

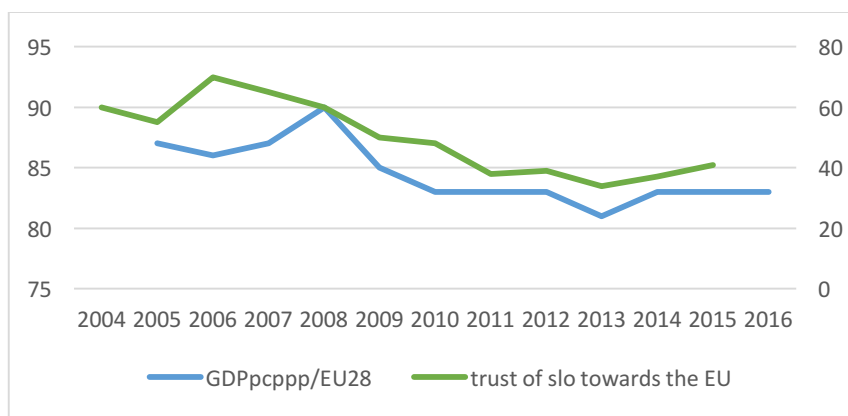
# SLOVENIA

## GENERAL POLICY IMPLICATIONS AND RECOMMENDATIONS

Slovenia entered the EU in 2004 as the most developed among the new member states from the Central and Eastern Europe. The accession boosted its economic development. By the 2008, Slovenian economy was at 90% of EU average in terms of GDP (accommodated by purchasing power parity). Slovenia was also one of the most pro-EU oriented member states; according to the Eurobarometer polls, its rate of trust for the EU was constantly among the highest. Being the first to take over presidency of the EU Council in 2008, which was both a reward for being a good student and an example for the others provided citizens with great pride and strengthened the sense of a broader European identity.

Slovenia still had several development problems such as relatively low value added per employee, insufficient environmental infrastructure in a number of areas and lack of investment in public transport network and railways. Moreover, a gap between the less developed Eastern and more developed Western Slovenia which was about 30% (in GDP terms) increased further during the boom period.

Chart 1: Convergence rate and trust towards the EU



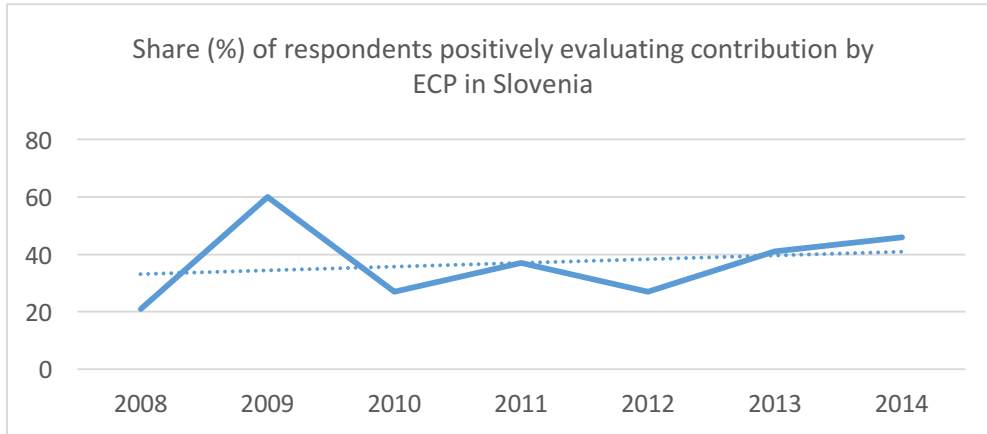
Slovenia had some experience with cohesion policy from before the accession in terms of pre-accession aid programmes as well as from the 2004-2006 period when ECP was implemented for the first time. Based on the experiences gained and problems identified it prepared three operational programmes for the 2007-2013 period, addressing three topics: technological development, environmental and transport infrastructure and human resource development. The programmes were financed by CF and ERDF in total amount of €4 billion for the 7-year period, which altogether accounted for 15% of annual GDP. Cohesion policy was implemented in a centralized way with government agency at the top of the structure and individual ministries serving as key intermediaries. Among other actors, municipalities were also relatively important. Slovenia was a single cohesion region. While 12 statistical regions (NUTS-3) have existed they have been weak in administrative and political terms.

The cohesion policy was mostly focused on infrastructure such as resources for technologic development, sustainable waste and waste management systems and new traffic infrastructure, as well as a on a high number of diverse infrastructural projects. Each of about 200 municipalities directly benefited from at least one operation. These were also the major achievements of the cohesion policy in the early period. On a negative side, some of the investments were inflated and were further affected by the economic and financial crisis which has hit hard Slovenia forcing government and private investors to cut spending and slowing down implementation of the policy. In the context of the crisis, one of the major achievements was that most of the projects were implemented by the final deadline and that Slovenia was able to spend all the money available (being one of few countries that managed to do that by toping budget from the national resources). The other major downsides were too much focus on physical infrastructure, 'localization' of the projects and administrative delays.

In terms of communicating the ECP, the approach was centralized as well. The negative impact of the economic and financial crisis was present although most of the blame was still attributed to the domestic elites rather to Brussels. The political elites remained pro-reform oriented and engaged in structural reforms. The crisis broth certain changes to the communication in terms of replacing costly media advertising campaign (which was implemented only in 2009) with innovative approach towards the annual events where ordinary citizens were invited to take part and to experience the benefits of the individual projects (typically, these were the biggest operations completed in a given year). Even though these events were not able to completely make up for the absence of the advertising campaigns they had a rather good cost/benefit ratio and sufficient multiplier effect to impact the annual polls were some of these events were referred to by high proportion of respondents, also impacting on the overall evaluation of the policy, as seen in the trend in the Chart 2.



Chart 2: Attitude towards ECP



The drafting of the operational programme for the 2014-2020 period was influenced by the economic crisis. There was sharp decline in GDP in which Slovenia lost what it gained since the accession. The unemployment increased but was still below the EU average. The fact that less money would be available created tensions among the partners. According to the final agreement, support was allocated to the economic development projects and social issues while money previously going for infrastructure and municipalities was cut off. This created some anger and influenced negatively on the communication of the policy on a local level where a number of operations were being completed at the time. This added to the existing tensions between the economic and social partners which were due to the impact of the crisis and savings.

The new operational programme for the period 2014-2020 was more integrated, focused on larger projects and on 'softer' contents. It was centralized even further. The thing that was changed was introduction of the two cohesion regions (Eastern and Western Slovenia) and fixing allocations for each of them within the programme. The amount of money for human resource development remained more or less the same while other allocations were reduced. Total support from different European funds now accounted for €3.1 billion, i.e. one billion less if compared to the previous period. Another novelty was introduction of a monitoring committee giving stronger role to the individual stakeholders, at least on a paper. Apart from municipalities which were discontented due to reduction of resources and politically and administratively weak regional structures, the remaining partners were more or less interested in their concrete projects from which they were hoping to benefit financially. In spite of being relatively open, the management structure was still suffering from limited civic control and lacked bottom up approach.



Picture 1: Visual image of Cohesion policy in Slovenia



The implementation of the new programme demonstrated some successes in continuing with solving some of the existing structural issues, improvements in terms of larger projects involving multiple partners but also ongoing problems such as administration which was getting more and more complicated as well as some difficulties with softer projects that required specific knowledge, networks and all sorts of physical and social infrastructure to show results and operate beyond the financing period that was still largely inexistent. It was apparent that Slovenia still lacked a number of policies and resources to address those issues in order for ECP to be effective and had a real impact and value added.

One of the biggest concerns was too much focus on the absorption rate, which was partly a side effect of the politization of the distribution of funds, and insufficient focus on quality of strategies and projects, on the results and impact. This was also visible in communication where in spite of all the improvements that were made – including a very good visual image, website, continuing with innovative communication practices and good results when it comes to awareness of the ECP and individual projects, assessment of the role of the national administrative and government structures and their efforts was still relatively poor.

