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COMMISSION IMPLEMENTING DECISION

of 15.10.2024

on the authorisation of the disbursement of the fourth instalment of the non-repayable support and the second instalment of the loan support for Slovenia

(Only the Slovene text is authentic)

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THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility¹, and in particular Article 24(5) thereof,

Whereas:

- (1) According to Article 4(2) of Regulation (EU) 2021/241, the specific objective of the Recovery and Resilience Facility is to provide Member States with financial support with a view to achieving the milestones and targets of reforms and investments as set out in their recovery and resilience plans.

Council Implementing Decision of 28 July 2021 on the approval of the assessment of the recovery and resilience plan for Slovenia² (the ‘Council Implementing Decision’) provides that the Union is to release instalments in accordance with the Financing Agreement and the Loan Agreement conditional on a decision by the Commission, taken in accordance with Article 24(5) of Regulation (EU) 2021/241, that Slovenia has satisfactorily fulfilled the relevant milestones and targets identified in relation to the implementation of the recovery and resilience plan.

- (2) On 28 June 2024, Slovenia submitted a request for payment, accompanied by a management declaration and a summary of audits. The request concerned the fourth instalment of the non-repayable support and the second instalment of the loan support. Pursuant to Article 24(3) of Regulation (EU) 2021/241, the Commission assessed on a preliminary basis whether the relevant milestones and targets set out in the Council Implementing Decision had been satisfactorily fulfilled. For the purpose of this assessment, the operational arrangements concluded between the Commission and Slovenia³ in accordance with Article 20(6) of Regulation (EU) 2021/241, were taken into account.
- (3) The Commission made a positive preliminary assessment of the satisfactory fulfilment of all five relevant milestones related to the non-repayable support and all three

¹ OJ L 57, 18.2.2021, p. 17.

² 10612/21 ADD 1 as amended by 8390/22 ADD1 to ADD22 and 13615/1/23 REV 1 ADD1 REV1, not yet published.

³ Recovery and Resilience Facility Operational arrangements between the European Commission and Slovenia, entered into force on 8 February 2022 and amended by the Commission decision of 27 October 2023 approving the modifications to the Operational Arrangements between the Commission and the Republic of Slovenia pursuant to Regulation (EU) 2021/241.

relevant milestones related to the loan support and, in accordance with Article 24(4) of Regulation (EU) 2021/241, provided its findings to the Economic and Financial Committee asking for its opinion on the satisfactory fulfilment of the relevant milestones and targets. In accordance with Article 25(4) of that Regulation, the Commission provided the competent committee of the European Parliament with an overview of its preliminary findings concerning the satisfactory fulfilment of the relevant milestones and targets. The Economic and Financial Committee agreed with the Commission's positive preliminary assessment and was of the opinion that Slovenia has satisfactorily fulfilled all the milestones and targets associated with the payment request. The Commission has taken the opinion of the Economic and Financial Committee into account for its assessment.

- (4) Section 2(1)(4) of the Annex to the Council Implementing Decision provides the relevant milestones that are to be satisfactorily fulfilled for the fourth instalment of the non-repayable support for an amount of EUR 163 730 733.
- (5) Section 2(2)(2) of the Annex to the Council Implementing Decision provides the relevant milestones and targets that are to be satisfactorily fulfilled for the second instalment of the loan support for an amount of EUR 116 127 827.
- (6) Milestone 19 provides for the entry into force of a ban on the use of fossil fuels for heating in new buildings. The evidence provided by Slovenia demonstrates that the Act on the Promotion of the Use of Renewable Energy Sources, which has been published in the Official Gazette of the Republic of Slovenia (No. 121/2021 from 23 July 2021) and entered into force on 1 January 2023, establishes the ban on the design and installation of heating oil, mazut (fuel oil), and coal boilers for heating buildings. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (7) Milestone 67ter provides for the entry into force of an Act on infrastructure for alternative fuels and promotion of the transition to alternative fuels in transport. The evidence provided by Slovenia demonstrates that the act was adopted by the National Assembly of the Republic of Slovenia on 25 May 2023, published in the Official Gazette of the Republic of Slovenia (No. 62/23 on 6 June 2023) and entered into force on 21 June 2023. Articles 4 to 6 of the act introduce a new national policy framework for the market development of alternative fuels in transport and for the deployment of appropriate infrastructure. Article 12 defines the establishment and operations of the public utility for providing and managing the infrastructure for high-power charging parks of a total power output of at least 3 MW. The development of national and local charging infrastructure plans is defined in Articles 8 to 10. Article 41 establishes a national digital platform to stimulate investment in the charging infrastructure. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (8) Milestone 129 provides for the award of grants for projects to promote investment in manufacturing, services, and research and development activities through investment in fixed tangible and intangible assets in compliance with, among other criteria, the 'Do no significant harm' (DNSH) Technical Guidance. The evidence provided by Slovenia demonstrates that a call for proposals to promote large investments to increase productivity and competitiveness was published in the Official Gazette No. 38 on 18 March 2022. However, the call did not include the required DNSH exclusion list amongst the selection criteria. To remedy the situation, the authorities carried out a detailed ex-post review of the selected projects, confirming that 60 of the selected

projects comply with the ‘Do No Significant Harm’ principle and do not concern any of the excluded activities. While this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, it has been verified that the selected projects comply with the requirements established in the Council Implementing Decision. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.

- (9) Milestone 137 provides for draft amendments to the Pension and Disability Insurance Act aimed at ensuring the fiscal sustainability and adequacy of the pensions being transmitted to the Economic and Social Council of Slovenia. This milestone relates to the first phase in the process of amending the pension legislation, which is expected, once adopted by the parliament, to ensure the long-term sustainability and adequacy of the pension system, leading to the significant reduction of Slovenia’s long-term fiscal risks stemming from age-related expenditure from the current high-risk category. The evidence provided by Slovenia demonstrates that the proposal addresses the challenges identified in the European Commission’s 2024 Ageing Report and builds on the recommendations provided in the report. Fiscal sustainability is addressed by gradually shifting the indexation of pensions from wage growth toward primarily inflation. The measures put forward are based on a balanced approach between the sustainability improving measures and the adequacy improving measures while foreseeing transitional arrangements for those near retirement. Adequacy improving measures include higher accrual rates for the years worked and increases in widows’ pensions, as well as the implementation of a supplementary pensions system with automatic enrolment. The draft amendments to the act increase the transparency of the pension and disability insurance system, introducing a simplified definition of the period taken into account for the calculation of pensions. Article 27 of the draft act would gradually increase the retirement age from 65 to 67 years and the early retirement age (for those who have contributed for 40 years) from 60 to 62 years. If adopted, the draft amendments would establish a system of professional rehabilitation as a basic right and obligation within the disability insurance system. Article 137 of the draft amendments would improve social security coverage through a general increase in the accrual rate and a more favourable calculation of the period taken into account when defining the accrual rate. Slovenian authorities have provided evidence in the form of a letter stating that the Ministry of Labour, Family, Social Affairs and Equal Opportunities transmitted the draft legislation to the Economic and Social Council on 26 June 2024. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (10) Milestone 164 provides for the completion of the selection of an investment project for the greening of the educational infrastructure implemented in accordance with the Strategy for Greening Education and Research Infrastructures. The contract is to ensure that the primary energy demand of all new buildings is at least 20% lower than the nearly zero-energy building requirement. The project is to be completed by the second quarter of 2026. The evidence provided by Slovenia demonstrates that the Ministry of Education, Science and Sport signed the contract on co-financing the implementation of the project “Vrazov trg Campus, Faculty of Medicine of University of Ljubljana” with the contractor, the University of Ljubljana, on 21 November 2022. The investment addresses the strategic objective of the Strategy for Greening Education and Research Infrastructures, which focuses on reducing space shortages. A declaration by the applicant, which forms an integral part of the contract, states that “the newly built facility will be a highly energy efficient building with a primary energy demand of at least 20% lower than the NZEB requirement”. On the basis of the

due justification provided, the milestone should be considered as satisfactorily fulfilled.

- (11) Milestone 168 provides for the completion of the selection of investment projects for the greening of the educational infrastructure implemented in accordance with the Strategy for Greening Education and Research Infrastructures. The contracts are to ensure that the primary energy demand of all new buildings is at least 20% lower than the nearly zero-energy building requirement. The project is to be completed by the second quarter of 2026. The evidence provided by Slovenia demonstrates that the Minister of Education, Science and Sport signed eight contracts on the co-financing of the implementation of projects with eight different educational institutions between November 2022 and October 2023. The investments address the strategic objective of the Strategy for Greening Education and Research Infrastructures, which focuses on reducing space shortages. Annexed to all contracts is a declaration that the respective newly constructed, extended or renovated facility will be a highly energy efficient building with a primary energy demand that is at least 20% lower than the nearly zero-energy building requirement signed by the head of the educational institution signing the contract. This declaration forms an integral part of the signed contracts. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (12) Milestone 179 provides for the establishment of a Public Procurement Academy and it being operational. The evidence provided by Slovenia demonstrates that, on 7 September 2022, a Decision by the Government of the Republic of Slovenia established and made operational the Public Procurement Academy as a set of training programmes within the Administrative Academy. The Public Procurement Academy provides study programmes for public employees, organised in training modules. The training courses aim to increase the level of professionalisation by developing competences and skills of public employees involved in public procurement procedures. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (13) Milestone 203 provides for the Award of grants for construction of new institutional care facilities. The selected projects are expected to take the form of smaller, stand-alone housing units aimed to accommodate long-term care users and to comply with the requirements for nearly zero-energy buildings. The evidence provided by Slovenia demonstrates that, based on a call for projects, 15 contracts for co-financing were signed, ensuring 515 additional places in institutional care facilities. The evidence demonstrates as well that all 15 projects are designed as small, stand-alone housing units and will be constructed and designed to facilitate the provision of basic care, social care and medical services as defined in relevant national legal provisions. Specific conditions in the call for projects stipulate that only the construction of nearly zero-energy buildings will be supported in the case of new buildings. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (14) Furthermore, the Republic of Slovenia has also confirmed that previously satisfactorily fulfilled milestones and targets have not been reversed.
- (15) Following the fully positive assessment concerning the payment request of the Republic of Slovenia, in accordance with Article 24(5) of Regulation (EU) 2021/241, the disbursement of the financial contribution for the fourth instalment of the non-

repayable support and the disbursement of the loan for the second instalment of the loan support should be authorised.

- (16) In accordance with Article 2(3) of the Council Implementing Decision, as specified in the Financing Agreement, the pre-financing of the financial contribution shall be cleared by being proportionally deducted against the payment of the instalments. As Slovenia received EUR 255 398 888 of the financial contribution as pre-financing, an amount of EUR 22 183 626 of the payment should be utilised to clear the pre-financing, of which EUR 2 567 517 to clear the pre-financing for the REPowerEU chapter.
- (17) This Decision should be without prejudice to procedures relating to distortions of the operation of the internal market that may be undertaken, in particular under Articles 107 and 108 of the Treaty on the Functioning of the European Union. It does not override the requirement for Member States to implement the measures in accordance with Union and national law and, in particular, to notify instances of potential State aid to the Commission under Article 108 of the Treaty on the Functioning of the European Union.
- (18) The measures provided for in this Decision are in accordance with the opinion of the Committee established by Article 35(1) of Regulation (EU) 2021/241,

HAS ADOPTED THIS DECISION:

Article 1

Authorisation of the disbursement of the non-repayable support

The disbursement of the fourth instalment of the non-repayable support as laid down in Section 2(1)(4) of the Annex to the Council Implementing Decision of 28 July 2021 on the approval of the assessment of the recovery and resilience plan for Slovenia for an amount of EUR 163 730 733 is authorised.

In accordance with the Financing Agreement concluded pursuant to Article 23(1) of Regulation (EU) 2021/241 between the Commission and the Republic of Slovenia, EUR 22 183 626 shall be utilised to clear the pre-financing of the financial contribution. EUR 141 547 107 shall be provided to Slovenia by means of payment to the bank account indicated in the Financing Agreement.

Article 2

Authorisation of the disbursement of the loan support

The disbursement of the second instalment of the loan support as laid down in Section 2(2)(2) of the Annex to the Council Implementing Decision of 28 July 2021 on the approval of the assessment of the recovery and resilience plan for Slovenia for an amount of EUR 116 127 827 is authorised.

In accordance with the Loan Agreement concluded pursuant to Article 15(2) of Regulation (EU) 2021/241 between the Commission and the Republic of Slovenia, EUR 116 127 827 shall be provided to Slovenia by means of payment to the bank account indicated in the Loan Agreement.

Article 3
Addressee

This Decision is addressed to the Republic of Slovenia.

Done at Brussels, 15.10.2024

For the Commission
Paolo GENTILONI
Member of the Commission