyclists and pedestrians. Support will be given to the deployment of innovative technological solutions, as well as to the transition to clean/low-carbon fuels in transport and public transport (e-mobility). The operations supported will encourage people to change their travel habits (or at least opt for electric vehicles), thereby contributing to cleaner urban air. Changes in the choice of transport modes in urban corridors with improved infrastructure can be tracked by indicators within the context of integrated transport strategies that are consistent with the revised national guidelines and, where relevant, indicators envisaged as Sustainable Urban Mobility Indicators (SUMIs). However, the impact on air quality is indirect. In view of the need to improve the connectivity of individual regions and promote balanced regional development, the programme also provides for the construction of new sections of road ('development axes') that will improve accessibility to the TEN-T network and to regional centres within Slovenia.

We will use ERDF funds to support measures to **increase productivity in the use of land and functionally degraded areas**, where it will make sense to link these investments with those in the field of renewable energy sources. Particular attention will also be paid to devalued urban areas, combining investment in both infrastructure and support measures, which together will contribute to the economic and social regeneration of urban areas.

Within each area, the differences in needs between the two cohesion regions are small. Investments will therefore be adapted to the volume of funding available for each region. The use of territorial approaches is envisaged in relation to the individual actions slated for implementation under Policy Objective 2.

Policy Objective 3: A more connected Europe by enhancing mobility

In order to support the **development of the trans-European transport network**, we will use CF and ERDF resources to support investments in the modernisation of railway infrastructure on the basis of the national transport model and Slovenian Transport Development Strategy 2030. As the planned sustainable transport policy measures and the modernisation of rail infrastructure will not yet eliminate the mismatch between demand and supply on the transport network, investments will also be required in less free-flowing sections of the road network, thus reducing congestion and the disadvantages that stem from it. Digitalisation in terms of the upgrading of the ETCS/ERTMS, the digitalisation of traffic management, automatic block signalling, etc., as well as the equipping of locomotives and motor sets with ETCS devices, is proceeding apace on the Slovenian railway network. Remote traffic control is currently being rolled out on two sections and is expected to be in place by 2027. The establishment of remote control is also envisaged on other public railway infrastructure lines, thereby providing all public railway infrastructure lines in Slovenia with remote control.

In order to support the development of national, regional and local mobility on the trans-European transport network, we will, using CF and ERDF resources, tackle the upgrading of stations and sections of existing regional railway lines that gravitate towards larger urban areas. This will be in addition to other investments in the TEN-T rail network. The considerably dynamic nature of the terrain or the high proportion of mountainous terrain, combined with scattered population patterns, makes it more difficult to locate new railway links across Slovenian territory. This means that, in the large majority of cases, roads constitute the only transport link between a given area and regional centres. Bottlenecks to industrial centres also adversely affect the ability of individual areas (and therefore the country as a whole) to make best use of their economic potential. The construction of development axes and the provision of better access to the TEN-T network and to regional hubs is vital to improving the connectivity of individual regions and therefore to promoting balanced regional development. New road infrastructure is also envisaged, with a shift towards the sustainability of the road network as one of the main strategic orientations. To make better use of existing road infrastructure, we will also develop long-distance bus transport, integrate different types of public transport (buses, rail and urban transport) and establish infrastructure for the charging of electric or hydrogen-powered vehicles.

The promotion of integrated transport planning at local, regional and national level will lay the foundations for the development of multimodal transport, supported by investments in the transfer between different modes of transport, and the promotion of the use of public transport. At local level, improvements will be made to active mobility infrastructure in settlements and to public transport, particularly with a view to ensuring that the first and last miles of multimodal journeys are safe, with the public transport acting as the backbone of the system, and ensuring the safety of children on their way to school. It also envisages the introduction of modern mobility management technologies that enable real-time traffic information to be collected and ensure that integrated traffic management is carried out in a sustainable way.

While Slovenia is above the EU average in terms of the number of passenger cars per inhabitant, the use of bicycles has grown considerably in recent years. As this trend should be fully exploited, we will further promote the use of bicycles for daily mobility purposes, not only in cities but also in rural areas, by building a cycle path system in wider urban areas. In this context, the priority will be to link existing cycle sections to larger, logically complete units, and to build local cycle links that connect to the national cycling network. This will provide cyclists with greater mobility.

The use of territorial approaches is envisaged in the area of the individual actions slated for implementation under Policy Objective 3.

Policy Objective 4: A more social and inclusive Europe implementing the European Pillar of Social Rights

In order to achieve the objectives of the European Pillar of Social Rights Action Plan and Slovenia's 2030 national targets, we will focus measures primarily on reducing the long-term unemployment rate and with a view to prolonging working life. Using ESF+ resources, we will focus measures on putting in place an inclusive and responsive labour market capable of responding to the increasingly frequent fluctuations. Active employment policy measures will be targeted at mitigating the impact of crises and reducing structural disparities, including by targeting economic sectors where growth or a sharp drop in activity is expected. They will also focus on the proper functioning and integration of labour market institutions and the modernisation of their services. This includes anticipating skills needs, providing timely and tailor-made assistance and support to the matching of supply and demand on the labour market, career transitions and labour market mobility. The Foresight Competence Platform will make it be possible to develop/guide education, scholarship and career guidance policies in support of the implementation of PO1. We will make efforts to close the gap on the labour market by focusing on raising the competencies and skills of jobseekers and employees (including by promoting enterprise skills/competencies for specific target groups such as young people and women and including the blue economy sectors), and supporting access to employment primarily for the target groups of older people, the long-term unemployed, those with low levels of education, people with disabilities and the inactive during their working life, thereby reducing long-term unemployment. The measures will focus on retaining on the labour market those groups in particular whose employment or self-employment is at risk or temporary (including those jobs exposed to digitalisation and automation), reducing and preventing precarity, and preventing the transition back to unemployment for target groups exposed to atypical forms of work. Measures to improve the quality of the working environment and working conditions and to promote intergenerational cooperation, with a focus on the transfer of knowledge and skills between generations, will contribute to prolonging working life, particularly for older people. In line with the needs, funding will be allocated in both cohesion regions, with a slightly higher intensity in the ESCR.

With the aim of further developing a high-quality and effective education and training system, ESF+ resources will be used to support the acquisition of knowledge and skills that are key to an individual's success in society, adapted to the future of work and to global changes. Through the action we will also strengthen key competencies and computational thinking, and will allocate part of the resources to reading literacy (especially among boys) and to libraries. We will also carry out measures for talented students at different levels of education. We will promote the use of ICT in the teaching process and the provision of comprehensive systemic support (technical and teaching) to education stakeholders to develop effective ways of using digital technologies and the digital competencies of management, education professionals and students. We will strengthen cooperation between vocational and professional education institutions and employers/social partners, thereby increasing the quality of the vocational education and training system and making it more responsive to labour market needs. We will follow the vision of the National Programme for Adult Education in Slovenia: for the adult population of Slovenia to enjoy equal opportunities and incentives for high-

quality learning and education at all stages of life. We will continue to promote adult education and greater participation in lifelong learning in order to achieve the objectives of the European Pillar of Social Rights Action Plan, paying particular attention to vulnerable groups such as older people, including the over-65s, the low-skilled and less qualified, etc. We will invest in organisational changes and in improving access to inclusive and high-quality education. In line with the needs, funding will be allocated in both cohesion regions, with a slightly higher intensity in the ESCR. ERDF resources will be used to improve infrastructure conditions at all levels of education with a view to making the urgently required adjustments to the needs of modern education, greening infrastructure, and providing the necessary spaces for the implementation of the educational and teaching process. These needs have been identified by the situational analyses conducted, which clearly show the necessity of investing in this area.96 Investments in educational infrastructure are investments in critical infrastructure that have important multiplier effects as they help to improve the quality of the education process and strengthen the resilience of the education system. ERDF resources will be used to a lesser extent to provide the ICT equipment necessary for the implementation of higher education processes and for the activities of organisations active in the youth field. The provision of ICT in higher education is complemented by the creation of a comprehensive support environment at higher education institutions that focuses on students and on activities that help them complete their studies successfully and on time. This support is also provided through modern ICT-based teaching methods that address different groups of 'nontraditional' students, such as early school-leavers and students who have suspended their studies to enter employment ('job outs').

With the help of ESF+ resources and with a view to achieving the objectives of the European Pillar of Social Rights Action Plan and Slovenia's 2030 national targets, and ensuring solidarity and sustainable social protection, health care and long-term care systems, we will support measures to improve social inclusion and consequently improve the employment opportunities of vulnerable groups, particularly the long-term unemployed.

We will support social inclusion and social activation programmes to make it easier for those who are inactive or who have been unemployed for a prolonged period of time, recipients of social security assistance and people with complex social problems to access the jobs market.

With the aim of **tackling poverty and social exclusion** and reducing social stratification, which has been exacerbated by the pandemic, we will use ESF+ funds to support measures to improve inclusion in the education system and in society, thereby improving the employment prospects of vulnerable target groups. Actions will be aimed at the acquisition or strengthening of the social and functional skills that enable individuals to resolve social and life issues, become more involved in their social environment and improve their ability to resolve the issues they face. Information will also be provided on opportunities for inclusion in other programmes. ESF+ funds will also be used for the purchase and development of teaching aids and materials for educational work with children with special needs and with migrants.

We will support measures to develop and provide social care services (including family support) and community-based services. This will require the continuation of the deinstitutionalisation process and the consolidation of long-term care services. We will support mental health promotion through integrated provision, protection and promotion, and integrate treatment and addiction prevention programmes. In order to improve the health of the population and reduce health inequalities, we will

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⁹⁶ Internal documents of the Ministry of Education, Science and Sport, SPIS no 024-41/2019/170.

provide organisational and substantive upgrades to primary care by integrating prevention activities, improving access to emergency medical assistance, promoting healthy lifestyles through a range of activities, and increasing physical activity to reduce the health risk factors (excessive weight, obesity, chronic diseases, etc.). We will improve the digital literacy of health care users in its broadest sense. In line with the needs, funding will be allocated in both cohesion regions, with a slightly higher intensity in the ESCR. We will strengthen programmes to provide integrated treatment and care for people with dementia, and train all professional structures in order to enhance their ability to recognise and work with people with dementia. We will invest ERDF resources in rehabilitation centres, set up a national dementia management centre (which will be a learning centre for professionals), and establish community centres that provide integrated forms of community service to people with dementia and other forms of cognitive decline and to their families. In order to achieve one of the objectives of the Resolution on the National Social Protection Programme 2022-2030, i.e. to strengthen communitybased forms of social protection in line with deinstitutionalisation and long-term care policies and to increase the number of users, we will continue to transform institutions into places of community-based service delivery. We will also support the provision of housing units to temporarily address the housing needs of vulnerable target groups. In line with the needs, funding will be allocated in both cohesion regions, with a slightly higher intensity in the ESCR. ESF+ actions in support of deinstitutionalisation and complementary ERDF actions will not provide support to institutional forms of living, and the funds will not be allocated to the financing of institutional forms of social protection; rather, the measures will be aimed at financing community housing and services and individual housing for the most vulnerable target groups. User involvement will be based on personal plans and needs assessments, which will be drawn up in compliance with the fundamental principles of non-discrimination and the equality and rights of people with disabilities. All actions aimed at investing in social and health care infrastructure under any policy objective will be planned in accordance with needs assessments and will be based on a mapping of services and infrastructures. Needs assessments will include all options identified by the UN Convention on the Rights of Persons with Disabilities (CRPD), of which people will be adequately apprised. Needs assessments will also include an overview of the options chosen by the persons concerned, and establish whether they would prefer options that do not yet exist but in which investment is needed. Mapping will be based on an overview of the current number of institutions (large or small, including community residential units) and non-institutional family and community services, taking into account territorial inequalities and demographic challenges. All investments in social and health care infrastructure will be in line with the requirements of the UN Convention on the Rights of Persons with Disabilities, including General Comment No 5 and the Concluding Observations of the United Nations Convention on the Rights of Persons with Disabilities Committee, with due respect for the principles of equality, freedom of choice, right to independent residence, accessibility and the prohibition of all forms of segregation. Moreover, every investment will ensure accessibility in line with the latest EU accessibility standards. The investments will demonstrate coherence with the deinstitutionalisation strategy and the relevant EU political and legal frameworks to respect human rights obligations, namely the UN Convention on the Rights of Persons with Disabilities and General Comment No 5, the European Pillar of Social Rights, and the Strategy for the Rights of Persons with Disabilities 2021–2030. No investment will represent a step backwards in the process of deinstitutionalising existing institutions or contribute to the creation of new environments that are not fully in line with the CRPD. In line with the partnership principle, independent fundamental rights and human rights organisations will be involved in all stages of programming, implementation, monitoring and the evaluation of investments in social and health infrastructure; this is so as to ensure respect for the principles of independent living, nonsegregation and non-discrimination in accordance with the UN Convention on the Rights of Persons with Disabilities and the Charter of Fundamental Rights of the EU.

The measures will be built on the results of the mapping of infrastructure and service needs in the fields of employment, education, housing, health care and social care that take account of territorial inequalities, educational and spatial segregation, and demographic changes. In order to ensure equal treatment within the various institutions, the IT infrastructure that allows users to access data in a timely and targeted manner must be strengthened and upgraded; this will also allow information to be exchanged between different institutions dealing with the same individual. In this respect, service providers will have to be empowered (trained in the use of the information system) if they are to provide user-friendly social protection services. All investments will follow the principles of desegregation and non-discrimination, with a focus on promoting access to key inclusive services in education, housing, employment, health care and social care.

The **Programme to Eliminate Material Deprivation in Slovenia 2021–2027** is aimed at the most materially deprived groups in the country. It will provide food and involve target groups in various accompanying measures aimed at addressing their social exclusion and contributing to the eradication of poverty. The programme will also provide psychosocial support, referral to the competent services, information on rights from public funds, the promotion of inclusion in other social inclusion and social activation programmes, and information and advice on healthy lifestyles and on food and budget management.

In order to **strengthen the role of culture and tourism**, we will allocate ERDF funding in the ESCR to the comprehensive preservation of cultural heritage, which will be given concrete expression in projects involving sustainable small-scale investment in regeneration, the maintenance and revitalisation of heritage, promotion of the development of (cultural) tourism and improvements to physical access and access to information, including for people unable, for whatever reason, to access cultural heritage and destinations. Projects in the field of cultural heritage will be consistent with the orientations of the European Framework for Action on Cultural Heritage and with the ICOMOS European Quality Principles. Culture and cultural identity, given added value in the image and integrated range of Slovenian tourist products and services, is an innovative factor that can make a key contribution to completing the value chain and significantly increasing value added and sustainability in Slovenian tourism. These measures constitute an important part of the structural changes that are indispensable for a more productive and stable tourism ecosystem capable of adapting, even in unexpected crisis situations.

We will support investment in the development of integrated tourism products in the form of authentic tourism experiences, with the aim of raising the reputation and quality of tourist destinations in Eastern Slovenia. By investing in the creation of tourism content within existing cultural heritage and integrating it into the general range of tourist products and services on offer, we will create new, more attractive jobs and achieve higher value added in a sustainable way. By ensuring the sustainable development of destinations, we will contribute to improving the quality of life of those who live in tourist areas and make tourism more acceptable for the local environment, thereby following the lines set out in the European Commission's proposal for a Transition Pathway for Tourism (TTP). In parallel, PO1 will strengthen digitalisation knowledge and skills, green tourism, sustainable development and destination management, in line with the EU Pact for Skills in Tourism.

Policy Objective 5: A Europe closer to citizens by fostering the sustainable and integrated development of urban, rural and coastal areas and local initiatives

Slovenia's objective is to continue to promote endogenous potentials in order to **reduce development disparities**. It will, in this way, address urban and local development through territorial approaches under Policy Objective 5. Bottom-up initiatives will be tailored to the diverse development needs, challenges and different forms of settlement in each area, as they cannot be addressed in a uniform way. Using territorial approaches, we are interlinking rural and urban areas in an integrated way as complementary functional areas, by supporting integrated and multifunctional actions, and strengthening multi-level partnership cooperation and governance in both cohesion regions. By linking the urban environment with rural areas, we are following the objectives of the Territorial Agenda 2030 and the Long-term Vision for the EU's Rural Areas Up To 2040.

We will allocate ERDF resources to building an inclusive society and to the further comprehensive socio-economic development of urban and rural areas, with particular attention to be paid to reducing the gap between socio-economically disadvantaged people and areas. The preparation and implementation of the actions will take place on a bottom-up basis, in line with the strategic objectives and areas of action stemming from the sustainable urban strategies and local development strategies that have been drawn up. The local population is actively involved in the development of strategies that identify specific development challenges and opportunities within a homogeneous area. Development needs and challenges vary from one area to another, so development trends need to be tailored to the characteristics, needs and different forms of settlement of each area. We are most effective in addressing the needs of individual areas and increasing the quality and satisfaction of the life of all groups of the local population (including the elderly, young people and members of vulnerable groups) when we employ projects based on territorial strategies. In the course of the implementation of all actions under PO5 particular attention will be paid to the principles of sustainable development and to ensuring that built infrastructure and services are also available to persons with different levels of incapacity.

As part of efforts to promote urban development, we will primarily support projects to renovate and revitalise empty or under-utilised buildings and/or land for greener, more socially inclusive and more productive cities. We will support measures to revitalise and renovate buildings of public interest and cultural and other facilities, develop and revitalise open public spaces, and carry out other integrated projects based on urban municipalities' sustainable urban strategies.

ERDF CLLD projects will contribute to improving the quality of life of local populations, ensuring adequate access to services in urban centres and rural areas alike, improving long-term care and preventive health measures, promoting intergenerational cooperation, strengthening competencies, and providing care and protection to disadvantaged groups. At the same time, LAG areas will be more visible local enterprise, the innovative use of local resources, (eco)tourism, and the preservation of natural diversity and cultural heritage.

EMFAF CLLD projects will be implemented autonomously throughout the country and will address job retention, the development of fisheries and aquaculture areas, diversification, and other important topics related to economic, environmental and social aspects. CLLD projects will enable areas to diversify (including into other sectors of the blue economy, e.g. in the coastal area), with due regard to the provisions of the Smart Specialisation Strategy and the EU's 'Restore Our Ocean and Waters' mission. When preparing Local Development Strategies (LDSs), Fisheries Local Action Groups (FLAGs) are focused on complying with the objectives and orientations of the Farm to Fork Strategy, the Biodiversity

Strategy, the Strategic Guidelines for the Development of Aquaculture 2021–2030, the Circular Economy Action Plan and other strategic documents issued by the Commission. LDSs will be developed on a bottom-up basis, in line with the needs of the selected area. The key challenge will be to enable the area to develop sustainably; in the Slovenian coastal area, this means involving emerging blue economy sectors.

Within the framework of the relevant specific objectives/measures, the use of financial instruments is envisaged insofar as the results of the analysis of the preliminary assessments of market needs and the funding gaps on the market for the implementation of financial instruments in the 2021–2027 programming period demonstrate the need to use financial instruments.

JTF-specific objective: Europe for a Just Transition

The final territorial and thematic scope of JTF support will be defined after the territorial Just Transition plans, which are part of or complement the programme, have been assessed and approved. The territorial plans will outline a clear transition process at national level, including a timeline for the implementation of the key steps towards achieving the 2030 climate and energy targets and the objective of climate neutrality by 2050. Slovenia will thereby contribute to the implementation of the commitments stemming from the Regulation establishing the framework for achieving climate neutrality (adopted on 9 July 2021), with impacts in selected areas visible by 2030 at the latest. The territorial plans must also demonstrate that, on the basis of economic and social impacts, the selected areas are the ones most negatively affected by the transition process, and clearly explain the expected effects of the planned measures.

The transition to a climate-neutral and circular economy is one of the most important policy objectives of the European Union, and is expected to have wider negative social and economic impacts in areas heavily dependent on fossil fuels and on industries in which greenhouse gas intensity is highest. The European Commission has drawn up the Investment Guidelines for the Just Transition Fund 2021–2027 in Annex D to the Country Report – Slovenia 2020. Under these guidelines, which define two areas dependent on fossil fuels, namely Zasavska and Savinjsko-Šaleška, Slovenia is allocating Just Transition funds to these two territories and not to areas that are heavily dependent on industries in which greenhouse gas intensity is highest. Among the key actions under the JTF for the Zasavska region, Annex D identifies investments in the regeneration and decontamination of buildings, land remediation and repurposing projects, and investments in strengthening the circular economy. For the Savinjsko-Šaleška region, the key actions under the JTF include productive investments in SMEs, including startups, to diversify and redirect economic activity, investments in research and innovation, projects to enhance the transfer of advanced technologies in line with the Smart Specialisation Strategy, investments in digitalisation, and the active inclusion of the unemployed.

Some restructuring activities have already been carried out, namely the preparation of the National Strategy for the Phasing-Out of Coal and the Restructuring of Coal Regions in Accordance with the Principles of a Just Transition, which set 2033 as the year of the country's final exit from coal, and the preparation of action plans for the phasing-out of coal in the Slovenian coal regions (Savinjsko-Šaleška and Zasavska). In parallel with the national strategy, which sets 2033 as the year of the country's final exit from coal, a comprehensive environmental impact assessment has been successfully completed. Relevant actors at national, regional and local level have been involved in the drafting of the documents, including the Slovenian government's Working Group on the Restructuring of Coal Regions (state secretary level) and the Operational Working Group on the Preparation of Measures for the

Restructuring of Coal Regions. Representatives of coal regions participate in the Platform for Coal Regions at EU level.

Territorial Just Transition plans for the Savinjsko-Šaleška and Zasavska regions are being drafted as part of the preparation of the Programme for the Implementation of European Cohesion Policy in Slovenia 2021–2027, and with due regard to the provisions of the Strategy and the two Action Plans, which provide a qualitative basis. They will also contain descriptions of the type of operations envisaged and the contribution they are expected to make to alleviating the impact of the transition, in line with the requirements of the Regulation of the European Parliament and of the Council establishing the Just Transition Fund. For the Savinjsko-Šaleška region, the actions will aim to deliver results under the following strategic objectives: employment and skills for all, sustainable, flexible and diversified economic development, regional connectivity and sustainable mobility, the gradual rehabilitation and revitalisation of spatially and environmentally degraded areas, and a just energy transition for the region. For the Zasavska Coal Region, the actions will support the achievement of the results of the following strategic objectives: a diverse and resilient local economy, highly motivated and skilled people, improvements to transport connectivity, and the decarbonisation of the region.

The Just Transition Fund is the first of the three pillars of the Just Transition Mechanism. The resources of the other two pillars, the dedicated Just Transition Scheme under InvestEU and the EIB's Public Sector Loan Facility, provide complementary grants for investments that contribute to the fulfilment of the development needs and targets for 2030, as reflected in the approved territorial Just Transition plans.

2.1 Coordination, demarcation and complementarities between the Funds and, where appropriate, coordination between national and regional programmes

In relation to the implementation of the Partnership Agreement in Slovenia, there will be coordination, demarcation and complementarity between the ERDF, ESF+, CF, JTF and EMFAF, as well as coordination between national programmes:

- 1. ECP 2021–2027 programme (source: ERDF, ESF+, CF, JTF);
- 2. Programme to Eliminate Material Deprivation in Slovenia 2021–2027 (source: ESF+) and
- 3. Maritime and Fisheries and Aquaculture Programme (source: EMFAF)

This will be based on a centralised approach provided by the Government Office for Development and European Cohesion Policy (SVRK).

The SVRK is the managing authority of the ECP 2021–2027 programme, which will be financed by the Structural Funds and the Cohesion Fund with the aim of achieving the Objective for Growth and Jobs. The SVRK is also the managing authority for three European Territorial Cooperation (ETC) programmes (SI-AT, SI-HU, SI-HR), the national authority for 11 ETC programmes and the national coordinator of all 13 ETC programmes in which Slovenia participates — four cross-border (SI-AT, SI-HU, SI-HR and IT-SI), five transnational (Alps, Central Europe, Danube, IPA ADRION, Euro-MED) and four inter-regional (Interreg Europe, Interact, ESPON, URBACT). National coordination in cross-border programmes takes place through inter-ministerial and multi-level delegations in programming and monitoring committees, and in transnational and interregional programmes through the National ETC Committee, which is also an inter-ministerial and multi-level consultative body led by the SVRK. If necessary, additional representatives of Slovenia in macro-regional strategies, Objective 1 programmes and the two cohesion regions shall be consulted.

Taking into account the length of the external borders and the fact that the majority of the Slovenian population lives in a border area, territorial cooperation is recognised as one of the key instruments for promoting the development of border regions. **European Territorial Cooperation** will support the tackling of common challenges identified by international programming partners. The programmes will focus primarily on the challenges and opportunities to strengthen the competitiveness of border regions and larger functional areas with common problems, in particular in areas related to the transition to an innovative society, a green, low-carbon and circular economy-oriented society and more efficient governance through institutional capacity-building (Interreg Specific Objective).

The national coordinators of the EU macro-regional strategies are the Ministry of Foreign Affairs and the Government Office for Development and European Cohesion Policy. The coordinators for the priority areas of macro-regional strategies, mandated by the Slovenian government, will ensure that operations also take into account the added value of the EU macro-regional links.

European Cohesion Policy and EMFAF funds will support macro-regional initiatives:

- **EUSAIR** in the field of blue growth, connectivity, sustainable tourism and environmental quality (the 'flagship initiative'), where Slovenia will make particular efforts to green all sectoral initiatives in the region in a horizontal manner, with special attention paid to environmental prevention and to research and innovation integration. The EMFAF will support blue growth and quality of the environment in particular.
- EUSALP in the field of risk management and joint responses to natural disasters such as floods, landslides, fires, etc.; the deployment of green infrastructure to make the EU more resilient to climate challenges and also to increase food security; transport, energy and digital connectivity in the Alps; sectors for the enhanced development of the Alps, including the development of the Alpine innovation ecosystem.
- **EUSDR** in the area of management of high water (floods) and low water (drought) and increased risks in the Danube river basin.

The managing authority for the Programme to Eliminate Material Deprivation in Slovenia 2021–2027 is the Ministry of Labour, Family, Social Affairs and Equal Opportunities (MDDSZ). With the aim of ensuring the continued implementation of measures to address material deprivation in the next programming period, resources to address material deprivation will be programmed in a separate programme in the 2021–2027 period. We will maintain the existing system of delivery of assistance to materially disadvantaged individuals managed by the MDDSZ, therefore maintaining simplification of implementation and reducing the administrative burden for authorities and beneficiaries.

The managing authority for the Maritime and Fisheries and Aquaculture Programme is the Ministry of Agriculture, Forestry and Food (MKGP), which is also the managing authority for the EAFRD. With the aim of continuing the implementation of the management and control system, which works well, the MKGP will, as managing authority for the EMFAF, delegate some of the tasks to the Agency for Agricultural Markets and Rural Development as the intermediate body.

As the managing authority for HOME funds is the Ministry of the Interior, mechanisms are in place between the AMIF, ISF and BMVI to ensure effective monitoring (a common control and management system, inter-sectoral working groups, a monitoring committee). The managing authority for HOME funds has also put in place cooperation with other funds. Coordination will take place through

cooperation in inter-departmental working groups, meetings, consultations and the mutual coordination of fund-related documentation.

Between the ESF+ and ERDF and home affairs funds (**HOME: AMIF, ISF, BMVI**), important synergies, complementarities and demarcations have been identified in the areas of integration, migration management, the creation and modernisation of migration-related infrastructure, processing services and crime prevention. In addition to the above, particular attention will be paid to the planning phase, with a clear demarcation of the activities to be financed by each fund and regular exchange of information during the implementation period in order to achieve maximum overall impact.

The planned activities under the AMIF related to the integration of third-country nationals into society complement the planned activities under the ESF+. Both funds address the integration of migrants into the labour market, with the AMIF focusing on basic Slovenian language learning and support during the initial phase of social inclusion (advice, housing, cash assistance, etc.) to help them enter the labour market. The ESF+ provides assistance in the next phase by facilitating the inclusion of individuals in active employment policy programmes. Both funds provide assistance in the form of an intercultural mediator/adviser, with each covering different tasks: the AMIF focuses on helping people with international protection to arrange everything they need to facilitate their social integration, while the ESF+ focuses on access to employers. Both funds also carry out activities in the field of social inclusion and social activation programmes, where cooperation will be established in the preparation of the content of calls for tenders in this area with the aim of ensuring that the measures are as complementary as possible. Regarding provision for the target group of unaccompanied minors, both funds (AMIF and ESF+) will carry out activities connected to care, accommodation and education, but for separate locations. A lack of adequate support for unaccompanied minors in their transition to adulthood has been identified; moreover, there is an increase in cases of people with mental health problems and special needs and of victims of various forms of abuse. Accordingly, a holistic focus on empowering and encouraging people to actively overcome their problems and traumas and face different personal circumstances is needed. The AMIF and ESF+ can also work in a complementary way in the field of medical care for migrants, where links will also be established so as to achieve full delivery of services and avoid overlaps.

In order to improve infrastructure linked to border management and financed by the BMVI, there is the possibility of complementary use of the ERDF, in particular because of the problem of the temporary external border with Croatia, which means that Slovenia has limited capacity for investment in infrastructure.

HOME funds will complement each other in the area of information systems, which, due to the interplay of content and interoperability, cover border management, migration and internal security. Accordingly, particular attention should be paid to the establishment of an appropriate system of division key between the funds:

- The **European Asylum, Migration and Integration Fund** (AMIF) will primarily finance measures for target groups linked to the provisions of the International Protection Act eligible for funding. The planned activities under the AMIF relate to the integration of third-country nationals (migrants, persons with international protection, applicants for international protection) into society.
- Under the instrument for financial support for border management and visa policy as part of the
 Integrated Border Management Fund (IBMF), Slovenia helps to facilitate lawful border
 crossing, prevent and detect illegal immigration and cross-border crime, manage migration

- flows effectively and support the common visa policy to enable lawful travel and prevent migration-related and security risks.
- Within the framework of the Internal Security Fund (ISF), Slovenia helps to ensure the uniform application of Union law concerning the exchange of information in the field of security, the establishment, adaptation and maintenance of security-relevant information systems and communication networks of the Union, including their interoperability, the development of appropriate tools to address the gaps identified, and support for national actions that are relevant to ensuring data exchange.

Coordination between funds will formally take place through monitoring committees. Slovenia will avoid setting up new authorities and bodies. More emphasis will be placed on the content and coordinating role of managing authorities. Close cooperation with ministries and other downstream implementing institutions will be crucial. In all cases where measures concern the areas of other ministries in terms of their substance, an appropriate position statement will be obtained. Alongside this, the competence and responsiveness of ministries will play a central role, as ministries are the main promoters and implementers of development priorities in accordance with the programming documents, while at the same time they are the promoters of individual development areas in accordance with Slovenian legislation.

Under CP1, coordination, demarcation and complementarity between the ERDF and the ESF+ will be ensured through regular and close cooperation between ministries and government departments, in particular with the department responsible for the implementation of European Cohesion Policy (ECP) programmes, the department responsible for digital transformation, the department responsible for the economy, the department responsible for technology, the department responsible for education, and the department responsible for science. The state secretaries of these departments will form the core operational management team for S5. This group will, among other things, endorse the Strategic Partnership Action Plans, in which all interested stakeholders can participate. Within the Slovenian government, the department responsible for S5 coordination is the department responsible for ECP. Coordination, demarcation and complementarity will also take place within the Monitoring Committee, which is expected to meet once a year.

The Slovenian Smart Specialisation Strategy (S5) is the strategy underpinning the implementation of all ECP policy objectives in areas concerning smart specialisation. S5 is aligned with all relevant sectoral strategies (Slovenian Industrial Strategy, Scientific Research Innovation Strategy, etc.). During the implementation phase, the S5 team within the managing authority will give an opinion on the compliance of each instrument with S5.

The coordination of territorial approaches for the ERDF and ESF+ will take place centrally. A specific national development coordination for territorial approaches will be developed at the department responsible for the implementation of ECP programmes.

Under CP2, coordination, demarcation and complementarity between the ERDF, CF and EMFAF will be regularly conducted at government level and at the Monitoring Committee, which is expected to meet once a year. The Ministry of the Environment and Spatial Planning (MOP) is responsible for coordinating issues covered by this area, including climate change adaptation and risk prevention and management, promoting access to water, sustainable water management, improving nature and biodiversity protection and conservation, and reducing all forms of pollution, while the Ministry of

Infrastructure (MZI) is responsible for low-carbon, clean and just energy supply. The MKGP is responsible for coordinating the elements covered by the EMFAF.

The coordination of territorial approaches for the ERDF and CF will take place centrally. A specific national development coordination for territorial approaches will be developed at the department responsible for the implementation of ECP programmes.

Under CP3, coordination, demarcation and complementarity between the ERDF and CF will be regularly conducted at government level and at the Monitoring Committee, which is expected to meet once a year. The MZI is responsible for coordinating mobility content.

The coordination of territorial approaches for the ERDF and CF will take place centrally. A specific national development coordination for territorial approaches will be developed at the department responsible for the implementation of ECP programmes.

Under CP4, coordination, demarcation and complementarity between the AMIF, ERDF and ESF+ will be regularly conducted at government level and at the Monitoring Committee, which is expected to meet once a year. The MDDSZ is responsible for coordinating issues relating to the labour market and social security, the MIZŠ for the education sector, the Ministry of Health for the health sector, and the Ministry of the Interior for migration and integration.

The coordination of territorial approaches for the ERDF and ESF+ will take place centrally. A specific national development coordination for territorial approaches will be developed at the department responsible for the implementation of ECP programmes.

Under CP5, the coordination of territorial approaches for the ERDF and EMFAF will take place centrally. A specific national development coordination for territorial approaches will be developed at the department responsible for the implementation of ECP programmes. Coordination, demarcation and complementarity will also take place within the Monitoring Committees, which are expected to meet once a year.

Basis for implementation **under the JTF SC**: Europe for a Just Transition comprises territorial Just Transition plans for the coal regions: Zasavska and Savinjsko-Šaleška. To support the actions set out in the territorial plans, Slovenia only allocates JTF resources and will not complement them with ERDF and ESF+ resources. Coordination and demarcation of the JTF with the ERDF, ESF+ and CF already take place when the territorial plans are being drawn up, with representatives of national and local levels participating in the coordination groups. Regular coordination will take place both at the level of each coal region and at national level, i.e. at government level and at the level of the Monitoring Committee, which is expected to meet once a year. As the content of the JTF is the responsibility of several ministries, coordination will be provided by the SVRK, which will work closely with the RDA (as the regional-level coordinator) and with the Regional Development Council.

2.2 Complementarities and synergies between the funds covered by the Partnership Agreement, the AMIF, the ISF, the BMVI, and other Union instruments

The SVRK will coordinate the complementarities and synergies between the funds covered by the Partnership Agreement, the AMIF, the ISF, the BMVI, and other Union instruments. The implementing provisions between other Union instruments and cohesion policy will be coordinated within the context of the monitoring of the Partnership Agreement. In addition, where relevant and in accordance with customary government procedure, all such documents should be coordinated in advance with other interested government parties.

The demarcation and complementarity between the different sources of funding will be ensured in terms of content (where relevant or possible), at instrument level (public tender), at project level (where major infrastructure projects are involved) and in terms of time succession (first the RRP and then ECP), also with a view to achieving the objectives (e.g. NECPs). Implementation of the European Structural and Investment Funds will respect the EU Charter of Fundamental Rights.

Following the approval of the Recovery and Resilience Plan (RRP) by the Council of the EU, the coordination of its implementation was undertaken by a new independent and organisationally and functionally separate body within the Ministry of Finance (Office for Recovery and Resilience). It will be responsible for setting up the implementation system and for the implementation of the RRP itself. Its tasks include coordinating with other stakeholders in the implementation of the RRP and with the European Commission, coordinating the preparation of legal acts and strategy documents relating to implementation of the RRP, monitoring and evaluating the results of RRP implementation and providing information to the European Commission, ensuring proper financial management together with the participating ministries, carrying out controls and control measures at ministry or beneficiary level, and drawing up and signing the management declaration; it is also responsible for monitoring, verifying and validating the achievement of the milestones and targets that have been set. We will put in place a system for ensuring complementarity that establishes the participation and co-participation of existing structures and institutions by extending the membership and complementing the tasks of the #NGS2 working group, which was established on 24 July 2020 (Government Decision No 54402-6/2020/3). This will ensure consistency in the use of resources from all relevant financial sources, notably national funds, ERDF, CF, ESF+ and JTF (EMF), EMFAF, the Common Agricultural Policy (CAP) and other EU instruments (e.g. CEF2 Digital and InvestEU in digitalisation).

For the purpose of ensuring complementarity, a working group will be set up to:

- ensure that Union funds complement resources from the national budget (the additionality principle);
- steer the management of all Union funds with a view to ensuring that their spending is efficient and complementary, achieving the greatest possible synergistic effects and effectively avoiding the risks associated with double funding;
- to this end, it will draw up specific guidelines to ensure that ministries and other implementing
 institutions work in a coordinated fashion while at the same time providing clear demarcation
 with regard to the use of funds from the different Union sources. The guidelines will also include
 content to ensure that, where an action is financed from different Union sources, the conditions
 for funding are met for each of them;

- in each current year it will provide an indicative overview of the planned actions, broken down by Union source for each subsequent year, that identifies the substantive, financial and timeframe of implementation of the relevant programmes.

Membership of the working group will be supplemented by the involvement of SVRK heads and RRP experts, the managing authorities of all funds and other relevant/participating ministries, and representatives of the equal opportunities body. Representatives of the Fiscal Council and UMAR will also be able to take part in the work as external stakeholders. In addition, we will ensure regular and close cooperation between the RRP coordinator and the managing authority for ESI and EMFAF.

As we pay particular attention to demarcation and complementarity between the different funding sources in the field of digitalisation, the handbook on the method of implementation of the Recovery and Resilience Facility states that written consent must be obtained from the competent ministry for each measure in this area. This measure makes it possible to avoid duplicating actions from different departments and to have an overview of the actions and to guide them for that purpose; it is also set out in the instructions for implementation of cohesion policy in order to ensure adequate consistency, and will be part of the review managed by the working group set up for this purpose. The MF handbook on the implementation of the Recovery and Resilience Facility (April 2022) also envisages that departments responsible for measures/calls contributing to the implementation of S5 seek the opinion of the SVRK on compliance with S5.

Policy Objective 1:

PO1 will complement the ERDF and **EAFRD** in the area of enterprise:

- EAFRD support in the fields of enterprise, SMEs, start-ups and tourism will be targeted at farms/providers of supplementary activities throughout Slovenia, while agricultural activities will be excluded from support of SME investment policy through ERDF grants under PO1.
- In the area of industrial transition and enterprise, investments made by large enterprises in the processing of agricultural products resulting in the processing of a non-agricultural product will be supported uniformly by the EAFRD. Large enterprises will not be included in ERDF support for enterprise.
- In the area of digitalisation, the ERDF will support the development of the digitalisation of space and environment through AI building blocks and the transition to a multidimensional virtual world based on national data, and foster the development of innovative digital solutions based on complete national spatial and environmental digital data infrastructure. Complementarity with agriculture is reflected in the system of extraction of input data, where the digital national spatial infrastructure data will be crucial for monitoring changes in the status of environmental space, including in areas of agricultural land, and the implementation of agricultural policy. Complementarity enables the development of a digital twin which, by integrating existing data, will enable an appropriate speed of visualisation, modelling and interactivity, and facilitate decision-making and action in the event of extreme weather events.

In the area of RDI, ERDF actions will be complemented by measures taken under the RRP:97

- Co-funding of research and innovation projects in support of the green transition and digitalisation (scientific research and innovation programmes: TRL 3-6) and enterprise RDI

⁹⁷ Recovery and Resilience Plan ('Smart, sustainable and inclusive growth' development area).

- projects: TRL 6-8), in line with the Smart Specialisation Strategy. ⁹⁸ The measures will ensure the stability and predictability of R&D instruments.
- Co-financing of investments in RDI demonstration and pilot projects. Support will be given to companies and consortiums of companies and research organisations that carry out breakthrough and innovative projects geared towards the green transition (geared towards green research, development and innovation under the selected circular economy intervention code).
 The actions envisaged under PO1 (SC 1.1) will support all priority areas of the Smart Specialisation Strategy, including the circular economy.
- Co-financing of projects promoting international mobility and the reintegration of researchers.
- Establishment of a new research organisation and the funding of research infrastructure establishment of the National Food Institute as a central pillar of the innovation ecosystem in food supply chains (investment fully implemented with RRP resources).

In the area of raising the productivity of the economy, ERDF actions will be complemented by measures taken under the **RRP**:⁹⁹

- Support to investments to boost productivity, competitiveness, resilience and decarbonisation of the economy, and to preserve jobs. Support to investments by businesses in fixed assets to support productivity growth, which, according to the Investment Incentives Act, focuses on global value chains and, in accordance with the Promotion of Balanced Regional Development Act, on problem areas (larger investments, while investments in smaller-scale SMEs is promoted via PO1). The RRP action in the form of investment subsidies will be complemented by PO1, which will stimulate SMEs through financial instruments (guarantees with subsidised interest rate, equity financing). Regarding support for investments that raise productivity, a measure is envisaged under the RRP, while PO1 does not provide for incentives through investment subsidies (demarcation of MFF and RRP).
- Providing innovative ecosystems of economic and business infrastructure as a complementary action to strengthen sustainable value chains in specific sectors. The action consists of the construction and establishment of business zones owned by municipalities that are designed for SMEs, and the establishment of a basis for effective management (financing of the study, establishment of an IT platform and a pilot business zone management project). Based on the results of the pilot project or the design and testing of management models and the implementation of IT solutions, it will be possible to establish or improve the management of business zones in Slovenia, which will have synergistic effects and an impact on the achievement of the objectives of attracting investors and planning new business zones or economic business infrastructure in a more cost-effective way. Complementarity with corporate investment promotion measures under PO1 (SC 1.2) will therefore foster improvements in cooperation and business symbiosis, have synergistic effects between enterprises in business

⁹⁸ Together with departments, and in the course of the upgrading of the Smart Specialisation Strategy (S5), the Government Office for Development and European Cohesion Policy (SVRK) identified RRP actions that indirectly or directly contributed to S5 implementation, and inserted them into the text of the strategy (Tables 5 and 6). It has been agreed with the departments that the relevant coordination shall be carried out with the S5 team when public tenders under the RRP are being drafted or steps taken to ensure that a tender complies with S5. To this end, the SVRK has also worked with the Office for Recovery and Resilience (URSOO) in drafting the handbook on the method of implementation of the Recovery and Resilience Facility, which was adopted in April 2022. Chapter 3.7 of the handbook states that due regard should be paid to the possibility of obtaining funds from various sources for actions to promote the development of the area covered by S5 that are directly linked to S5 in all pillars (Table 5 in the draft of S5), thereby ensuring complementarity between mechanisms and other funds and Union instruments. In this light, the measures within the pillars are prepared and implemented in a way that also enables achievement of the objectives of S5. In this sense, the responsible authorities and those implementing the measures work with the SVRK, which is the authority responsible for the Slovenian Smart Specialisation Strategy S4/S5, i.e. before publication of a public tender or other method of allocating funds during the tender process and during implementation of the measures. The responsible authorities and those implementing the measures therefore ask the SVRK for an opinion on compliance with S4/S5 before the tender is published. The SVRK will respond with its position on compliance and provide any necessary additional proposals or guidance. This provision shall be applied as required to measures indirectly linked to S5 (Table 6 in the draft S5).

⁹⁹ Recovery and Resilience Plan, measures in support of a more productive economy for the digital and green transition.

zones (e.g. an enterprise can be a supplier to other enterprises in the business zone, etc.) and lead to business zones specialising in specific activities, thereby achieving the objectives of improving the productivity of the economy and leading to harmonious regional development. The regulation of environments in economic business zones under the MFF will be substantively complementary to the RRP-funded innovative eco-system actions of the EPI. Unlike the call for tenders under the RRP, the implementation mechanism that is envisaged (an agreement for the development of the regions) will allow additional time for the strategic planning and implementation of regionally and nationally important projects to regulate economic and business infrastructure environments.

In the promotion of the digital transformation of SMEs, society, the state (public administration) and local communities and digital connectivity, ERDF actions will be complemented by **RRP** actions:¹⁰⁰

- Measures to modernise the digital environment of public administration and strengthen the digital skills of public officials.
- Digitalisation of different areas of the public sector¹⁰¹ (internal security, education, science and sport, space and the environment, nature, water, real estate, agriculture, food and forestry, culture, justice).
- Construction of gigabit infrastructure for 8,500 households.
- Support for the digital transformation of larger companies in particular, in support of the
 economy. PO1 actions are exclusively targeted at SME projects, in the areas of promoting a
 supportive environment and providing direct incentives (subsidies) for digitalisation and digital
 transformation. Financial instruments for the digital transformation of SMEs are envisaged. The
 hybrid cloud RRP measure complements the support for support environment services through
 PO1.

In the field of ICT infrastructure, we will invest ERDF and RRP resources in a complementary way. Support will be given to the construction of high-capacity broadband infrastructure to households in geographically challenging areas. InvestEU resources will be used to support private investments in areas where operators have expressed a market interest. CEF2 Digital resources will support the funding of 5G corridors to ensure cross-border connectivity.

Synergies are envisaged between EU cohesion policy funds, the AMIF, the ISF, the BMVI and **Horizon Europe**:

- Pooling Horizon Europe resources and EU funds (e.g. Teaming, where two agreements are signed that together cover 100% of the eligible costs, national funding is directed towards providing money for the necessary research infrastructure).
- Financing of national participation in partnerships: in the upcoming Horizon Europe framework programme, an important part of the research activities will be focused on these partnerships.
- Funding of projects that obtain the 'Seal of Excellence'. These projects are assessed as excellent in the evaluation processes at EU level but are not co-financed due to budget constraints (mainly for EIC, MSCA and ERC programmes).
- Horizon Europe missions will be addressed through a policy mix supporting the S5 domains belonging to the respective missions, in particular under PO1 and through complementary funding from other Policy Objectives, including the JTF and the RRP.

 $^{^{100}}$ Recovery and Resilience Plan ('Digital transformation' development area).

¹⁰¹ Digital transformation in health care is not party to MFF funding but only to RRP funding under the 'Health and social security' development area.

Synergies are envisaged between EU cohesion policy funds, the AMIF, the ISF, the BMVI and the **Digital Europe Programme**:

- Pooling of Digital Europe Programme and EU funds (e.g. EDIH, where two agreements are signed that together cover a certain percentage of the eligible costs, the programme determines what is covered by national resources, to differing degrees as determined by the technology).
- Funding of national participation in partnerships or consortiums: under the Digital Europe Programme, certain activities will focus on partnerships or consortiums, particularly international ones.
- Funding of projects that obtain the 'Seal of Excellence'. These are projects that have been assessed as excellent in EU-level evaluation processes but that are not co-financed (e.g. EDIH) due to constraints in the programme budget.
- Co-financing of European Digital Infrastructure Consortiums (EDIC), which constitute a new instrument for the implementation of multi-country projects to be co-financed through European programmes (Digital Europe Programme, CEF II Digital, Horizon Europe, Invest EU) together with the RRP and Cohesion Funds.

In the field of digitalisation promotion, the ISF and BMVI are also complemented by **RRP** actions. Important demarcations, complementarities and synergies between the BMVI, the ISF and the RRP have been identified in the area of digitalisation investments; these are focused mainly on the upgrading of information systems and the purchase of equipment, which is of the utmost importance as a basis for enabling the police to function at an optimal level. It also forms the basis for other investments in digitalisation to be funded by the ISF and the BMVI (interoperability, large systems, PNR, ETIAS, etc.). Against this background, unified planning and monitoring will be put in place to avoid overlaps.

Policy Objective 2

Under PO2, ERDF and EMFAF resources will be complemented by **EAFRD** resources in the following areas:

- The Common Agricultural Policy Strategic Plan 2023–2027 will include, for the whole territory of Slovenia, commitments under European environmental legislation¹⁰² and the NECP. The substance and background is contained in the 'Our Food, Countryside and Natural Resources After 2021' resolution.¹⁰³ EAFRD resources will be used to support the development of a carbon-neutral and circular economy, which will contribute to the achievement of CP1, CP2 and CP4.
- As part of efforts to promote the circular economy, EAFRD resources will be used to support non-agricultural supplementary activities on farms, as well as investments in agricultural holdings and food businesses that address the circular and organic economy. EAFRD resources will be used to support investments in farms/agricultural holdings and food businesses that address the re-use of by-products, residues and other non-food raw materials, investments in water use reduction, waste water reuse and waste reduction, investments related to recycling and composting, investments in renewable energy and energy efficiency for farms/agricultural holdings, the introduction of biodegradable and recycled packaging, and investments in the increased material efficiency of production processes.

¹⁰² Annex XI to the Decree on strategic planning.

¹⁰³ Resolution on the National Programme of Strategic Guidelines for the Development of Slovenian Agriculture and Food Production ('Our Food, Countryside and Natural Resources After 2021'), National Assembly (29 January 2020).

- EAFRD resources will also be used to support the maintenance of and improvements to biodiversity status, sustainable energy use, and climate change mitigation and adaptation in agriculture and forestry.

Cohesion policy funding for biodiversity conservation measures will be complemented by resources from the LIFE+ Programme to support strategic nature projects. Managing authorities will seek to create opportunities to exploit possible complementarities and synergies with this programme; this could include supporting strategic nature projects (strategic integrated projects) and maintaining the results and impacts of projects awarded with a Seal of Excellence under the LIFE Programme. We will facilitate the achievement of biodiversity conservation and restoration objectives through, among other things, the EAFRD, the EMFAF (particularly Objectives 1.3, 1.6 and 4 of the Union's priorities), cross-border programmes and Interreg programmes. All measures relating to the conservation and improvement of biodiversity status at sea and in the coastal zone will be financed by EMFAF resources and will therefore not be eligible for funding under ECP 2021–2027. All measures to conserve and improve biodiversity status implemented on mainland areas of Slovenia will be financed under ECP 2021–2027 and will therefore not be eligible for funding under the EMFAF. Additional funding priorities, with an indication of the funding source (EMFAF or ECP), are defined by the government's Natura 2000 Management Programme.

EMFAF resources will help to increase the efficiency and visibility of maritime surveillance within international contexts as well. The selected activities will contribute to actions A.1.7, A.2.9 and B.2.7 of the EU Maritime Security Strategy (EUMSS) Action Plan, in conjunction with the objective of a cross-sectoral approach and EUMSS risk management. Synergies will be created between the selected maritime surveillance activities, together with activities relating to surveillance and enforcement of the first Union priority, and the investments envisaged under the Integrated Border Management Fund, more specifically under Article 3(2)(a) of Regulation (EU) 2021/1148.

Funding for cohesion policy measures will be complemented by funds from the **RRP**:

- In the field of energy efficiency, plans have been drawn up to use RRP resources to activate additional energy renovation potential for public buildings that also need other elements of sustainable renovation before energy renovation, or that are specific in terms of their intended purpose and are classified as specific types of building.
- RRP investments in renewables are intended to promote the renovation of existing district heating systems and the production of electricity from renewables (hydro and geothermal energy), to be upgraded, if necessary, by the installation of solar power plants on the vacant surfaces of public buildings. In the area of the circular economy, a key action under the RRP concerns the implementation of some of the programmes of Slovenia's Comprehensive Strategic Decarbonisation Project through a transition to a circular economy (CSP-CE in horizontal cooperation with key ministries and partners (Climate KIC, EIT RawMaterials and JRC). The remaining programmes will be supported by ESI funds, as well as by the EAFRD and the Climate Change Fund. Climate Change Fund resources will also cover organisation of the implementation itself and the establishment of a real-time monitoring, evaluation and learning system that will enable us to adapt the content and implementation of the programmes as we go along. RRP resources will support investments in building a support environment for the transition of companies and value chains towards low-carbon and circular practices, and will also support the identification and development of solutions to help companies transform their operations. ESI resources will be used to invest in changing business models that support the transition of economic operators to a circular economy and improve emissions productivity.

- RRP resources are designed to support increase capacities for the industrial processing of wood.
- In the field of waste water drainage and treatment, there is a clear demarcation between the RRP and ESI resources. RRP resources for the drainage and treatment of waste water for agglomerations of less than 2,000 p.e. will be allocated as a priority to investments in Natura 2000 or water protection areas. In the field of drinking water supply, RRP resources will be allocated to systems serving fewer than 10,000 inhabitants.
- RRP funds will support actions for climate change adaptation and the management of climate-related disasters. The RRP envisages four reforms and five investments in this area at all stages of management of climate-related disasters: prevention, preparedness, response and recovery. According to the itemisation list of investment financing sources under the RRP reform, it is envisaged that CF 2021–2027 resources will continue to upgrade preparedness for and response to climate-related disasters, with particular emphasis on the provision of infrastructure and other capacities and of training programmes to respond to ice storms and extreme weather events. With a view to strengthening the long-term resilience of Slovenian forests to climate change and ensuring sufficient quantities of wood to further build the forest-timber value chain, RRP resources will support the creation of a seed, nursery and forest protection centre that will indirectly contribute to the preservation of biodiversity (from genetic diversity onwards as a basis for maintaining forests' ability to adapt to climate change). Measures to protect forest ecosystems will be supported by ESI resources and the Common Agricultural Policy 2023–2027.

We will also secure the complementary nature of Horizon Europe funds by supporting the implementation of projects in three Slovenian cities (Ljubljana, Kranj and Velenje) selected under the '100 Climate-Neutral and Smart Cities by 2030' mission. We will use ECP funds and climate change adaptation measures, investments in infrastructure for the drainage and treatment of urban waste water, investments in drinking water supply infrastructure and investments in biodiversity preservation to address the Horizon Europe 'Restore Our Ocean and Waters by 2030' mission, particularly the 'Restoration of marine and aquatic ecosystems' and 'Zero pollution' objectives. Using EMFAF resources and through the Horizon Europe 'Restore our Ocean and Waters by 2030' mission, we will create synergies across the following objectives: Restoration of marine and aquatic ecosystems, Zero pollution, Decarbonising our oceans, seas and waters.

Policy Objective 3

Under PO3, ERDF and CF resources will be complemented by the **Connecting Europe Facility** (CEF), a funding programme that supports the development of transport, energy and digital infrastructure within the trans-European networks. The main orientations under CEF will be the developing infrastructure networks, helping to address market failures, and stimulating further public and private sector investment. Grants from the Cohesion Fund and the Connecting Europe Facility for the transport sector focus on the development of the Trans-European Transport Network (TEN-T) (both the core and comprehensive networks). Appropriate projects on the Slovenian TEN-T network eligible for one of these European funds will be identified for this purpose in the 2021–2027 period as well. Since the Connecting Europe Facility will support infrastructure development and the development of horizontal measures, e.g. alternative fuels, the digitalisation of traffic management, telematics applications, etc., the Ministry of Transport will continue to inform potential Slovenian beneficiaries about the European Commission's calls for proposals under the CEF programme.

The actions will also be complemented by the actions planned in the **RRP**:

- Promoting the establishment of alternative fuels infrastructure in transport (electric charging network).
- Increasing railway infrastructure capacity: upgrading of Domžale, Grosuplje and Ljubljana railway stations and of the main no 20 railway line running from Ljubljana to Jesenice and on to the state border, the equipping of locomotives and motor sets with ETSC devices, and the comprehensive refurbishment of the Ljubljana–Brezovica–Borovnica railway line.
- Digitalisation of rail and road infrastructure (equipping of locomotives and motor sets with ETSC devices + DARS and MZI for roads).

Policy Objective 4

Under PO4, ESF+ and ERDF resources will be complemented by **Erasmus**+, which will support actions to increase mobility and increase the relevance, attractiveness and inclusiveness of the programme.

In the 2021–2027 period, and in order to increase synergies and avoid overlaps between funding instruments, the **EaSI** programme will be merged into the ESF+ to form a second strand of instruments implemented under direct and indirect management, covering actions to promote employment and social innovation (EaSI) and based on Article 175(3) TFEU. The EaSI strand will focus on projects with an innovative dimension in which there is clear value added for the EU, meaning that EU action is more effective than action taken at national, regional or local level to achieve critical mass and reduce the administrative burden.

The following complementarities and synergies have been identified: (1) between the AMIF, the ISF and the BMVI in the area of the external dimension of the EU's migration and security policy through external instruments such as the Neighbourhood, Development and International Cooperation Instrument (NDICI) and the Instrument for Pre-Accession Assistance (IPA); (2) between the AMIF and Erasmus+; (3) between the ISF and the Digital Europe programme; (4) between the ISF and Horizon Europe, OLAF HERCULE IV, PERICLES IV, EEA and Norway grants, the RRP, the Citizens, Equality, Rights and Values programme (CERV) and the Justice Programme (JUST); and (5) between the BMVI and the Customs Equipment Control Instrument (CCEI).

The mechanisms to ensure complementarity and synergies will mainly take place through the exchange of information at inter-departmental working groups, committees, monitoring committees and other meetings.

Actions in the field of education and the labour market will be complemented by actions planned in the **RRP**:

- the overhauling of curricula and syllabuses, with a focus on green and digital transitions. ESI funds will be deployed to support the above-mentioned RRP actions in terms of the way they implement development projects, thereby enabling educational institutions to introduce revised curricular documents and providing support for the further development of teaching methods and other elements of the education process.
- The implementation of pilot projects to support the overhaul of education programmes. RRP measures in the field of higher education envisage the modernisation of the curricula of professional higher education study programmes through the incorporation of content on digital and green transition; meanwhile, under ECP 2021–2027, we will focus mainly on providing a comprehensive support environment for students to help them complete their studies on time, connect with the (business and non-business) environment around them through the provision

- of practical training and various other forms of networking, and improve the competencies of higher education teachers, particularly through the use of ICT.
- Measures to reduce mismatches between school students' competencies and the needs of the labour market. As part of the RRP, we will overhaul 41 VET and post-secondary education programmes. We will pilot the establishment of digitally supported pathways for the full transmission of information in the planning, implementation and evaluation of practical training through work involving employers, schools and students in the fields of early childhood education, health care and social care. The ECP 2021–2027 measure will ensure that the VET system is better aligned and linked to labour market needs through incentives for employers to provide places for apprentices, pupils and students in higher vocational schools.
- Using ECP 2021–2027 funds, we will continue to overhaul secondary and post-secondary education and higher education programmes that will not be addressed by the RRP, and support the implementation of the programmes that have been overhauled under the RRP and ECP 2021–2027.
- In terms of digital and sustainable development competencies, the RRP will be used to develop a functioning supportive ecosystem for high-quality sustainable and digital education and upgrade or overhaul curricula by incorporating digital competencies, core computing and IT content, sustainable development competencies and financial literacy. Under SC 6.5 of ECP 2021–2027, we will focus on providing comprehensive system-level support (technical, teaching) to educational establishment stakeholders with the aim of developing the effective use of digital technologies at educational establishments and those key competencies that do not fall under the RRP, and strengthening the competencies of talented pupils and students.
- In the RRP, lifelong learning activities are focused narrowly on programme development and adult education in the field of financial literacy; all other activities in the field of adult education are planned under ECP 2021–2027.
- The RRP envisages the professional training of education professionals with a focus on digital competencies and, to a lesser extent, on sustainable development competencies and financial literacy. We will use ECP 2021–2027 resources in a complementary way to focus on aiding the career development of management and staff in education, and helping to shape the ability of staff to deliver high-quality education, work effectively in the lifelong learning community and all meet all other challenges arising from the needs of the education process. In a complementary way, national funding will be used to fund scholarships for teaching studies in the fields of natural sciences and technology.
- The greening of education infrastructure will be supported by ECP and the RRP, as the needs in this area are extremely high and the mechanisms will address different infrastructure projects.
- Within the RRP, we will make workplaces more accessible to workers with severe mobility impairments by investing in more flexible ways of organising work and adapting workplaces to people with disabilities. We will produce background documents for a work process tailored to needs and for the acquisition of the necessary competencies on the part of employers and employees at sheltered companies for people with disabilities and employment centres, with a focus on digital competencies and the provision of psychosocial support.
- Through the RRP, we will provide subsidies to employers who wish to recruit young people aged 25 or under in order to encourage young people to enter the labour market more quickly. Implementation through the same provider will ensure that double financing is avoided. In a complementary way, ESF+ measures will address harder-to-employ people (such as young long-term unemployed people and young NEETs, as well as those with low levels of education and older people) by providing incentives that enable them to integrate into the labour market as quickly as possible. Through the RRP, we will support a new concept of training and

education for all employees, one in which employees will be able to become involved both at their own initiative and that of their employer. Projects that receive funding from the RRP will not be able to apply for funding for the same purpose under MFF 2021–27.

Actions in the field of health and social security will be complemented by the following actions planned within the **RRP**:

- Investments in infectious clinics (Ljubljana, Maribor).
- Investment in infrastructure and equipment for psychogeriatric care units within psychiatric hospitals.
- Measures to increase health professionals' ability to provide high-quality care. The resources of the RRP will address the strengthening of human resources for the provision of high-quality health care. ECP resources will help improve health care users' digital literacy, set up a system of systematic approaches to managing age-related frailty fragility and develop a system of first responders.
- Investments in providing integrated provision for those who require more long-term care and more complex services (care and care homes and a network of rehabilitation centres for those eligible for long-term care).
- Provision of a safe living environment for persons dependent on the assistance of others. The RRP will support the construction of new institutional care accommodation.
- Using RRP resources, we will set up a national-level system for the uniform assessment of eligibility for long-term care and a single entry point. Investments will also support measures for the transfer, integration and transparency of information in the fields of health care, social care and long-term care. Support will also be given to making living environments safer for those dependent on the assistance of others, including those in institutional care settings. Complementary to this, ESI funds will provide high-quality and safe health care and long-term care services, and support the transition from institutionalised to home care.

Actions to strengthen the role of tourism and culture will be complemented by an action from the development component of the Sustainable Development of Slovenian Tourism, including cultural heritage in the RRP:

- Investment C: 'Sustainable development of public and collective tourism infrastructure and natural attractions in tourist destinations'. Using ERDF resources, the measure will be upgraded to fill the structural gap in Slovenian tourism, which is reflected in the poor level of organisation of public tourism infrastructure. Cohesion policy funds will be used to promote the development of tourist experiences and products at the level of tourist destinations, and boost the country's year-round green and sustainable tourism offer. We will increase the involvement of more tourism stakeholders at each destination and the involvement of the local population in shaping the tourist products and services on offer; this will lead to higher value added and have a positive effect on the tourist experience at all tourist destinations.
- Investment D: 'Sustainable restoration and revitalisation of cultural heritage and public cultural infrastructure and the integration of cultural experiences into Slovenian tourism'. The RRP will be complemented by ERDF funds for small-value investments (up to EUR 1 million excluding VAT) in the restoration and revitalisation of cultural monuments and the promotion of cultural tourism products adapted to new generations and new media.

Policy Objective 5:

Under PO5, ERDF and EMFAF resources will be complemented by **EAFRD** resources in the following areas:

- The promotion of local rural development (CLLD) will be supported under the EAFRD using the LEADER approach, where all settlements with fewer than 10,000 inhabitants will be eligible. LEADER resources will be used to support a reduction in structural problems (such as lack of attractive employment opportunities, the ageing of the population), job creation, basic services, social inclusion, environmental content and other needs that have been identified in rural areas. EAFRD and ERDF resources will be used in a complementary fashion throughout Slovenia to support the development of areas under the 'Smart Villages' concept and the renewal of cultural heritage in rural areas.
- A joint approach to CLLD will be employed under the ERDF and EAFRD, while CLLD will be implemented autonomously under the EMFAF. Synergies between the EAFRD and EMFAF will be within objective c) of the EMFAF (Strengthening the vitality of communities by increasing social inclusion, attracting women and young people and maintaining and creating new jobs in fisheries and aquaculture) and the needs of the Common Agricultural Policy Strategic Plan 2023–2027 (P27, P28), notably in providing basic services in the selected area, creating jobs, improving quality of life, and promoting employment and enterprise in rural areas. There will also be synergies between the ERDF, EAFRD and EMFAF in cooperation projects. Projects selected under CLLD will definitely also be complementary to other national projects (e.g. those of the Slovenian Tourism Board). If the LAGs are selected in the territories covered by the Just Transition Fund, the selected projects will be complementary.

An interdepartmental working group has been set up and comprises representatives of managing authorities and intermediate bodies of all the funds that implement CLLD. The aim is to harmonise and simplify as far as possible the content common to all funds in order to facilitate the implementation of the action as much as possible by stakeholders on the ground.

JTF-specific objective

JTF resources will be complemented by cohesion policy and **RRP** resources in support of the economy (investments in raising the productivity of existing enterprises and the creation of new ones, supported by investments in research, development and innovation and in digitalisation) and in support of human resources development. Particular attention will be paid to promoting the transition to clean and affordable energy (new technologies, investments in RES, rehabilitation and the upgrading of district heating), the rehabilitation and redevelopment of degraded areas, and the creation of conditions that allow the use of these areas to be changed.

Actions financed by the ERDF and the ESF+ will be complementary, or complementary to those under the JTF, for which the relevant bases will be drawn up at the level of the territorial plans or specific territorial strategies and developed in more detail at the implementation level.

JTF resources will also be complemented by support under the other pillars of the Just Transition Mechanism, with the sectors and thematic areas to be supported under those pillars to be identified in the territorial Just Transition plans.

Invest EU

Depending on the service provider selected, the market gap assessments and the addressing of gaps with financial instruments are expected to be presented in detail in summer 2022 as the process of

harmonisation of the document has been delayed. The results of the analysis will be taken into account as required. Only then will it be possible to address specific gaps in different investment areas and to design investment strategies for the implementation of financial instruments that most effectively address the identified gaps. Among other things, the preliminary evaluation should address the possibility of using a mix of financial instruments with other forms of cohesion support effectively in the targeted policies/sectors of the programme to improve the impact and acceptability of financial instruments by private co-investors as well as by final recipients.

3. Contribution to the InvestEU budgetary guarantee with explanations

As part of the preliminary market needs assessment of the funding gap on the market for the implementation of financial instruments in the 2021–2027 programming period in Slovenia, a comparison and SWOT analysis of the use of financial instruments within Invest EU will be produced in relation to the areas and objectives addressed by cohesion policy in the next period. At the current moment, Slovenia still does not have bases for the InvestEU budgetary guarantee contribution from the ERDF, ESF+, Cohesion Fund and EMFAF. According to the legal bases, we understand that if it subsequently turns out that part of the ERDF, ESF+, Cohesion Fund and EMFAF need to be directed, we can do this at a later date.

4. Transfers

Member State	☐ transfer between categories of region
requests a	☐ transfer to instruments under direct or indirect management
	✓ transfer between the ERDF, ESF+ or Cohesion Fund or to another fund
	or funds
	□transfer of ERDF and ESF+ resources as complementary support to the
	JTF
	□transfers from European territorial cooperation to the investment for jobs
	and growth

4.1 Transfer between categories of region

Transfer between categories of region is not envisaged.

4.2 Transfers to instruments under direct or indirect management

Transfers to instruments under direct or indirect management are not envisaged.

4.3 Transfers between ERDF, ESF+ or Cohesion Fund or to another fund or funds

Table 5A: Transfers between ERDF, ESF+ or Cohesion Fund or to another fund or funds (breakdown by year)

Trans	sfer from	Trans	fer to				Breakdow	n by year			
Fund	Category of region	Fund	Category of region	2021	2022	2023	2024	2025	2026	2027	Total
	More developed										-
ERDF	Transition										-
	Less developed										-
	More developed		More developed		7,410,866	7,410,866					14,821,732
ESF+	Transition	ERDF									-
	Less developed		Less developed		23,494,065	23,494,065					46,988,130
Cohesion Fund	Not applicable										-
EMFAF	Not applicable										-

Table 5B: Transfers between ERDF, ESF+ or Cohesion Fund or to another fund or funds (summary)

					ESF+	ESF+							
		More developed	Transitio n	Less developed	More developed	Transition	Less developed	Cohesio n Fund	EMFAF	AMIF	ISF	MBVI	Total
	More developed												-
ERDF	Transition												-
	Less developed												-
	More developed	14,821,732											14,821,732
ESF+	Transition												-
	Less developed			46,988,130									46,988,130
Cohesion Fund	Not applicable												-
EMFAF	Not applicable												-
Total		14,821,732	-	46,988,130		-	-	-	-	-	-	-	61,809,862

Justification

In recent years the situation on the labour market has changed significantly from the baselines set out in the 2019 Country Report for Slovenia published by the European Commission. In its Autumn Forecast

of Economic Trends in 2021,¹⁰⁴ the Institute of Macroeconomic Analysis and Development highlights the following in relation to the labour market:

- After the positive trends on the labour market came to an end during the first wave of the epidemic, there was a sustained rise in employment and a reduction in unemployment from the second half of 2020.
- Amid growing demand for labour, certain sectors have seen renewed shortages of labour in recent months.
- In some sectors, the vacancy rate has risen sharply in recent months and,
- in some cases, a shortage of workers is hampering operations.
- For the remainder of this year, employment will continue to gradually rise and unemployment fall. The effect of the epidemic will continue to have a significant impact. The positive trends will continue over the next two years, but against a backdrop of demographic trends that will give rise to increasing constraints linked to the availability of labour.
- The short-term expectation is that there will be a further (but more moderate) rise in the employment rate.
- Participation in the labour market is still high in the most active age group (30–54 years), which means that participation will rise in future among older workers in particular.
- Adverse demographic trends (increase in the share of the older population) will continue and will lead to labour shortages.

Slovenia has included several labour market measures in the adopted RRP that formed the starting points for the Commission's Investment Guidelines for Cohesion Policy Funding for Slovenia 2021–2027. The key objective of the RRP in relation to the labour market is to strengthen its resilience, increase participation and improve the quality of jobs. This part of the **RRP** defines the structural efforts or reforms and the associated investments. Investment alone (support for more flexible ways of organising work, adapting workplaces for people with disabilities in sheltered companies and employment centres, more flexible forms of work, faster entry of young people onto the labour market and the training and education of employees) in this part amounts indicatively to EUR 56 million (Union contribution).

The RRP envisages challenging systemic changes (e.g. changes to pensions and labour market legislation) that will help to extend working lives and lead to greater integration into the labour market. The measures also stem from specific recommendations to the country and are necessary for the establishment of conditions that will extend working lives and lead to greater integration into the labour market (safe and healthy workplaces, promotion and information-provision regarding the options for participating in the labour market with the aim of activating older people to a greater extent, ensuring high-quality jobs and strengthening the role of social partners in achieving this objective).

Active employment policy has been and will continue to be carried out with the help of national integral resources and cohesion policy resources. Resources from European cohesion policy (ESF+) measures in Slovenia will be steered mainly towards increasing involvement in lifelong learning, raising general and professional competencies (efforts to raise financial literacy are part of the RRP) and measures to address negative demographic trends (active ageing, youth employment, etc.). In doing this we will be following the recommendation of Annex D by upgrading the knowledge and skills of the adult population and increasing overall participation in lifelong learning. Using ESF+ resources, we will further strengthen measures within Policy Objective 4, mainly by improving access to employment and carrying out measures for all jobseekers, and particularly the young (notably through implementation of

¹⁰⁴ Institute of Macroeconomic Analysis and Development (2021). Autumn forecast of economic trends 2021, Ljubljana.

the youth guarantee), the long-term unemployed, deprived groups on the labour market and inactive people, as well as by promoting self-employment and the social economy. Through the measures we will encourage workers, enterprises and entrepreneurs to adapt to the changes, and promote active and healthy ageing and healthy and well-adapted working environments. We will promote lifelong learning, particularly through flexible options for upskilling and reskilling for all (taking account of entrepreneurial and digital skills), better anticipating changes and new skills requirements based on labour market needs, making it easier to change career and promoting professional mobility, modernising labour market institutions and services so that they are better able to assess and anticipate skills needs, and providing timely and tailor-made assistance and support to labour market matching, transitions and mobility.

In this context, the proposal for a transfer of ESF+ resources to the ERDF constitutes a strengthening of the envisaged PO1 actions.

4.4 Transfer of ERDF and ESF+ resources as complementary support to the JTF, with justification

Transfer of ERDF and ESF+ resources as complementary support to the JTF is not envisaged.

4.5 Transfers from European territorial cooperation (Interreg) to the investment for jobs and growth

Transfers from European territorial cooperation (Interreg) to the investment for jobs and growth are not envisaged.

5. Form of Union contribution for technical assistance

Selection of form of Union contribution for technical	☐ Technical assistance pursuant to Article
assistance	36(4)
	✓ Technical assistance pursuant to Article
	36(5)

Technical assistance will be implemented in accordance with Article 36(5) for all funds.

The implementation of technical support for the 2014–2020 programming period is well under way, but given the fragmentation of the activities, the management of technical assistance funds constitutes a disproportionate administrative burden for beneficiaries, making technical assistance more or less limited to participants in the management and control system. In order to diversify technical assistance, as well as strengthen the capacity of beneficiaries, reduce the administrative burden and simplify implementation, Slovenia has decided to implement technical assistance resources at a flat rate in the 2021–2027 programming period, based on progress in programme implementation; this will bring us a step closer to results-oriented management, including the management of technical assistance itself. This means that technical assistance funds will be reimbursed at a flat rate (the percentages envisaged in EU Regulation 2021/1060) depending on the fund, the region and the eligible expenditure that Slovenia will include in the payment application and forward to the European Commission.

Technical assistance will be designed to ensure the effective implementation of all programmes under the Partnership Agreement. It will primarily focus on systemic tasks (ensuring the functions of the managing authority, intermediate bodies, etc.), with attention also being paid to other European cohesion policy stakeholders, and in particular to increasing administrative capacity in the context of territorial approaches or in the context of the envisaged innovations in the 2021–2027 programming period. With the help of technical assistance funds in the following areas, Slovenia will develop programmes that contribute to the better and more effective implementation of European cohesion funds:

- training and education;
- study and evaluation;
- information systems;
- communications activities (more detailed in the paragraph below);
- the strengthening of administrative and technical capacity for the effective implementation of ESI funds;
- other support areas to ensure the smooth implementation of European cohesion policy tasks;
- support areas for actions designed to strengthen the capacity of all actors involved in the use of European cohesion policy funds for the effective management and use of the funds;
- other costs incurred on the basis of 'ad hoc' needs during the implementation of the programming period, actions relating to previous and subsequent programming periods that are necessary for the effective implementation of European cohesion policy, and the costs necessary to ensure synergies and complementarity between different sources of funding, chiefly in relation to the European territorial cooperation objective and the areas to be financed by the EAFRD and the EMFAF, as well as the resources under the RRP and the resources to finance the Just Transition plans (Just Transition Fund, Just Transition Mechanism).

Technical assistance will also be used to finance activities that are carried out outside the area of eligibility insofar as these activities prove beneficial for the eligible area (e.g. training abroad, exchange of best practices, etc.).

The funding of support activities (financing of secretariats, project preparation, etc.) for content for other entities (businesses, NGOs, social partners, other civil society organisations, etc.) with a view to improving administrative capacity will, as a rule, come from substantive policy objectives and specific objectives (and not separately from technical assistance).

Each fund may support actions/areas of technical assistance eligible under any other fund.

Communication activities

Slovenia will implement the visibility, transparency and communication activities for the ESI funds in accordance with the provisions of Articles 46–50 of Regulation (EU) 2021/1060.

Activities will be carried out in a coordinated and targeted manner through the INFORM-SI National Communication Network, which comprises programming communications officers of all ESI funds, including Interreg programmes, and communications officers at intermediate bodies and cohesion regions, with the operation of the network being steered by the national communications coordinator.

The national INFORM-SI network will meet regularly, at least twice a year, and sometimes with the participation of other stakeholders (European Commission Representation, European Parliament Representation in Slovenia, Europe Direct points, RRF Communicators and other programmes). Communication of ESI funds will take place through common communication channels: the revamped evropskasredstva.si portal and social networks (e.g. Facebook, Instagram and LinkedIn). Particular

attention will be paid in this regard to the green transition and the blue economy, taking into account the guidelines contained in the European Commission Communication for a Sustainable Blue Economy. The National network will use the national communication strategy for its operation and for the operationalisation of the implementation of the sectoral annual communication plans. The first phase will focus on communicating and providing information on opportunities of the new programming period and the second phase on 'good story ambassadors' for the projects that have been implemented.

The e-MA information system, which Slovenia uses for the implementation of ECP 2014–2020, will be upgraded in line with changes to EU legislation and optimised to ensure smooth implementation of ECP 2021–2027. Upgrading and optimisation procedures are already under way.

6. Thematic concentration

Member State	□ comply with thematic concentration at national level
decides to:	✓ comply with thematic concentration at category of region level
	☐ take into account Cohesion Fund resources for the purpose of thematic
	concentration

		F
Member State complies	31.59% social inclusion	Planned ESF+ programmes
with thematic	Programmed under specific objectives	
concentration	(h)–(l) of Article 4 ESF+ Regulation	1 ECP programme 2021–2027
requirement		
	4.42% support to the most deprived	Planned ESF+ programmes
	Programmed under specific objective	
	(m) and in duly justified cases (l) of	1 ECP programme 2021–2027
	Article 4 ESF+ Regulation	
		2 Programme to Eliminate Material
		Deprivation in Slovenia 2021–2027
		(specific objective m).
	% support to youth employment	Planned ESF+ programmes
	Programmed under specific objectives	
	(a), (f) and (l) of Article 4 ESF+	1 ECP programme 2021–2027
	Regulation	1 2
	8	
	Not applicable to Slovenia.	
	% support to tackling child poverty	Planned ESF+ programmes
	Programmed under specific objectives	
	(f), (h)–(l) of Article 4 ESF+	1 ECP programme 2021–2027
	Regulation	
	Not applicable to Slovenia.	
	1.8% capacity building of social	Planned ESF+ programmes
	partners and NGOs	
		1 ECP programme 2021–2027

Programmed under all specific	
objectives except (m) of Article 4 ESF+	
Regulation	

7. Preliminary financial allocation from each fund covered by the Partnership Agreement, by policy objective, JTF-specific objective and technical assistance, at national and where appropriate regional level

Table 8: Preliminary financial allocation from ERDF, Cohesion Fund, JTF, ESF+, EMFAF by policy objective, JTF-specific objective and technical assistance

Policy objectives, JTF-specific objectives or		ERDF		Cohesion Fund allocation at		JTF			ESF+		EMFAF allocation at	Total
technical assistance	Allocation at national level	Category of region	Allocation by category of region	national level	Allocation at national level	Article 3 JTF resources	Article 4 JTF resources	Allocation at national level	Category of region	Allocation by category of region	national level	
		More developed	241,306,488						More developed			
Policy Objective 1		Less developed	485,867,325						Less developed			727,173,813
Policy Objective 2		More developed	111,714,305	295,533,041					More developed		13,678,134	806,712,567
		Less developed	385,787,087	255,555,041					Less developed		15,575,134	800,712,307
		More developed							More developed			
Policy Objective 3		Less developed	105,888,480	405,142,679					Less developed		1	511,031,159
		More developed	, ,						More developed	153,307,283		
Policy Objective 4		Less developed	129,891,813						Less developed	486,197,521		769,326,617
Policy Objective 5		More developed	17,627,973						More developed			
. oey objective s		Less developed	67,602,812						Less developed		8,897,000	94,127,785
JTF-specific objective					248,773,600	108,931,414	139,842,186					248,773,600
Technical assistance		More developed	12,972,706						More developed	6,244,291		
pursuant to Article 36(5) CPR		Less developed	41,126,313	17,516,893	9,950,943	4,357,256	5,593,687		Less developed	19,615,900	1,354,507	108,871,553
		More developed	383,621,472						More developed	159,551,574		
Total		Less developed	1,216,163,830	718,192,613	258,724,543				Less developed	505,813,421	23,929,641	3,265,997,094
Total		·	1,599,785,302	718,192,613	258,724,543				·	665,364,995	23,929,641	3,265,997,094

Justification

In line with Article 3(2a) of Regulation 372/2018, the definition of the preliminary financial allocation by policy objective and specific objective is defined by taking into account the thematic concentration of the ERDF at the level of categories of regions (Western Slovenia Cohesion Region as a more developed region under Article 3(4a) of Regulation 372/2018 and Eastern Slovenia Cohesion Region as a less developed region under Article 3(4c) of Regulation 372/2018).

For the first time, Slovenia faces a situation where, at the level of cohesion regions, it has two diametrically opposite levels of development: the Western Cohesion Region as a more developed region and the Eastern Cohesion Region as a less developed region. This calls for a balance to be struck between urgently needed (national) investment in increasing excellence and productivity growth through investment in RDI, SMEs, skills and digitalisation on the one hand, and the specificities of the two cohesion regions, which are at very different stages of development (despite the relative nature of the disparities, as there are more specific differences at NUTS 3 level that are not only simply due to Eastern or Western Cohesion Regions status, given the not insignificant fact that the surrounding area of the capital city is entirely part of the Western Slovenia Cohesion Region, which in part also distorts the picture). Slovenia has therefore decided to use the regional criterion for the financially most extensive fund (ERDF) when considering thematic concentration, which indicates most intensively the difference between the two cohesion regions. At the same time, Slovenia proposes to transfer part (8.5%) of ESF+ resources to the ERDF due to objective (positive) labour market circumstances.

At the level of individual policy objectives, and in order to match European and Slovenian national priorities as closely as possible, Slovenia proposes that funds be planned under one programme at national level, i.e. ten priorities, to exploit the synergistic effect of the funds by trying to align the interventions from one fund as closely as possible with those of the another (e.g. ERDF and ESF in addressing competencies for the future).

The number of possible priorities is minimal, where we particularly highlight the integration of the labour market and competencies, education and lifelong learning into a common priority (the same applies to social inclusion and health). This builds on the good experiences to date in integrating and complementing the funds, which improves the multiplier effect of European cohesion funds. Actions beyond the ten thematic priorities will also provide horizontally for local community development (via the CLLD mechanism), sustainable urban development (via the CTN mechanism) and endogenous regional policy (via a national tool to address regionally specific disparities at the level of development regions, i.e. NUTS 3).

8. List of planned programmes under the funds covered by the Partnership Agreement with the respective preliminary financial allocations by fund and the corresponding contribution by category of region

Table 9B: List of planned programmes with preliminary financial allocations

			Union contribution				
Programme	Fund	Category of region	Union contribution without technical assistance pursuant to Article 36(5) CPR	Union contribution for technical assistance pursuant to Article 36(5) CPR	National contribution	Total	
	CF		700,675,720	17,516,893	126,739,873	844,932,486	
	JTF		248,773,600	9,950,943	45,657,272	304,381,815	
European Cohesion	ERDF	More developed	370,648,766	12,972,706	575,432,208	959,053,680	
Policy Programme in Slovenia 2021–2027		Less developed	1,175,037,517	41,126,313	214,617,146	1,430,780,976	
310VCIII4 2021 2027	ESF+	More developed	142,107,283	5,684,291	221,687,361	369,478,935	
		Less developed	469,397,521	18,775,900	86,148,251	574,321,672	
Programme to Eliminate Material	ESF+	More developed	11,200,000	560,000	1,306,667	13,066,667	
Deprivation in Slovenia 2021–2027	ESF+	Less developed	16,800,000	840,000	1,960,000	19,600,000	
Total	ERDF, CF, ESF+		3,134,640,407	107,427,046	1,273,548,778	4,515,616,231	
MFAP	EMFF		22,575,134	1,354,507	10,255,560	34,185,201	
Total	All funds		3,157,215,541	108,781,553	1,283,804,338	4,549,801,432	

Table 10: List of planned Interreg programmes

Programme 1	for cross-border cooperation: Italy-Slovenia
Programme 2	for cross-border cooperation: Slovenia-Hungary
Programme 3	for cross-border cooperation: Slovenia-Croatia
Programme 4	for cross-border cooperation: Slovenia-Austria
Programme 5	transnational: Alps
Programme 6	transnational: Central Europe
Programme 7	transnational: Adriatic-Ionian programme
Programme 8	transnational: Mediterranean
Programme 9	transnational: Danube
Programme 10	inter-regional: Interreg Europe
Programme 11	inter-regional: INTERACT
Programme 12	inter-regional: ESPON
Programme 13	inter-regional: URBACT

9. Summary of actions planned to reinforce administrative capacity for the implementation of the funds covered by the Partnership Agreement

For the implementation of EU cohesion policy 2021–2027, we address in more detail the area of governance quality under the specific 'Strengthening Good Governance and Administrative Capacity for Cohesion Policy 2021–2027' roadmap. As a parallel document to the Partnership Agreement, the roadmap arises from the Commission's practical 'Roadmaps for Administrative Capacity Building' toolbox, which is based on the lessons learned from the pilot action on maximum administrative capacity building in the initial phase for preparations for the post-2020 programming period, carried out by the OECD on behalf of and in close cooperation with REGIO). This part therefore builds on the strengths and weaknesses identified in the roadmap and the related actions to strengthen good governance and build administrative capacity for EU cohesion policy in relation to the key areas of challenge (which also incorporates the Commission's recommendations from the Investment Guidelines for Cohesion Policy Funding for Slovenia 2021–2027).

- 1. As part of **the actions on human and organisational management**, we will provide support to the following in particular:
 - a broadening of methods used to find skilled staff and introducing new recruits accordingly;
 - professional education and training; and
 - special management training.
- 2. As part of the actions **for the strategic implementation of the programme**, we will provide support to the following in particular:
 - the preparation and implementation of the 'Strengthening Good Governance and Administrative Capacity for Cohesion Policy 2021–2027' roadmap;
 - creation of a new website www.evropskasredstva.si,
 - assistance in finding information;
 - the establishment of a new information system (to enable proper monitoring and implementation of EU funds);
 - the regular review and adjustment of the organisational structure;
 - the promotion of cross-sectoral cooperation and communication;
 - enhanced dialogue and increased capacity of intermediate bodies and final beneficiaries to prepare and implement projects; a focus on increasing the administrative capacity of the intermediate body responsible for Integrated Territorial Investment; and
 - adequate remuneration for employees.
- 3. As part of **the enabling framework conditions** measures, we will provide support to the following in particular:
 - regular consultations with stakeholders;
 - the organisation of meetings with the various stakeholders involved in the implementation system in order to resolve current problems in a prompt and timely manner, thereby ensuring that the Programme is managed effectively;
 - an expansion of the channels through which public calls to tender are published;
 - the regular collection and analysis of feedback from all those involved in the management and control system;
 - a reduction in the administrative burden, improved and simplified procedures and elimination of excessive documentation and bureaucracy requirements for project proposals (e.g.

- amendments to instructions and legislation, clearer, more harmonised and simpler procedures, the preparation of guidelines and forms to ensure high quality and transparency, etc.);
- the organisation of meetings of members and strategic cooperation with the Chamber of Crafts and Small Business of Slovenia;
- the exchange of data and information through IT systems and through regular meetings;
- the promotion of inter-municipal/inter-regional cooperation,
- the preparation of strategies/guidelines for innovative approaches to working with stakeholders;
- participation in the preparation of a set of potential projects for co-financing;
- the preparation of an evaluation plan (to eliminate previous bad practices) and the upgrading of the monitoring and reporting part of the managing authority's IT system (continuation of the work of the programme team, raising qualification levels, monitoring progress in the implementation of the evaluation plan and the achievement of the effects of the Programme);
- regular technical meetings with the Commission and other relevant stakeholders;
- greater efficiency in the public procurement system by providing sufficient administrative capacity and support, and also by reducing the share of tenders featuring a specific tenderer, one tenderer or no tenders;
- training and raising competencies, the establishment of a mechanism for inter-departmental cooperation (development of digital tools to support better cooperation);
- improved and more effective measures for preventing and eliminating conflicts of interest, fraud and corruption, including through the use and integration of tools developed under the Integrity Pacts (Civil Control Mechanism for Safeguarding EU Funds). The measures will include, for example, the regular gathering of feedback on the functioning of the implementation and control system, the strengthening of cooperation between all stakeholders involved, examination of the possibility of using the IT system to support the achievement of the objectives in this area;
- the wider use of financial instruments and contributions for activities that generate revenue or savings;
- the provision of synergies with other EU funds;
- consideration of lessons learned from various initiatives, such as the Coal Regions in Transition initiative, particularly with regard to the impact of new technologies, decarbonisation and the promotion of inclusive growth;
- the development of a policy laboratory (ensuring multi-level and multi-sectoral cooperation); and
- the implementation of targeted research programmes to modernise the system and monitoring processes.
- 4. As part of the actions **for beneficiaries and stakeholders**, we will provide support to the following in particular:
 - the support and involvement of social partners, local authorities and other public authorities and stakeholders essential for effective implementation;
 - the organisation of workshops and tailored training events to increase the capacity of the beneficiaries, particularly in the areas of project preparation, public procurement, state aid, financial instruments, conflicts of interest, financial corrections, project management, communication activities, the organisation of webinars/specialist training, etc.;
 - the establishment of thematic networks for the transfer of knowledge and experiences and the possibility of coordination between different stakeholders, etc.;
 - an invitation to partners to co-create and reprogramme programming documents (including via the website and the 'Vizija Kohezija' publication);

- the organisation of stakeholder consultations for the preparation of programming documents and for the implementation of programmes through stakeholder consultations;
- the establishment of a platform for dialogue with interested parties (different stakeholders and more widely); the up-to-date publication of press releases, the communication of projects of strategic importance (this will enable ECP to reach as wide a range of people as possible and thereby increase the possibility of a multi-stakeholder dialogue);
- a mechanism for identifying the needs of relevant stakeholders;
- an open channel for proposals, opinions and criticisms; and
- regular monitoring of the implementation of the partnership principle (e.g. at events, through surveys, etc.).

In future, technical assistance resources will, where relevant, be engaged in the form of a flat rate and will focus primarily on the education and training of entities performing management and control tasks, entities and other actors to which the performance and control bodies have delegated tasks, and other entities involved in the implementation of European cohesion policy with a view to effective and efficient implementation, monitoring and management. Technical assistance funds will also be used to ensure adequate administrative capacity in both cohesion regions and among other entities so that they are better able to absorb funds at regional and local level, and to provide external expertise (area-specific experts for better project preparation and implementation).

10. An integrated approach to address the demographic challenges and/or specific needs of regions and areas (where appropriate)

With due regard to Chapter II of the Common Provisions Regulation for 2021–2027, we expect to support integrated territorial development in the following ways:

- 1. for sustainable urban development Integrated Territorial Investments (ITI);
- 2. for local development Community-Led Local Development (CLLD); and
- 3. for regional development Agreements for the Development of Regions (ADR).

Integrated territorial approaches are expected to be implemented across all policy objectives in pursuit of the objectives of linking urban and rural areas under the Territorial Agenda 2030 and the Long-Term Vision for the EU's Rural Areas up to 2040. The ITI approach is envisaged for Policy Objectives 2 and 5, the CLLD approach for Policy Objective 5 and the regional development approach for Policy Objectives 1 to 4. All three approaches, which complement each other, are based on the territorial and local development strategies that have been drafted. The demarcation between them is ensured through prior coordination, the strategies themselves being approved by the authorities or bodies responsible for them. In order to ensure the involvement of the relevant territorial authorities or bodies in the implementation of territorial strategies, these authorities or bodies will be involved in selecting the operations to be supported in the context of the implementation of territorial approaches.

1. Sustainable Urban Development (ITI)

Sustainable urban development that addresses economic, environmental, climate, demographic and social challenges will be supported through territorial strategies, with urban municipalities to the fore. Particular attention will be paid to resolving environmental and climate challenges, in particular the transition to a climate-neutral economy by 2050, the unlocking of the innovation potential of digital

technologies, the revitalisation of urban areas (social, economic) and the provision of support to urban development. Territorial strategies implemented within the context of sustainable urban development are sustainable urban strategies (SUS). The SUSs that have been drafted so far pay particular attention to ensuring adherence to the partnership principle. In geographical terms, an SUS covers urban municipalities or urban municipalities with municipalities in the wider city area covered by the SUS. It is expected that at least 8% of the ERDF resources under Regulation (EU) 2021/1058 will be devoted to sustainable urban development.

We will use the ITI approach to support green infrastructure projects in the urban environment, as well as sustainable mobility and the efficient use of urban space.

In the 2014–2020 period, the ITI approach was recognised as an example of good practice at European level. Implementation in the 2021–2027 period is therefore expected to follow the same path, i.e. 'bottom-up' through urban municipalities or their representative body (Association of Municipalities of Slovenia). All urban municipalities in Slovenia will take part, i.e. Ljubljana, Maribor, Ptuj, Murska Sobota, Kranj, Celje, Velenje, Slovenj Gradec, Novo Mesto, Krško, Nova Gorica and Koper. In order to be eligible to receive resources for the co-financing of sustainable urban development operations, an urban municipality must draft (and, where necessary, update) and adopt an SUS. An SUS must outline the economic, environmental, climate, demographic and social challenges and objectives crucial to the sustainable development of the given urban area and relating to the problems of urban development in Slovenia as a whole.

2. Local development (CLLD)

In order to develop and implement the common LEADER/CLLD approach, an inter-departmental CLLD 2021–2027 working group, comprising representatives of the managing authorities of the three funds involved in the CLLD, as well as the paying agency and the intermediate body, has been established to locate appropriate synergies between those funds. The interdepartmental CLLD 2021–2027 working group will act as a coordinating body between the funds and will work actively with the local action groups (LAGs) to monitor and coordinate the implementation of the CLLD approach on the ground.

Community-Led Local Development will take place using a 'bottom-up' approach running through the LAGs. These groups will be established to carry out complementary measures under the Common Agricultural Policy (EAFRD), cohesion policy (ERDF) and the Common Fisheries Policy (EMFAF). During the 2021–2027 programming period, CLLD will be implemented via the '2+1' system. Under the ERDF and EAFRD, the common LEADER/CLLD approach will be implemented throughout the country. LAG areas will be integrated into a homogeneous geographical and functional whole, with shared local needs and challenges being addressed in joint local development strategies (LDSs). With a view to ensuring continuity of implementation with the 2014–2020 period, the common CLLD approach will be implemented without the main fund. The selection of LAGs and LDSs will be based on common criteria, with the selection being made by the managing authorities of the ERDF and EAFRD. The conditions for setting up the LAGs and the LDSs and the method of implementing the mechanism will be set out in a common national rule, and in the instructions and guidelines issued by the managing authorities. Local development strategies will be approved by the managing authorities of both funds. Local action groups will implement the selected local development strategy in accordance with the tasks set out in Article 33(3) of the Common Provisions Regulation, and prepare and publish public calls for

the selection of operations under both funds. ERDF operations will be certified by the intermediate body and EAFRD operations by the EAFRD paying agency.

We will allocate ERDF resources to building an inclusive society and to the further comprehensive socio-economic development of urban and rural areas, with particular attention to be paid to reducing the gap between socio-economically disadvantaged people and areas.

CLLD under the EMFAF will be implemented autonomously. In comparison with the 2014–2020 period, we expect autonomous implementation will lead to shorter and simpler procedures for checking and approving applications and projects, and to local development strategies being approved that better take into account the specificities of areas in which a representative fisheries and aquaculture sector is present. Extending CLLD under the EMFAF to the whole territory of Slovenia (subject to certain conditions and criteria, of course) also means that more stakeholders will be able to benefit from EU funding. The entire coastal zone (the municipalities of Koper, Izola, Piran and Ankaran) will make up a single fisheries area. Criteria similar to those in place in the 2014–2020 programming period will be used to create a fisheries area on the mainland. The EMFAF will address projects in the fisheries and/or aquaculture sectors in line with the objectives set out in the OP EMFAF 2021–2027, taking into account the economic, environmental and social aspects. The selected projects will enable the sustainable development of the territories and their wider diversification, particularly in the blue economy sectors on the coastline, taking into account the Smart Specialisation Strategy and the 'Restore our Ocean and Waters by 2030' mission.

3. Regional development (ADR)

The economic, environmental, climate, demographic and social challenges and potentials of individual regions will also be addressed on the basis of regional development strategies geared towards achieving the territorial development objectives and implemented as the bottom-up integration of the internal development initiatives of development regions. Territorial strategies are regional development programmes (RDPs) drawn up on the basis of the Promotion of Balanced Regional Development Act. There is no territorial overlap between the programmes. In geographical terms, an RDP covers development regions at NUTS 3 level. The added value lies in the possibility of preparing more comprehensive projects which, given the dispersed nature of settlement in Slovenia, does not exclude any segment of the population or any area important for the development of larger and integrated projects. The development risk index and population size will be taken into account when funds are being allocated. Support for larger and/or more integrated regional projects is envisaged under the regional development approach.

We will apply the regional development approach to those areas of action in which the use of a bottom-up approach is more sensible and rational than a top-down approach. As a matter of priority, projects that contribute to the fulfilment of enabling conditions and that do not overlap with other actions will be implemented under this approach. Nationally-led actions and territorial approaches will be complementary and will not overlap. The regional development approach is complemented by the ITI and CLLD approaches, as it aims to overcome the development barriers erected by disparities in areas not addressed by the other two approaches. The combination of all three approaches makes an integrated contribution to reducing development disparities between and within regions and to maintaining the population and development vitality of rural areas. Projects envisaged under territorial approaches can only be supported within one of the approaches. Complementarity will be sought and steps taken to ensure that there is no overlap between them.

12. Preliminary climate contribution target

Fund	Preliminary climate contribution				
ERDF	503,793,123				
Cohesion Fund	265,731,267				