



REPUBLIC OF SLOVENIA
COURT OF AUDIT

AUDIT REPORT

Managing and spatial planning regarding the Third Development Axis project in the period from 2015 to 2020

Performance audit

Audit period: 1 January 2015 to 31 December 2020





THIRD DEVELOPMENT AXIS

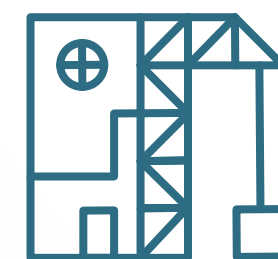
ASSESSED
INVESTMENT VALUE
€ 4.2 billion

225 km

of new and renovated roads with
**cross-border connections of
Koroška, Štajerska and Dolenjska**

**The largest infrastructure project
in the Republic of Slovenia** planned
before the independence

Audit of the roles of the ministries in planning and managing the project



MINISTRY OF INFRASTRUCTURE

set up a system for strategic and
operational investment planning,
monitoring and control



MINISTRY OF THE ENVIRONMENT AND SPATIAL PLANNING

coordinated activities and stakeholders
in strategic planning and implementing
spatial planning

Ministry of Infrastructure

– failed to properly plan the project

DEVELOPED STRATEGIC DOCUMENTS



Transport Development
Strategy of the Republic
of Slovenia Until 2030



Spatial Development
Strategy of Slovenia

PLANNING

- ✗ 6-year investment plans developed with a delay and some measures **not harmonised with the strategic documents**

MONITORING

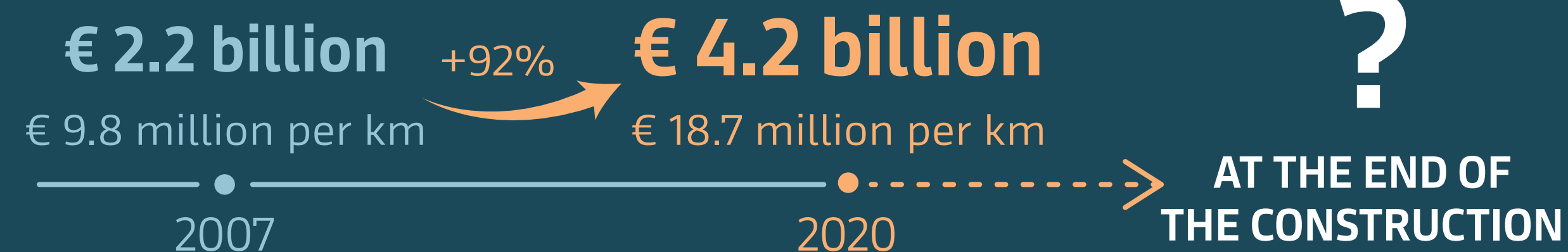
- ✗ Failed to monitor the implementation of measures and to meet the objectives

CONTROLLING

- ✗ Failed to find out the reasons for delays and implement corrective measures

– failed to appropriately plan the financial resources

HOW MUCH WILL THE INVESTMENT COST?



- ✗ High estimation of construction costs and not harmonised amounts of funds in the strategic documents and investment documents

- ✗ The investment is not financially justified, but only economically which cannot be reliably assessed

HOW TO PROVIDE FINANCIAL RESOURCES?

- ✗ In the investment programmes there are **only potential financial sources.**

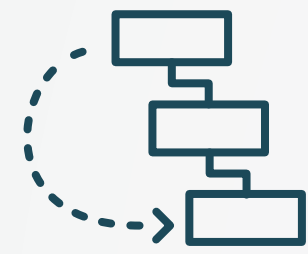
EU funds
(small possibility of obtaining funds, low economic efficiency)

funds and borrowing of DARS

FINANCIAL CONSEQUENCES

Ministry of Infrastructure

- should better cooperate with the Ministry of the Environment and Spatial Planning when developing national spatial plans



Lack of harmonisation in defining priorities for adopting national spatial plans



Not attending coordination meetings



Delays in defining the point of the Third Development Axis joining Croatian roads near Vinica. **An unnecessary study of variants costed € 60,000**

- should better direct and control **the competent bodies** for individual sections

Slovenian Infrastructure Agency

main and regional roads

- ✗ **Directives and control** over the Agency **not possible**, since **the Ministry failed to:**

- **enable the Agency to annually plan** its activities in detail
- **provide the Agency to report** on the development of the project according to the plans

- ✗ **Poor cooperation of the Ministry with municipalities** on the southern part of the Third Development Axis to guide the activities of the Agency

DARS company

highways and motorways

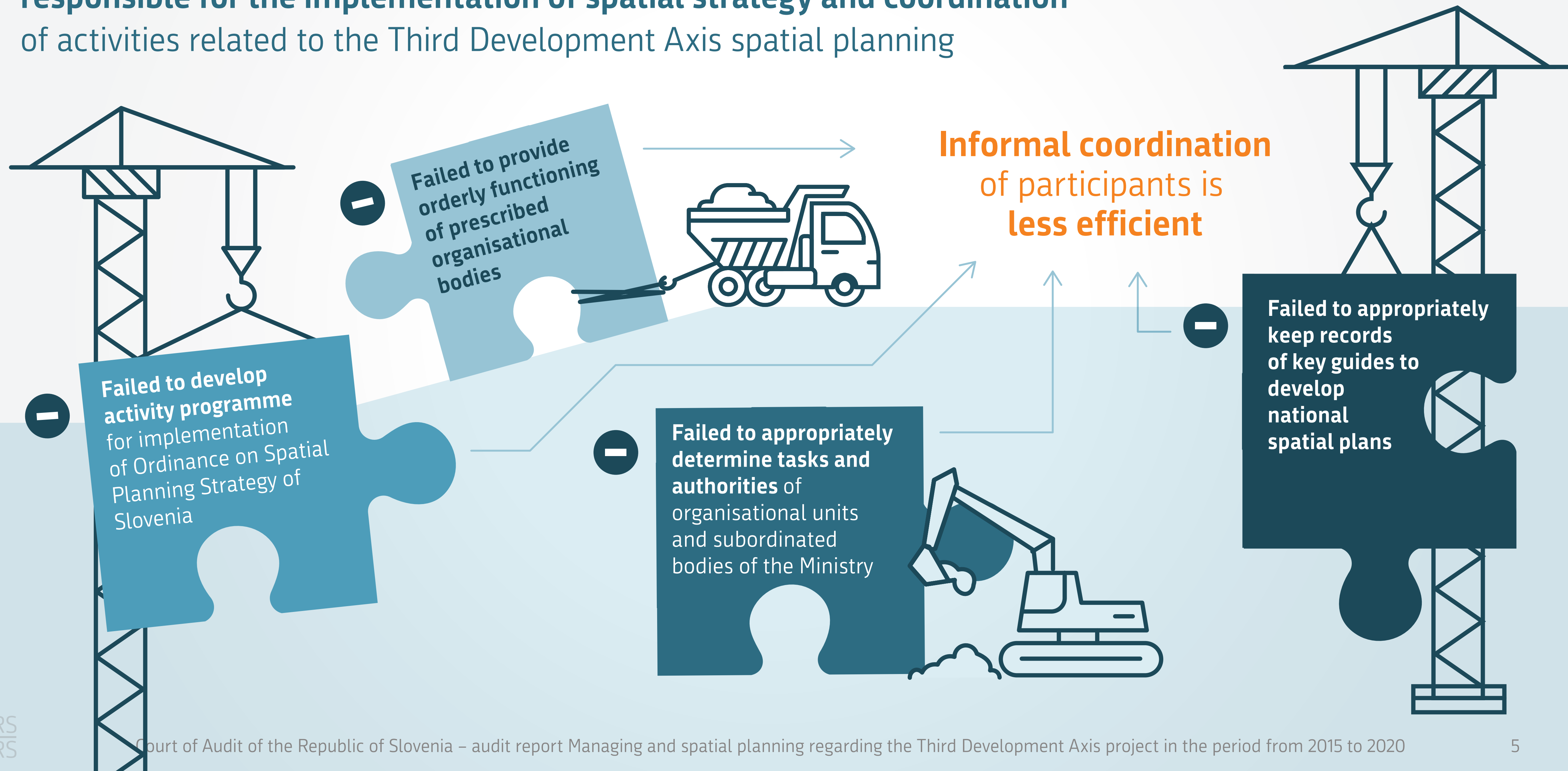
- ✗ **Poor guidance and control over DARS** company, since the Ministry:

- **failed to give directions** for activities related to certain sections on time
- **asked DARS** to implement tasks on the section which **was not under its authority**

- ✗ **Ministry failed to review the harmonisation of investment documents and data on incurred costs**

Ministry of the Environment and Spatial Planning (MOP)

responsible for the implementation of spatial strategy and coordination of activities related to the Third Development Axis spatial planning

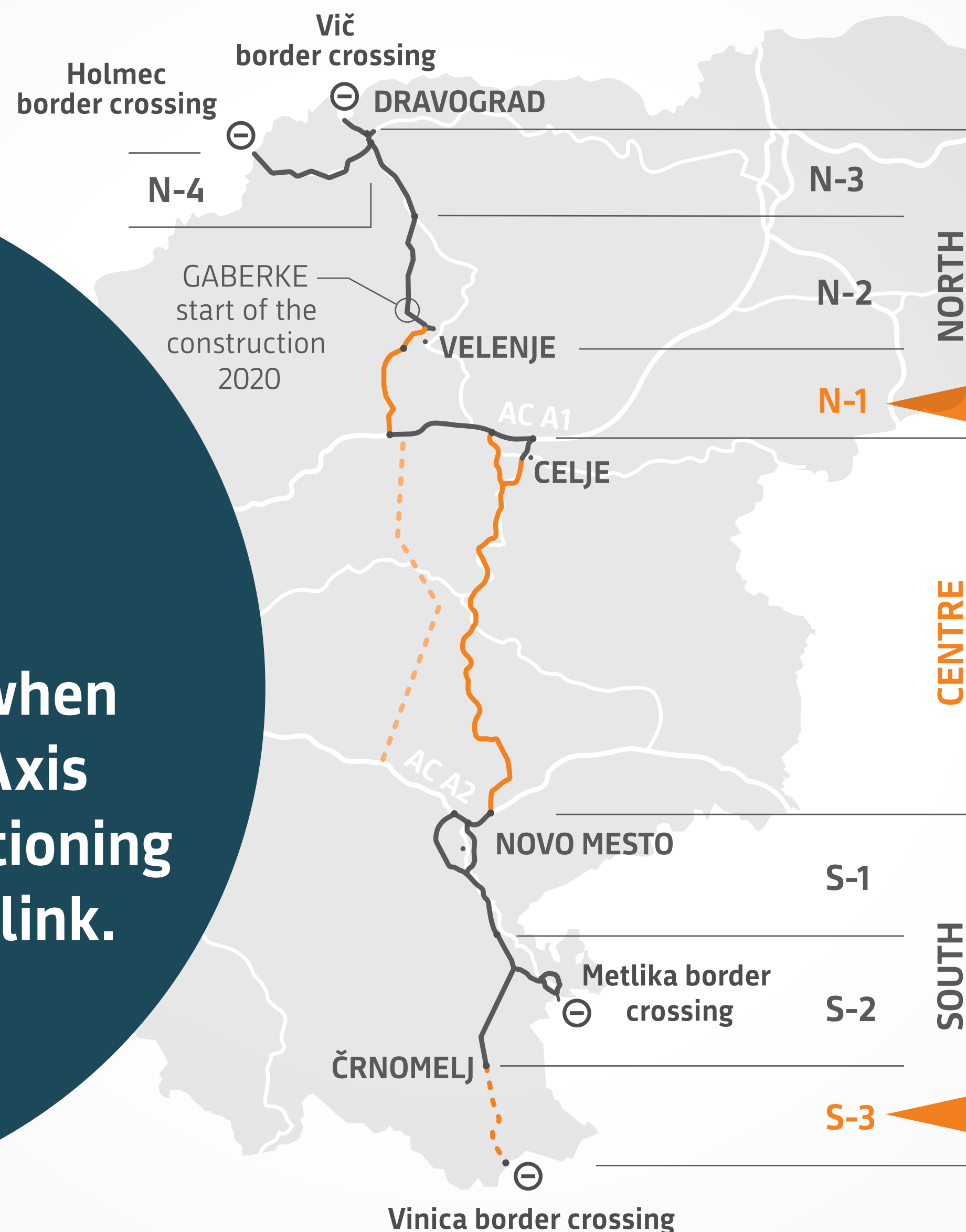


Spatial planning objectives at risk

on Third Development Axis



**Postponing the time when
Third Development Axis
is constructed and functioning
as cross-border road link.**



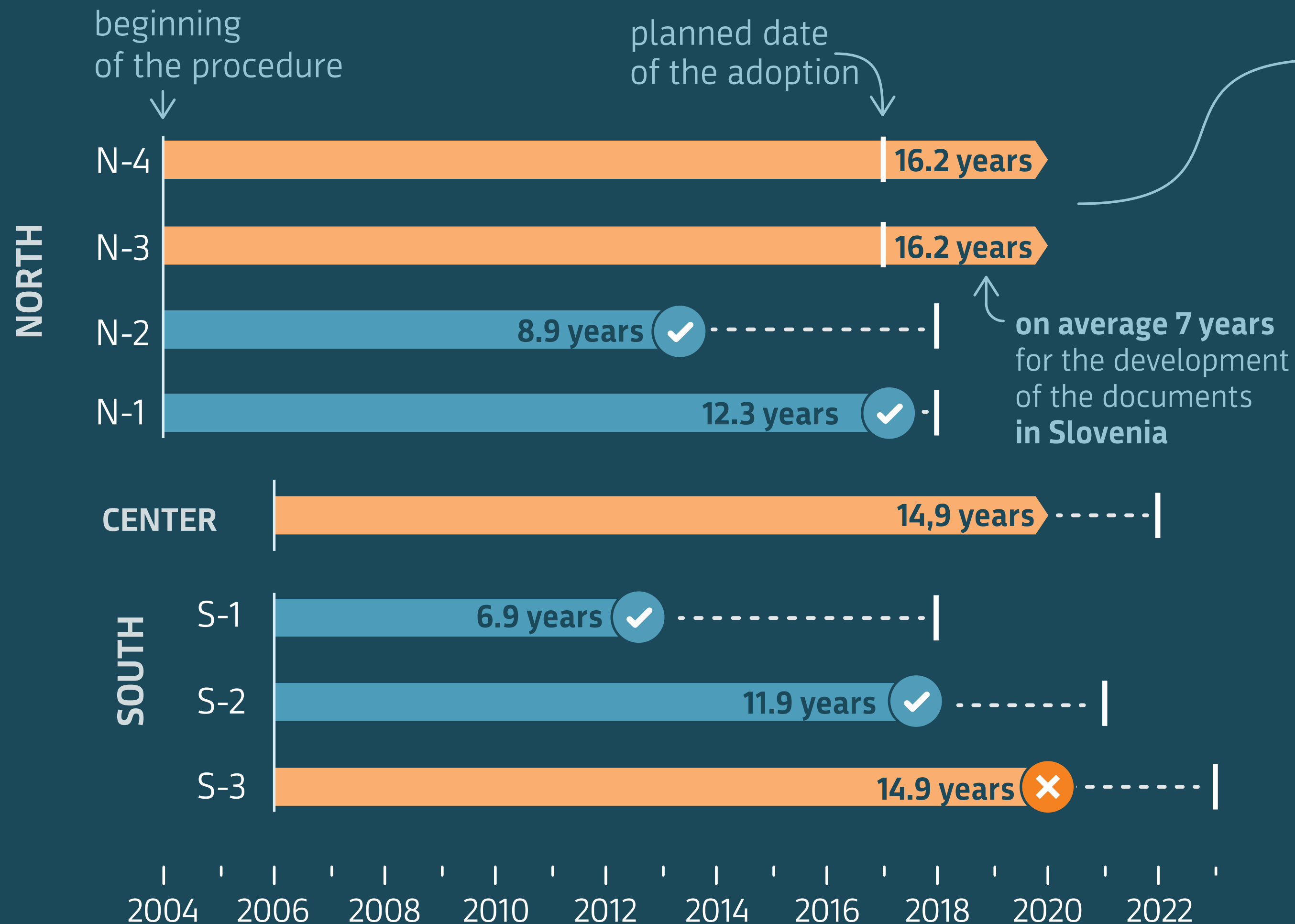
Ministry of the Environment and Spatial Planning failed to analyse alternative variants that could **better meet strategic guides** (shorter road link between Velenje and Celje, safeguarding best agricultural grounds and planning of the routes within the existing transport corridors).

Ministry of the Environment and Spatial Planning failed to provide additional analysis of more efficient implementation in western corridor – along with the foreseen road link to A1 highway near Celje.

Ministry of the Environment and Spatial Planning failed to determine the road link from Črnomelj to Vinica border crossing in the strategic spatial document, thus it did not include clear basis for spatial planning.

Development of the national spatial plans (NSP) → The Government adopts it by a decree, the role of the Ministry of the Environment and Spatial Planning is to manage the development procedure and coordinate all stakeholders.

of individual sections of the Third Development Axis



Where are the reasons for multiannual delays?



Time-consuming inefficient solving of key issues under the responsibility of the Ministry of the Environment and Spatial Planning



Ministry of the Environment and Spatial Planning failed to timely implement all general measures for accelerating the preparation of NSP which were imposed by the Government



Occasionally **not harmonised and time-consuming operations of internal organisational units** and subordinated bodies of the Ministry of the Environment and Spatial Planning and not adopting certain documents

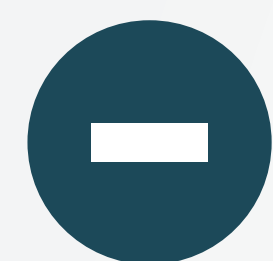
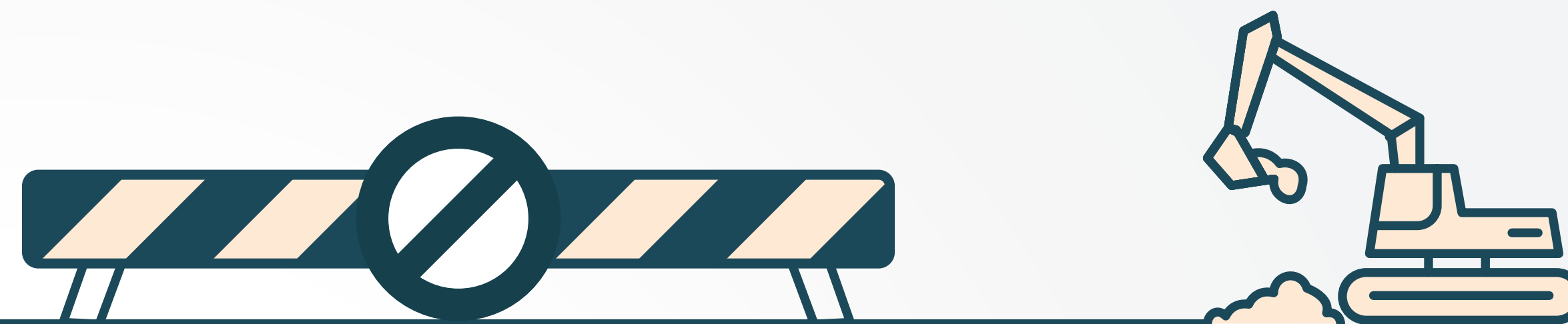


Ministry of the Environment and Spatial Planning **failed to propose** to the Government and the Ministry of Infrastructure measures to provide **sufficient budgetary funds to the Agency**



Ministry of the Environment and Spatial Planning in some cases **failed to actively support the Ministry of Infrastructure to make key decisions**

OPINION OF THE COURT OF AUDIT



Ministry of Infrastructure
was inefficient in managing the
Third Development Axis project.



**Ministry of the Environment and Spatial
Planning was partially efficient**
in spatial planning of the Third
Development Axis project.

DEMANDS OF THE COURT OF AUDIT

MINISTRY OF INFRASTRUCTURE must develop:



draft internal documents which shall **define internal procedures and structure for monitoring and control** over the realisation of the strategic investment plans



timetable for the development and approval of all not yet realised investment documentation, considering time limits from strategic plans

MINISTRY OF THE ENVIRONMENT AND SPATIAL PLANNING must develop:



draft internal documents which shall provide **coordination of activities** and activity plans to **set up the operation of coordination bodies**



timetable for the preparation of all not yet realised NSPs considering time limits from strategic plans