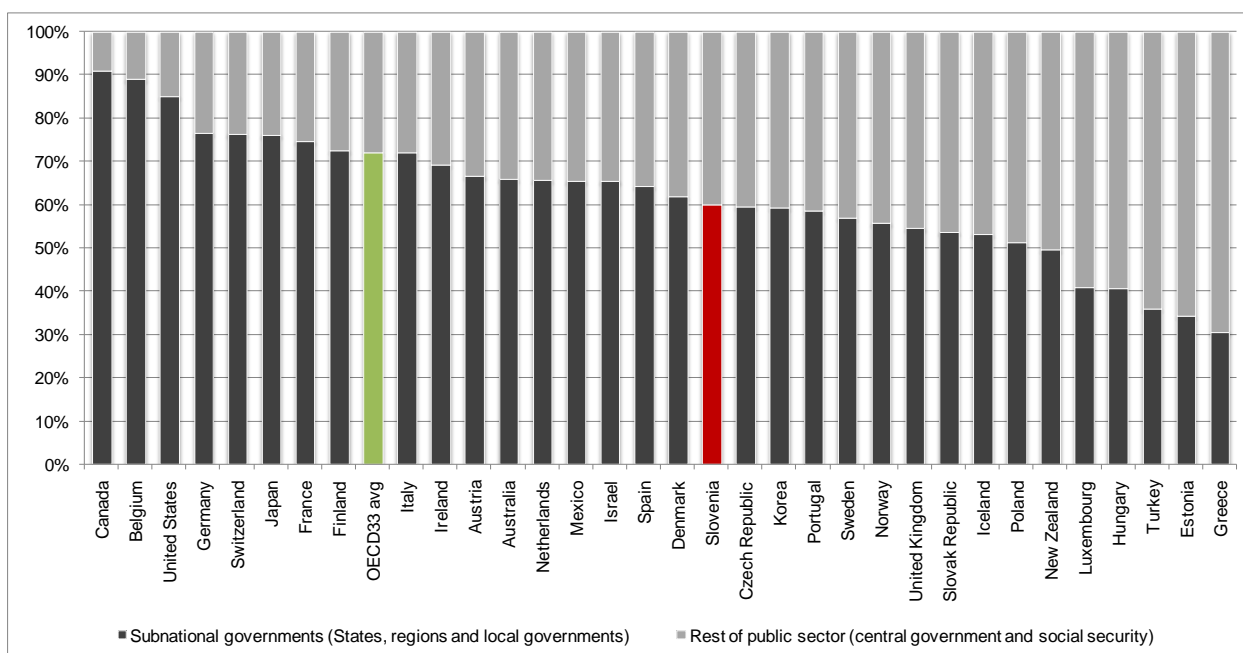


Country Fact Sheet

SLOVENIA

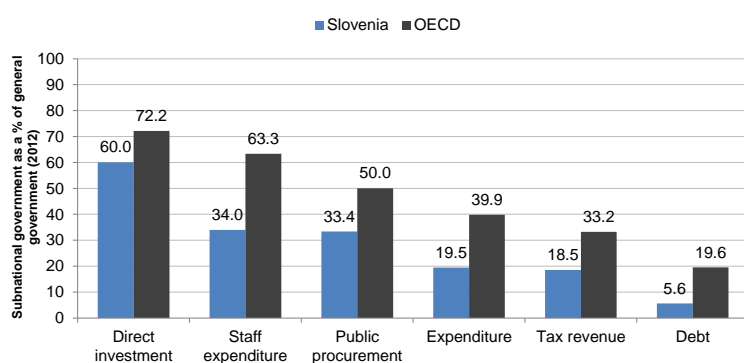
Figure 1. Sub-national public direct investment in OECD countries, 2012
(as a share of public direct investment)



Note: Data for Australia, Mexico, Switzerland, the U.S., Israel, Japan, Korea, & Turkey from 2011; Data for Canada and New Zealand from 2010

Source: OECD National accounts

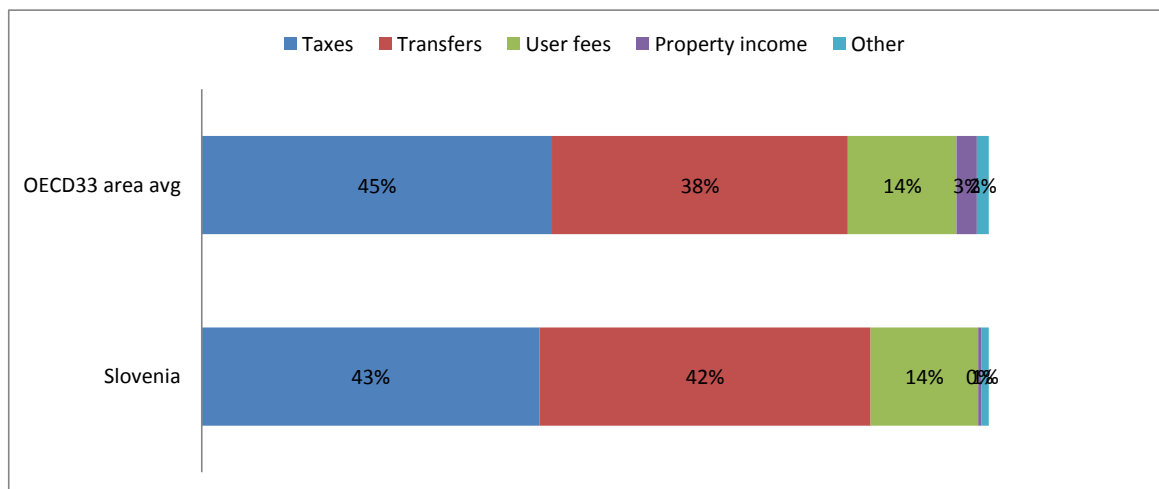
Figure 2. The role of sub-national governments in public finance in Slovenia



Source: OECD (2013), [Subnational governments in OECD countries: Key data](#)

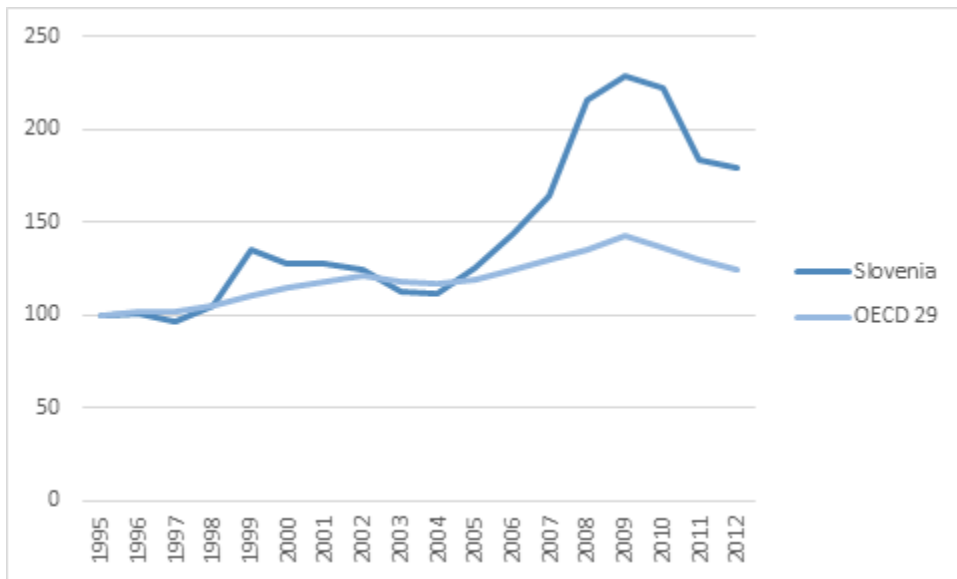
Sub-national public investment represents 60% of total investment. Education and economic affairs are the largest spending items for SNGs in Slovenia; they represent 49% of sub-national expenditure, compared to 40% in the OECD area.

Figure 3. Indicators of sub-national fiscal autonomy in Slovenia



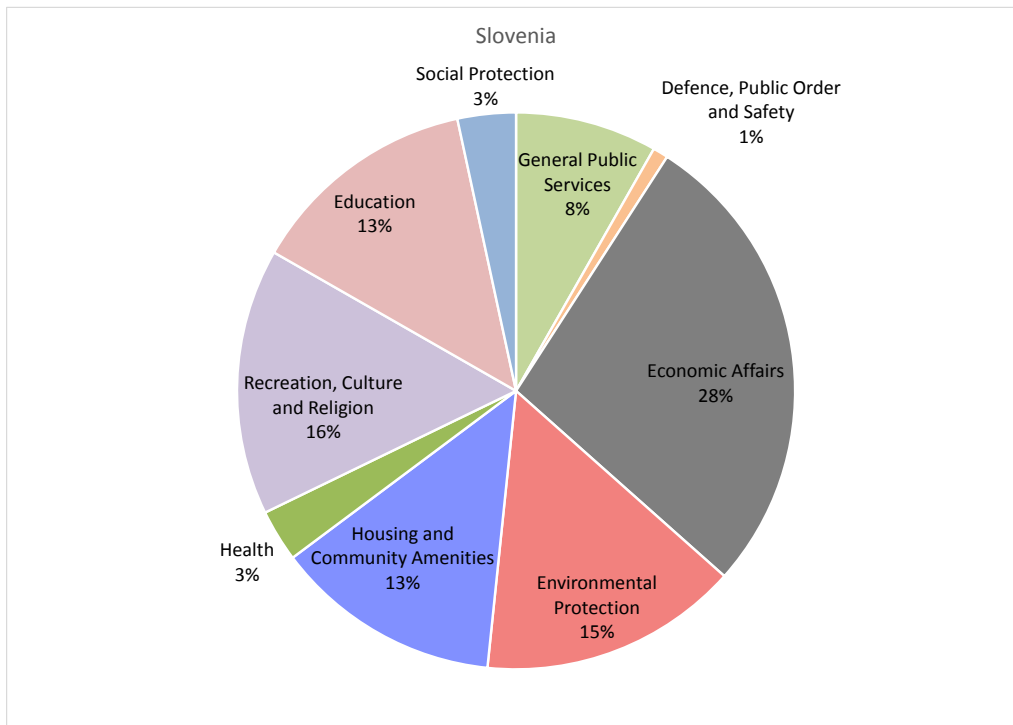
Source: OECD (2013), [Subnational governments in OECD countries: Key data](#)

Figure 4. Trends in sub-national investment in Slovenia



Source: OECD National Account

Figure 5. Breakdown of sub-national investment in Slovenia by economic function (% of total direct investment, average 2008-2012)



Source: OECD (2013), [Subnational governments in OECD countries: Key data](#)

FACTS AND FIGURES RELATED TO PUBLIC INVESTMENT:	
General government public direct investment (USD billion), 2012	1.7
<ul style="list-style-type: none"> • Percent of GDP • Percent of public expenditure • In USD per capita 	3.0 6.1 823
Sub-national government public direct investment (USD billion), 2012	1.0
<ul style="list-style-type: none"> • Percent of GDP • Percent of sub-national public expenditure • Percent of total public direct investment • In USD per capita 	1.8 18.7 60.0 494
INDICATOR SUBNATIONAL FISCAL ATOMY [Percentage in total sub-national revenues]	
<ul style="list-style-type: none"> • Tax revenues (2012) • User fees (2012) • Property income • Transfers (2012) [Percentage in total sub-national revenues] 	43% 14% 0% 42%
MAIN MECHANISMS FOR COORDINATING PRIORITISATION AND IMPLEMENTATION OF PUBLIC INVESTMENT BETWEEN NATIONAL AND SUB-NATIONAL LEVELS (2012)	
Vertical relations	
<ul style="list-style-type: none"> • Sectoral body in charge of national/sub-national co-ordination • National body in charge of national/sub-national co-ordination; • Forum gathering sub-national governments • Contractual arrangements across levels of government • National sectoral representatives appointed to sub-national levels • Regional Development Agencies 	No Yes Yes Yes No Yes
Horizontal relations	
<ul style="list-style-type: none"> • Mechanisms or incentives exist to encourage co-operation for public investment (horizontally) across sub-national authorities, 2012 	Yes
STRENGTHENING CAPACITIES FOR PUBLIC INVESTMENT AT DIFFERENT LEVELS OF GOVERNMENT	
<ul style="list-style-type: none"> • There is recognition of procurement officials as a specific profession, 2010 	Yes

• Percent of general government procurement occurring at the sub-national level, 2011 ⁽¹⁾	33%
• PPP unit(s) exist at the national (Nat'l) or sub-national (SN) levels	No
• Use of relative and/or absolute value-for-money (VFM) assessments of PPPs	Both
• Intergovernmental co-ordination mechanisms impose obligations in regulatory practice	No data

Sources: OECD (2013), [Subnational governments in OECD countries: Key data](#); OECD (2013), [OECD Regions at a Glance 2013](#); OECD (2013), [Government at a Glance 2013](#); OECD (2012), Questionnaire: Multi-Level Governance of Public Investment, unpublished; OECD (2010), [Dedicated Public-Private Partnership Units: A Survey of Institutional and Governance Structures](#); OECD (2009), ["Indicators of Regulatory Management Systems, 2009 Report"](#).

GOOD PRACTICE EXAMPLES IN SLOVENIA

Principle	Good practice examples from different levels of government
<i>Principle 1.</i>	<i>Invest using an integrated strategy tailored to different places (through coordinate across sectors and place-based policies)</i>
	<p>Cross-sectoral coordination</p> <p>The 2011 “Law on Stimulating Balanced Regional Development” aims at introducing an endogenous regional development model, providing a systematic national approach to regional policy, and providing new tools to facilitate rapid response to regional problems. Two measures are aimed at improving overall policy co-ordination at the national level.</p> <ul style="list-style-type: none"> • The law posits a national “Strategy of Regional Development of Slovenia” as the basis for other national and sectoral development and investment programmes. • Second, the bill adds a ministerial-level “Council for Territorial Balance of Development Initiatives” headed by the Prime Minister. It would improve co-ordination of development policies with regional impacts by co-ordinating the planning and execution of ministries’ regionally relevant tasks, executing territorial development dialogue, co-ordinating “Agreements on Development of Regions” of individual regions, and proposing to the Government decisions outside of its competence. (Government of the Republic of Slovenia, 2011). <p>Source: OECD (2011) <i>Territorial Review of Slovenia</i>, OECD Publishing, Paris</p>
<i>Principle 2.</i>	<i>Co-ordinate among levels of government</i>
	<p>Contractual arrangements</p> <ul style="list-style-type: none"> • The 2011 Law on regional development contributed to improve vertical and horizontal co-ordination of regional policy. Vertical relations are to be organised in terms of RDPs, and contractual agreements between “development regions” and the central government. The Law enhanced the focus on contractual arrangements (“Agreements on Development of Regions”) for the national co-financing of regional projects. • These contracts complement the RDP, would be established for three years, and would be approved by the national government (through the proposed inter-ministerial committee) and the regions (via regional development councils). These agreements aim at bringing together sectoral projects with significant regional impacts as well as EU projects funded in a region. <p>Platform of dialogue between the central government and regional actors</p> <ul style="list-style-type: none"> • The 2011 Law created a “territorial or regional development dialogue” that would involve negotiations between the central and regional actors focusing on the development specialisation of the region. The goal would be to generate a permanent fora for bringing regional issues before the Government. <p>Source: OECD (2011) <i>Territorial Review of Slovenia</i>, OECD Publishing, Paris</p>

Principle 3.	<i>Encourage effectiveness through cross-jurisdictional co-ordination</i>
	<p>Cooperation across regions</p> <ul style="list-style-type: none"> To promote horizontal co-ordination the 2011 law encourages co-operation among regions and ministries in order to prepare inter-regional projects or a common development programmes. <p>Municipal cooperation and land-use</p> <ul style="list-style-type: none"> Overall, inter-municipal co-operation has risen in recent years, in particular with projects that require a large number of users (regional water distribution systems, regional disposal facilities of municipal waste). In Slovenia, joint management bodies are possible for particular purposes and municipalities have must have a budget line for them. In 2005 amendments to the Financing of Municipalities Act provided financial incentives for joint municipal administration by offering national co-financing arrangements: 50% of the joint management bodies' staff costs are reimbursed by the central government to the municipality during the next fiscal period. The result has been an increase of municipal participation in such bodies. From nine joint management bodies in 2005 to 42 bodies in 177 municipalities today. The most frequently performed tasks are inspection (waste management, roads, space, etc.), municipal warden service, physical planning and internal audit. <p>Source: OECD (2011) <i>Territorial Review of Slovenia</i>, OECD Publishing, Paris and OECD (2014) <i>Regional Outlook. Regions and Cities: Where Policies and People Meet.c</i></p>
Principle 4.	<i>Use long-term and comprehensive appraisals for investment selection</i>
Principle 5.	<i>Engage public, private and civil society stakeholders throughout the investment cycle</i>
	<p>Enhanced participation of stakeholders in Development Region Council</p> <ul style="list-style-type: none"> The 2011 Law reorganised Regional Development Councils and Regional Councils, which are combined to form a Development Region Council in order to rationalise their activities and costs. Membership consist of representatives of municipalities (40%), economic associations – such as chambers of commerce or craft (30%), and NGOs (30%). <p>Source: OECD (2011) <i>Territorial Review of Slovenia</i>, OECD Publishing, Paris</p>
Principle 6.	<i>Mobilise private actors and innovative financing arrangements to diversify sources of funding and strengthen capacities</i>
	<p>Mechanisms to build municipal capacity for PPPs</p> <ul style="list-style-type: none"> The use of PPPs is at an early stage in Slovenia. In 2009 there were 49 municipalities with at least one PPP. Municipalities are permitted a maximum of 14 PPPs, and those that use them have – on average – 3 per municipality (OECD, 2009a). PPPs have been implemented in a variety of sectors, including waste management, water treatment plants, and kindergartens at the municipal level. In Slovenia, the central government has established mechanisms to help build municipal capacity for PPPs. For example, the Ministry of Finance established a council of experts to make proposals regarding the negotiation and implementation of PPPs. This council provides advice to municipalities, the private sector and other actors entering these types of arrangements. <p>Source: OECD (2011) <i>Territorial Review of Slovenia</i>, OECD Publishing, Paris</p>

Principle 7.	<i>Reinforce the capacity of people and institutions throughout the investment cycle</i>
	<p>Training</p> <ul style="list-style-type: none"> • The central government, for example, supports training of local officials particularly when new regulations regarding local governments are approved. This is often undertaken in co-operation with the municipal associations. • Capacity development and support also comes from the three municipal associations in Slovenia. For example, the Association of Municipalities offers “various events, conferences for experts, seminars and workshops; it helps with advice and solutions in the field of local autonomy and passes them on to the bodies at state level ... it advises the municipalities on legal, tax and economic matters...offers municipalities expert help with the process of adjustment to the legal order of the European Union, assists with qualifying the personnel of the local administration and of public enterprises (filling shortages of staff), and offers other particular projects whose goals are updating and professionalisation of the employees in the municipality administration and in public enterprises.” (ZOS, n.d.) • At the regional level, GOSP organises two “regional days” that gather RDAs, GOSP, and other actors to debate on interesting themes and share information. <p>Use of minimum public service standards to ensure consistency</p> <ul style="list-style-type: none"> • Minimum public service standards are also used to ensure a certain consistency (and equity) at the local level. Standards are established through legislation and by individual ministries. They can assist municipalities by guiding such issues as minimum service level, cost and quality when implementing tasks at the local level. Municipalities can choose how to deliver the service as long as the minimum standard is met. (OECD, 2009a) <p>Source: OECD (2011) <i>Territorial Review of Slovenia</i>, OECD Publishing, Paris</p>
Principle 8.	<i>Focus on results and promote learning</i>
	<p>Monitoring and evaluation (any precisions/update?)</p> <ul style="list-style-type: none"> • Monitoring and evaluation requirements, as well as related funding, from the EU have helped to propel the development of information systems. In Slovenia, a monitoring system (ISARR) and evaluation plan for Cohesion Policy has been put in place.
Principle 9.	<i>Develop a fiscal framework adapted to the objectives pursued</i>
Principle 10.	<i>Require sound and transparent financial management</i>
Principle 11.	<i>Promote transparency and smart use of public procurement at all levels of government</i>
Principle 12.	<i>Pursue high-quality and coherent regulation across levels of government</i>

Reduction of administrative burden across levels of government

- The government in 2010 adopted a programme to lighten the administrative burden in the domain of spatial planning and property registration (see OECD, 2011). The key element of this programme is the development an integrated electronic database of spatial data, real estate registrations, public infrastructure projects and administrative acts related to construction and planning. Work on the database should be completed by the end of 2013. There are also plans to simplify the procedures for obtaining building permits through streamlining environmental impact statements.

Source: OECD (2011) *Territorial Review of Slovenia*, OECD Publishing, Paris

Areas of focus of recent/current/planned reforms (national level)

Please mention whether your country has recently conducted or is currently conducting reform(s) in the field of governance of public investment across levels of government (territorial reforms, fiscal reforms, capacity building initiatives, performance monitoring, procurement reforms, reforms linked to PPPs or innovative financing arrangements, etc.). You may provide explanations in the box below (or just briefly mention which of the 12 OECD Principles are currently high on your government agenda).