



REPUBLIC OF SLOVENIA
COURT OF AUDIT

AUDIT REPORT

Effectiveness of the absorption of the European Cohesion Policy funds in the programming period 2014–2020

Performance audit

Audit period:

- from 1 January 2014 to 31 December 2019 in the case of planning and adopting corrective measures, as well as reporting
- from 1 January 2014 to 31 December 2020 in the case of implementation



Under the **Operational Programme for the Implementation of the EU Cohesion Policy in the Period 2014–2020**, Slovenia disposes of almost

€ 3.1 billion



WHAT IS EUROPEAN COHESION POLICY?

The EU flagship investment policy. The majority of funding is allocated to less developed European countries and regions **with the aim to decrease economic, social and territorial disparities between them.**

European Regional Development Fund (ERDF): € 1,416,685,363	Cohesion Fund (CF): € 914,046,895	European Social Fund (ESF): € 718,769,595	Youth Employment Incentive: € 18,423,072
--	---	---	--

ABSORPTION OF FUNDS BY 2020

By the end of 2020, Slovenia **absorbed approx. 52% of all** guaranteed earmarked funds under the operational programme.

It absorbed **57%** of the European structural and investment funds, thus **being slightly above the EU average.**

The eligibility period runs by the end of 2023

✓ THE N+3 RULE

Through all years, Slovenia has respected the n+3 rule whereby a commitment made in an individual year has to be covered no later than 3 years following the year of budgetary commitment, otherwise decommissioning by the European Commission follows.

Planned and actual revenue from ERDF, ESF and CF from 2014 to 2019

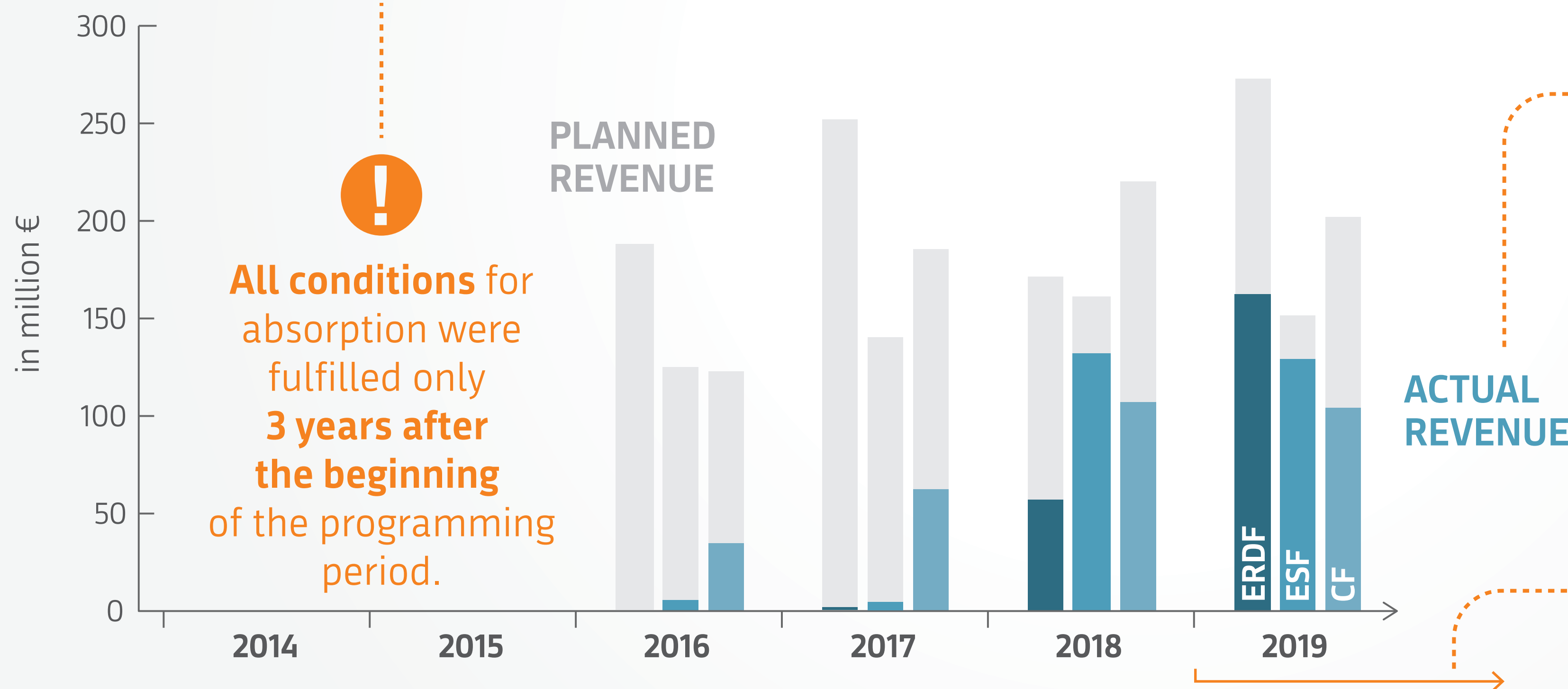
PLANNING

By the end of 2016, the Government and the managing authority drew up and **adopted all key documents and ensured that conditions necessary for the absorption were fulfilled.**

At the beginning of the programming period, the managing authority **failed to prepare a plan of activities** including a set of documents, participants and a timeline.

REPORTING

The managing authority reported to the Government, the European Commission and the public. **Deadlines and content of reporting to the Government were not determined by a legal instrument.**



SIGNIFICANT DEVIATION

On average, actual revenue in the period from 2016 to 2019 amounted to **only 22.6%** of planned revenue from ERDF, to **42.5%** from ESF and to **39.6%** from CF.

CORRECTIVE MEASURES

At the end of 2018, the managing authority prepared an umbrella **Action plan for accelerating absorption of funds** which was adopted by the Government.

OPINION OF THE COURT OF AUDIT



The Republic of Slovenia was **partially efficient** in carrying out **activities related to absorption of funds** under the Operational Programme for the Implementation of the EU Cohesion Policy in the Period 2014–2020.



RECOMMENDATIONS

THE GOVERNMENT, THE GOVERNMENT OFFICE FOR DEVELOPMENT AND EUROPEAN COHESION POLICY, AND THE MINISTRY OF FINANCE

should, in the field of European Cohesion Policy, **improve the quality of revenue planning** in the State budget with the aim to narrow the gap between planned and actual revenue.

THE GOVERNMENT OFFICE FOR DEVELOPMENT AND EUROPEAN COHESION POLICY should additionally:

at the beginning of each programming period, **prepare a plan of activities** necessary for early absorption, which is considered by the Government.

within the scope of its powers, help to **shorten the period from adopting a decision on operation selection to concluding a contract on co-financing.**

simplify user experience with the eMA information system as much as possible, namely with the preparation and submission of a payment claim.