

8 March 2023

Positive preliminary assessment of the satisfactory fulfilment of milestones and targets related to the first payment request submitted by Slovenia on 20 October 2022, transmitted to the Economic and Financial Committee by the European Commission

Executive summary

In accordance with Article 24(2) of Regulation (EU) 2021/241, on 20 October 2022, Slovenia submitted a request for payment for the first instalment of the non-repayable support. The payment request was accompanied by the required management declaration and summary of audits.

To support its payment request, Slovenia provided due justification of the satisfactory fulfilment of the 12 milestones of the first instalment of the non-repayable support, as set out in Section 2 of the Council Implementing Decision of 28 July 2021 on the approval of the assessment of the recovery and resilience plan for Slovenia¹.

Upon receipt of the payment request, the Commission has assessed on a preliminary basis the satisfactory fulfilment of the relevant milestones and targets. Based on the information provided by Slovenia, the Commission has made a positive preliminary assessment of the satisfactory fulfilment of all 12 milestones.

The milestones and targets positively assessed as part of this payment request demonstrate significant steps in the implementation of Slovenia's Recovery and Resilience Plan. This includes, among others, reforms in the areas of green and digital transitions, labour market, business environment, efficient public institutions, and long-term care. The milestones also confirm progress towards the completion of investment projects related to cross-border and multi-country projects for European Common Data Infrastructure and Services and for Low-Power Processors and Semiconductor Chips.

By the transmission of this positive preliminary assessment and in accordance with Article 24(4) of Regulation (EU) 2021/241, the Commission asks for the opinion of the Economic and Financial Committee on the satisfactory fulfilment of the relevant milestones and targets.

¹ ST 10612 2021 ADD 1, not yet published.

Contents

| | |
|---|-----------|
| Related Measure: Digital transformation of the economy (business and industry) | 3 |
| Related Measure: Cross border and multi-country projects - European Common Data Infrastructure and Services..... | 5 |
| Related Measure: Cross border and multi-country projects – Low-Power Processors and Semiconductor Chips | 7 |
| Related Measure: Strengthening the governance of the digital transformation of public administration | 9 |
| Related Measure: Strengthening capital markets | 12 |
| Related Measure: A more productive economy for the digital and green transition | 14 |
| Related Measure: Strengthening the sustainable development of tourism | 17 |
| Related Measure: Removing administrative barriers | 19 |
| Related Measure: Creating systemic conditions for investment growth | 21 |
| Related Measure: Creating systemic conditions for investment growth | 23 |
| Implementation of the Recovery and Resilience Plan – control and audit systems | 25 |
| Related Measure: Establishing a single system for long-term care | 28 |

| | |
|--|--|
| Number: 77 | Related Measure: Digital transformation of the economy (business and industry) |
| Name of the Milestone: Adoption of a strategy for the digital transformation of enterprises | |
| Qualitative Indicator: Adoption of a strategy for the digital transformation of enterprises by the government | Time: Q4 2021 |
| <p>Context:</p> <p>The aim of the reform “Digital transformation of the economy (business and industry)” is to set out a basis for the implementation of the digital transformation of the economy in Slovenia. This shall be supported through the following measures: the entry into force of a Strategy for the Digital Transformation of Enterprises; guidelines for innovative procurement; and the operationalisation of a single digital identity (e-identity) for companies. The reform contributes to a wider integration and utilisation of advanced digital technologies in digital transformation processes in businesses and shall ensure the convergence of these technologies for a quicker digital transition. The milestones and targets related to the implementation of this reform shall be completed by 30 June 2022.</p> <p>Milestone #77 calls for the adoption of a strategy for the digital transformation of enterprises, which envisages that all business operators in Slovenia are registered in one register, in accordance with the “once-only” principle. The strategy also comprises a roadmap for the implementation of the Common Union Toolbox for Connectivity, which focuses on activities relating to a single information point. This is the first of the three milestones and targets to be completed under the reform “digital transformation of the economy”. It is followed by milestone #78 (Guidelines for innovative public procurement) and target #79 (Enterprises with e-identity assigned) with at least 200 enterprises acquiring an e-identity in accordance with the Strategy for the digital transformation of enterprises, both due in Q2 2022.</p> | |
| <p>Evidence provided:</p> <p>In line with the verification mechanism in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> • Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled; • Government decision on the Strategy for the digital transformation of the economy No. 30200-1/2022/3 of 6 January 2022; • Copy of the adopted strategy for the digital transformation of enterprises published on the website of the Government on 6 January 2022; • Explanatory report prepared by the Ministry of Economic Development and Technology on 26 October 2022 demonstrating how the actions envisaged in the strategy contribute to achieving the objectives of the reform as described in the Council Implementing Decision annex. <p>The authorities also provided:</p> <ul style="list-style-type: none"> • Government decision on the Addendum to the Strategy for the digital transformation of the economy No. 30200-1/2022/9 of 28 July 2022 specifying the roadmap for the implementation of the Common Union Toolbox for Connectivity as an addendum to the strategy; • Copy of the Roadmap for the implementation of the toolbox for connectivity in the Republic of Slovenia published on the website of the Government. | |
| <p>Analysis:</p> <p>A strategy for the digital transformation of the economy has been developed and adopted by the</p> | |

Government of Slovenia on 6 January 2022. The strategy sets out the basic steps of the digital transformation, which are summarised on pages 7-10 of the strategy.

- **A business digital transformation strategy shall be developed and adopted by the government setting out the basic steps of the digital transformation.**

The adopted strategy aims to integrate advanced digital technologies in businesses and focuses on three key areas:

- Technology as the enabling tool for economy's digital transformation (Subsection 3.1);
- Efficient ecosystem for competitive economy (Subsection 3.2);
- An open and sustainable society as the basis for the growth of a digital economy (Subsection 3.3).

The strategy's objectives (Section 1) are to maintain and strengthen Slovenia's leadership in advanced digital technologies and to nurture the right environment for economic and social progress through digital transformation. The strategy presents the state of play of digitalisation in Slovenia (Section 2), sets out clear quantitative objectives and indicators to measure progress towards the digital transformation by 2030 (Subsection 3.1 pages 24-25; Subsection 3.2 pages 26-27, 29, 32, 35 and 37; Subsection 3.3, pages 44-45 and 50), expands on the three key areas for the digital transformation (Section 3) and presents an action plan detailing the resources and the timeline allocated to measures to achieve the strategy's objectives (Subsections 4.2 and 4.3). In this way, the strategy clearly sets out the basic steps for the digital transformation of the economy.

- **The strategy shall ensure all business operators in Slovenia are registered in one register, in accordance with the "once-only" principle embedded in the Single Digital Gateway Regulation (EU) 2018/1724.**

The strategy (Point 3.3.1.1, subpoint 1 c), page 32) specifies that one of the key enabling components of the regulatory environment that Slovenia shall implement to support the digital transformation of the economy is "the change in registration law, the aim of which is for all business entities in Slovenia to be entered in one register, which together with the solutions of the e-Government for the Economy shall significantly contribute to simplifying company procedures in relation to the external environment."

It is noted that one of the key enabling components of the regulatory environment that Slovenia shall implement to support the digital transformation of the economy is "the integration of the EU Single Digital Portal Directive (SDG) by applying the basic principle of "once only". (Point 3.3.1.1, subpoint 1, b) page 32 of the Strategy). The Single Digital Gateway Regulation (EU) 2018/1724 is wrongly translated in the Strategy as the "EU Single Digital Portal Directive"

- **The Strategy shall include a roadmap for the implementation of the Common Union Toolbox for Connectivity, including activities relating to a single information point and a specific timeline for the completion of each action.**

With the Government decision No. 30200-1/2022/9 of 28 July 2022, the Slovenian government adopted the roadmap for the implementation of the Common Union Toolbox for Connectivity as an addendum to the strategy. The activities relating to a single information point and a specific timeline for the completion of each action are elaborated under Section 2 of the roadmap under Best practices 5 (pages 5-6), 11 and 12 (pages 7-8), and 15 (page 9).

Commission Preliminary Assessment: Satisfactorily fulfilled

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| Number: 83 | Related Measure: Cross border and multi-country projects - European Common Data Infrastructure and Services |
| Name of the Milestone: Launch of the call for expression of interest in a new project on next generation cloud. | |
| Qualitative Indicator: Publication of the call for expression of interest | Time: Q2 2021 |
| <p>Context:</p> <p>The objectives of the investment for multi-country projects on European common data infrastructure and services are to develop and install at first industrial deployment the new generation of low power infrastructure and services from Edge to Cloud, and to ultimately equipping the EU with global, forward-looking, ultra-secure, green industrial data processing capabilities. The overall aim is to ensure a competitive, fair and sustainable access to cloud capacity from any part of the EU. This shall be achieved through activities related to designing, piloting, testing and upgrading the use of cloud capabilities in EU member states.</p> <p>This investment is related to milestone #83 and target #84. Milestone #83, due Q2 2021, relates to the call for the expression of interest of businesses to participate in a multi-country cross-border project of common European data infrastructures and services. Target #84, due Q2 2024, calls for the integrated projects under milestone #83 to contribute towards the development and initial rollout of the next generation of innovative cloud and edge solutions to ultimately contribute to the building of a European Common Data Infrastructure and its associated innovative Smart Processing Services.</p> | |
| <p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> • Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled; • Copy of the call published on the website of the Government of the Republic of Slovenia on 30 March 2021, and the link to the website of the Slovenian government where the publication of the call can be accessed. | |
| <p>Analysis:</p> <p>The call for expression of interest for the projects of common European interest was published on 30 March 2021 on the website of the Ministry of Economic Development and Technology. This information was also clearly indicated in the summary document.</p> <p>The copy of the call published on 30 March 2021 on the website of the Government of the Republic of Slovenia and submitted by the Slovenian authorities as annex I to the summary document clearly calls for companies to express interest in a multi-country cross-border project “European Common Data Infrastructure and Services”.</p> <p>The Council Implementing Decision envisaged the call for corporate interest in participating in a multi-country cross-border project of common European data infrastructures and services, to be planned to be implemented as Important Project of Common European Interest (IPCEI) on Next Generation Cloud Infrastructure and Services. The Slovenian authorities have ultimately decided to use a different State aid compatibility basis for the implementation of the measure in question, namely the General Block Exemptions Regulation (GBER) and an existing Research, Development and</p> | |

Innovation (RDI) scheme. Whilst this constitutes a minimal formal deviation from the wording of the Council Implementing Decision, it only impacts the legal basis under which a specific measure qualifying as State aid is compatible with the internal market, either by being notified to and eventually approved by the Commission under that alternative compatibility basis or by fulfilling the compatibility conditions of block exemption regulations. It does not affect the scope, nature and level of ambition of the investment itself. Since the Slovenian authorities considered that the measure fulfilled the GBER compatibility conditions and could be implemented on the basis of a previously approved RDI scheme, they decided to implement the measures under these legal bases to allow for a faster implementation. As of this, this minimal deviation does not affect the progress towards achieving the investment that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

Commission Preliminary Assessment: Satisfactorily fulfilled

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| Number: 85 | Related Measure: Cross border and multi-country projects – Low-Power Processors and Semiconductor Chips |
| Name of the Milestone: Finalisation of the list of potential participants to the common project. | |
| Qualitative Indicator: Finalisation of the list | Time: Q2 2021 |
| <p>Context:</p> <p>The objectives of the investment for multi-country projects on Low-Power Processors and Semiconductor Chips are to strengthen the capabilities in design and increasing the resilience of EU and Slovenian semiconductor value chains, connecting national and EU processes to overlap circles of work, and strengthening the microelectronics value chain. It focuses on digital processing of data and communications in an energy efficient and sustainable way and its potential areas of development are: design of processors and chips using artificial intelligence for different vertical markets; design of chips and communication systems (5G, 6G and others); development of advanced processes with semiconductors; advanced packaging with appropriate heterogeneous 2D/3D integration; low-energy and sustainable electronics.</p> <p>This investment contains milestone #85 and target #86. Milestone #85, due Q2 2021, requires the finalisation of the list of potential participants to the common project in the field of microelectronics. Target #86, due Q2 2023, calls for projects in the value chain of the joint project under milestone #85 to be started in specific areas such as communication chip design, development of advanced semiconductor processes, system integration and cores for the use in different smart mobility applications, smart cities and communities, smart factories.</p> | |
| <p>Evidence provided:</p> <p>In line with the verification mechanism in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> • Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. This document includes as annexes: <ul style="list-style-type: none"> ▪ The final list of potential participants and the link to the website of the Ministry of Economic Development and Technology where the list of the potential participants is published and can be accessed; ▪ A copy of the call for expression of interest in the microelectronics project and the link to the website of the Ministry of Economic Development and Technology where the call is published. | |
| <p>Analysis:</p> <p>In April 2021, the Ministry of Economic Development and Technology published a call for expression of interest in the field of microelectronics.</p> <p>The Ministry of Economic Development and Technology received expressions of interest as potential participants from six entities: Elaphe Propulsion Technologies Ltd.; Cosylab d.d.; Institut Jožefa Štefana; L-Tek Elektronika d.d.; Inštitut IRNAS; and Recosi d.o.o.</p> <p>The Ministry of Economic Development and Technology appointed as national industrial coordinator Elaphe Propulsion Technologies Ltd, and it finalised the list of potential participants as stated in the summary document submitted by the Ministry of Economic Development and Technology.</p> <p>The finalised list of potential participants in a multi-country project in the field of microelectronics, was published on 7 April 2022 on the Ministry of Economic Development and Technology’s website as evidenced by the provided link to the website and the finalised list is also included in the summary document as Annex II.</p> | |

The Council Implementing Decision envisaged the finalisation of the list of participants in a multi-country project in the field of microelectronics, to be planned to be implemented as Important Project of Common European Interest (IPCEI). The Slovenian authorities have ultimately decided to use a different State aid compatibility basis for the implementation of the measure in question, namely the General Block Exemptions Regulation (GBER) and an existing Research, Development and Innovation (RDI) scheme. Whilst this constitutes a minimal formal deviation from the wording of the Council Implementing Decision, it only impacts the legal basis under which a specific measure qualifying as State aid is compatible with the internal market, either by being notified to and eventually approved by the Commission under that alternative compatibility basis or by fulfilling the compatibility conditions of block exemption regulations. It does not affect the scope, nature and level of ambition of the investment itself. Since the Slovenian authorities considered that the measure fulfilled the GBER compatibility conditions and could be implemented on the basis of a previously approved RDI scheme, they decided to implement the measures under these legal bases to allow for a faster implementation. As of this, this minimal deviation does not affect the progress towards achieving the investment that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

Commission Preliminary Assessment: Satisfactorily fulfilled

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| Number: 90 | Related Measure: Strengthening the governance of the digital transformation of public administration | |
| Name of the Milestone: State Administration Informatics Development Council established and operational | | |
| Qualitative Indicator: Adoption of decision on establishment of the Council by the government and appointment of its members by the Ministry of Public Administration | Time: Q4 2021 | |
| <p>Context:</p> <p>The objective of this reform is to improve the governance of the digital transformation in the public administration. This shall be achieved through the establishment of the Informatics Development Council and the adoption of the Digital Public Services Strategy 2030.</p> <p>Milestone 90 is the only milestone included under the reform “Strengthening the governance of the digital transformation of public administration”. The Informatics Development Council established in the context of this milestone shall provide a central point for the public administration for the coordination at operational level related to information technology investment, standards, back-office systems and other technological developments where compatibility of the systems is essential for their efficient operation and maintenance.</p> <p>Following its establishment, the Informatics Development Council participated in the preparation of the Digital Public Services Strategy 2030. The strategy aims to deliver efficient, user-friendly, simple and secure digital services, provide trustworthy data management and ensure interoperable and digitally empowered public sector for better services and decision-making and widen the use of e-identity solutions.</p> | | |
| <p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> • Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled; • Copy of the Ordinance No. 2022-01-0541 of the Government of the Republic of Slovenia of 31 January 2022 governing the composition and functioning of the Council for the Development of Informatics in the State Administration published in the Official Gazette of the Republic of Slovenia (No. 26/22) on 25 February 2022 and the link to the website where it can be accessed; • Copy of the Decision of the Government of the Republic of Slovenia No. 01301-2/2022/5 of 31 March 2022 appointing the members of the Informatics Development Council and the link to the website where it can be accessed. <p>The authorities also provided:</p> <ul style="list-style-type: none"> • Copy of the Decision of the Government of the Republic of Slovenia n°01301-2/2022/6 of the 31 March 2022 listing the members of the Informatics Development Council; • Link to the website where the decisions of the Informatics Development Council are published under heading ‘Conclusions of the Informatics Development Council’; • Minutes of the first meeting of the Informatics Development Council of 14 April 2022. • Copy of the Decision of the Government of the Republic of Slovenia n°38200-23/2022/4 of the 15 December 2022 adopting the Digital Public Service Strategy 2030. | | |

- [Copy of the Digital Public Services Strategy 2030 adopted by Decision of the Government of the Republic of Slovenia on 15 December 2022.](#)

Analysis:

At its 323rd correspondence session on 31 January 2022, the Slovenian Government issued Ordinance No. 2022-01-0541 governing the composition and functioning of the Informatics Development Council for the Development of Informatics in the State Administration.

On 31 March 2022, the Slovenian Government adopted the Decision No. 01301-2/2022/5 appointing the members of the Informatics Development Council.

The Informatics Development Council is operational, and its first session was held on 14 April 2022, where seven decisions were adopted and later published on the website of the Council under heading 'Conclusions of the Informatics Development Council'. These decisions can be accessed on the link submitted by the Slovenian authorities and listed among the Evidence provided above.

According to the Council Implementing Decision, the Informatics Development Council shall provide a central point for the public administration for the coordination of operations at operational level related to information technology investment, standards, back-office systems and other technological developments where compatibility of the systems is essential for their efficient operation and maintenance.

Article 1 of Ordinance No. 2022-01-0541 on the Informatics Development Council provides that the role of the Council is to guide the development of information and communication technology in the state administration. Article 2 states that the Council will direct activities related to the development of the management of information and communication systems of state administration and issue preliminary opinions for projects, procurement, investment maintenance and upgrades, which will include any solution in the field of management of information and communication systems of state. In addition, the Council's opinion will be mandatory for any investment, maintenance and upgrade involving any information and communication technology solutions for the state administration, pending that they fall within the monetary requirements for public procurement (article 4).

Decision of the Government of the Republic of Slovenia n°01301-2/2022/6 of 31 March 2022 lists the seven members of the Informatics Development Council which were appointed along with the 11 members appointed to the operational working group. The document therefore implies that the Council will be a central point for coordination and operations related to information and communication technology investments in the public administration, as required by the Council Implementing Decision annex.

The Informatics Development Council held its first meeting on 14 April 2022 and adopted its rules of procedure, which ensure its operability.

The Informatics Development Council contributed to the development of the Digital Public Services Strategy 2030 adopted by the government on 15 December 2022 in the form of Decision of the Government of the Republic of Slovenia. In line with the Council Implementing Decision, the Strategy is delivering on user-friendly (Section III) and simple digital services (Section II B), ensuring data for better services and decision-making (Section V) and providing a secure (Section I), trustworthy (Section IV) and inclusive (Section II E) digital environment.

Commission Preliminary Assessment: Satisfactorily fulfilled

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| Number: 124 | Related Measure: Strengthening capital markets |
| Name of the Milestone: Entry into force of the Act on forms of alternative investment funds | |
| Qualitative Indicator: <i>Provision in the law indicating the entry into force of the Act on forms of alternative investment funds</i> | Time: Q4 2021 |
| <p>Context:</p> <p>According to the Council Implementing Decision, the reform aims at improving the functioning of the capital markets in Slovenia. The regulation dealing with alternative investment funds (collective investment undertakings which raise capital from a number of investors, with a view to investing it in accordance with a defined investment policy for the benefit of those investors) in Slovenia was in need of upgrading, as the existing legislation did not define the legal forms of these funds. Thus, a new legislation was adopted to improve the business environment and provide additional clarity to the sector.</p> <p>This milestone is part of the reform to strengthen capital markets in Slovenia. Following the adoption of the act on forms of alternative investment funds, there are no other laws or implementing acts required by the description of the measure in the annex of the Council Implementing Decision. Milestone #125 (Adoption of a capital market development strategy) will set out specific measures for the future development of the capital market in Slovenia.</p> | |
| <p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> • Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled, with appropriate links to the underlying evidence, detailed justification and reference to the relevant provisions indicating the entry into force; • Copy of the publication in the Official Journal of the Act on forms of alternative investment funds (ZOAIS) (No. 101/2022 of 26 May 2022) and the link to the website where it can be accessed. <p>The authorities also provided:</p> <ul style="list-style-type: none"> • Document with further explanation on the definition of the three forms of alternative investment funds, Ministry of Finance, June 2022; • Document with Correlation Table of the provisions in the Act on forms of alternative investment funds and EU legal framework, Ministry of Finance, June 2022; • Statement of compliance of the Act on forms of alternative investment funds with the EU laws and recommendations in the area of capital markets, Ministry of Finance, June 2022. | |
| <p>Analysis:</p> <p>The Act on forms of alternative investment funds was published in the Official Gazette of Republic of Slovenia on 26 May 2021 (No. 101/2022) and it entered into force on 10 August 2022 (Article 240).</p> <p>The Council Implementing Decision annex sets the following objectives for the satisfactory fulfilment of the milestone:</p> <ol style="list-style-type: none"> I. The Act on forms of alternative investment funds shall define three forms of alternative investment funds, namely: an alternative mutual fund formed as separate assets, a special limited partnership and a fixed capital investment company. II. The reform shall follow the EU legal framework and recommendations in the area of capital markets. | |

I. Forms of alternative investment funds:

As foreseen in the Recovery and Resilience Plan of the Republic of Slovenia and Council Implementing Decision, the Act on forms of alternative investment funds introduces in its Chapter 2 "Alternative Investment Funds" three legal forms of alternative investment funds (Article 5), which are:

- Alternative mutual fund (Article 15) is an alternative investment fund structured as a separate asset. An alternative mutual fund is an asset separate from the assets of the manager who manages the fund and from the other assets under management of the alternative investment fund manager (AIFM);
- Special limited partnership (Article 29) is an alternative investment fund structured as a dual partnership, in which the alternative investment fund manager is the general partner or a partnership formed for the sole purpose of being incorporated in a limited partnership as a general partner (hereinafter referred to as a "special purpose management partnership"), of which the investment fund manager is the sole member and which has a management agreement with the investment fund manager and the limited partners are investors in the alternative investment fund;
- Investment company (Article 42) is an alternative investment fund that has its share capital (the underlying principal) divided into shares and whose assets are managed by an investment fund manager.

II. EU Legal framework and recommendations:

Slovenia provided the correlation table and the statement of compliance of the proposed act with the EU legal order that shows that the Act on forms of alternative investment funds is in line with the EU legislation covering this area.

The Act on forms of alternative investment funds is aligned with the country specific recommendation of European semester (CSR 2.1 2019: improve access to finance and the development of equity markets). The Structural Reform Support Programme project 'Strengthening the alternative investment funds segment' recommended a less complex and more transparent legal framework to improve the operating conditions for alternative investment funds specialising in private equity and real estate investments. The Act on forms of alternative investment funds operationalises the findings and recommendations of the Structural Reform Support Programme project to support the Republic of Slovenia in strengthening the alternative investment fund segment. In line with the recommendations, the Act on forms of alternative investment funds defines and regulates the three relevant forms of alternative investment funds in order to improve the supervision of the funds and increase the legal certainty for providers and investors.

Commission Preliminary Assessment: Satisfactorily fulfilled

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| Number: 126 | Related Measure: A more productive economy for the digital and green transition | |
| Name of the Milestone: Entry into force of amendments to the Investment Promotion Act with the aim of promoting the green transition | | |
| Qualitative Indicator: Provision in the law indicating the entry into force of amendments to the Investment Promotion Act | | Time: Q4 2021 |
| Context: | | |
| <p>Reform B “A more productive economy for the digital and green transition” aims to increase the productivity of the Slovenian economy by reorienting criteria for public investment support from job creation towards highly productive, sustainable, and digitally oriented business models and investments. Legislative amendments shall redirect government investment incentives towards capital-intensive, high value-added investments and make public support conditional on a specific set of environmental sustainability performance criteria.</p> <p>This milestone is the first part of Reform B and it aims at redirecting government investment incentives towards capital-intensive, high value-added investments. It will be followed by an Implementing Regulation (milestone 127) that specifies further criteria mainly related to environmental and social responsibility. Based on this reform, there will be the provision of investment support to companies according to the new principles (milestone 128).</p> | | |
| Evidence provided: | | |
| <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> • Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled, with appropriate links to the underlying evidence and reference to the relevant provision indicating the entry into force of the law; and • Link to and Copy of the publication in the Official Journal of the Law amending and supplementing the Investment Promotion Act (ZSInv-A) (No. 204/21), which was published on 28 December 2021. | | |
| Analysis: | | |
| <p>The Law amending and supplementing the Investment Promotion Act shall ensure that the criteria for public investment support for enterprises are I. focused on highly productive, sustainable, and digitally oriented business models and investments. II. All supported investments shall include conditions to promote the green transition, including energy efficiency requirements, environmentally responsible management and material production efficiency. III. Eligibility criteria shall also ensure that the selected projects comply with the Technical Guidance (2021/C58/01) on ‘Do no significant harm’ through the use of an exclusion list and the requirement to comply with the relevant EU and national environmental legislation.</p> <p>The Law amending and supplementing the Investment Promotion Act was adopted in the National Assembly of the Republic of Slovenia on 16 December 2021 and published in the Official Gazette of Republic of Slovenia on 28 December 2021 (No. 204/2021). It entered into force on 29 December 2021 (Article 14).</p> <p>I. Article 2 of the Law amending and supplementing the Investment Promotion Act (amending Article 4, points 1, 2 and 3 of the first paragraph of the Investment Promotion Act) regulates that the criteria for public investment support for enterprises are focused on highly productive, sustainable, and digitally oriented business models and investment. The Law amending and supplementing the</p> | | |

Investment Promotion Act redirects government investment incentives towards capital-intensive, high value added investments through the abolition of the condition to create new jobs (only the maintenance of the average number of employees is prescribed), by setting thresholds regarding the minimum value of the investment in tangible and intangible assets and research and development activities and by introducing the condition for beneficiaries to achieve higher added value per employee in the company. After the completion of the investment, the companies will be focused on more advanced technologies ensuring digitally oriented and highly productive businesses. Therefore, the Council Implementing Decision requirement on public investment support for enterprises focused on highly productive, sustainable, digitally oriented business models and investments is fulfilled.

Article 3 of the Law amending and supplementing the Investment Promotion Act determines that the criteria for awarding incentives shall focus on economic, environmental, spatial and social aspects in support of highly productive, long-term sustainable, competitive, socially responsible and sustainable business models, increasing added value per employee, responsible resource management, including contribution to the green transition and circular economy, taking into account the priority areas identified in the Recovery and Resilience Plan of Slovenia. This shall ensure that the sustainable investments are supported.

II. Conditions to promote the green transition, including energy efficiency requirements, environmentally responsible management and material production efficiency. Article 2 of the Law amending and supplementing the Investment Promotion Act includes the condition that all investments receive at least 40% of the estimated points from the criteria that contribute to the green transition. The criteria that contribute to the green transition shall be further specified in Implementing Regulation of the Investment Promotion Act (milestone 127). The Law amending and supplementing the Investment Promotion Act includes also the conditions that the level of energy efficiency and material efficiency shall be demonstrated for the investment and that the environmentally responsible behaviour of the investor or the recipient is demonstrated (Article 2).

III.

The Council Implementing Decision required that eligibility criteria ensure that selected projects comply with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation. Slovenia has introduced a general requirement in the Law amending and supplementing the Investment Promotion Act (Article 2) that the selected projects shall not constitute harm to the environmental objectives as set out in Article 17 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088. However, the general requirement of compliance with the EU and national environmental legislation is not included in the Law. Furthermore, the Law also includes a list of excluded activities that cannot be supported by any state incentives (in Article 4(4)). However, this exclusion list is higher level and less restrictive than the Technical Guidance (2021/C58/01) and does not explicitly exclude a number of activities that should be excluded. Whilst some activities are de facto excluded by not being targeted by the investments under this Act, differences remain. Nonetheless, there are no risks to DNSH compliance related to this measure. This is as the RRF investments to be supported under this Act (Investment: Support for decarbonisation, productivity, and competitiveness of companies) contain additional and separate DNSH requirements, which are more specific than the general requirement established in this milestone. These requirements will be checked under the respective milestones (notably milestone 129), where full compliance with the DNSH Technical Guidance will need to be ensured. Whilst this constitutes a minimal substantive deviation from the requirement of the Council

Implementing Decision, as the Act does contain a number of requirements to ensure respect of DNSH, including through the use of an exclusion list, and taking into consideration that the RRFsupported investments will be checked through specific DNSH requirements in later milestones, this minimal deviation does not change the nature of the measure and does not affect the progress towards achieving the reform that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

Commission Preliminary Assessment: Satisfactorily fulfilled

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| Number: 149 | Related Measure: Strengthening the sustainable development of tourism |
| Name of the Milestone: Entry into force of a Decree on Development Incentives for Tourism | |
| Qualitative Indicator: Provision in the decree indicating the entry into force of a Decree on Development Incentives for Tourism following adoption by the government. | Time: Q4 2021 |
| <p>Context:</p> <p>The objective of the reform is to stimulate investments in the tourism sector with a focus on green and digital transition, energy efficiency, use of renewable energy sources, reducing environmental impacts and promoting innovation in destination management. The reform provides the medium-term framework for developing Slovenian tourism in the direction of sustainable, high-quality and high value-added tourism.</p> <p>The milestone foresees entry into force of a decree on development incentives for tourism, which sets out sustainability conditions for public support in the sector. These conditions include, inter alia, an energy performance certificate of at least class B for any renovations, obtaining at least one international eco-label, and for new buildings ensuring primary energy demand is at least 20 % lower than the requirement for nearly zero energy buildings. The Council Implementing Decision lays out an overall requirement that the component shall be implemented in line with the Do-No-Significant-Harm (DNSH) principle. These milestone rules shall serve as basis for milestone #150 (award of contracts), target #151 (renovation projects increasing energy efficiency of tourist accommodation) and target #152 (construction projects increasing energy efficiency of tourist accommodation).</p> | |
| <p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> • Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled, with appropriate links to the underlying evidence and reference to the relevant provision indicating the entry into force of the law; and • Link to and copy of the publication in the Official Journal of Republic of Slovenia (No. 208/2021) , which was published on 30 December 2021. | |
| <p>Analysis:</p> <p>Article 12 of the Decree on Development Incentives for Tourism indicates its entry into force on 31 December 2021.</p> <p>The decree provides in Articles 4 to 11 the detailed conditions and criteria for the award of incentives under the Tourism Development Promotion Act in line with the requirements of the milestone. The decree promotes environmental sustainability through conditions and criteria for award of incentives. These include:</p> <ul style="list-style-type: none"> • Compliance with the conditions of Nature 2000 requirements for projects located in these areas (set out in Article 4 of the Decree); • For building renovations, obtaining an energy performance certificate of at least class B and at least one international eco-label (set out in Article 4 of the Decree); • For new buildings, obtaining a primary energy demand that is at least 20 % lower than the requirement for nearly zero energy buildings (set out in Article 4 of the Decree); • investments in public and common tourist infrastructure and natural attractions in tourist areas, which shall comply with the principles of sustainable tourism development (set out in Article 8 of the Decree); | |

- Compliance with the DNSH principle for investments in development of accommodation facilities and investments in public and common tourist infrastructure and natural attractions in tourist areas. The DNSH principle shall be understood in line with Article 17 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (set out in Article 4 and Article 8 of the Decree).

The abovementioned points 2 and 3, along with the provision of the Decree on the entry into force satisfactorily address the requirements set out in the milestone of the Council Implementing Decision. Moreover, the abovementioned point 1 and 4 satisfactorily address the overall requirement of the Council Implementing Decision for the component to support sustainable tourism and to be implemented in compliance with the DNSH principle.

Commission Preliminary Assessment: Satisfactorily fulfilled

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| Number: 171 | Related Measure: Removing administrative barriers | |
| Name of the Milestone: Entry into force of the Debureaucratisation Act | | |
| Qualitative Indicator: Provision in the law indicating the entry into force of the Debureaucratisation Act | | Time: Q2 2021 |
| Context: | | |
| <p>The objective of the reform is to provide a better legislative framework and to reduce the administrative burden for businesses and citizens. This reform will increase the competitiveness of businesses by reducing the cost of administrative procedures and simplifying related legislation in Slovenia. The reform consists of the entry into force of two Debureaucratisation Acts.</p> <p>This milestone foresees entry into force of the first Debureaucratisation Act, which is the first part of the package of legislative changes aiming at regulatory simplification. The first Debureaucratisation Act aims at reducing administrative barriers for business sector and citizens, simplifying the legislation, streamlining the existing procedures and removing burdensome procedures through amendments and additions to laws covering several ministerial departments. This milestone is followed by the second Debureaucratisation Act (milestone #172).</p> | | |
| Evidence provided: | | |
| <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> • Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled, with appropriate links to the underlying evidence and reference to the relevant provision indicating the entry into force of the law; and • Copy of the publication in the Official Journal of the Republic of Slovenia (No. 3/2022) of the Debureaucratisation Act and the link to the publication of the Decree in the Official Gazette of Slovenia (Number 3/2022), which was published on 7 January 2022. | | |
| Analysis: | | |
| <p>The Debureaucratisation Act was published in the Official Gazette of Slovenia No. 3/22 on 7 January 2022. Article 55 thereof determines its entry into force on the fifteenth day following the publication in the Official Journal, on 22 January 2022. According to the requirements of the Council Implementing Decision, the Debureaucratisation Act is the first legislative package under the Recovery and Resilience Plan aimed at reducing administrative barriers for business sector and citizens, simplifying the legislation, streamlining the existing procedures and removing burdensome procedures.</p> <p>The first part of the Debureaucratisation Act (Articles 2-39) introduces amendments to several national laws, in order to simply/clarify their provisions and/or align them to technological development. The Debureaucratisation Act focuses mainly on simplification and burden reduction for citizens and businesses and ensures the streamlining of the existing procedures, in particular for small businesses through measures such as the removal of specific reporting requirements, change in the reporting frequency or the introduction of electronic reporting. The following laws have been amended: Law on Registration of Residence, Law on the Central Population Register, Law on General Administrative Procedure, Law on Civil Service, Code of Civil Procedure, Law on Court Experts, Court Valuers and Judicial Interpreters, Law on Integrity and Prevention of Corruption, Nature Conservation Act, Law on Sport, Law on the Exercise of the Public Interest in Culture, Funeral and Cemetery Act and Law on the Official Journal of the Republic of Slovenia.</p> <p>In the second part (Articles 40-51), the Debureaucratisation Act reduces the regulatory burden and simplifies the legislation by repealing over two hundred laws and by-laws, which are no longer in</p> | | |

force (many dating back to the pre-independence period) thus eliminating obsolete and outdated laws and repealing several rules in force which are no longer applicable. This measure should reduce the Slovenian acquis by 10%.

Commission Preliminary Assessment: Satisfactorily fulfilled

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| Number: 174 | Related Measure: Creating systemic conditions for investment growth |
| Name of the Milestone: Entry into force of the amendment to the Public Procurement Act | |
| Qualitative Indicator: Provision in the law indicating the entry into force of the amendment to the Public Procurement Act | Time: Q4 2021 |
| <p>Context:</p> <p>The objective of the reform is to increase public and private investment by reforming the public procurement system. The reform entails several measures including amendments to the legal framework, an alignment of public procurement databases with the European Commission's database and technical assistance to support the implementation of public procurement reforms. This milestone is the beginning of a broader reform. It simplifies the procedures to enable supplementation and clarification of bids when selecting tenderers, and it facilitates the elimination of abnormally low tenders. The Public Procurement Act shall aim at the digital transformation of public procurement and at increasing competition in public procurement.</p> <p>In this context, one of the first steps of the reform is the entry into force of an amendment to the Public Procurement Act. The impact of the amendment will be measured by target #175 in 2024 (reduction of the proportion of negotiated procedures without prior publication). The technical assistance to support the implementation of reforms (milestone #176) and the independent analysis of the impact of public procurement reforms (milestone #177) will provide further measures and aims to improve the public procurement system and to increase competition, digitalization and transparency in the public procurement market.</p> | |
| <p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> • Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled, with appropriate links to the underlying evidence and reference to the relevant provision indicating the entry into force of the law; and • Copy of the publication in the Official Gazette of the amendment to the Public Procurement Act (No. 121/2021), published on 23 July 2021. | |
| <p>Analysis:</p> <p>The Law on amendment to the Public Procurement Act (ZJN-3B) was adopted by the National Assembly of Republic of Slovenia on 13 July 2021 and entered into force on 1 January 2022 (Article 36). It intends to facilitate the elimination of abnormally low tenders, to help to improve competition and to reduce the number of single bids.</p> <ul style="list-style-type: none"> • Article 21 of the Law on amendments to the Public Procurement Act simplifies procedures to enable supplementation and clarification of bids when selecting tenders, by adding that the contracting authority may dismiss obvious and non-essential mistakes; • Article 19 provides the contracting authority with clearer instructions on the elimination of abnormally low tenders. The amendment clearly states that if the evidence enclosed does not explain the low price or costs, the contracting authority may reject such a tender. • Articles 8, 15, 20 and 26 provide technical changes related to the digital submission of tenders and to increased transparency, thus enhancing the digital transformation of public procurement. Article 20, in particular, sets out new provisions in case of a technical malfunctioning of the electronic procurement system, thus improving the overall functioning and reliability of the system. • Articles 7, 10, 15, 18, 29, 30, 31 and 32 finally include additional provisions aiming at | |

improving the management of procurement procedures, the clarity of rules and the relationship between economic operators and contracting authorities in procurement procedures.

The provisions above contribute to an increased competition in public procurement procedures and to a reduction of single bids by improving the overall functioning of the public procurement system. The expected positive impact of the Law on amendments to the Public Procurement Act, – increased competition and enhanced transparency – will be measured by target #175 in 2024 (reduction of the proportion of negotiated procedures without prior publication) in accordance with the Single Market Scoreboard methodology.

Commission Preliminary Assessment: Satisfactorily fulfilled

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| Number: 178 | Related Measure: Creating systemic conditions for investment growth |
| Name of the Milestone: Alignment of Slovenia's public procurement databases with the European Commission's database and transmission of the data necessary for the full publication of public procurement indicators in the Single Market Scoreboard | |
| Qualitative Indicator: All indicators of the Single Market Scoreboard related to public procurement are published in the Scoreboard database | Time: Q4 2021 |
| <p>Context:</p> <p>The objective of the reform is to increase public and private investment by reforming the public procurement system. The reform entails several measures including: amendments to the legal framework to increase digitalisation and competition in public procurement procedures, the establishment of a Public Procurement Academy and technical assistance to support the implementation of public procurement reforms.</p> <p>In this context, the measure also includes the alignment of Slovenia's public procurement databases with the European Commission's database and the transmission of the data necessary for the full publication of public procurement indicators in the Single Market Scoreboard. This milestone comes at the beginning of the reform as it supports the ongoing public procurement reforms by ensuring increased transparency, comparability with other EU countries and dissemination of public procurement data. The alignment of Slovenia's public procurement databases with the European Commission's database and the publication of all indicators related to public procurement in the Single Market Scoreboard will support the implementation of target #175 in 2024 (reduction of the proportion of negotiated procedures without prior publication in accordance with the Single Market Scoreboard methodology) and it will help to assess the impact of the public procurement reforms on increased competition and enhanced transparency.</p> | |
| <p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> • Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled, with appropriate links to Tenders Electronic Daily (TED) and national procurement database and the other underlying evidence, and a brief explanation by the Ministry of Public Administration on the measures taken to align the data provision in Tenders Electronic Daily; • The copy of the 2021 Single Market Scoreboard published by the European Commission in December 2021; • the copy of the public procurement databases containing the entries related to framework agreement, prepared by the Ministry of Public Administration and sent to the European Commission DG GROW in June 2022. <p><i>The authorities also provided:</i></p> <ul style="list-style-type: none"> • Document with the email exchange of the Ministry of Public Administration with European Commission DG GROW and the Publications Office of the European Union (OP) on the alignment of databases between June and October 2021. | |
| <p>Analysis:</p> <p>Between 2017 and 2019, Slovenia had three indicators missing from the Single Market Scoreboard - [1] Single bidder, [6] Decision speed, and [10] Missing calls for bids with a disclaimer, arguing that for technical reasons, Slovenian data for 2017, 2018, 2019 was not reliably available. The Commission considered the data regarding Framework Agreements (FA) unreliable due to inconsistencies</p> | |

between the national database and the information in Tenders Electronic Daily (TED). The underlying issue was the unreliable reporting of data on framework agreements in tender notices. These inconsistencies between Tenders Electronic Daily and the national database had an impact on the computation of the Single Market Scoreboard indicators as some notices under Framework Agreements published until July 2021 may not have been marked correctly in Tenders Electronic Daily.

To ensure data reliability in the computation of the 2020 Single Market Scoreboard indicators, the three indicators concerned were calculated once more in the European Commission procurement database after Slovenia had shared respective datasets directly with the Commission. This data was used to compute the three indicators concerned and in December 2021, the European Commission published the Single Market Scoreboard with all public procurement indicators for Slovenia. The same approach that was employed concerning the 2020 procurement data is also being employed in 2022 related to the 2021 data. In June 2022, Slovenia submitted to the Commission the additional data required for the 2021 Single Market Scoreboard.

Since August 2021 all the new entries are fully aligned between national and Tenders Electronic Daily (TED) databases. This means that regarding the data for 2022, which will be included in the Single Market Scoreboard in 2023, there will be no need to submit additional data because following this alignment, the Commission shall be able to reliably compute the three indicators based on the data available in Tenders Electronic Daily.

Commission Preliminary Assessment: Satisfactorily fulfilled

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| Number: 181 | Implementation of the Recovery and Resilience Plan – control and audit systems |
| Name of the Milestone: National Decree describing the procedure for carrying out audits and controls in compliance with applicable Union and national legislation and the Guidelines of the Coordinating Body adopted by the Government; establishment of the Office for the Implementation of the recovery and resilience plan and upgraded repository system for audit and controls: information for monitoring implementation of RRF | |
| Qualitative Indicator: Decree on the implementation of the recovery and resilience plan; Guidelines of the Coordinating Body; Amendment of the Decree on bodies affiliated to ministries; audit report confirming repository system functionalities | Time: Q3 2021 |
| Context: 1. The objective of the reform is to put in place and formalise the legal and institutional framework for an adequate functioning of the control and audit systems. 2. The milestone consists of the following parts: (i) the establishment of the Office for the Implementation of the Recovery and Resilience Plan, as a separate body within the Ministry of Finance, to act as the Coordinating Authority for the implementation of the Recovery and Resilience Plan, (ii) the amendment of the Decree on bodies affiliated to ministries; (iii) the adoption of the Decree and the Guidelines of the Coordinating Body describing the procedures for carrying out audits and controls in compliance with applicable Union and national legislation, (iv) the upgrade to the IT system (MFERAC). | |
| Evidence provided: In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: <ol style="list-style-type: none"> 1. Copy of the publication in the Official Gazette of the Decree on implementing Regulation (EU) on the Recovery and Resilience Facility – published in the Official Gazette of Republic of Slovenia No. 167/21 of 22 October 2021 2. Copy of the publication in the Official Gazette of the Amendment of the Decree on bodies within ministries, amended version published in the Official Gazette of Republic of Slovenia, No. 90/21 of 4 June 2021 3. Copies of the published Guidelines of the Coordinating Body (Financial Guidelines, Financial Manual, General Guidelines and General Manual) and the link to the website where they can be accessed (Dokumenti GOV.SI) 4. Copy of the final audit report on the repository system (MFERAC and complementary system 'Program dela') and acceptance protocols for both IT systems, including a summary of the functionalities of the systems. 5. Excel spreadsheet submitted on 25 November 2022 containing a first set of the data required by Article 22(2)(d)(i) to (iii) of the RRF Regulation 6. Excel spreadsheet submitted on 31 January 2023 containing a final set of the data required by Article 22(2)(d)(i) to (iii) of the RRF Regulation 7. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled | |
| Analysis: In line with the requirements of the Council Implementing Decision, the <u>Decree on the implementation of the recovery and resilience plan</u> (UL RS 167/21) was adopted on 20 October 2021 and entered into force on 21 October 2021 in accordance with Article 29 of the Decree. The Decree sets out: <ol style="list-style-type: none"> a) the procedures for carrying out audits and controls (Article 9 and 16), | |

- b) procedures concerning the verification of milestones and targets and the related reporting deadlines (Article 16-19 and 25),
- c) procedures concerning the implementation of reimbursements of funds unduly spent (Article 19),
- d) how to store documentation and ensure an audit trail (Article 20-21),
- e) the accessibility of data to national and relevant European institutions (Article 20),
- f) procedures for the effective implementation of projects, procedures for implementing tasks in the area of Slovenian recovery and resilience plan (Article 14),
- g) procedures relating to the avoidance of conflicts of interests, fraud prevention, corruption and double funding from the Facility and other Union programmes (Article 14 and 19).

In line with the requirements of the Council Implementing Decision, the Office of the Republic of Slovenia for Recovery and Resilience (URSOO) was established by the amendment of the Decree on bodies within ministries, which was adopted on 3 June 2021 (UL RS 90/21) and entered into force on 6 June 2021 in accordance with Article 4. The Office of the Republic of Slovenia for Recovery and Resilience became operational on 1 August 2021, in accordance with Article 3 and has been established as a separate body within the Ministry of Finance as per Article 1. The Office is the coordinating body for the implementation of the Recovery and Resilience Plan, in accordance with Article 1 of the amendment of the Decree on bodies within ministries.

In line with the requirements of the Council Implementing Decision, URSOO has adopted a set of guidelines. At the core of these guidelines are the Financial Guidelines (adopted on 17 January 2022), the Financial Manual (adopted on 21 March 2022 and revised on 4 August 2022), the General Guidelines (adopted on 14 April 2022) and the General Manual (adopted on 25 April 2022 and revised on 4 August 2022). The four documents mentioned above include:

- a) a detailed definition of the procedures for carrying out controls and audits in accordance with applicable national and EU legislation (General Guidelines: Article 11 and 15 – 25, General Manual: Chapter 5),
- b) procedures for verifying milestones and targets and related reporting deadlines (General Guidelines: Articles 15 – 25 and 32, General Manual: Chapter 3, 5 and 8, Financial Guidelines: Article 16),
- c) procedures for recovering unduly spent funds (General Guidelines: Article 31, General Manual: Chapter 6, Financial Guidelines: Article 17, Financial Manual: Chapter 6),
- d) procedures related to the detection of suspected fraud, conflict of interest and double funding (General Guidelines: Article 26 – 31, General Manual: Chapter 5, Financial Guidelines: Article 17-19, Financial Manual: Chapter 5),
- e) procedures relating to the reporting system for irregularities and suspected fraud detected and suspected fraud and additional fraud risk management measures (General Guidelines: Articles 26-31, General Manual: Chapter 6, Financial Guidelines: Articles 17-19),
- f) the definition of procedures for ensuring the fund of the part of the ministries carrying out the different tasks, and a detailed description of each unit's responsibilities, with a clear demarcation of fraud (General Guidelines: Articles 10 – 14, General Manual: Chapter 2, Financial Guidelines: Articles 8 – 15, Financial Manual: Chapter 3).

In line with the requirements of the Council Implementing Decision, URSOO also submitted an audit report on the repository system that was prepared by an external contractor, PricewaterhouseCoopers d.o.o., dated 10 October 2022, and signed by the representative of the company. Complementing the payment request, URSOO also submitted an overview of the audit work carried out by the national audit body (dated 20 October 2022). National auditors identified

the following deficiencies in the IT systems MFERAC and Program dela:

- The information and supporting data on milestones and targets are not regularly updated in the IT system Program dela
- The IT system MFERAC does not collect, store and ensure access to the data required by Article 22(2)(d)(i) to (iii) of the RRF Regulation. This deficiency was also identified by the DG ECFIN auditors in September 2022 while carrying out the audit mission in Slovenia on the protection of the financial interests of the Union.

Since the national auditors could not confirm the collection of data as per Article 22(2)(d)(i) to (iii) of the RRF Regulation, the DG ECFIN auditors decided to carry out their own verification of the completeness and reliability of the data in order to confirm the satisfactory fulfilment of the milestone. The verification of the data set submitted by URSOO on 25 November 2022 revealed serious deficiencies related to the reliability and completeness of the data. Following that, URSOO submitted the remaining data required by Article 22(2)(d)(i) to (iii) on 31 January 2023. The final file contains a list of 455 projects implemented by 17 implementing bodies. The ECFIN auditors verified that the data set includes information on the implementing body responsible for implementation of the project, project status, name of the final recipient, name of the contractor and subcontractor and beneficial owner(s) of the final recipient and/or contractor when required and were able to confirm that data are complete, accurate and reliable.

Commission Preliminary Assessment: Satisfactorily fulfilled

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| Number: 196 | Related Measure: Establishing a single system for long-term care |
| Name of the Milestone: National monitoring model for quality indicators for long-term care providers | |
| Qualitative Indicator: A national monitoring model is adopted by the Ministry of Health | Time: Q4 2021 |
| <p>Context:</p> <p>Reform A of component 15 aims to implement a new social security pillar focused on the specific needs of those requiring long-term care and ensuring equal access regardless of their socio-economic status. This shall be done by:</p> <ul style="list-style-type: none"> • a new law establishing an integrated long-term care system, including amendments to by-laws in the field of social security; • the entry into force of a special law on compulsory long-term care insurance; and • the establishment of a national model for the monitoring of the quality of treatment by long-term care providers. <p>The implementation of the reform is monitored with the help of five milestones, one of them being the National monitoring model for quality indicators for long-term care providers (milestone #196). Milestone #198 is closely related to this milestone as it also establishes a requirement for providers of long-term care in Slovenia to report on the indicators for monitoring the quality of services in the field of long-term care.</p> <p>This milestone is part of Reform A, Establishing a single system for long-term care. According to the Council Implementing Decision annex, the model shall (1) monitor quality of long-term care services at a national level with (2) at least the following indicators monitored: number of injuries, number of fall injuries, number of deviations when administering medicines, number of users with infection with multiple resistant micro-organisms.</p> <p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> • Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled; • Copy of the decision number 170-29/2018/316 on Monitoring the quality and safety of medical treatment in social welfare institutions, adopted by the Ministry of Health on 23 December 2021, with a link to the website where the decision can be accessed (link is in the Summary document); • Explanatory document on the National monitoring model for quality indicators for long-term care providers manual <p>The authorities also provided:</p> <ul style="list-style-type: none"> • Annex 1 to the General Agreement for contract year 2021 (number 1720-1/2021-A1), adopted by the Government on 9 December 2021, published on 23 December 2021 on the webpage of the Health Insurance Institute of Slovenia and valid since 1 January 2022 (legal document making obligatory the monitoring and reporting on quality indicators in 2021); • Copy of the General Agreement for contract year 2022 (1720-1/2022), adopted by the government on 16 December 2021, published on 26 January 2022 on the website of the Health Insurance Institute of Slovenia and valid since 1 January 2022 (legal document making obligatory the monitoring and reporting on quality indicators in 2022) (legal document making obligatory the monitoring and reporting on quality indicators in 2022); • Long-term care Act, adopted on 9 December 2021 by the National Assembly, published in | |

the Official Gazette of the Republic of Slovenia number 196/21 on 17 December 2021, and in force since 18 January 2022 (legal document making obligatory the monitoring and reporting on quality indicators from 2023 on).

Analysis:

- **Establishment of the National monitoring model for quality indicators for long-term care providers**

The National monitoring model for quality indicators for long-term care providers was established by a Ministerial Decision on Monitoring the quality and safety of medical treatment in social welfare institutions, signed by the Minister of Health on 23 December 2021. The National monitoring model for quality indicators for long-term care providers itself is also considered as an explanatory document as the whole document is written in the format of a manual.

As set out in the Council Implementing Decision, the National monitoring model for quality indicators for long-term care providers contributes to establishing a single system for long-term care, which is Reform A under the Long-term care component of the Slovenian Recovery and Resilience Plan.

The National monitoring model for quality indicators for long-term care providers is complemented by the following documents, which provide supplementary information and are therefore relevant for this milestone:

- the Long-term care Act, which was adopted by the National Assembly on 9 December 2021 and came into force on 18 December 2021.
- the annex to the General Agreement for the Contract Year 2021, adopted by the Government of the Republic of Slovenia on 9 December 2021 and published on 23 December 2021.
- General Agreement for the Contract Year 2022, adopted by the Government of the Republic of Slovenia on 16 December 2021 and published on 26 January 2022.

The General Agreement is a contract between the representatives of healthcare and long-term care providers, the Ministry of Health, and the Health Insurance Institute of Slovenia, defining the scope of health service programs (section 2 of the General Agreement), priority areas (section 9), required capacities (section 3) and elements for the evaluation of the services (section 4).

The following elements were addressed by the Long-term care Act and the General Agreements for contract years 2021 and 2022:

The obligation for long-term care providers to report according to the National monitoring model for quality indicators for long-term care providers was laid down in the General Agreement for Contract Year 2021 (Annex I, Article 28) and the General Agreement for Contract Year 2022 (Article 47(5)) for the years 2021 and 2022, respectively, and from 2023 on it is required by national legislation (Articles 63 and 158(6) of the Long-term care Act, applicable as of 1 January 2023). In addition, a copy of the Decision on Monitoring the quality and safety of medical treatment in social welfare institutions was communicated to all long-term care institutions in the country.

- **The monitoring indicators**

The National monitoring model for quality indicators for long-term care providers defines specific indicators for the monitoring by long-term care providers, including those listed in the Council

Implementing Decision:

- Number of injuries indicator (Section 4.2.1, indicator 1): number of injuries of users requiring medical doctor examinations in a calendar month divided by the sum of all days of care provided in the reporting LTC institution. Intentional and unintentional injuries by users are also monitored;
- Number of fall injuries indicator (Section 4.2.1, Indicator 2): the proportion between users who have fallen and the sum of all days of care provided in the reporting long-term care institution;
- Number of deviations when administering medicines indicator (Section 4.3): the proportion between the number of all safety deviation in the field of medicines in a calendar month and the sum of all days of care provided in the reporting long-term care institution;
- Number of users with infections with multiple resistant micro-organisms indicator (section 4.4): the proportion between the number of all users in the reporting long-term care institution with colonization or infection with multidrug-resistant bacteria on the last day of the calendar month and the sum of all days of care provided in the reporting long-term care institution.

Commission Preliminary Assessment: Satisfactorily fulfilled