



REPUBLIC OF SLOVENIA
COURT OF AUDIT

AUDIT REPORT

Absorption of the European Cohesion Policy Funds for Dynamic and competitive entrepreneurship for green economic growth

Performance audit

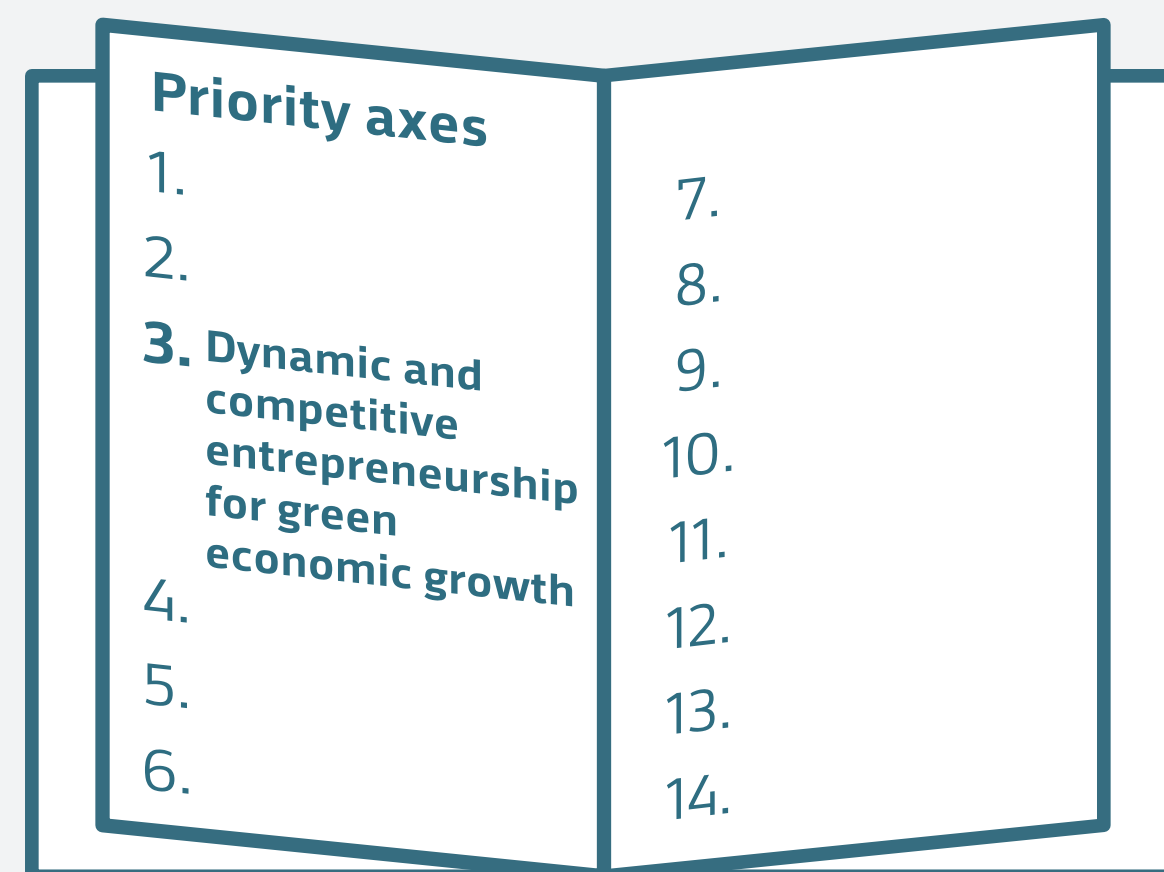
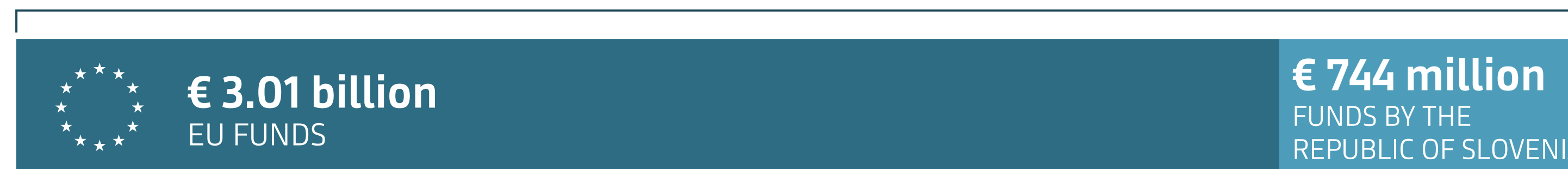
Audited period: 1 January 2015 to 30 June 2017

Operational programme for the implementation of the EU Cohesion Policy in the period 2014-2020



AMOUNT OF FUNDS AVAILABLE

€ 3.76 billion

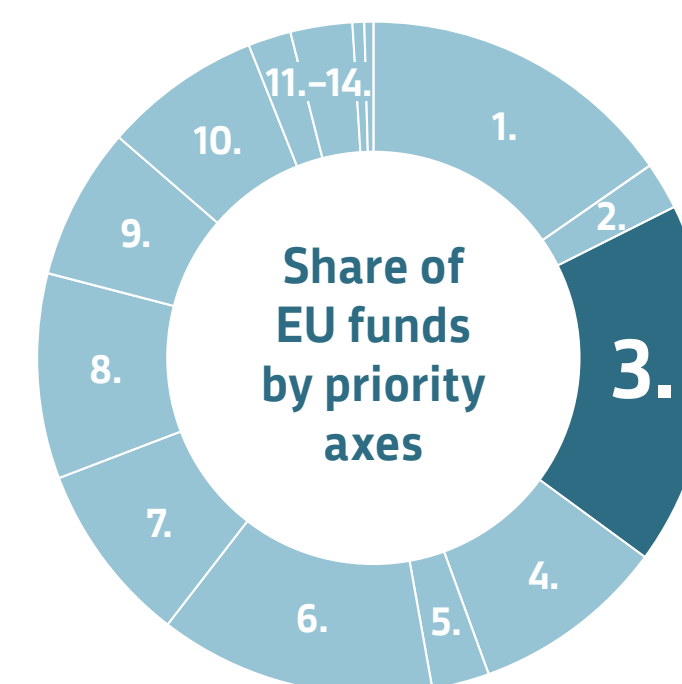


Target group:

small and medium-sized enterprises and potential entrepreneurs

Auditee:

Ministry of Economic Development and Technology



€ 717 million (19.1%)
priority axis 3



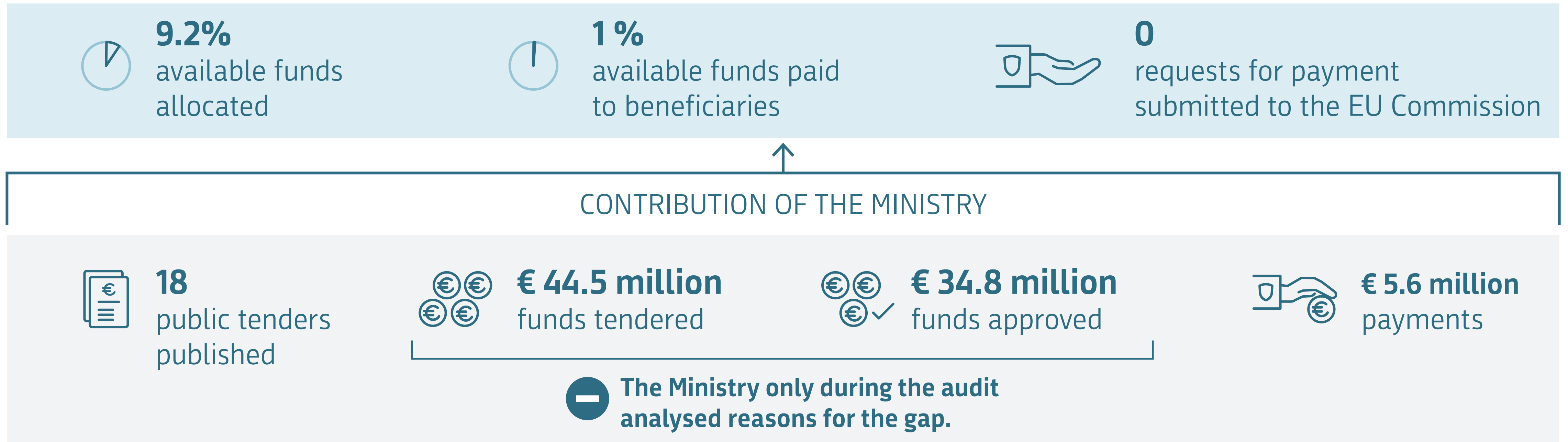
Amendment to the Operational programme (December 2017):

↑ increase in the funds of the Operational programme **€ 3.82 billion** (EU funds **€ 3.07 billion**, funds by the RS **€ 750 million**)

↓ decrease in the value of priority axis 3 to **€ 609 million** (EU funds **€ 445 million**, funds by the RS **€ 164 million**)

Absorption of funds as at 30 June 2017

Second lowest level of absorption of funds of the priority axis 3.



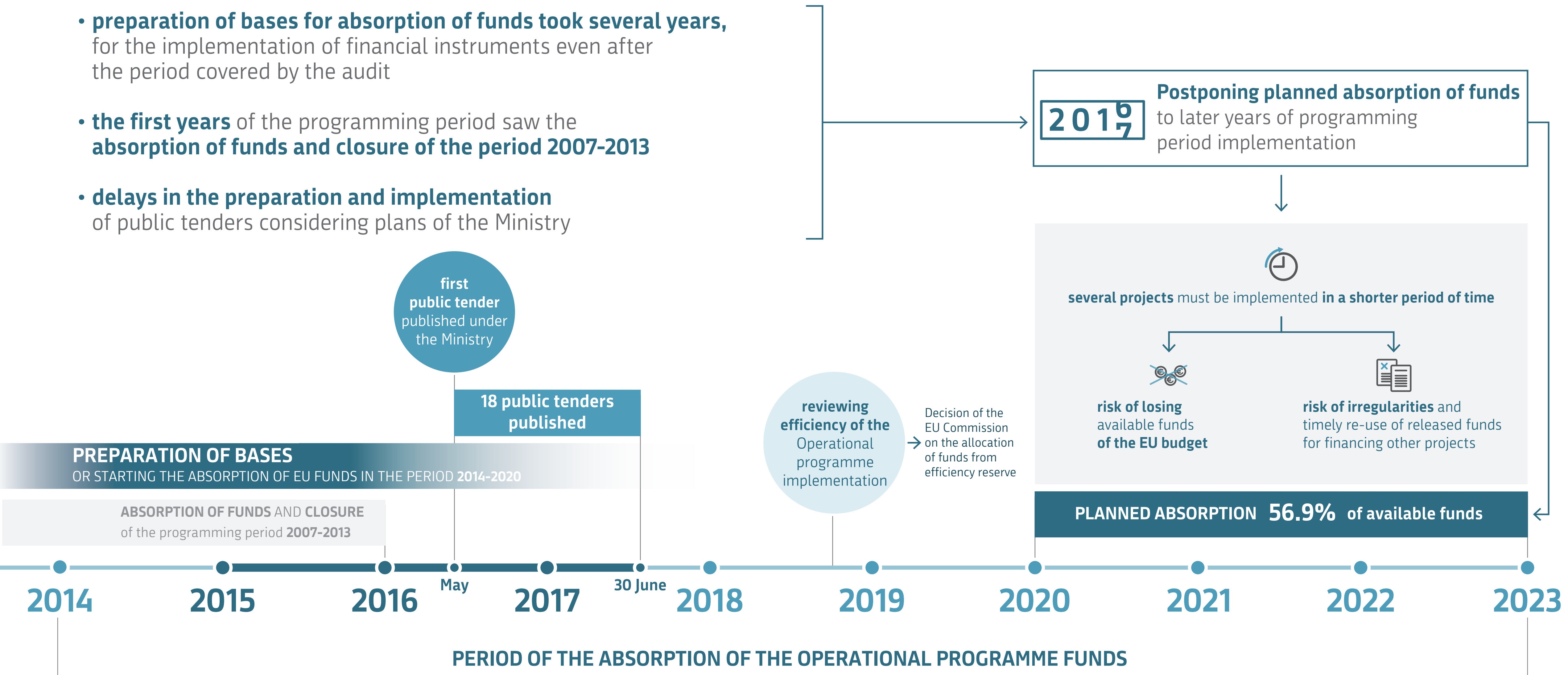
Until 30 June 2017 insufficient contribution of the priority axis 3 to total amount of absorbed funds at the level of the programme considering funds available



Second half of 2017
IMPROVED ABSORPTION OF FUNDS









Timeline of the priority axis 3 implementation

- **preparation of bases for absorption of funds took several years**, for the implementation of financial instruments even after the period covered by the audit
- **the first years** of the programming period saw the **absorption of funds and closure of the period 2007-2013**
- **delays in the preparation and implementation** of public tenders considering plans of the Ministry

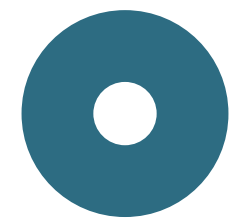


Focusing public tenders on objectives of priority axis 3

- ✔ public tenders **related to** the objectives of the Operational programme
- **weaknesses** detected, influencing the outcome of public tenders in achieving objectives

CRITERIA FOR THE SELECTION OF OPERATIONS	INDICATORS	GREEN ECONOMIC GROWTH
<p> poor connection between assessment criteria and objectives of the public tender</p> <p> absence of key criterion (e.g. quality of operation)</p> <p> possibilities for subjective assessment</p>	<p> connection between indicators in different bases was not always clearly evident</p> <p> value of indicators reached by granting subsidies to beneficiaries</p> <p> the Ministry does not dispose of data on the extent of contribution of public tenders implementation to the achievement of expected results of priority axis 3</p>	<p> vague contribution of public tenders to green economic growth (less than one half of public tenders included criterion regarding positive impact on the environment)</p> <p> criteria related to the assessment of positive impact on the environment were not decisive in selecting operations</p>

OPINION OF THE COURT OF AUDIT



The Ministry was partially efficient in absorbing European Cohesion Policy Funds for priority axis 3.



The **Ministry carried out activities for the adoption of adequate corrective measures** already during the audit.



The Court of Audit proposed to the Ministry **several recommendations for improving activities of the Ministry** regarding the implementation of priority axis 3.