



**EUROPEAN COMMISSION**

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## **Summary of the Partnership Agreement for Slovenia, 2014-2020**

### **Overall information**

The Partnership Agreement (PA) covers five funds: the European Regional Development Fund (ERDF), the Cohesion Fund (CF), the European Social Fund (ESF), the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF).

The PA focuses on the following priorities:

- Promoting investments in research and development to strengthen the competitiveness of SMEs and to enhance the innovation capacities of Slovenia;
- Promoting incentives to increase employment and employability by encouraging the development of high-quality jobs and improving the education and training system, while taking into account the existing social challenges;
- Encouraging the shift to a low-carbon economy through the sustainable and efficient use of energy and renewable energy sources, as well as through sustainable mobility,,
- Improving the quality of the transport infrastructure and developing infrastructure to achieve a better environmental status and the efficient management of resources;
- Improving the institutional capacities and efficiency of the public administration and the judicial system.

These funds are the cornerstone of Slovenia's medium and long-term development strategy. They will mobilize additional public national and private funding for growth and job creation and will reduce regional disparities in Slovenia. The European Structural and Investment Funds (ESIF) will encourage the establishment of a good business and supportive environment for SMEs and entrepreneurial activities by facilitating their access to finance and promoting investments in research, development and innovation activities. One of the key aspects of Slovenia's development is also the integrated transition to a low-carbon economy with increased energy efficiency, particularly in the public infrastructure, a higher share of energy from renewable energy sources in the overall energy structure and the promotion of sustainable mobility.

Investments in human capital, the elimination of structural unemployment and labour market segmentation are a priority in Slovenia. Strong emphasis is placed on reducing the number of the unemployed, particularly of young and older people, low-skilled individuals and the long-term unemployed through efficient labour market measures, a reduced mismatch between qualifications and labour market demand, as well as through improved education and training systems and the creation of an appropriate supportive environment. Promoting the social inclusion of the most vulnerable groups and fighting poverty through active inclusion and empowerment measures, the provision of good-quality and affordable social and health-care services, and the promotion of social entrepreneurship is of key importance. The ESF will also support Slovenia's efforts to

enhance the efficiency of the judicial and administrative systems, as well as to improve the business environment and reduce the existing judicial and administrative barriers.

A substantial share of mainly ERDF/CF will be devoted to upgrade Slovenia's infrastructure, particularly in the railway sector by aligning the public rail infrastructure with the requirements of the TEN-T standards, and ensuring a shift to sustainable mobility. Investments will also be focused on establishing systems enabling access to quality drinking water.

As regards Slovenia's rural areas, the EAFRD will contribute to increasing the productivity of the Slovenian agriculture and the level of self-sufficiency, while increasing the sustainable use of natural resources and promoting agricultural practices which have favourable effects on the preservation of natural resources, biodiversity and the adaptation to climate change. Furthermore, investments will contribute to the creation of green jobs and a coherent and sustainable development of rural areas based on the potentials of the local environment.

The EMFF will focus on increasing the competitiveness of the Slovene fisheries sector, and the efficient use of natural resources, including the promotion of environmentally-friendly aquaculture and fisheries practices and the acquisition and upgrading of new knowledge. Furthermore, it will contribute to the development of the local economy of fisheries dependent areas through CLLD.

Slovenia has chosen to finance investment under all 11 thematic objectives defined in the Regulations. Details on thematic objectives are presented in Table 1.

### **Chosen expected results**

Investments are addressing the main development gaps and thus strengthen the social, economic and territorial cohesion. ESI funds will assist Slovenia in achieving its national Europe 2020 targets and its flagship initiatives:

- An increase of total private and public investment in R&D in relation to GDP from around 2.64% (in 2012) to 3%;
- Significant increase in broadband service coverage, particularly in white areas where broadband infrastructure has not been built yet and where commercial interest is non-existent;
- In relation to energy objectives, an increase in the share of renewable energy sources in gross final energy consumption to 25% (as compared to 20.2% in 2012), along with 20% increase of efficient use of energy until 2020;
- Bottlenecks removed on the TEN-T network and guaranteed TEN-T standards on the entire network;
- Increased employment rate (to 75%), reduced number of people at risk of poverty and social exclusion to 320.000 (as compared to 410.000 people in 2013) and improved adaptation of education to the labour market needs;
- Improved business environment in Slovenia by reduced administrative and judicial burdens for businesses.

The commitments made in Slovenia's National Reform Programme and Stability Programme as well as the Council Recommendations for Slovenia are reflected in the PA. Interventions co-financed from the ESIF will thus reinforce the efforts of Slovenia to carry out the necessary reforms.

## **Budget**

In the 2014-2020 period, Slovenia will be eligible for EUR 3.255 billion under the EU Cohesion Policy Funds (ERDF, ESF and Cohesion Fund), of which EUR 159.8 million will be allocated to the Instrument Connecting Europe Facility – CEF (for transport), EUR 9.2 million to the Youth Employment Initiative (YEI), EUR 21 million for the Fund for European Aid to the Most Deprived and EUR 64 million for programmes under the European Territorial Cooperation (ETC). Additional EUR 837.8 million will be devoted to the development of the agricultural sector and rural areas from the EAFRD. The allocation for the EMFF will amount to EUR 24.8 million. Details on the allocation are given in table 1.

Slovenia will be divided into two cohesion regions at the NUTS 2 level: the more developed cohesion region of Western Slovenia and the less developed Eastern Slovenia. The cohesion region of Western Slovenia will be eligible for EUR 847 million, while the cohesion region of Eastern Slovenia will be eligible for EUR 1.26 billion. The Cohesion Fund (CF) will be available for the whole country (EUR 1.055 billion).

The concentration of funds on a limited number of priorities is one of the main features of the reformed cohesion policy. For Slovenia, the thematic concentration of approximately 85% of ERDF expenditure (77% in the less developed region of Eastern Slovenia and 83% for the more developed region of Western Slovenia) will be aimed at research and innovation, information and communication technology, competitiveness of small and medium sized enterprises and low carbon economy, while around 70% of the ESF will cover employment and lifelong learning.

The share of ESF in the allocation of ESI Funds amounts to 34 % or 716.9 million EUR and is above the required minimum share of 29.3%. Furthermore, 20.2% of the ESF will be allocated to measures supporting social inclusion.

Significant attention is given to the territorial dimension of interventions in particular in the area of sustainable urban development and access to public services. At least 5.12% of the total ERDF allocation will be invested in sustainable urban development actions implemented in Slovenia mainly through the instrument of Integrated Territorial Investments (ITI) in up to eleven urban municipalities. At least 5% of the EAFRD contribution will be reserved for CLLD, earmarking EUR 41.8 million from EAFRD, with additional EUR 5 million from the EMFF and EUR 30 million from ERDF.

Around 20% of the allocations are planned for the realisation of climate change objectives.

## **Programme architecture**

Cohesion policy will be delivered through 1 operational programme (OP), co-financed by the ERDF, ESF and CF, compared to 3 programmes in the 2007-2013 period.

One Rural Development Programme will be supported by the EAFRD and 1 OP for the implementation of the EMFF.

Slovenia will also participate in thirteen European Territorial Cooperation programmes.

Details on allocations to programmes are presented in table 2.

**Table 1: Indicative allocation: breakdown by thematic objective, fund and cohesion region (except territorial cooperation).**

Thematic objective	ERDF	Eastern Slovenia	Western Slovenia	ESF	Eastern Slovenia	Western Slovenia	Cohesion Fund	EAFRD	EMFF	Total
	Euro									
1. Strengthening research, technological development and innovation	461 739 161	254 356 627	207 382 534					24 126 000		<b>485 865 161</b>
2. Enhancing access to, and use and quality of, ICT	68 518 277	39 768 000	28 750 277					7 500 000		<b>76 018 277</b>
3. Enhancing the competitiveness of SMEs, of the agricultural sector (for the EAFRD) and of the fishery and aquaculture sector (for the EMFF)	526 078 420	361 921 307	164 157 113					238 948 972	9 854 259	<b>774 881 652</b>
4. Supporting the shift towards a low-carbon economy in all sectors	21 024 204	10 014 052	11 010 053				260 607 798			<b>281 632 003</b>
5. Promoting climate change adaptation, risk prevention and management	30 000 000	30 000 000					53 021 932	206 323 170		<b>289 345 102</b>
6. Preserving and protecting the environment and promoting resource efficiency	131 125 357	82 125 361	48 999 997				269 111 316	206 323 170	8 166 308	<b>614 726 151</b>
7. Promoting sustainable transport and removing bottlenecks in key network infrastructures	39 668 020	39 668 020					223 092 281 <sup>a</sup>			<b>262 760 300</b>
8. Promoting sustainable and quality employment and supporting labour mobility				287 736 604 <sup>b</sup>	146 770 527	140 966 076		77 790 000	5 300 000	<b>370 826 602</b>
9. Promoting social inclusion, combating poverty and any discrimination	75 053 657	40 035 380	35 018 277	145 249 585	80 265 224	64 984 361		41 892 491		<b>262 195 733</b>

Thematic objective	ERDF	Eastern Slovenia	Western Slovenia	ESF	Eastern Slovenia	Western Slovenia	Cohesion Fund	EAFRD	EMFF	Total
	Euro									
10. Investing in education, training and vocational training for skills and lifelong learning	20 023 291	10 014 152	10 009 139	208 996 759	116 815 743	92 181 016		10 000 000		<b>239 020 050</b>
11. Enhancing institutional capacity of public authorities and stakeholders and efficient public administration				62 073 980	25 082 882	36 991 098				<b>62 073 980</b>
Technical assistance	<b>17 162 510</b>	<b>14 112 244</b>	<b>3 050 266</b>	<b>12 868 043</b>	<b>9 072 157</b>	<b>3 795 886</b>	<b>89 537 036</b>	<b>24 946 000</b>	<b>1 488 547</b>	<b>146 002 136</b>
Revoked measures								3 971 250 <sup>c</sup>		
<b>Total</b>	<b>1 390 392 899</b>	<b>882 015 243</b>	<b>508 377 656</b>	<b>716 924 970</b>	<b>378 006 533</b>	<b>338 918 437</b>	<b>895 370 363</b>	<b>837 849 803</b>	<b>24 809 114</b>	<b>3 865 347 149</b>

<sup>a</sup> The CF amount for TO 7 does not include CEF funds = EUR 159 787 792.

<sup>b</sup> The ESF amount for thematic objective 8 does not include the YEI funds = EUR 9 211 536.

<sup>c</sup> The EAFRD amount for revoked measures is included in the amount under TO 3.

**Table 2: Allocation to Programmes**

<b>Operational programme</b>	<b>Thematic objectives covered</b>	<b>ESI Fund</b>	<b>Allocation (EUR)</b>
OP Implementation of EU Cohesion Policy (OP ECP)	TOs 1-11	ERDF, ESF, CF	3 002 688 232
Rural Development Programme (RDP)	TOs 1-3, 5, 6, 8-10	EAFRD	837 849 803
OP Implementation of EMFF	TOs 3, 6, 8	EMFF	24 809 114