

16 September 2024

**Positive preliminary assessment of the satisfactory fulfilment of milestones related to the third payment request submitted by Slovenia on 28 June 2024, 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 28 June 2024, Slovenia submitted a request for payment for the fourth instalment of the non-repayable support and the second instalment of the loan 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 five milestones of the fourth instalment of the non-repayable support and the three milestones of the second instalment of the loan support, as set out in Section 2.1.4 and Section 2.2.2 of the Council Implementing Decision of 28 July 2021 on the approval of the assessment of the recovery and resilience plan for Slovenia<sup>1</sup>.

In its payment request, Slovenia has confirmed that measures related to previously satisfactorily fulfilled milestones and targets have not been reversed. The Commission does not have evidence of the contrary. Upon receipt of the payment request, the Commission has assessed on a preliminary basis the satisfactory fulfilment of the relevant milestones. Based on the information provided by Slovenia, the Commission has made a positive preliminary assessment of the satisfactory fulfilment of all eight milestones.

The milestones positively assessed as part of this payment request demonstrate significant steps in the implementation of Slovenia's Recovery and Resilience Plan. They notably highlight the continuation of the reform momentum in key policy areas. This includes, among others, the reform of the pension system (M137) and the reform of further deployment of alternative fuels infrastructure (M67ter). The milestones also confirm progress towards the completion of investment projects related to, among others, the investment to support for decarbonisation, productivity, and competitiveness of companies (M129) and the investment in the greening education infrastructure in Slovenia (M164 and M168).

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.

---

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

## Contents

<b>NON-REPAYABLE SUPPORT .....</b>	<b>3</b>
19 Entry into force of a ban on the use of fossil fuels for heating in new buildings .....	3
129 Award of grants for projects to promote investment .....	7
137 Draft amendments to pension legislation for consultation.....	12
164 Completed selection of investment projects in greening education infrastructure .....	18
179 Public Procurement Academy is operational.....	21
<b>LOAN SUPPORT.....</b>	<b>24</b>
67ter Entry into force of an Act on Alternative Fuels in Transport .....	24
168 Completed selection of investment projects in greening education infrastructure .....	27
203 Award of grants for construction of new institutional care facilities .....	31

## NON-REPAYABLE SUPPORT

### Number and name of the Milestone:

19 Entry into force of a ban on the use of fossil fuels for heating in new buildings

**Related Measure: SI-C[C2]-R[RA]:** Reform of the planning and financing of the energy renovation of buildings in the public sector

**Qualitative Indicator:** Provision in the law indicating the entry into force of the relevant Act

**Time:** Q2 2023

### 1. Context:

The reform shall define cost-effective renovation approaches, policies and measures to promote deep renovations of buildings, including measures to guide investment decisions by individuals, the construction industry and financial institutions, and an assessment of expected energy savings and wider benefits, as provided for in the new Long Term Renovation Strategy. In particular, the reform shall put in place a legal ban on the design and installation of heating oil, mazut (fuel oil) and coal boilers for heating in new buildings.

Milestone 19 requires the entry into force of a ban on the design and installation of heating oil, mazut (fuel oil), and coal boilers for heating in new buildings, as foreseen in the Long-term Strategy for Energy Renovation of Buildings 2050.

Milestone 19 is the first step of the implementation of the reform, and it will be followed by milestone 20, related to the adoption of an Action Plan for the renovation of public buildings. The reform has a final expected date for implementation in Q4 2025.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Milestone 19 Cover note	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled
2	Act on the Promotion of the Use of Renewable Energy Sources (Official Gazette No. 121/2021 from 23 July 2021), entry into force on 7 August 2021 as stipulated in Article 97	Act putting in place the ban on the design and installation of heating oil, mazut (fuel oil), and coal boilers for heating in new building
3	Long-term Strategy for Energy Renovation of Buildings 2050 (reference: 36000-1/2021/3 of 24 February 2021)	Long-term Strategy for Energy Renovation of Buildings 2050 foreseeing the ban on the design and installation of heating oil, mazut (fuel oil), and coal boilers for heating and defining cost-effective renovation approaches, policies and measures to promote deep renovations of buildings, including measures to guide investment decisions by individuals, the construction industry and financial institutions, and an assessment of expected energy savings and wider benefits
4	Decision of the Government of the Republic of Slovenia (reference: 36000-1/2021/3 of 11 March 2021) adopting the Long-term Strategy for Energy Renovation of Buildings 2050	Decision on the adoption of the Long-term Strategy for Energy Renovation of Buildings 2050

### 3. Analysis:

The justification and substantiating evidence provided by the Slovenian authorities cover all constitutive elements of the milestone.

**A law shall establish a ban on the design and installation of heating oil, mazut (fuel oil), and coal boilers for heating buildings, as foreseen in the Long-term Strategy for Energy Renovation of Buildings 2050.**

Furthermore, in line with the description of the measure, **the reform shall put in place a legal ban on the design and installation of heating oil, mazut (fuel oil) and coal boilers for heating in new buildings. This part of the reform shall be implemented through the entry into force of a law by 30 June 2023.**

As stipulated in measure S-5 of the Long-term Strategy for Energy Renovation of Buildings 2050 (reference: 36000-1/2021/3 of 24 February 2021, hereinafter referred to as the "Strategy"), the Act on the Promotion of the Use of Renewable Energy Sources (Official Journal of the Republic of Slovenia No. 121/2021 from 23 July 2021), established the ban on the design and installation of heating oil, mazut (fuel oil), and coal boilers for heating buildings (Article 53). Article 74 of the Act lays down 1 January 2023 as the date of entry into force of Article 53.

Furthermore, in line with the description of the measure, **the reform shall define cost-effective renovation approaches, policies and measures to promote deep renovations of buildings, including measures to guide investment decisions by individuals, the construction industry and financial institutions and an assessment of expected energy savings and wider benefits, as provided for in the new Long Term Renovation Strategy.**

The Council Implementing Decision states that the reform shall define cost-effective renovation approaches, policies, and measures to promote deep renovations of buildings, including measures to guide investment decisions by individuals, the construction industry and financial institutions and an assessment of expected energy savings and wider benefits, as provided for in the Strategy. The Recovery and Resilience Plan on page 67 stipulates that the one of the three key deliverables under the "Reform of the planning and financing of the energy renovation of buildings in the public sector" is the adoption of the Strategy in Q1 2021. In addition, the Recovery and Resilience Plan on page 67 also stipulates the content of the Strategy as regards approaches, policies, and measures relevant for the energy renovation of buildings, which is in line with the measure description from the Council Implementing Decision. On this basis, the requirement of the measure description under this reform should be interpreted as the adoption of the Strategy, which defines approaches, policies, and measures relevant for the energy renovation of buildings. In line with this requirement, the Strategy, defining approaches, policies, and measures relevant for the energy renovation of buildings, was adopted on 24 February 2021. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

**The reform shall define cost-effective renovation approaches,**

In chapter 3.3 of the Strategy (page 53) the cost-effective renovation approach is defined as one where the lifetime costs of the renovated building are lower than the existing state. The key approach to cost effective renovation as defined in the Strategy is the application of the Life Cycle costing principles. The purpose is to determine cost-effective renovation approaches that meet the following objectives over their entire life cycle: the current sustainability priorities and objectives of the built environment. The Life Cycle costing principles (Annex C, page 129 of the Strategy) determine the net present value over the expected lifetime of a building, covering the total

discounted costs, comprising the refurbishment investment, operating costs and costs energy costs, the costs of maintenance, repair and replacement of building parts and appliances, as well as the costs at the end of the life cycle.

**the reform shall define policies and measures to promote deep renovations of buildings,**

The Strategy in chapters 4.1 and 4.2 (pages 56-62), defines policies and measures to promote deep renovations of buildings, such as:

- energy efficiency regulations for buildings introducing stricter energy performance requirements for buildings in line with the results of the national study on cost-optimal minimum requirements;
- systemic approach to more comprehensive renovation of buildings taking into account other aspects such as preservation of older buildings (cultural heritage) and assessment of the seismic resistance of buildings according to new standards and regulations;
- channelling subsidies into comprehensive energy renovations and neighbourhood renovations for residential buildings;
- measures directed towards extensive renovation of public buildings to allow the best effects for public finances, economic growth, employment and other wider social benefits, use of energy contracting;
- program envisaged to enable small and medium-sized companies to reduce their energy costs and thereby reduce their business costs.

**including measures to guide investment decisions by individuals, the construction industry and financial institutions,**

The Strategy in chapters 4.3.1 and 4.3.2 (pages 63-69), defines measures to guide investment decisions by individuals, the construction industry and financial institutions. Measures aimed and individual include, for example: measure G-1 on support scheme for energy efficiency in households for vulnerable groups; measure G-5 on energy advisory network for citizens; measure G-6 on energy efficiency return schemes in households, Eco Fund loans and incentives from other green loan providers to the housing sector. Measures aimed at the construction industry include, for example: measure S-4 on development of sustainability criteria for buildings; measure S-6 on establishing an energy and emissions inventory for buildings; measure S-9 on obligations of suppliers to achieve mandatory energy savings. Measures aimed at financial institutions include, for example: measure G-3 on instruments for financing renovation in buildings with multiple owners; measure G-8 on creating a guarantees scheme to provide individual guarantees to borrowers.

**and an assessment of expected energy savings and wider benefits, as provided for in the new Long Term Renovation Strategy.**

The Strategy in chapter 8 (pages 100-103), defines an assessment of expected energy savings and wider benefits. As regards energy savings, a dynamic model was used to predict energy use in buildings up to 2050. The model estimated the final energy savings for heating and hot water resulting from the implementation of energy renovation measures in existing buildings. Savings were estimated relative to 2017. In 2020, final annual energy savings amount to 1,732 GWh (6.24 PJ), increasing to 4,115 GWh (14.81 PJ) by 2030 and 4,502 GWh (16.21 PJ) by 2050. As regards wider benefits, these include additional employment, increased value of real estate, incentives for research and development, industrial competitiveness and increased exports, reduction of energy poverty and impact on health, improved living comfort and higher productivity.

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled.

**Number and name of the Milestone: SI-C[C9]-I[C]-M[129]**

129 Award of grants for projects to promote investment

**Related Measure:** SI-C[C9]-I[C] Support for decarbonisation, productivity, and competitiveness of companies**Qualitative Indicator:** Communication of awards**Time:** Q2 2023**1. Context:**

The objective of the investment is to support companies increasing their productivity. Projects selected shall comply with a specific set of energy and material efficiency criteria and shall comply with the ‘do no significant harm’ Technical Guidance (2021/C58/01) (hereinafter referred to as “DNSH technical guidance”). The co-financing agreement shall commit the beneficiaries to the use of additional measurable sustainability targets that shall be achieved at the completion of the investment.

Milestone 129 requires 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. The projects shall be in compliance with the Investment Promotion Act as amended under milestone 126, including compliance with the ‘Do no significant harm’ Technical Guidance through the use of an exclusion list (hereinafter referred to as “DNSH exclusion list”) and the requirement of compliance with the relevant EU and national environmental legislation.

Milestone 129 is the first step of the implementation of the investment, and it will be followed by target 130, related to successfully completed projects in compliance with the requirements under milestone 129 with the total amount of funding of at least EUR 88 500 000. The investment has a final expected date for implementation in Q2 2026.

**2. Evidence provided:**

	Name of the evidence	Short description
1	Milestone 129 Summary Document with annexes	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled
2	Call for proposals to promote large investments to increase productivity and competitiveness, published in the Official Gazette of the Republic of Slovenia, reference No. JR INVEST2022-NOO (hereinafter referred to as “Call for proposals JR INVEST2022-NOO”) <a href="https://www.uradni-list.si/1/objava.jsp?ral=2022003800028">https://www.uradni-list.si/1/objava.jsp?ral=2022003800028</a> (No. 38/22 on 18 March 2022), along with its 3 amendments (15 April 2022; 30 September 2022; 7 October 2022)	Document listing all the conditions and requirements for receiving the grant
3	Call for proposals documentation, accompanying the Call for proposals JR INVEST2022-NOO	Explanations of the call for proposals, forms and documents, model grant contract with annexes
4	Official Gazette publication about closing the Call	

	for proposal: <a href="https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina/2022013200001?ral=2022013200001">https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina/2022013200001?ral=2022013200001</a> (No. 132/22 on 14 October 2022)	
5	List of final recipients published on the website of SPIRIT Slovenia, Public Agency for Investment, Entrepreneurship and Internationalization, document no 303-1-0/2022/23	Same list was provided also as an annex to the Summary document
6	63 decisions by SPIRIT Slovenia, Public Agency for Investment, Entrepreneurship and Internationalization, to award the grants to the companies	
7	Declaration regarding the compliance of the selected projects with the DNSH exclusion list together with the annex listing the compliant projects	Declaration signed by the Director of the SPIRIT Slovenia, Public Agency for Investment, Entrepreneurship and Internationalization, confirming selected projects do not fall under the DNSH exclusion list.
8	Assessment table with justifications for the additional verification of the DNSH exclusion list	Detailed information about the purpose of the project, ETS status, downstream use of fossil fuels and assessment conclusion.
9	Call for proposals to promote large investments to increase productivity and competitiveness, published in the Official Gazette of the Republic of Slovenia, reference [No. JR INVEST September 2024 NOO (hereinafter referred to as "Call for proposals JR INVEST September 2024-NOO) published in the Official Gazette: <a href="https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina/2024006900009/javni-razpisa-spodbujanje-velikih-investicij-za-vecjo-produktivnost-in-konkurencnost-v-republiki-sloveniji-september-2024-kratica-javnega-razpisa-jr-invest-september-2024---noo-ob-275124">https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina/2024006900009/javni-razpisa-spodbujanje-velikih-investicij-za-vecjo-produktivnost-in-konkurencnost-v-republiki-sloveniji-september-2024-kratica-javnega-razpisa-jr-invest-september-2024---noo-ob-275124</a> (No. 69/2024 on 16 August 2024)]	Additional call to select the required number of projects

### 3. Analysis:

The justification and substantiating evidence provided by the Slovenian authorities cover all constitutive elements of the milestone.

#### **Award of grants for projects to promote investment in manufacturing, services, and research and development activities through investment in fixed tangible and intangible assets.**

The Call for proposals JR INVEST2022-NOO to promote large investments to increase productivity and competitiveness was published in the Official Gazette No. 38 on 18 March 2022 with a deadline to submit project proposals by 22 April 2022 (Evidence 2). By this deadline, 98 applications were received. On 10 October 2022, the Selection Committee finalised the selection of projects and the decisions to award the grants for each final recipient were issued (Evidence 6). On 14 October 2022, SPIRIT Slovenia, Public Agency for Investment, Entrepreneurship and Internationalization (hereinafter referred to as "SPIRIT"), responsible for the call, published a notice in the Official Gazette that the call had to be closed due to the use of all available funds within the first deadline

for submission of applications (Evidence 4). On 4 November 2022, SPIRIT published on its webpage the list of 63 companies which were awarded the grants. (Evidence 5).

Section 4 of the Call for proposals JR INVEST2022-NOO defines the purpose, goal and subject of the call for proposals and the eligible area. This section states that an investor can apply for a subsidy for investment in tangible and intangible fixed assets (excluding value added tax and other taxes and duties) in the manufacturing industry, in the service industry and in research and development activities. The investment in machinery and equipment must amount to at least 50% of the investment value in all three cases. The grant award decisions contain the assurance that before the grant was awarded, it was verified that the application met all the conditions and provisions of the call for proposals (Evidence 6, Section: Justification).

Following the ex-post DNSH exclusion list compliance checks (see relevant section below), the authorities concluded that 3 projects did not meet the DNSH exclusion list conditions. Consequently, these projects cannot be considered in the assessment of milestone 129 and it should be considered that the number of granted awards compliant with the requirements of the Council Implementing Decision is 60.

While the Slovenian authorities initially granted awards for 60 compliant projects in the first call, various objective circumstances (such as the global economic situation, devastating floods in Slovenia in 2023, applicants' inability to maintain the number of jobs and problems receiving bank guarantees) resulted in 8 companies not proceeding with their projects and voluntarily turning down their grant award. To remedy this situation, the Slovenian authorities launched a new Call for proposals [JR INVEST September 2024-NOO] (Evidence 10) on 16 August 2024 with a deadline for submitting project proposals by 11 September 2024. According to section 3.3, point 3, of the new call, the investment must be completed by 30 June 2026 and must start within six months of the conclusion of the grant contract. The new call retains identical conditions to the initial one, but now includes the DNSH exclusion list in sub-chapter 6.3, point 22, that had not been included in the initial call.

**The projects shall be in compliance with Investment Promotion Act as amended under milestone 126,**

Section 1 of the Call for proposals JR INVEST2022-NOO outlines the legal basis for the call for proposals and includes a reference to the Investment Promotion Act.

The amended Investment Promotion Act (as assessed under milestone 126) ensures that criteria on public investment support for enterprises (Article 4) are focused on highly productive, sustainable, and digitally oriented business models and investments. All supported investments include conditions to promote the green transition, including energy efficiency requirements, environmentally responsible management and material production efficiency.

Section 6.3 "Specific requirements for the investment" of the Call for proposals JR INVEST2022-NOO restates the requirements of Article 4 of the Investment Promotion Act, thereby ensuring compliance between the call for proposals and the Investment Promotion Act.

**including compliance 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.**

Furthermore, in line with the description of the measure, **in order to ensure that the measure complies with the 'Do no significant harm' Technical Guidance (2021/C58/01) the eligibility criteria contained in terms of reference for upcoming calls for projects shall exclude the following list of activities: (i) activities related to fossil fuels, including downstream use; (ii) activities under the EU Emission Trading System (ETS) achieving projected greenhouse gas**



**emissions that are not lower than the relevant benchmarks; (iii) activities related to waste landfills, incinerators and mechanical biological treatment plants; and (iv) activities where the long-term disposal of waste may cause harm to the environment. The terms of reference shall additionally require that only activities that comply with relevant EU and national environmental legislation may be selected.**

In Section 1, “Legal basis”, the Call for proposals JR INVEST2022-NOO includes reference to the DNSH technical guidance. Section 6.3 “Specific conditions for the investment” of the Call for proposals JR INVEST2022-NOO contains the requirements in point 18 to carry out the investments in accordance with the DNSH principle, including DNSH technical guidance. Model grant contract, included in section IV of the documentation accompanying the call JR INVEST2022-NOO (hereinafter referred to as “model contract”) (Evidence 3) specifically Article 20, reiterates this requirement for compliance with the DNSH principle and additionally stipulates that compliance must be reported in the final project reports and failure to do so may result in fund recovery.

The Council Implementing Decision required the use of an exclusion list as part of the eligibility criteria in order to further ensure compliance with DNSH technical guidance. However, the published Call for proposals JR INVEST2022-NOO did not include a reference to the exclusion list in the eligibility criteria. To remedy this omission, a detailed ex-post assessment of the projects was carried out by SPIRIT. SPIRIT provided a Declaration regarding the compliance of the selected projects with the DNSH exclusion list together with the annex listing the compliant projects, signed by the director of SPIRIT on 18 July 2024 (hereinafter referred to as “declaration of compliance”) confirming that 60 of the selected beneficiary projects comply with the ‘Do No Significant Harm’ principle and do not concern any of the excluded activities (Evidence 7). The declaration of compliance is complemented by a detailed ex-post assessment of the DNSH compliance of each of the projects (Evidence 8). The assessment follows the DNSH technical guidance), and is further complemented by four exclusion criteria, in line with required exclusion list from the measure description. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, it has been verified that the selected projects respect the requirements of the Council Implementing Decision.

As regards the requirement of compliance with the EU and national environmental legislation, Section 23 of the Call for proposals JR INVEST2022-NOO outlines the consequences if investment activities are found to be non-compliant with the laws of the Union and the laws of the Republic of Slovenia. In such cases, SPIRIT will terminate the grant award contract and the final recipient will be obliged to return the unduly received funds together with the legal default interest from the day the funds are transferred to the transaction account of the final recipient until the day the funds are returned to the budget of the Republic of Slovenia. Article 26 of the model contract requires that the implementation of the investment must be lawful, economical and efficient. Failure to ensure these requirements constitutes a material breach of the contract. Furthermore, a detailed ex-post assessment of each of the selected projects, conducted by SPIRIT, responsible for the implementation of the call for proposals procedure, concluded that 60 of the awarded projects are compliant with both EU and national environmental legislation.

Furthermore, in line with the description of the measure, **projects selected shall comply with a specific set of environmental performance criteria, in particular energy and material efficiency**

Section 6.3 “Specific conditions for the investment” of the Call for proposals JR INVEST2022-NOO contains the requirements for the specific set of environmental performance criteria. Point 16 requires that the investment must demonstrate at least a 10% reduction in energy consumption in case the project concerns the expansion of the company's capacity or a significant change in the production process of the company. In case the project concerns diversification of the company's production into new products that were not previously produced, the purchase of new machinery

and equipment must be evident from the investment documentation, and they must comply with the highest energy standards or refer to the best available technology.

Point 17 requires that the investment must demonstrate at least a 10% reduction in the consumption of materials in case the project concerns the expansion of the company's capacity or a significant change in the production process of the company. In case the project concerns diversification of the company's production into new products that were not previously produced, the purchase of new machinery and equipment must be evident from the investment documentation, and they must comply with the highest energy standards or refer to the best available technology.

Point 15 requires the applicant to include the environmentally responsible management strategy or action plan to the application to demonstrate responsible environmental management.

Furthermore, in line with the description of the measure, **the co-financing agreement shall commit the beneficiaries to the use of additional measurable sustainability targets that shall have to be achieved at the completion of the investment.**

Article 21 of the model contract includes large set of possible commitments depending on the situation of the applicant. The commitments include: obtaining ISO14001 environmental management certificate; proof of registration in Eco-management and audit scheme (EMAS) system; obtaining eco-label; commitments to circular economy objectives; climate change mitigation etc. Achievement of these commitments must be demonstrated in the final reports of the project and failure to do so will lead to the recovery of the funds.

#### **4. Commission Preliminary Assessment:** Satisfactorily fulfilled

**Number and name of the Milestone:**

137 Draft amendments to pension legislation for consultation

**Related Measure:** SI-C[C10]-R[RA] Structural measures to strengthen the resilience of the labour market

**Qualitative Indicator:** Draft amendments to the Pension and Disability Insurance Act aimed at ensuring the fiscal sustainability and adequacy of the pensions are transmitted to the Economic and Social Council

**Time:** Q2 2023

**1. Context:**

The overall objective of the reform is to increase the resilience of the labour market by ensuring, in particular, its adaptation to the negative demographic trends. 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<sup>2</sup>.

The specific objective of milestone 137 is the submission of the draft amendments to the pension legislation for consultation with the Economic and Social Council. The proposal shall address sustainability challenges the country faces and shall include changes to retirement conditions, changes in indexation, linkages between payments and disbursements. In addition, a modernisation of the Invalidity Insurance Scheme shall be proposed, as well as measures to increase participation in supplementary pension schemes. The proposal shall ensure the fiscal sustainability of the pension system and adequacy of pensions.

Milestone 137 is the first step of the implementation of the reform, and it will be followed by milestones 138 and 139, related to the adoption of the reform in the government and parliament. The reform has 31 December 2024 as expected date for implementation.

**2. Evidence provided:**

	Name of the evidence	Short description
1	Milestone 137 Summary Document with annexes	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled
2	Cover letter 0070-8/2023-2611-47 of 26/06/2024 to the negotiating team of the Economic and Social Council	Document signed by the State Secretary Igor Feketija – cover letter transmitting the draft act to the members of Slovenia's Economic and Social Committee (Annexes 4 and 4.1 of the Summary Document)
3	Draft legislation attached to the cover letter sent to the Economic and Social Council	Name of evidence self-explanatory (Annex 3 of the Summary Document)
4	Calculations by the Institute of Economic Research regarding the impact of the reform	Calculations on the economic effects of the reform legislation carried out by a research institute using their micro-simulation model (Annex 7 of the

<sup>2</sup> The risk categories are defined in the Commission's regular Debt Sustainability Monitor, latest 2023 edition: Institutional Paper 271. March 2024.

		Summary Document)
5	Extracts of legislation: - Act on the changes of the Pension and Disability Insurance Act (ZPIZ-2G, OJ 75/19) of 12 December 2019, entered into force on 1 January 2020; - Act on the changes of the Pension and Disability Insurance Act (ZPIZ-2I, OJ 51/21) of 2 April 2021, entered into force on 17 April 2021; - Act on the changes of the Pension and Disability Insurance Act (ZPIZ-2S, OJ 133/23) of 27 December 2023, entered into force on 28 December 2023.	Selected articles of the concerned legislation, highlighting the changes made prior to the draft reform package submitted to social partners on 26 June 2024 and impacting crucial elements of the reform (adequacy, sustainability) (Annex 1 of the Summary Document)
6	Cover notes informing the Economic and Social Council about draft proposals of ZPIZ-2I and ZPIZ-2S)	(Annex 2 of the Summary Document).
7	White paper on Pension Reform, 2016	Document containing the analytical foundation of the pension reform, demonstrating its necessity
8	OECD Reviews of Pension Systems – Slovenia (27.01.2022)	OECD report prepared with the help of European Commission's technical assistance. OECD (2022), OECD Reviews of Pension Systems: Slovenia, OECD Reviews of Pension Systems, OECD Publishing, Paris.
9	Letter from the Institute of Economic Research on the impact of the reform	Explanatory letter on the work done by the independent research institute detailing the work done and presenting the results. Signed by the director of the institute Dr Kavašon 18 July 2024.
10	Harmonised starting points for the reform of the pension system and disability insurance in the Republic of Slovenia	Previous agreement between the social partners regarding the direction of the pension reform
11	Letter from the Ministry of Labour, Family, Social Affairs and Equal Opportunities no 5440 – 1/2024-68	Letter signed by State Secretary Igor Feketija on 18 July 2024 explaining the Ministry's work on pension reform
12	Dinamični pokojninski simulacijski model DYPENSI, Nataša Kump et al.	Publication by the Institute of Economic Research detailing the microsimulation model used in pension reform impact calculations

### 3. Analysis:

The justification and substantiating evidence provided by the Slovenian authorities covers all constitutive elements of the milestone, which concerns the first phase in the process of amending the pension legislation, notably the submission of the draft amendments for consultation with the Economic and Social Council.

**The content of the proposal shall address sustainability challenges, such as expected demographic trends, the relationship between insured and pensioners**

**The proposal shall ensure the fiscal sustainability of the pension system (risks stemming from age-related expenditure shall be significantly reduced from the current high-risk category) and adequacy of pensions.**

The content of the proposal addresses the challenges as identified in the European Commission's 2024 Ageing Report. The proposal has been compiled with the 2024 Ageing Report scenario considered to be the baseline against which the impact of the measures has been compared for the projected increase in the age-related expenditure. The authorities recognize the ageing-related challenges, and the proposal addresses these challenges, including the ageing of the population, and the lower ratio of workers to retirees. This is also demonstrated by the fact that Slovenia requested from the Commission a technical assistance project, carried out by the Organisation for Economic Co-operation and Development, to evaluate the challenges (Evidence 8). The 2024 Ageing Report outlined the challenges as well as options to address these. The draft legislation builds on these recommendations. Slovenian authorities have also provided an analytical document "White paper on Pensions" that they consider as basis of the reform (Evidence 7), analysing the demographic challenges in chapter 2 "Demography and long-term sustainability of public finances". Based on the 2024 Ageing Report, pension expenditure is projected to increase from 10.20% of GDP in 2024 to 13.49% in 2050 and 13.70% in 2070 under unchanged policies. Based on the Institute of Economic Research calculations (Evidence 9) using their microsimulation model (Evidence 12), the impact of the pension reform legislation, if adopted, is that the pension expenditure will increase to 10.80% of GDP in 2050 and 11.09% of GDP in 2070. This significantly lower increase in pension expenditure will reduce Slovenia's long term fiscal sustainability risk from its current high level. Furthermore, the proposal will increase the available labour force for the economy due to longer careers induced by the higher retirement age, which in turn will have a beneficial impact on the economy and public finances. The impact, however, also includes an additional assumption of an increase in migration – an increase of 2000 persons per year compared to the baseline assumption of 5000 persons per year. The assumption is not covered by the articles but is in line with the recent migration trends (Evidence 11).

Fiscal sustainability is addressed by introducing an indexation system, which will imply increases of pensions in line with inflation. The first modification of the indexation is foreseen within the lifetime of the RRP.

Based on the draft amendments to the act, the main changes to the pension and disability system will be introduced with transition periods (act will enter into force as of 2026, some articles as of 2028). The authorities have provided in the summary document (Evidence 1) an explanation, why such an approach is taken:

- Gradual transition will prevent panic and rush towards retirement. If people perceive that the retirement conditions will worsen, people who are close to retirement are strongly motivated to retire as soon as possible. In 2012, after the last pension reform, there was a nearly 100-percent increase in retirement, resulting in great strain on the pension budget and the pension institute processing the retirement claims and applications.
- The retirement system is in currently still in rather solid financial condition based on the Ageing Report 2024, the risks are not short term but long-term. This means there is enough time to afford an orderly transition which is necessary considering the experience of the previous larger pension reforms.
- The Pension and Disability Institute, the implementing body of the pension system, needs time to adjust their working methods, IT systems, provide training to the employees etc.
- Taking into account the experience from the previous reforms, Slovenian authorities see that it is necessary to introduce the changes gradually and to a large extent, simultaneously.

**Adequacy and transparency of pension and disability insurance.**

The measures put forward in the draft amendments to the act include a balanced approach between the sustainability improving measures and the adequacy improving measures. 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.

Based on the analysis of the Slovenian authorities cited in the Summary document (Evidence 1), the proposal would ensure that the pension for persons with at least 40 years of contributions will not be below 90% of the poverty threshold. To achieve this, the draft amendments to the act propose an increase in the accrual rate for 40 years of contributions from 63.5% to 65.5% by 2035 (Evidence 3, Article 37). The Slovenian authorities have also provided explanations regarding the increases in the accrual rate based on the earlier legislative acts, demonstrating that the accrual rate has been already increasing since 2020 with the latest increase introduced in 2023 (Evidence 5, Article 37 of ZPIZ-2I).

In addition, the draft amendments to the act include measures directed towards the most vulnerable retirees, essentially those on widow's/widower's pensions. Based on this proposal the widow's/widower's pensions will be increased gradually from 70% to 80% of the pension of the deceased (Evidence 3, Article 61), with the first increase taking place in 2026 (from 70 to 72 %). Based on the calculations of the Institute of Economic Research (Evidence 9), this change increases pension expenditure by 0.05% of GDP by 2070 compared to the baseline scenario defined in the Ageing Report 2024. The guaranteed widow's/widower's pension has already been introduced in 2024 (Evidence 5, Article 39), contributing significantly to the pension adequacy of this vulnerable group.

Based on the calculations of the responsible Ministry (Evidence 11), the changes ensure that the ratio between minimum pension for 40 years of service and at-risk-of-poverty threshold (for a single person without dependents) is around 97 %. The welfare of single pensioner, in case they are widowers, is expected to improve with the higher accrual rate for survivor's pensions. For pensioners living as couples, the at-risk-of-poverty threshold, taking into account their combined household income is expected at ca 13 % above the at-risk-of-poverty threshold. The improved supplementary pension system, which also increases the adequacy of pensions, is discussed below.

The draft amendments to the act increase the transparency of the pension and disability insurance system, introducing a simplified definition of the pension period. Using the entire contribution period as the basis for calculating the benefits (Evidence 3, Article 30), replacing current moving windows of "best years", and will thus enhance transparency and predictability of the pensions. It will also discourage currently existing manipulations in which specific groups of self-employed would pay minimal contributions outside of the benchmark window and still receive a comparatively high pension. Based on the calculations of the Institute of Economic Research (Evidence 9), this change reduces pension expenditure by 0,64% of GDP by 2070 compared to the baseline scenario defined in the Ageing Report 2024.

The draft proposal thus addresses poverty protection and income maintenance (see also below *i. changes in indexation, linkages between payments and disbursements*), two dimensions of the pension adequacy concept, as defined in the 2024 Pension Adequacy Report by the Social Protection Committee (SPC) and the European Commission (DG EMPL)<sup>3</sup>.

**The proposal shall include changes to retirement conditions (such as higher retirement age, unification of periods when the required period is adjusted)**

---

<sup>3</sup> 2024 Pension adequacy report, Joint report prepared by the Social Protection Committee (SPC) and the European Commission (DG EMPL); Publications Office of the European Union, 2024.

The draft amendments to the act include (Evidence 3, Article 27) a proposal to raise 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. Article 27 will enter into force from 2028 and foresees a transition period for the retirement age to increase gradually from 2028 to 2035. This effectively means that all persons born after 1970 will retire at the age of 67 (Or 62 with 40 years of contributions) after the adoption of the legislation and will not be covered by the transitional arrangements, while those born before that date could still retire earlier. Only those born between 1962 and 1967 can still retire at the age of 65 or between the age of 60 and 64 in case they have contributed to the system for at least 40 years. Based on the calculations of the Institute of Economic Research (Evidence 9), this change reduces pension expenditure by 0.5% of GDP by 2070 compared to the baseline scenario defined in the Ageing Report 2024.

The CID requirement “Unification of periods when the required period is adjusted” must be understood as equal treatment of insurance periods, regardless of whether contributions were paid as part of employment, as voluntary payments without employment, or through purchased contribution period. This is provided for in articles 40, 136 and 137 in the draft legislation (Evidence 3). This interpretation is also established in the document “Harmonised starting points for the reform of the pension system and disability insurance in the Republic of Slovenia” (Evidence 10), where point 3 of the agreement is to “unify the different periods in the legislation currently in force into a single term ‘period of insurance’ and to preserve the rights expected from different periods. This is provided for in articles 40, 136 and 137 of the draft legislation (Evidence 3).

#### **i. changes in indexation, linkages between payments and disbursements**

The draft amendments to the act foresee to change the formula for the indexation of the pensions with no transition periods and the phasing-in already starting on 1 January 2026. Currently, the formula takes into account the increases in wages with 60% weight and the inflation, with 40% weight. In 2026, the indexation formula changes to 55 % weight on wage increases and 45% inflation (Evidence 3, Articles 105 and 106) and gradually reaches 100% weight on inflation by 2039. In terms of impact, this change is the most significant element of the act in increasing the financial sustainability of the pension system (i.e., containing the projected increase in pension-related expenditure in the long term). Based on the calculations of the Institute of Economic Research (Evidence 9), this change reduces pension expenditure by 1.65% of GDP by 2070 compared to the baseline scenario defined in the Ageing Report 2024. The draft amendments to the act foresee (Evidence 3, article 30) to increase the reference period for calculating the pensions from the 24 highest income consecutive years to 40 years, with the five worst years excluded. Article 30 foresees a transition period from 2028 to 2035. This effectively means that all persons born after 1970 will have their pensions rights calculated based on the 40-year reference period, while those born earlier will have their pension rights calculated based on a period between 24 and 40 years. Based on the calculations of the Institute of Economic Research (Evidence 9), this change reduces pension expenditure by 0.64% of GDP by 2070.

**In addition, a modernisation of the Invalidity Insurance Scheme shall be proposed, also with a view to maximising the integration into the labour market of individuals with reduced working capacity and thus improving their social security coverage, as well as measures to increase participation in supplementary pension schemes.**

The draft amendments to the act foresee establishing a system of professional rehabilitation as a basic right and obligation within the disability insurance system (Evidence 3, Articles 63, 72-80). They foresee interaction with the reform of the health system that would allow targeted medical examinations after three months of sick leave at the latest. The decision on professional rehabilitation, the continuation of medical treatment or transfer to the disability insurance system would be based on this examination. The professional rehabilitation would start, if possible, before the medical treatment is concluded (Evidence 3, Articles 63, 72). Effective professional rehabilitation

would help workers with temporary or permanent lower capacity to work to maintain or find employment. New forms of occupational rehabilitation are added to offer reasonable and appropriate methods of carrying out rehabilitation, taking into account the remaining capacity to work (Evidence 3, Article 75). The draft amendments to the act also foresee a new way of determining the annual allowance (Evidence 3, Article 95) and the reconciliation of remuneration (paragraphs 105 and 106). It enhances the competence of an expert body for professional rehabilitation procedure (Evidence 3, Article 181). These changes are foreseen to enter into force in 2026. The changes which concern age limits in invalidity pensions are foreseen to be implemented in a gradual manner from 2028, as is the case in other age limit increases in the draft.

Social security coverage is improved through Article 137 (Evidence 3) which foresees a general increase in the accrual rate and a more favourable calculation of the period that is taken into account when defining the accrual rate.

The draft amendments to the act envisage the automatic enrolment of all employees in the supplementary pension schemes with the option to opt out (Evidence 3, Articles 214 and 233). A system of matching contributions between employees and employers is proposed in the draft legislation (Evidence 3, Article 241). Measures to increase participation in supplementary pension schemes will enter into force in 2026.

The Council Implementing Decision required, in line with the qualitative indicator for the milestone, that **draft amendments to the Pension and Disability Insurance Act aimed at ensuring the fiscal sustainability and adequacy of the pensions are transmitted to the Economic and Social Council**

Slovenian authorities have provided evidence in the form of letter No. 0070-8/2023-2611-47, that on 26 June 2024 the Ministry of Labour, Family, Social Affairs and Equal Opportunities transmitted the draft legislation to the Economic and Social Council. Based on the proposal, the amendments will enter into force 15 days after the publication in the Official Journal (envisaged in the first quarter of 2025) and will be applied from 1 January 2026 with some transition periods for some of the elements that will apply as of 1 January 2028.

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled.



**Number and name of the Milestone:**

164 Completed selection of investment projects in greening education infrastructure

**Related Measure:** C12.IH Greening education infrastructure in Slovenia

**Qualitative Indicator:** Signature of contracts

**Time:** Q2 2023

**1. Context:**

The objective of the investment is to construct a modern and environmentally friendly education infrastructure, with a primary energy demand of at least 20 % below the nearly zero-energy building requirement.

The investment is to be implemented in accordance with the Strategy for Greening Education and Research Infrastructures (milestone 167, included in the second payment request).

Milestone 164 provides for the signature of the contract for the co-financing of an infrastructure project in accordance with the Strategy for Greening Education and Research Infrastructures. The contract shall ensure that the primary energy demand of all new building is at least 20 % lower than the nearly zero-energy building requirement.

Milestone 164 is the first step of the implementation of the investment. It will be followed by target 166, related to the completed construction and entry into operation of the new educational facility. The investment has a final expected date for implementation by 30 June 2026.

**2. Evidence provided:**

	Name of the evidence	Short description
1	M164 Summary document	Document in line with the Operational Arrangements, duly justifying how the milestone was satisfactorily fulfilled, with appropriate links to the underlying evidence
2	Contract No. C3330-22-959001 on co-financing the implementation of the project "Vrazov trg Campus, Faculty of Medicine of University of Ljubljana" under the Recovery and Resilience Plan, 2022-11-21	Contract on co-funding the investment, signed between the Ministry of Education, Science and Sport and University of Ljubljana. Contract includes four annexes, with Annex 1 being the Project Application (No. 303-59/2022/8 of 2022-05-18, with amendments No. 303-59/2022/22 of 2022-09-06 and No. 303-59/2022/23 of 2022-09-08), with 10 annexes of its own.
3	Construction permit No. 351-3513/2022-7 of 2023-02-08	Permit for the construction of the Vrazov trg Campus, issued by the Ljubljana Administrative Unit.
4	Detailed Design (PZI) - Technical Report of March 2023	Detailed construction designed based on the application for the construction permit.
5	Strategy for greening education and research infrastructure in Slovenia, adopted by the government on 17 August 2023, by decision 63100-2/2023/6	Strategic document in line with M167, assessed in the second payment request.
6	DNSH Assessment of 2023-02-27	DNSH assessment carried out by external contractor.
7	Climate Change Assessment of 2023-02-	Climate change assessment carried out by external

	27	contractor.
8	Energy Efficiency Study of 2023-03-07	Energy efficiency study carried out by external contractor.

### 3. Analysis:

The justification and substantiating evidence provided by the Slovenian authorities cover all constitutive elements of the milestone.

#### **The Ministry of Education, Science and Sport shall sign the contract for the co-financing of an infrastructure project**

The Ministry of Education, Science and Sport signed Contract No. C3330-22-959001 (hereafter “the Contract”) with the University of Ljubljana on co-financing the implementation of the project “Vrazov trg Campus, Faculty of Medicine of University of Ljubljana” under the Recovery and Resilience Plan on 21 November 2022 (Evidence 2).

The Contract includes four annexes, with Annex 1 being the Vrazov trg Campus, Faculty of Medicine of University of Ljubljana Project Application (No. 303-59/2022/8 of 2022-05-18, with amendments No. 303-59/2022/22 of 2022-09-06 and No. 303-59/2022/23 of 2022-09-08) containing 10 annexes of its own.

Annex 2 of the Vrazov trg Campus, Faculty of Medicine of University of Ljubljana Project Application, *Dokument identifikacije investicijskega projekta*, entails the preliminary investment description, with the state of play and proposed solutions. It identifies the needs for new and additional spaces for higher education and scientific research in the field of medicine and proposes the construction of new facilities – the Vrazov trg Campus.

Project activities must be concluded by 30 June 2026 (as per Article 7 of the Contract).

#### **in accordance with the Strategy for Greening Education and Research Infrastructures.**

The overall objectives of the Strategy for Greening Education and Research Infrastructure (hereafter referred to as “the Strategy”) are the improvement of the quality and sustainability of the educational and research building stock by investing in its greening and maintenance (Evidence 5). Chapter 6 of the Strategy sets out the following strategic objectives:

- i) maintenance and reconstruction;
- ii) addressing space deficit;
- iii) setting up modern equipment.

The strategy assigns specific actions to the strategic objectives, notably the implementation of measures for the greening of public education and research infrastructure and the provision of sufficient, pedagogically relevant, spatially optimal, designed, quality and sustainable infrastructure and equipment.

The investment covered by this milestone addresses the strategic objective (No. 2) of the Strategy which focuses on reducing space shortages through measures 6.2.1 new constructions and extensions; 6.1.3 efficient use of energy in buildings; and 6.1.4 installation of renewable energy technologies in buildings.

Annex 2 of the Project Application (Evidence 2, Annex 1 of the Contract) identifies the needs for new and additional spaces for higher education and scientific research in the field of medicine. The proposed construction of a new facility – the Vrazov trg Campus – is in line with measure 6.2.1.

Furthermore, the planned energy efficiency of the building (Evidence 4, Detailed Design (PZI) - Technical Report, page 33) is in line with measure 6.1.3 and will be measured by the Strategy performance indicator K-2.2 on the reduction of primary energy usage in newly constructed buildings, with the aim of a 20% lower usage than of near-zero energy buildings. According to the The Detailed Design (PZI) - Technical Report (Evidence 4, page 43) the building will include a solar power plant with photovoltaic panels placed on the roof, in line with measure 6.1.4 of the Strategy.

**The contract shall ensure that the primary energy demand of all new buildings is at least 20 % lower than the nearly zero-energy building requirement.**

According to Article 2, indent 12, of the Contract (Evidence 2), all the documents that have been submitted as part of the Vrazov trg Campus, Faculty of Medicine of University of Ljubljana Project Application were considered for the project approval form an integral part of the Contract.

Annex 1 of the Contract is the Vrazov trg Campus, Faculty of Medicine of University of Ljubljana Project Application, which includes Annex 4: Declaration by the applicant concerning the conclusion of a direct contract for the project (*Priloga 4: Izjava prijavitelja v zvezi s sklenitvijo neposredne pogodbe za projekt*). In this declaration, signed on 5 September 2022, the applicant (University of Ljubljana, represented by the Rector) declares in the first indent 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”.

The Detailed Design (PZI) - Technical Report (Evidence 4, section 2.5, page 28) further confirms that the investment peruses this goal: according to the presented calculations, the newly constructed building would be placed in the top energy efficiency class A1, with a primary energy consumption of 7,544 kWh/m<sup>2</sup>a or 86.2% lower than reference nearly-zero energy building value (55,000 kWh/m<sup>2</sup>a) (Evidence 4, page 33).

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled.

**Number and name of the Milestone:**

179 Public Procurement Academy is operational

**Related Measure:** SI-C[C13]-R[RC], Creating systemic conditions for investment growth**Qualitative Indicator: A Public Procurement Academy is operational****Time: Q2 2023****1. Context:**

The objective of the reform is to increase public and private investment by reforming the public procurement system and by simplifying procedures in the area of construction and spatial planning.

Milestone 179 concerns the establishment of the Public Procurement Academy. The Public Procurement Academy increases the competences of public officials through a set of programmes and trainings in the field of public procurement.

Milestone 179 is the fourth milestone of the reform. It follows the completion of milestone 174, related to the entry into force of the amendments to the Public Procurement Act, milestone 178, related to 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 and milestone 176, related to the completion of a technical assistance to support the implementation of public procurement reforms. It will be followed by milestone 177, related to the delivery of an independent analysis of the impact of public procurement reforms and the formulation of measures and targets to improve the system, and target 175, related to the proportion of negotiated procedures without prior publication in all transparently published procedures.

**2. Evidence provided:**

	Name of the evidence.	Short description
1	<i>Annex 1: The Public Procurement Academy Programme (July 2022, Ministry of Public Administration)</i>	This study programme drafted by the Ministry of Public Administration includes a description of the training methods and the four study programmes developed by the Public Procurement Academy. Link to the website with the work programme and other relevant information on competence model: <a href="https://ejn.gov.si/direktorat/profesionalizacija/kompetencni.html">https://ejn.gov.si/direktorat/profesionalizacija/kompetencni.html</a> . Link to the Ministry's website - Public Procurement Academy, small-value procedure module: <a href="https://ua.gov.si/aktivnosti/?Tag=459&amp;category=4ba2e20b-2e80-ed11-9c90-005056818ee6">https://ua.gov.si/aktivnosti/?Tag=459&amp;category=4ba2e20b-2e80-ed11-9c90-005056818ee6</a> . Link to the Ministry's website - Public Procurement Academy, procurement of higher values: <a href="https://ua.gov.si/aktivnosti/?Tag=459&amp;category=cf68d9e4-3780-ed11-9c90-005056818ee6">https://ua.gov.si/aktivnosti/?Tag=459&amp;category=cf68d9e4-3780-ed11-9c90-005056818ee6</a> .
2	<i>Annex 2: The Competence Model Handbook (July 2022,</i>	This handbook provides a framework for defining the skill and knowledge requirements of public officials involved in public procurement and it defines learning needs for each job profile.

	<i>Ministry of Public Administration)</i>	
3	<i>Annex 3: Decision of the Government of Slovenia n. 60300-4-2022-3 of the 7 September 2022.</i>	This government decision acknowledge the results of the Competence Model Handbook and it requires the Ministry of Public Administration to implement the programme of the Public Procurement Academy.
4	<i>Annex 4: Table 1 – Set of trainings already performed.</i>	This table provides an overview of which trainings for each module and how many participants took part to each training.
5	<i>Annex 5: Some example study materials used at the Public Procurement Academy.</i>	These are a few examples of the study materials used at the Public Procurement Academy

### 3. Analysis:

The justification and the substantiating evidence provided by the Slovenian authorities cover all constitutive elements of the milestone.

#### **The Public Procurement Academy is operational**

On 7 September 2022, the Decision of the Government of Slovenia No. 60300-4/2022/3 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, which is managed by the Ministry of Public Administration, to increase the level of professionalisation of public employees. The Administration Academy (<https://ua.gov.si/>) is the internal organisational unit of the Ministry of Public Administration responsible for the preparation and delivery of training courses for public employees to increase the level of professionalisation through continuous learning. In particular, Decision of the Government of Slovenia No. 60300-4/2022/3 acknowledges the findings of the Competence Model Handbook and instructs the Ministry of Public Administration to implement the training programme of the Public Procurement Academy for the staff performing procurement procedures (*Annex 3: Decision of the Government of Slovenia n. 60300-4-2022-3 of 7 September 2022*).

The Competence Model Handbook (*Annex 2: The Competence Model Handbook, July 2022, Ministry of Public Administration*) drafted by the Ministry of Public Administration provides a framework for defining what the skills and knowledge requirements of public officials involved in public procurement are and defines learning needs for each job profile.

The Ministry of Public Administration prepared a study programme for the Public Procurement Academy (*Annex 1: The Public Procurement Academy Programme (July 2022, Ministry of Public Administration)*). Trainings began for two job modules on ‘public buyer for smaller value contracts’ (<https://ua.gov.si/aktivnosti/?Tag=459&category=4ba2e20b-2e80-ed11-9c90-005056818ee6>) and ‘public buyer for higher value contracts’ (<https://ua.gov.si/aktivnosti/?Tag=459&category=cf68d9e4-3780-ed11-9c90-005056818ee6>). Each study module has lecturers and a contact person. Public employees can sign in via the online platform of the Administration Academy (<https://ua.gov.si/>). In the first half of 2023, the Public Procurement Academy had over 500 participations of public employees (*Annex 4: Table 1 – Set of trainings already performed*).

**The Public Procurement Academy shall aim to increase the level of professionalisation among stakeholders through a set of programmes and trainings for public officials in the field of public procurement.**

The Public Procurement Academy provides study programmes for public employees, organised in training modules. The trainings courses aim to increase the level of professionalisation by developing competences and skills of public employees involved in public procurement procedures.

The training courses are organised by modules for different job profiles. The Competence Model Handbook in the field of Public Procurement defines learning needs for four job profiles in public procurement: i) public buyer for smaller value contracts, ii) public buyer for higher value contracts, iii) specialist (field expert/technical staff), and iv) contract manager (*Annex 2: The Competence Model Handbook, July 2022, Ministry of Public Administration*).

The Public Procurement Academy Programme was prepared by the Ministry of Public Administration. The Public Procurement Academy is part of the Ministry of Public Administration, which is responsible for the organisation of the training activities. The Public Procurement Academy is responsible for the preparation and delivery of training for staff working in the field of public procurement for contracting authorities. The Public Procurement Academy aims to increase the level of professionalisation of the staff by developing their competences. The level of professionalisation of staff working in the field of public procurement for contracting authorities is increased through the trainings that focus on core horizontal competencies (e.g. ethics, compliance and integrity; organisational awareness; team management) along with work-specific competencies for each phase of public procurement contracts (e.g. preparing tender documents and technical specifications; evaluating tenders; developing procurement strategy). Several training tools and methods are used to deliver the training including seminars; workshops; lessons with lecturers; e-learning modules and materials (*Annex 1: The Public Procurement Academy Programme, Chapter 1 to 3, July 2022, Ministry of Public Administration*). For each job profile a study module defines several training areas. Each training area is defined by: competences needed, training topics, learning objectives and training methods (*Annex 1: The Public Procurement Academy Programme, Chapter 4, July 2022, Ministry of Public Administration*). Based on the Public Procurement Academy Programme, the Ministry of Public Administration prepared a set of uniform study materials to be used by lecturers (*Annex 5: examples of study materials*). The materials are provided to the course participants.

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled

## LOAN SUPPORT

### Number and name of the Milestone:

67ter Entry into force of an Act on Alternative Fuels in Transport

**Related Measure:** Reform of further deployment of alternative fuels infrastructure

**Qualitative Indicator:** Provisions in the law indicating the entry into force of the Act

**Time:** Q2 2023

### 1. Context:

The measure aims to facilitate the deployment of an alternative fuels infrastructure in the transport sector. The reform aims to establish a system for strategic planning and deployment of alternative fuels infrastructure, the integration into the electricity system and to the financing of zero-emission transport. The reform shall establish a national incentive mechanism for the deployment of alternative fuels infrastructure in transport through three pillars: i) the introduction of a new policy framework consisting in a strategic planning and management of alternative fuels infrastructure (establishment and operation of a public utility), ii) the development of national and local charging infrastructure plans and the establishment of a national digital platform to stimulate investment, and iii) the deployment of a systemic source of funding for the deployment of strategically planned alternative fuels infrastructure and the transition to clean vehicles. The reform shall be implemented with the entry into force of the Act on infrastructure for alternative fuels and promotion of the transition to alternative fuels in transport.

The measure aims to facilitate the deployment of alternative fuels infrastructure in the transport sector. The reform aims to establish a system for strategic planning and deployment of alternative fuels infrastructure, the integration into the electricity system and to the financing of zero-emission transport. The reform shall establish a national incentive mechanism for the deployment of alternative fuels infrastructure in transport through three pillars: i) the introduction of a new policy framework consisting in a strategic planning and management of alternative fuels infrastructure (establishment and operation of a public utility), ii) the development of national and local charging infrastructure plans and the establishment of a national digital platform to stimulate investment, and iii) the deployment of a systemic source of funding for the deployment of strategically planned alternative fuels infrastructure and the transition to clean vehicles. The reform shall be implemented with the entry into force of the Act on infrastructure for alternative fuels and promotion of the transition to alternative fuels in transport (in the following: "the Act").

Milestone 67ter is the only milestone of this reform.

The implementation of the measure shall be completed by 30 June 2023.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled, with appropriate links to the underlying evidence.	Ministry of Infrastructure, 17 November 2023
2	Copy of the publication of the <a href="#">Act on Infrastructure for Alternative Fuels and Promotion of the Transition to Alternative Fuels in Transport</a>	The National Assembly adopted the Act on 25 May 2023 and the Act entered into force on 21 June 2023.

	published in the Official Gazette of the Republic of Slovenia No. 62/2023 on 6 June 2023.	
3	Decree on the method of granting financial incentives for measures to promote the transition to alternative fuels in transport <a href="#">Uradni list RS - 113/2023, Uredbeni del (uradni-list.si)</a> .	The government adopted the Decree on 9 November 2023 and the Decree entered into force on 26 November 2023.
4	Ordinance on the Climate Change Funding Programme for the period 2023-2026 <a href="#">uradni-list.si/pdf/2023/Ur/u2023106.pdf</a>	The government adopted the Ordinance on 12 October 2023 and the Ordinance entered into force on 14 October 2023.

### 3. Analysis:

The justification and substantiating evidence provided by the Slovenian authorities cover all constitutive elements of the milestone.

#### Entry into force of the Act

The Act on Infrastructure for Alternative Fuels and Promotion of the Transition to Alternative Fuels in Transport (*hereinafter referred to as the "Act"*) was adopted by the National Assembly of the Republic of Slovenia on 25 May 2023, published in the Official Journal of the Republic of Slovenia No. 62/23 on 6 June 2023 and entered into force on 21 June 2023 in accordance with Article 67 of the Act: *'This Act shall enter into force on the fifteenth day following its publication in the Official Journal of the Republic of Slovenia.'*

#### **The Act shall provide for (i) the introduction of a new policy framework consisting in a strategic planning and management of alternative fuels infrastructure (establishment and operation of a public utility)**

Articles 4 to 6 of the Act introduce the new national policy framework for the market development of alternative fuels in transport and for the deployment of appropriate infrastructure; an action plan for incentivising a transition to alternative fuels in transport and for the deployment of appropriate infrastructure; as well as monitoring and reporting provisions. Article 7 of the Act lays down rules for setting targets for the recharging infrastructure, considering the comprehensive geographical coverage of the charging infrastructure network at national, regional and local level, and establishing minimum criteria to be considered when planning long-term objectives. The policy framework for the strategic planning of infrastructure for shore-side electricity supply to vessels is set out in Article 23, for the refuelling infrastructure for natural gas vehicles and vessels in Articles 25 and 26, and for the hydrogen refuelling infrastructure in Article 28.

Article 12 of the Act defines the establishment and operations of the public utility (service of general economic interest) for providing and managing the infrastructure for high-power charging parks of a total power output of at least 3 MW. Operations of the public utility are in detail explained in Articles 13 to 20 of the Act. The management of infrastructure for other alternative fuels is determined in Articles 27 and 29 of the Act. The details of the public utility functioning will be regulated with a concession act in accordance with Articles 12 (8) and 65 (1) of the Act Article 58 of the Act further stipulates that the Government shall conclude the concession contract within three months of the entry into force of the concession act referred to in Article 12(8) of the Act.

#### **The development of national and local charging infrastructure plans and the establishment of a national digital platform to stimulate investment;**

The development of national and local charging infrastructure plans is defined in Articles 8 to 10 of the Act. They concern the planning of high-power parks for rapid charging along the network of



public roads and of charging infrastructure in local communities and the provisioning of land for publicly accessible charging places. The method of drawing-up local charging infrastructure plans for urban municipalities and the minimum content of these plans are laid down in Article 9. The legal basis for access to the necessary data is regulated in Article 19 of the Act. In line with Article 57 of the Act, the electricity transmission and distribution network operator and the concessionaire set out in Article 12 (8) publish the national and local charging infrastructure plans two years after the Act entered into force.

Article 41 establishes a national digital platform to stimulate investment in the charging infrastructure. The concessionaire set out in Article 12 (8) establishes, operates, maintains and updates the data and functionality of the national digital platform. Article 12(2) of the Act regulates that the national digital platform shall be publicly available and shall contain an interactive map of unoccupied locations of charging infrastructure from the national and local charging infrastructure plans with all the relevant information. In accordance with Article 12 (4), the platform will obtain data on existing charging infrastructure from the National Traffic Management Centre. According to Article 64, the concessionaire will establish the national digital platform and prepare all technical instruction for its use within two years after the Act entered into force (by June 2025).

**i) the deployment of a systemic source of funding for the deployment of strategically planned alternative fuels infrastructure and the transition to clean vehicles.**

Article 43 of the Act determines systemic sources of funding for the financing of measures for incentivising a transition to alternative fuels in transport. These sources are: i) the state budget under the Ministry of Infrastructure budgetary items; ii) earmarked funds from the annual road tax; iii) funds from the budgetary Climate Change Fund established under the law governing environmental protection; and (iv) other sources.

Article 48 of the Act amends the Motor Vehicle Charges Act (Official Journal of the Republic of Slovenia, No. 54/17, 112/21 – ZIUPGT and 62/23 – ZIAG) and earmarks the levy on the registered vehicles for incentivising a transition to alternative fuels in transport as stipulated by the Act. This is a completely new source of financing for the transition to clean vehicles. In line with Article 52(1) of the Act, the amended Motor Vehicle Charges Act entered into force on 1 June 2024. In line with Article 52(2) of the Act, the Government aligned the Decree on the annual road charge (Official Journal of the Republic of Slovenia, No. 23/18 and 52/24) with this Act and set out a new amount of the annual road charge. The amended Decree on the annual road charge entered into force on 6 July 2024.

The Climate Change Fund (as another systemic source of funding from Article 43 of the Act) raises funds through auctioning of emission allowances (ETS). It is established under the Environmental Protection Act (Official Journal of the Republic of Slovenia, No. 44/22, 18/23 – ZDU-10, 78/23 – ZUNPEOVE and 23/24) and has entered into force on 13 April 2022, in accordance with Article 321. In October 2023, the Government adopted the Ordinance on the Climate Change Funding Programme for the period 2023-2026. For financing of the alternative fuels in transport, the Annex to the Ordinance provides a total of EUR 104.2 million of non-refundable resources for the period 2023-2026. This is a significant increase in the share of The Climate Change Fund to be dedicated for alternative fuels in transport, since in the past only small share of this fund was utilized for alternative fuels (EUR 623,315 in 2022; EUR 1,046,481.48 in 2021; EUR 944,012.00 in 2020, according to the annual Reports on the implementation of the Action Programme on Alternative Fuels).

**4. Commission Preliminary Assessment: Satisfactorily fulfilled**

**Number and name of the Milestone:**

168 Completed selection of investment projects in greening education infrastructure

**Related Measure:** SI-C12-IH, Investment H: Further greening education infrastructure in Slovenia

**Qualitative Indicator:** Signature of contracts

**Time:** Q2/2023

**1. Context:**

The measure aims at contributing to the provision of a sustainable and environmentally friendly education infrastructure with the construction or extension of eight educational institutions in Slovenia. This objective should be achieved by building high energy-efficient buildings with a primary energy demand of at least 20% below the nearly zero-energy building requirement by 30 June 2026. Milestone 168 is part of the investment, which is financed with loans. Another part, consisting of the construction and the entry into operation of a new educational facility, is financed with grants (see milestone 164).

Milestone 168 requires that the Ministry of Education, Science and Sport signs contracts for the co-financing of infrastructure projects in accordance with the Strategy for Greening Education and Research Infrastructures. These contracts should ensure that the primary energy demand of infrastructure projects is at least 20% lower than the nearly zero-energy building requirement.

Milestone 168 is the first step in the implementation of the loan-financed investment. It monitors the completion of the selection of investment projects in greening education infrastructure on the basis of the signature of contracts. It will be followed by target 170, which is related to the completion of the construction and entry into operation of new educational facilities, in compliance with the requirements of milestone 168. The investment has a final expected date for implementation of 30 June 2026.

**2. Evidence provided:**

	Name of the evidence	Short description
1	Cover note	Document prepared by Slovenia justifying how the milestone has been fulfilled
2	Annex 1	List of the eight contracts with a project description and period for implementation signed between 21 November 2022 and 16 October 2023
3	Annex 2	Alignment with technical specifications: Justification that the technical specifications of the chosen projects are fully aligned with the description, criteria and conditions as set out in M168 and the description of the investment in the Council Implementing Decision
4	Annex 3	Contract for Secondary school of technical professions Šiška, signed 13 April 2023
5	Annex 3.1	Statement on technical specifications for Secondary school of technical professions Šiška
6	Annex 4	Contract for High School Šiška, signed 13 April 2023
7	Annex 4.1	Statement on technical specifications for High School Šiška
8	Annex 5	Contract for Institution for the deaf and hard of hearing Ljubljana, signed 17 May 2023
9	Annex 5.1	Statement on technical specifications for Institution for the deaf and hard of hearing Ljubljana
10	Annex 6	Contract for Ljubljana Multimedia and Graphic Technology Secondary School,

		signed 21 July 2023
11	Annex 6.1	Statement on technical specifications for Ljubljana Multimedia and Graphic Technology Secondary School
12	Annex 7	Contract for Center for education, rehabilitation and training Kamnik, signed 24 July 2023
13	Annex 7.1	Statement on technical specifications for Center for education, rehabilitation and training Kamnik
14	Annex 8	Contract for Forestry, Wood Technology and Nursing School Postojna, signed 1 August 2023
15	Annex 8.1	Statement on technical specifications for Forestry, Wood Technology and Nursing School Postojna
16	Annex 9	Contract for Secondary School Jesenice, signed 16 October 2023
17	Annex 9.1	Statement on technical specifications for Secondary School Jesenice
18	Annex 10	Contract for University of Ljubljana, Veterinary Faculty, signed 21 November 2022
19	Annex 10.1	Statement on technical specifications for University of Ljubljana, Veterinary Faculty
20	Annex 10.2	Technical report
21	Annex 10.3	Elaborate construction physics studies for the field of efficient energy use in buildings for faculty and clinics
22	Annex 11	Strategy for Greening Education and Research Infrastructures

### 3. Analysis:

The justification and substantiating evidence provided by the Slovenian authorities cover all constitutive elements of the milestone.

#### **The Ministry of Education, Science and Sport shall sign contracts for the co-financing of infrastructure projects**

Slovenia submitted eight contracts on the co-financing of the implementation of projects signed by the Minister of Education with eight different educational institutions (Annexes 3 to 10 to the Cover Note). The subject matter, including the co-financing of the eligible costs, is laid down in Article 3 of the contracts.

**Table 1: List of contracts (from Annex 1 to the Cover Note):**

	CONTRACT NUMBER	CONTRACT TITLE	DATE OF SIGNATURE	NAME OF CONTRACTOR
1	C3330-32-959000	New construction of the University of Ljubljana, Veterinary Faculty	21. 11. 2022	Univerza v Ljubljani, Kongresni trg 15 1000 Ljubljana
2	C3350-23-924000	Reconstruction and energy refurbishment of part of the Secondary school of technical professions Šiška	13. 4. 2023	Srednja šola tehniških strok Šiška Litostrojska cesta 51 1000 Ljubljana
3	C3350-23-924001	Gym – Šiška Gymnasium	13. 4. 2023	Gimnazija Šiška Aljaževa ulica 32 1000 Ljubljana
4	C3330-23-924000	Institute for the Deaf and hard of hearing – renovation and extension	17. 5. 2023	Zavod za gluhe in naglušne Ljubljana Vojkova ulica 74 1000 Ljubljana

5	C3350-23-924006	Ljubljana Multimedia and Graphic Technology Secondary School – New construction of gyms and refurbishment of premises	21. 7. 2023	Srednja medijska in grafična šola Ljubljana Pokopališka ulica 33 1000 Ljubljana
6	C3350-23-924007	Construction of an annex to CIRIUS Kamnik	24. 7. 2023	Center za izobraževanje, rehabilitacijo in usposabljanje Kamnik Novi trg 43a 1241 Kamnik
7	C3350-23-924005	New construction of the sports hall at SGLZŠ Postojna	1. 8. 2023	Srednja gozdarska, lesarska in zdravstvena šola Postojna Tržaška 36 6230 Postojna
8	C3350-23-924008	Renovation and extension of the Jesenice Secondary School	16. 10. 2023	Srednja šola Jesenice Ulica bratov Rupar 2 4270 Jesenice

**in accordance with the Strategy for Greening Education and Research Infrastructures.**

The overall objectives of the Strategy for Greening Education and Research Infrastructure (evidence 5, hereafter the strategy) are the improvement of the quality and sustainability of the educational and research building stock by investing in its greening and maintenance. Chapter 6 of the strategy sets out the following strategic objectives:

- i) maintenance and reconstruction;
- ii) addressing space deficit;
- iii) setting up modern equipment.

The strategy assigns specific actions to the strategic objectives, notably the implementation of measures for the greening of public education and research infrastructure and the provision of sufficient, pedagogically relevant, spatially optimal, designed, quality and sustainable infrastructure and equipment.

The investment covered by this milestone addresses the strategic objective (No. 2) of the strategy which is about reducing space shortages through measures 6.2.1 – new constructions and extensions; 6.1.3 – efficient use of energy in buildings; and 6.1.4 – installation of renewable energy technologies in buildings.

**Contracts shall ensure that the primary energy demand of infrastructure projects is at least 20% lower than the nearly zero-energy building requirement.**

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 (Annexes 3.1 to 10.1). This declaration forms an integral part of the contract as stated in Article 9 of the contracts.

In annex 4 of the Contract (“Declaration by the applicant concerning the conclusion of a direct contract for the project) the respective applicant declares in the first indent 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”.

Furthermore, in line with the description of the measure, **the investment consists of the further construction or extension of eight educational institutions.**

Slovenia submitted eight contracts for the construction or extension of buildings signed with eight different educational institutions (Annexes 3 to 10 to the Cover Note).

Three of the eight projects are new constructions (Postojna, Šiška Gymnasium, and Ljubljana Veterinary Faculty), one is an extension (Kamnik), three are extensions combined with renovations (Šiška technical school, Ljubljana Institute for the deaf and hard of hearing, Ljubljana Multimedia and Graphic Technology Secondary School), and one is a combined construction and renovation (Jesenice).

#### **4. Commission Preliminary Assessment:**

Satisfactorily fulfilled.

**Number and name of the Milestone:**

203 Award of grants for construction of new institutional care facilities

**Related Measure:** C15.ICL Ensuring a safe living environment for dependent persons

**Qualitative Indicator:** Communication of award

**Time:** Q2/2023

**1. Context:**

The objective of the investment is to provide appropriate housing to address the expected increase in demand for institutional care due to an aging society. The investment envisages the construction of at least 539 new places to meet this growing demand. These units will provide suitable accommodation and address the needs of the elderly population requiring institutional care.

Milestone 203 refers to the award of grants for construction of new institutional care facilities. The selected projects shall be in the form of smaller, stand-alone housing units aimed to accommodate long-term care users. New buildings shall comply with requirements for nearly zero-energy buildings.

Milestone 203 is the first step in the implementation of the investment, and it will be followed by target 204 related to the completion of the construction of new housing infrastructure of at least 539 places.

The expected final date for the completion of the investment is 30 June 2026.

**2. Evidence provided:**

	Name of the evidence	Short description
1	<i>Summary document</i>	
2	<i>Annex 1: Copy of the Call for projects for co-financing the construction of buildings to ensure a safe living environment for persons dependent on the assistance of others</i>	Call for projects was published by the Ministry of Labour, Family, Social Affairs and Equal Opportunities in the Official Journal of the Republic of Slovenia 161/2023 a on 23 December 2023 and is available at the following link: <a href="https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina/2022016100005/javni-razpis-za-sofinanciranje-gradnje-objektov-za-zagotovitev-varnega-okolja-bivanja-za-osebe-ki-so-odvisne-od-pomoci-drugih-st--5440-92022-ob-380222">https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina/2022016100005/javni-razpis-za-sofinanciranje-gradnje-objektov-za-zagotovitev-varnega-okolja-bivanja-za-osebe-ki-so-odvisne-od-pomoci-drugih-st--5440-92022-ob-380222</a>
3	<i>Annex 2: Declaration by the project applicant that it accepts all the terms and conditions of the Call for projects.</i>	Slovenia submitted all the 16 copies of the Attachment No.1 to the Call for projects in which project applicants declare that they accept all the terms and conditions of the Call for projects.
4	<i>Annex 3: Records of the expert commission on the opening of applications.</i>	The records for the 16 projects include the following documents: <ul style="list-style-type: none"> <li>• Record of the opening of applications, detailing the list of applications received.</li> <li>• Attendance list for the opening of applications.</li> <li>• Checklist for verifying the formal completeness of the applications.</li> </ul>
5	<i>Annex 4: Records of the expert commission on the scoring of applications.</i>	The records include the evaluation forms for all the 16 projects.

6	<i>Annex 5: Copies of the awards of grants</i>	Award decisions were adopted on 30 June 2023 by the Minister of Solidarity-Based Future and are published on the Ministry's website - link: <a href="https://www.gov.si/novice/2023-06-30-rezultati-javnega-razpisa-za-sofinanciranje-gradnje-za-institucionalno-varstvo-odraslih-oseb/">https://www.gov.si/novice/2023-06-30-rezultati-javnega-razpisa-za-sofinanciranje-gradnje-za-institucionalno-varstvo-odraslih-oseb/</a>
7	<i>Annex 6: The list of recipients of grants</i>	The list of recipients is also published on the Ministry's website – link: <a href="https://www.gov.si/novice/2023-06-30-rezultati-javnega-razpisa-za-sofinanciranje-gradnje-za-institucionalno-varstvo-odraslih-oseb/">https://www.gov.si/novice/2023-06-30-rezultati-javnega-razpisa-za-sofinanciranje-gradnje-za-institucionalno-varstvo-odraslih-oseb/</a>
8	<i>Annex 7: Copies of the relevant parts of the technical specifications</i>	For each of the 16 projects, the technical specifications include: <ul style="list-style-type: none"> <li>i. <i>Investment documentation</i> showing the current situation, the aims and objectives of the project, a description of the intended intervention, its environmental impact, the investment cost and resources, the dynamics of project implementation. The investment programmes have been adopted and approved by the Board of the Institution, (consisting of representatives of the founder, the local community, staff and residents), who are responsible for the management of the Institution)</li> <li>ii. <i>Project documentation</i> contains technical reports and architectural plans of the planned facilities. They further clarify the content related to meeting technical standards, the organization of the activities in the facility, the location of the premises for the provision of community services, etc. The project documentation has been prepared up to the conceptual design or building permit stage.</li> <li>iii. <i>Declaration by the project manager of compliance with the provisions of Rules on minimum technical requirements for providers of social care services</i></li> </ul>
9	<i>Annex 8: Copies of the Statement on the energy properties of the building</i>	Evidence of compliance with the requirement for nearly zero-energy buildings: Statement of the energy performance of the building in accordance with the Energy Efficiency Regulation.
10	<i>Annex 9: Description of compliance with the DNSH principle</i>	In line with requirement of the Call for projects, all the 16 project applicants provide a description of compliance with the DNSH principle in the preparation and implementation of the project.

### 3. Analysis:

The justification and the substantiating evidence provided by the Slovenian authorities cover all constitutive elements of the milestone.

The Ministry of Labour, Family, Social Affairs and Equal Opportunities (“*hereinafter referred to as “The Ministry of Labour”*”) published a call for projects in the Official Journal of the Republic of Slovenia, No. 18/23, on 23 December 2022. The call for projects aimed to co-finance the

construction of new institutional care facilities to provide a safe living environment for individuals dependent on others' assistance.

The call for projects specifically targeted the construction of facilities for the institutional care of adults, including new buildings, external improvements (such as lawn areas, meeting areas, etc.), and equipment for these facilities.

16 projects were initially selected for grant awards to provide 539 additional beds. However, one project, which would have added 24 beds, failed to fulfil the requirement of transferring the building land to the ownership of the Republic of Slovenia by 31 January 2024, as specified in point 4 of Chapter 7.3 of the call for projects. Consequently, this project cannot be considered in the assessment of milestone 203. Contracts for co-financing were therefore signed for 15 projects, ensuring 515 additional places in institutional care facilities.

**Selected projects shall ensure that new institutional care facilities shall be in the form of smaller, stand-alone housing units**

Evidence from the "Extract of the relevant parts of the technical specifications of the project" confirms that all 15 projects are designed as small, stand-alone housing units.

Each housing unit will accommodate a maximum of 24 beds in one building or up to 60 beds across three unconnected buildings. These units are mostly situated in areas where institutional care for the elderly is not yet available.

For comparison, the average size of existing publicly owned elderly homes is 252 residents, as detailed in the Register of Capacities (<https://www.ssz-slo.si/wp-content/uploads/Register-kapacitet-1.6.2023-ZA-OBJAVIT-2.pdf>). When privately run homes with a concession are included, the average size of an elderly home is 192 residents. Thus, with a capacity ranging from 16 to 60 beds (e.g., 3 stand-alone buildings with 20 beds each), the proposed units can be classified as small.

**aimed at long-term care users in need of basic, social and medical care adapted to their needs, ensuring the quality and safe treatment of persons with a high degree of dependence.**

According to Article 7.3, points 2 and 3, of the call for projects, all housing units will be constructed and designed to facilitate the provision of basic care, social care and medical services as defined in relevant national legal provisions. This is in line with the following legal requirements:

- Long-term care per Article 14 of the Long-Term Care Act (Official Journal of the Republic of Slovenia, No. 84/23);
- Medical services per Article 8, point a) of the Rules on standards and norms for social services (Official Journal of the Republic of Slovenia, Nos. 45/10, 28/11, 104/11, 111/13, 102/15, 76/17, 54/19, 81/19, 203/21, 54/22, 159/22 (<http://www.pisrs.si/Pis.web/pregledPredpisa?id=PRAV10060>));
- Articles 3 to 7 of the Detailed standards for the provision of each type of care and criteria for determining the types of care according to the needs of service users in institutional care in residential homes for elderly people (Official Journal of the Republic of Slovenia, No. 96/22).

The selected projects have demonstrated compliance with the staffing requirements and needs by providing an ex-ante staffing needs assessment as documented in the copies of the relevant parts of the technical specifications - Investment documentation (Evidence 8(ii)) and Attachment No. 10 (Evidence 8(iii)), which includes a declaration by the responsible project manager that the provisions of the Rules on minimum technical requirements for providers of social care services (Official Journal of the Republic of Slovenia, No. 67/06, 135/21) have been and will be complied with.

Evidence for regarding basic, social and medical care can be found in *Annex 7: Copies of the relevant parts of the technical specifications*:



*Basic Care:* Each housing unit is designed to ensure that residents receive essential services such as accommodation in well-maintained rooms with adequate facilities, meals tailored to age and health needs, technical care for optimal living conditions, and transportation for accessing medical services and emergencies. The facilities will be staffed with a comprehensive team including receptionists, cleaners, servers, chefs, maintenance workers, and drivers, ensuring round-the-clock support.

*Social Care:* The projects include provisions for personal hygiene assistance, daily living support, and maintenance of personal equipment. They facilitate social interaction through community engagement, volunteer involvement, and support networks with relatives. Dedicated spaces like occupational therapy rooms are planned to enhance residents' social well-being.

*Medical Care:* As per healthcare regulation (Decree on compulsory health insurance service programs published in the Official Journal of the Republic of Slovenia, No. 14/24 in 30/24) medical care is to be provided by qualified professionals, including doctors and nurses who administer medications, perform medical procedures, and monitor health indicators like blood pressure and blood sugar levels. The presence of medical staff rooms, physiotherapy rooms, and medication areas within the facilities ensures timely and accessible healthcare services.

### **New buildings shall comply with requirements for nearly zero energy buildings.**

The commitment to ensure that new buildings will comply with requirements for nearly zero-energy buildings (*“hereinafter referred to as “NZEB”*) is established through specific conditions set in the call for projects, which stipulates that only the construction of nearly zero-energy buildings will be supported in the case of new buildings (Article 7(3) point 6 of the call for projects). This is in line with Article 25 of the Act on Energy Efficiency (Official Journal of the Republic of Slovenia, No. 158/20), which stipulates that all new buildings must be nearly zero-energy.

In Slovenia, the criteria for NZEB are outlined in the Rulebook on the Methodology for the Production and Issuance of Energy Certificates for Buildings (Official Journal of the Republic of Slovenia, No. 92/14, 47/19, 158/20 – ZURE) - EC Rulebook. To determine compliance with NZEB standards, this rulebook provides specific energy indicators. According to Article 6 of the EC Rulebook, buildings are categorized into 9 energy efficiency classes, ranging from A1 to G. In 2015, Slovenia's national plan for NZEB introduced a technical definition for NZEB based on a cost-optimal study conducted in 2014. This study established that a new building is considered NZEB-compliant if it falls within the A1, A2, or B1 Energy Performance Certificate (EPC) class.

Applicants demonstrated compliance with energy efficiency requirements through the "Statement on the Energy Properties of the Building" (*“Izkaz energetske lastnosti stavbe”*), as required by the Rules on Efficient Use of Energy in Buildings (Official Journal of the Republic of Slovenia, Nos. 52/10, 61/17 – GZ, 199/21 – GZ-1, and 70/22). Article 5.1, paragraph 2 of the call for projects, specifies that compliance with NZEB requirements is determined by the indicator “calculated annual heat required for heating per unit of net usable area and conditioned volume (QNH/Au) = \_\_\_\_ kWh/(m<sup>2</sup>a)”, with a minimum NZEB requirement set at 25 kWh/m<sup>2</sup>a.

Slovenian authorities submitted the "Statement on the Energy Characteristics of the Building" for all 15 projects as ex-ante evidence of compliance. The Building's Energy Certificate (*“Energetska izkaznica”*), serving as ex-post evidence, will be attached at the end of the project and when the request for co-financing is submitted and checked when the satisfactory fulfilment of target 204 will be assessed.

Furthermore, in line with the description of the measure, **the selected projects shall focus on the provision of adequate spatial conditions for the provision of community services and programmes to enable independent living and prevent social exclusion of users**

According to Article 2(3), point b, Article 2(4), Article 2(6), Article 7(3), point 2, and Art 8(2) of the call for projects, the selected projects must provide premises for at least one community service. All the selected projects meet this requirement which is evident from the blueprints that are part of the copies of the relevant parts of the technical specifications - Investment documentation (Evidence 8(ii)).

**to ensure the effective management of risks related to communicable diseases,**

According to Article 2(3), point d, of the call for projects, the selected projects must enable new facilities to effectively manage the risks associated with infectious diseases, thereby reducing the risk to public health. All the selected projects meet this requirement which is evident from the blueprints that are part of the investment documentation (Evidence 8(ii)). The selected projects are designed to provide accommodation in single and double rooms thus reducing the possibility of uncontrolled transmission of infections and allowing the establishment of cohort isolation in accordance with Recommendations for prevention and containment of SARS-CoV-2 infections in social care institutions (<https://www.ssz-slo.si/wp-content/uploads/Zbornica-Zveza-MZ-NIJZ-Priporo%C4%8Dila-za-prepre%C4%8Devanje-in-zajezitev-oku%C5%BEB-z-virusom-SARS-CoV-2-v-socialnovarstvenih-zavodih-z-algoritmi-testiranja-na-SARS-CoV-2-25.-7.-2022.pdf>); they have an effective ventilation system to prevent the mixing of fresh and exhaust air as well as the possibility to establish isolation areas and to prevent the crossing of clean and unclean pathways.

**and to provide quality and safe treatment of persons with a high degree of dependence on assistance from others.**

According to Article 7(3) of the call for projects, the selected projects have to be constructed in micro-locations that provide good quality living and living conditions, so that the buildings are well-connected by transport and accessible by public passenger transport. In line with the Article 8(2) of the Call for projects, the applicants received additional points if they were able to secure one of the accepted standards (E-Qalin Certificate, ISO 9001 or socially Responsible Employer Certificate).

According to Articles 3-6 of the Detailed Standards for Institutional Care (published in the Official Journal of the Republic of Slovenia, No. 96/22), residential homes for the elderly must provide four types of care:

- Care I for individuals who can manage basic life activities independently but cannot live fully independently due to old age;
- Care II for those with moderate health issues needing occasional help with daily tasks;
- Care III, which is split into Care III/A for those who are partially or fully dependent on another person for basic necessities, and Care III/B for those requiring constant assistance; and
- Care IV for individuals with dementia or similar conditions needing continuous personal assistance and supervision.

The blueprints of the selected projects, as presented in the copies of the relevant parts of the technical specifications - Investment documentation (Evidence 8(ii)), indicate that all selected projects provide the necessary facilities to deliver all four levels of care. This includes, inter alia, rooms for residents of appropriate size to accommodate wheelchairs, room lifts, transport for immobile residents in bed. Bathrooms in the room will not have barriers so that they can be wheelchair accessible. Grab rails will be installed (as required rules on minimum technical requirements) at toilets and showers to allow use by independent residents. Nursing bathrooms with specially adapted baths for the care of immobile residents will be provided in the facilities.

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled.