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## COVER NOTE

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To:	Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union
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Subject:	Proposal for a COUNCIL IMPLEMENTING DECISION amending Implementing Decision (EU) (ST 10612/21; ST 10612/21 ADD 1) of 28 July 2021 on the approval of the assessment of the recovery and resilience plan for Slovenia

Delegations will find attached document COM(2023) 575 final.

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2023/0348 (NLE)

Proposal for a

## **COUNCIL IMPLEMENTING DECISION**

**amending Implementing Decision (EU) (ST 10612/21; ST 10612/21 ADD 1) of 28 July 2021 on the approval of the assessment of the recovery and resilience plan for Slovenia**

{SWD(2023) 325 final}

Proposal for a

## COUNCIL IMPLEMENTING DECISION

**amending Implementing Decision (EU) (ST 10612/21; ST 10612/21 ADD 1) of 28 July 2021 on the approval of the assessment of the recovery and resilience plan for Slovenia**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility<sup>1</sup>, and in particular Article 20(1) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) Following the submission of the national recovery and resilience plan ('RRP') by Slovenia on 30 April 2021, the Commission has proposed its positive assessment to the Council. The Council approved the positive assessment by means of the Council Implementing Decision of 28 July 2021<sup>2</sup>.
- (2) Pursuant to Article 11(2) of Regulation (EU) 2021/241, the maximum financial contribution for non-repayable financial support of each Member State should be updated by 30 June 2022 in accordance with the methodology provided therein. On 30 June 2022, the Commission presented the results of that update to the European Parliament and the Council.
- (3) On 14 July 2023, Slovenia submitted a modified national RRP, including a REPowerEU chapter in accordance with Article 21c of Regulation (EU) 2021/241, to the Commission.
- (4) The modified RRP also takes into account the updated maximum financial contribution in accordance with Article 18(2) of Regulation (EU) 2021/241 and includes a reasoned request to the Commission to propose to the Council to amend the Council Implementing Decision in accordance with Article 21(1) of Regulation (EU) 2021/241 considering the RRP to be partially no longer achievable due to objective circumstances. The modifications to the RRP submitted by Slovenia concern 53 measures.
- (5) On 14 July 2023, the Council addressed recommendations to Slovenia in the context of the European Semester. In particular, the Council recommended that Slovenia winds down the energy support measures in force by the end of 2023 using the related

<sup>1</sup> OJ L 57, 18.2.2021, p. 17.

<sup>2</sup> ST 10612/21; ST 10612/21 ADD 1; ST 8390/22; ST 8390/22 ADD1 to ADD 22.

savings to reduce the government deficit, ensures prudent fiscal policy, in particular by limiting the nominal increase in nationally financed net primary expenditure in 2024 to not more than 5.5%, preserve nationally financed public investment and ensure the effective absorption of RRF grants and other EU funds, in particular to foster the green and digital transitions, and for the period beyond 2024, continue to pursue a medium-term fiscal strategy of gradual and sustainable consolidation, combined with investments and reforms conducive to higher sustainable growth, to achieve a prudent medium-term fiscal position. The Council also recommended that Slovenia ensures the long-term fiscal sustainability of the healthcare and long-term care systems and to rebalance tax revenues towards more growth-friendly and sustainable sources. The Council also recommended Slovenia to ensure an effective governance structure and strengthen the administrative capacity to allow for a swift and steady implementation of its RRP. Furthermore, the Council recommended to continue efforts to diversify gas imports and reduce overall reliance on fossil fuels by accelerating the deployment of renewables, in particular by further simplifying and shortening permitting procedures, and strengthening the electricity grid, as well as improving its management, including through digitalisation. In addition, the Council called on Slovenia to increase the implementation of energy efficiency measures, notably in the building sector, promote the electrification of the transport sector, and step up policy efforts aimed at the provision and acquisition of skills needed for the green transition.

- (6) The submission of the modified RRP followed a consultation process, conducted in accordance with the national legal framework, involving local and regional authorities, social partners, civil society organisations, youth organisations and other relevant stakeholders. The summary of the consultations was submitted together with the modified national RRP. Pursuant to Article 19 of Regulation (EU) 2021/241, the Commission assessed the relevance, effectiveness, efficiency and coherence of the modified RRP, in accordance with the assessment guidelines set out in Annex V to that Regulation.

***Loan request based on Article 14 of Regulation 2021/241***

- (7) The modified RRP submitted by Slovenia includes a request for loan support to support one additional measure and increase the level of ambition compared to the original plan of two existing measures.
- (8) Slovenia has requested loan support for one additional measure (Reform F: Further deployment of alternative fuels infrastructure and zero-emission transport) and increase the level of required ambition of one measure (investment C (Further increasing railway infrastructure)) under component 4 (sustainable transport) and of one measure Investment B (Sustainable renovation of buildings) under component 2. an Increase of ambition under investment C (Further increasing railway infrastructure), includes an upgrade of the Nova Gorica railway station and two upgrades of railway lines on regional railway sections, the upgrade of the Ljubljana railway station and the upgrade of the Ljubljana - Brezovica - Borovnica railway line. In addition, Slovenia has requested loan support to increase the level of required ambition for one measure under component 2 (Sustainable renovation of buildings), investment B (Sustainable renovation of buildings). This measure concerns the energy and sustainable renovation of buildings of high administrative and social importance, and energy and sustainable renovation of buildings through individual upgrades of technical building systems.
- (9) Under Investment C (Increasing rail infrastructure capacity) the upgrade of the Ljubljana - Brezovica - Borovnica railway line was financed by non-repayable support

of the RRF and national funding. As the value of the target T60 of Investment C under component 4 captured the entire length of the upgrade of the Ljubljana- Brezovica- Borovnica railway line, while the non-repayable RRF support covered only a smaller part, target T60 of Investment C under component 4 is proportionally reduced. In the modified plan and in accordance with Article 14 of the Regulation 2021/241 Slovenia requested additional loan support for Investment C. Therefore, the new target T68b of the Investment C under component 4 has been introduced with additional repayable RRF financing reflected in the value of a target.

***Updates based on Article 18(2) of Regulation 2021/241***

- (10) The modified RRP submitted by Slovenia updates 30 measures to take into account the updated maximum financial contribution. Slovenia has explained that because the maximum financial contribution decreased from EUR 1 776 927 281<sup>3</sup> to EUR 1 490 956 633<sup>4</sup>, it is no longer possible to finance all the measures of the original Slovenian RRP. Slovenia has explained that certain measures had to be removed or reduced due to the decrease in the allocation and also taking into account the cost increases and supply chain disruptions affecting the implementation of those measures.
- (11) The modified RRP no longer contains six measures under components 6 (Digital transformation of the economy); 8 (RDI - Research, development and innovation); 10 (Labour market – measures to reduce the impact of negative structural trends); 15 (Social security and long-term care). These measures concern investment C (Establishment of Hybrid Cloud Infrastructure at the Ministry of Economic Development and Technology) of component 6, which aimed at facilitating access of businesses to public services by using a digital identity, in particular by simplifying processes (tendering, application, monitoring, verification) in the implementation of public-funded programmes and enhancing digital skills; investment F (Cross-border and multi-country projects – European Blockchain Service Infrastructure) of component 6, which aimed at strengthening the use of EBSI in the public sector, extend usability of EBSI through the integration with national infrastructures, enhance innovation, exchange knowledge and best practices, and raise skills; investment E (Establishment of the National Food Institute as the central pillar of the innovation ecosystem in food supply chains) of component 8, which consisted in an operational institution for RDI and transfer of knowledge and innovation in the field of food supply and development and research infrastructure in the food sector; investment B (Supporting more flexible ways of organising work) of component 10, which aimed at providing additional guidance and online tools for employers and employees using teleworking schemes in order to promote more flexible ways of working and at establishing and improving the working conditions of employees working from home; investment E (Training and education of employees, which aimed at up-skilling and re-skilling employees and self-employed, in particular in digital skills) of component 10; and investment B (Ensuring integrated treatment of persons in need of higher levels of long-term care and more complex nursing services) of component 15, which

<sup>3</sup> This amount corresponds to the financial allocation after deduction of Slovenia's proportional share of the expenses of Article 6(2) of Regulation (EU) 2021/241, calculated in accordance with the methodology of Article 11 of that Regulation.

<sup>4</sup> This amount corresponds to the financial allocation after deduction of Slovenia's proportional share of the expenses of Article 6(2) of Regulation (EU) 2021/241, calculated in accordance with the methodology of Article 11 of that Regulation.

consisted of establishing new nursing homes. The description of these measures and their associated milestones and targets should therefore be removed from the Council Implementing Decision of 28 July 2021.

- (12) Furthermore, the modified RRP submitted by Slovenia changes 24 measures under components 1 (Renewable energies and energy efficiency); 2 (Sustainable renovation of buildings); 3 (Clean and safe environment); 4 (Sustainable transport); 5 (Circular economy – resource efficiency); 6 (Digital transformation of the economy); 7 (Digital transformation of the public sector and public administration); 8 (RDI - Research, development and innovation); 9 (Raising productivity, a business-friendly environment for investors); 11 (Sustainable development of Slovenian tourism, including cultural heritage); 12 (Strengthening competences, especially digital and those required by the occupations and the green transition); and 14 (Health). Notably part of reform C (Energy efficiency in the economy) of component 1 (Renewable energies and efficient use of energy in the economy) including the removal of target T10; part of investment G (Investment to increase energy efficiency in the economy) of component 1 (Renewable energies and efficient use of energy in the economy) including the amendment of target T9 and the removal of milestone M11 and target T12; part of reform A (Reform of the planning and financing of the energy renovation of buildings in the public sector) of component 2 (Sustainable renovation of buildings) and the revision of milestone M20; part of investment B (Sustainable renovation of buildings) of component 2 (Sustainable renovation of buildings), including the reduction of targets T24, T25, and T27 as well as the removal of target T28; part of investment F (Reducing flood risks and reducing the risk to other climate-related disasters) of component 3 (Clean and safe environment), including the reduction of targets T34 and T35; part of investment I (Drinking water supply and saving projects) of component 3 (Clean and safe environment), including the reduction of the scope of M42 and T43; part of investment D (Digitalisation of rail and road infrastructure) of component 4 (Sustainable transport), including the removal of target T61; part of investment B (Integrated Strategic project for the Decarbonisation of Slovenia through the Transition to a Circular Economy) of component 5 (Circular economy – resource efficiency), including the reduction of target T73; part of reform A (Enterprises with e-identity assigned) of component 6 (Digital transformation of the economy), including the delay of target T79; part of investment B (Industrial/Business Digital Transformation Programme) of component 6 (Digital transformation of the economy), including a reduction of the allocated amounts for target T82; part of investment N (Digitalisation in the field of justice) of component 7 (Digital transformation of the public sector and public administration), including a reduction of target T105, part of investment J (Digitalisation of education, science and sport) of component 7 (Digital transformation of the public sector and public administration), including the reduction of target T108; part of investment B (Co-financing of research innovation projects in support of the green transition and digitalisation) of component 8 (RDI - Research, development and innovation), including the reduction of funding available for milestones M112, M113, M114 and target T118; part of investment C (Co-financing of projects to enhance the international mobility of Slovenian researchers and research organisations and to encourage the international involvement of Slovenian applicants) of component 8 (RDI - Research, development and innovation), including the reduction of target T119; part of investment D (Co-financing of investment in RDI of demonstration and pilot projects) of component 8 (RDI - Research, development and innovation), including the reduction of targets T121 and T122; part of investment C (Support for decarbonisation, productivity and competitiveness of companies) of

component 9 (Raising productivity, a business-friendly environment for investors), including the reduction of targets T131 and T132; part of investment D (Providing innovative ecosystems of economic and business infrastructure) of component 9 (Raising productivity, a business-friendly environment for investors), including the reduction of target T134; part of investment B (Sustainable development of Slovenia's tourist accommodation offers to raise the added value of tourism) of component 11 (Sustainable development of Slovenian tourism, including cultural heritage), including the reduction of targets T151 and T152; part of investment D (Sustainable restoration and revitalisation of cultural heritage and public cultural infrastructure) of component 11 (Sustainable development of Slovenian tourism, including cultural heritage), including the reduction of the level of required implementation available for target T155; part of investment G (Strengthening cooperation between the education system and the labour market) and part of investment H (Greening of educational infrastructure in Slovenia) of component 12 (Strengthening competences, in particular digital competences and those required by the professions of the future and the green transition), including the reduction in scope of milestone M164, the removal of target T165 and the reduction of target T166); part of investment D (Accessibility of the health system) of component 14 (Health), including the removal of milestone M188; part of investment E (Effective treatment of communicable diseases) of component 14 (Health), including the removal of milestones M193, M194 and M195, are changed to decrease the level of the results to be achieved compared to the original plan to reflect the decreased maximum financial contribution.

#### ***Amendments based on Article 21 of Regulation 2021/241***

- (13) The amendments to the RRP submitted by Slovenia because of objective circumstances concern 33 measures.
- (14) Slovenia has explained that 11 measures are no longer totally achievable, primarily because of unexpectedly high inflation in the relevant sector, mainly construction. This concerns, respectively, target T5 of investment D (Energy efficient restructuring of district heating systems to renewable energy sources) of component 1 (Renewable energies and efficient use of energy in the economy); target T7 of investment F (Strengthening the electricity distribution network (transformer stations)) of component 1 (Renewable energies and efficient use of energy in the economy); target T16 of investment E (Manufacture of electricity from renewable energy sources) of component 1 (Renewable energies and efficient use of energy in the economy); targets T17 and T18 of investment F (Further strengthening the electricity distribution network) of component 1 (Renewable energies and efficient use of energy in the economy); targets T24, T25, T26, and T27 of investment B (Sustainable renovation of buildings) of component 2 (Sustainable renovation of buildings); target T34 of investment F (Flood risk reduction and risk reduction for other climate-related disasters) of component 3 (Clean and safe environment); targets T65 and T66 of investment E (Fostering the deployment of alternative fuels infrastructure in transport) of component 4 (Sustainable Mobility); target T99 of investment H (Gigabit infrastructure) of component 7 (Digital transformation of the public sector and public administration); target T106 of investment J (Digitalisation of education, science and sport) of component 7 (Digital transformation of the public sector and public administration); targets T151 and T152 of investment B (Sustainable development of the Slovenian tourist accommodation offer to raise the added value of tourism) of component 11 (Sustainable development of the Slovenian tourism, including cultural heritage); and target T204 of investment C (Ensuring a safe living environment for

persons dependent on the assistance of others) of component 15 (Long-term care). On this basis, Slovenia has requested to decrease all above targets, to amend targets T65, T66, and T152. In order to take into account the aforementioned changes, the Council Implementing Decision should be amended accordingly.

- (15) Slovenia has explained that there is a better alternative more conducive to reaching the policy objective of one measure affecting milestone M8 of reform C (Energy efficiency in the economy) of component 1 (Renewable energies and efficient use of energy in the economy) On this basis, Slovenia has requested to amend milestone M8. In order to take into account the aforementioned changes, the Council Implementing Decision should be amended accordingly.
- (16) Slovenia has explained that one measure is no longer totally achievable, because of objective circumstances, namely increase in investment costs, affecting milestone M15 of investment E (Production of electricity from renewable energy sources). On this basis, Slovenia has requested to extend the implementation timeline for milestone M15. In order to take into account the aforementioned changes, the Council Implementing Decision should be amended accordingly.
- (17) Slovenia has explained that one measure is no longer totally achievable, because of objective circumstances, namely delays faced by Slovenian companies due to the complexity and the length of the procedure to set up the multi-country project affecting target T84 of investment D (Cross border and multi-country projects – European Common Data Infrastructure and Services) of Component 6 (Digital transformation of the economy). On this basis, Slovenia has requested to extend the implementation timeline of target T84. In order to take into account the aforementioned changes, the Council Implementing Decision should be amended accordingly.
- (18) Slovenia has explained that one measure is no longer totally achievable, because of objective circumstances, namely that a limited number of companies applied for the project, affecting target T86 of investment E (Cross border and multi-country projects - Low-Power Processors and Semiconductor Chips) of component 6 (Digital transformation of the economy). On this basis, Slovenia has requested to decrease target T86. In order to take into account the aforementioned changes, the Council Implementing Decision should be amended accordingly.
- (19) Slovenia has explained that one measure is no longer totally achievable, because of objective circumstances, namely a delay in the timeline for the establishment of a value chain between the individual actors involved in the multi-country project affecting target T86 of investment E (Cross border and multi-country projects - Low-Power Processors and Semiconductor Chips) of component 6 (Digital transformation of the economy). On this basis, Slovenia has requested to extend the implementation timeline of target T86.
- (20) Slovenia has explained that one measure is no longer totally achievable, because of objective circumstances, the strong increase in inflation affecting targets T131 and T132 of investment C (Support for decarbonisation, productivity and competitiveness of enterprises) of component 9 (Raising productivity, a business-friendly environment for investors). On this basis, Slovenia has requested to decrease targets T131 and T132. In order to take into account the aforementioned changes, the Council Implementing Decision should be amended accordingly.



- (21) Slovenia has explained that one measure is no longer totally achievable, because of objective circumstances, namely the energy crisis and high inflation, affecting milestone M173 of reform B (Modern and resilient public sector) of component 13 (Effective public administrations). On this basis, Slovenia has requested to extend the implementation timeline for milestone M173. To take into account the aforementioned change, the Council Implementing Decision should be amended accordingly.
- (22) Slovenia has explained that one measure is no longer totally achievable, because of objective circumstances, namely the involvement of numerous stakeholders in the preparation of the reform providing substantial input during the public consultations which delayed the overall process affecting milestone M49 of reform D (Increasing the efficiency of the operation of public environmental protection services) of component 3 (Clean and safe environment); On this basis, Slovenia has requested to extend the implementation timeline for milestone M49. In order to take into account the aforementioned change, the Council Implementing Decision should be amended accordingly.
- (23) Slovenia has explained that four measures are no longer totally achievable, because of objective circumstances, namely the recent catastrophic floods in Slovenia leading to delays in the preparation of the project documentation affecting milestones M32 and M47bis, and targets T35, T47 and T48 of investment F (Flood risk reduction and risk reduction for other climate-related disasters) of component 3 (Clean and safe environment); milestone M80 of investment B (Industrial/business digital transformation programme) of component 6 (Digital transformation of the economy), target 106 of investment J (Digitalisation of education, science and sport) of component 7 (Digital transformation of the public sector and public administration), target T109 of investment M (Digitalisation in the field of culture) of component 7 (Digital transformation of the public sector and public administration); targets T169, and T170 of investment H (Greening of educational infrastructure in Slovenia) of component 12 (Strengthening competences, especially digital and those required by new occupations and the green transition); On this basis, Slovenia has requested to remove target T169; to amend milestone M80 and target T35; to extend the implementation timeline of milestone M32 as well as targets T106 and T109; to decrease targets T35, T47, T48, and T170; and to add milestone M47bis. In order to take into account the aforementioned changes, the Council Implementing Decision should be amended accordingly.
- (24) Slovenia has explained that one measure is no longer totally achievable, because of objective circumstances, namely the annulment of public procurement due to a request for revision asserted by a public interest defender affecting milestones M54 and M55 and target T56 of reform A (reform of the organisation of public passenger transport) of component 4 (Sustainable Mobility). On this basis, Slovenia has requested to extend the implementation timeline of milestone M55 as well as target T56; and to amend milestone M54. In order to take into account the aforementioned changes, the Council Implementing Decision should be amended accordingly.
- (25) Slovenia has explained that seven measures are no longer totally achievable, because of objective circumstances, namely Slovenia found manifestly better alternatives to implement milestone M92 of reform D (Establishment of a competence centre and increasing skills of staff in the public administration) of component 7 (Digital transformation of the public sector and public administration); milestone M135 of reform A (Structural measures to strengthen the resilience of the labour market) of component 10 (Labour market – measures to mitigate the impact of negative structural

trends); target T143 of investment B (Introducing more flexible ways of working, adapted to the needs of people with disabilities, in enterprises and employment centres with disabilities) of component 10 (Labour market – measures to mitigate the impact of negative structural trends) milestone M148 of reform A (Strengthening the sustainable development of tourism) of component 11 (Sustainable development of the Slovenian tourism, including cultural heritage); milestones M182 and M183 of reform A (Healthcare system reform) of component 14 (Health); milestone M185 and target T186 of investment C (Digital transformation of health) of component 14 (Health); and milestones M197 and M199 of reform A (Establishing a unified system of long-term care arrangements) of component 15 (Long-term care); On this basis, Slovenia has requested to remove milestone M199; to extend the implementation timeline of milestones M92, M135, T143, M148, M185, M197, M198 as well as target T186; and to amend milestones M92, M135 M182, M183 and M197. In order to take into account the aforementioned changes, the Council Implementing Decision should be amended accordingly.

- (26) Slovenia has explained that two measures are no longer totally achievable, because of objective circumstances, namely disruptions of supply-chains/labour markets affecting milestone M37 of investment G (Centre for seed, nurseries and forest protection) of component 3 (Clean and safe environment) and target T82 of investment B (Industrial/business digital transformation agenda) of component 6 (Digital transformation of the economy). On this basis, Slovenia has requested to extend the implementation timeline of milestone M37 and target T82. In order to take into account the aforementioned changes, the Council Implementing Decision should be amended accordingly.
- (27) Slovenia has explained that one measure is no longer totally achievable, because of objective circumstances, namely the need to expand the target group affecting targets T144 and T145 of investment D (Enhancing the entry of young people into the labour market) of component 10 (Labour market – measures to mitigate the impact of negative structural trends). On this basis, Slovenia has requested to amend targets T144 and T145. In order to take into account the aforementioned changes, the Council Implementing Decision should be amended accordingly.
- (28) The Commission considers that the reasons put forward by Slovenia justify the update pursuant to Article 18(2) of Regulation (EU) [2021/241](#) and the amendment pursuant to Article 21(2) of that Regulation.

#### ***Corrections of clerical errors***

- (29) 18 clerical errors have been identified in the text of the Council Implementing Decision, affecting 29 milestones, 17 targets and the descriptions of 10 measures and of 1 component. The Council Implementing Decision should be amended to correct those clerical errors that do not reflect the content of the RRP submitted to the Commission on 30 April 2021, as agreed between the Commission and Slovenia. Those clerical errors relate to milestone M4 of investment D (Energy efficient restructuring of district heating systems with the use of renewable sources); milestone M6 and target T18 of investment F (Strengthening the electricity distribution network (transformer stations)) and milestones M15 and M17 and target T16 of investment E (Production of electricity from renewable energy sources) of component 1 (Renewable energies and efficient use of energy in the economy); milestones M21, M22, and M23 and targets T24, T25, T26, and T27 of investment B (Sustainable renovation of buildings) of component 2 (Sustainable renovation of buildings); milestone M32 of

investment F (Flood risk reduction and risk reduction for other climate-related disasters), milestones M38 and M50 of investment H (Urban waste water discharge and treatment projects), milestone M42 of investment I (Drinking water supply and savings projects), and milestone M52 of investment I (Further drinking water supply and savings projects) of component 3 (Clean and safe environment); target T66 of investment E (Promoting the deployment of alternative fuels infrastructure in transport) of component 4 (Sustainable Mobility); milestone M72 of investment B (Integrated strategic project to decarbonise Slovenia through the transition to a circular economy) and milestone M74 of investment C (Increasing wood processing to accelerate the transition to a climate-neutral society) of component 5 (Circular economy – resource efficiency); milestone M91 of reform B (Creating an environment for the use of e-services by public administration) and target T98 of investment G (Modernisation of the digital public administration environment), target T105 of investment N (Digitising justice), targets T106 to T109 of investment J (Digitising education, science and sport) of component 7 (Digital transformation of the public sector and public administration); milestone M124 of reform A (Strengthening capital markets); milestones M128 and M129 of investment C (Support for decarbonisation, productivity, and competitiveness of companies) and milestone M133 of investment D (Providing innovative ecosystems of economic and business infrastructure) of component 9 (Raising productivity, a business-friendly environment for investors); milestones M137, M138 and M139 of reform A (Structural measures to strengthen the resilience of the labour market); and milestone M143 of investment C (Introducing more flexible working methods adapted to the needs of persons with disabilities in sheltered enterprises and employment centres) of component 10 (Labour market – measures to mitigate the impact of negative structural trends); milestone M150 of investment B (Sustainable development of Slovenia's tourist accommodation offers to raise the added value of tourism); and milestone M154 of investment D (Sustainable restoration and revitalisation of cultural heritage and public cultural infrastructure) of component 11 (Sustainable development of Slovenian tourism, including cultural heritage); targets T157 and T158 of investment E (The comprehensive transformation of green and digital education) and targets T161 and T162 of investment F (Pilot projects on higher education reform for a green and resilient transition) of component 12 (Strengthening competences, in particular digital competences and those required by the professions of the future and the green transition); milestone M182 of reform A (Healthcare system reform) of component 14 (Health); milestone M198 of reform A (Establishing a unified system of long-term care arrangements); and milestone M 203 of investment C (Ensuring a safe living environment for dependent persons) of component 15 (Long-term care); milestone M207 of investment B (Provision of public rental housing) of component 16 (Affordable public housing); reform B (Strengthening prevention to increase flood safety), reform C (Restoring and mitigating the effects of climate change and climate-related disasters on resilient forest biodiversity) and investment F (Reducing flood risks and reducing the risk to other climate-related disasters) of component 3 (A clean and safe environment); investment C (Increasing railway infrastructure capacity) of component 4 (Sustainable transport); investment B (Integrated Strategic project for the Decarbonisation of Slovenia through the Transition to a Circular Economy) and investment C (Increased Wood Processing to Accelerate the Transition to a Climate-neutral Society) of component 5 (Circular economy – resource efficiency); investment B (Industrial/Business Digital Transformation Programme) and investment D (Cross border and multi-country projects - European common data infrastructure and services) of component 6 (Digital transformation of the economy); investment H (Further greening education

infrastructure in Slovenia) of component 12 (Strengthening competences, in particular digital competences and those required by the professions of the future and the green transition); and investment B (Provision of public rental housing) of component 16 (Affordable public housing); and component 6 (Digital transformation of the economy). Those corrections do not affect the implementation of the measures concerned.

***The REPowerEU chapter based on Article 21c of Regulation 2021/241***

- (30) The REPowerEU chapter includes two new investments. The investments relate to (i) the decarbonisation of the economy and (ii) the strengthening of the electricity distribution network. The first investment supports companies with the deployment of various decarbonisation measures, including introduction of renewables, electrification of production processes, and energy efficiency improvements; therefore contributing to the objective of Article 21c(3), point (b) of Regulation (EU) 2021/241. The second investment concerns the construction and upgrade of medium-voltage electricity distribution network to enable the connection of renewable energy generating installations, as well as heat pumps and recharging points for electric vehicles; therefore contributing to the objective of Article 21c(3), point (e). The contribution of the REPowerEU measures to deploying renewable energy sources and strengthening the electricity distribution network is expected to assist in reducing energy imports and therefore reducing the risk of high energy prices. This is expected to benefit all consumers including the most vulnerable ones.
- (31) The REPowerEU chapter also includes three scaled-up measures affecting component 1 (Renewable energy and energy efficiency) and component 4 (Sustainable transport). The scaled-up reform relates to the promotion of renewable energy sources, while the scaled-up investment is in energy efficient restructuring of district heating systems. The scaled-up reform introduces a substantive improvement in the level of ambition of reform A (Reform of the promotion of renewable energy sources in Slovenia) under component 1 by removing regulatory barriers to the deployment of solar and wind installations in certain areas, such as roadsides, water surfaces, and rooftops. The first scaled-up investment in the energy efficient restructuring of district heating systems concerns investment D (Energy efficient restructuring of district heating systems with the use of renewable sources) of component 1 and aims at increasing renewable energy capacity in district heating systems. The second scaled-up investment in the deployment of alternative fuels infrastructure in transport concerns Investment E (Promoting the deployment of alternative fuels infrastructure in transport) of component 4 and aims at the uptake of zero-emission vehicles through the deployment of recharging or refuelling infrastructure for zero-emission vehicles, the introduction of a zero-emission public passenger transport line, and the roll-out of private zero-emission vehicles. The scaled-up measures included in the REPowerEU chapter introduce a substantive improvement in the level of ambition of the measures already included in the national RRP.
- (32) The Commission has assessed the modified RRP including the REPowerEU chapter against the assessment criteria laid down in Article 19(3) of Regulation 2021/241.

***Balanced response contributing to the six pillars***

- (33) In accordance with Article 19(3), point (a), of and Annex V, criterion 2.1, to Regulation (EU) 2021/241, the modified RRP including the REPowerEU chapter represents to a large extent (Rating A) a comprehensive and adequately balanced response to the economic and social situation, thereby contributing appropriately to all

of the six pillars referred to in Article 3 of that Regulation, taking into account the specific challenges faced by and the financial allocation for the Member State concerned.

- (34) The original RRP presented a comprehensive and adequately balanced response to the economic and social situation, thereby contributing to all six pillars referred to in Article 3 of Regulation (EU) 2021/241, taking the specific challenges and the financial allocation of Slovenia into account.
- (35) While the substantial reduction of the financial contribution and the unexpectedly high inflation since mid-2021 required reductions in several investments and the complete removal of a few investments, the modified RRP continues to contribute to the six pillars referred to in Article 3 of Regulation (EU) 2021/241. This is primarily due to the fact that most of the reforms included in the original RRP remain untouched with very few exceptions linked to cost cutting and to some delays in implementation deadlines based on objective circumstances. On the other hand, the modified plan brings forward a crucial pillar of the long-term care reform, which entered into force on 3 August 2023. Furthermore, the new REPowerEU chapter strengthens the response to pillar (a), green transition, considerably.

***Addressing all or a significant subset of challenges identified in country-specific recommendations***

- (36) In accordance with Article 19(3), point (b), of and Annex V, criterion 2.2, to Regulation (EU) 2021/241, the modified RRP including the REPowerEU chapter is expected to contribute to effectively addressing all or a significant subset of challenges (Rating A) identified in the relevant country-specific recommendations addressed to Slovenia, including fiscal aspects thereof, or challenges identified in other relevant documents officially adopted by the Commission in the context of the European Semester.
- (37) In particular, the modified RRP takes into account country-specific recommendations formally adopted by the Council prior to the assessment of the modified plan by the Commission. As the size of the plan increased following an additional loan request, all 2022 and 2023 structural recommendations are considered in the overall assessment..
- (38) Having assessed progress in the implementation of the relevant country-specific recommendations at the time of submission of the modified national RRP, the Commission finds that the recommendation on liquidity and financing for business and households (CSR 2020.3.1) and the recommendation to maintain in 2022 a supportive fiscal stance, including the impulse provided by the Recovery and Resilience Facility, and preserve nationally financed investment (CSR 2022.1.1) were fully implemented. Substantial progress has been achieved with respect to the recommendations on mitigating the social and employment impact of the COVID-19 crisis and enhancing short-time work schemes (CSR 2020.2.1, 2020.2.2), on front-loading mature public investment projects (CSR 2020.3.3) and on expanding public investment for the green and digital transition and for energy security (CSR 2022.1.2).
- (39) In the 2022-23 European Semester cycle, Slovenia was recommended to continue efforts to diversify gas imports and reduce overall reliance on fossil fuels by accelerating the deployment of renewables, in particular by further simplifying and shortening the permitting procedures, and strengthening the electricity grid, as well as improving its management, including through digitalisation. It was also recommended to increase the implementation of energy efficiency measures, in particular in the

building sector, promote the electrification of the transport sector, and step up policy efforts aimed at the provision and acquisition of the skills needed for the green transition. Slovenia chose to focus the modified RRP including a REPowerEU chapter on the further simplification of the permitting procedures for renewables, reduction of the reliance on fossil fuels in industry and district heating, strengthening the grid and decarbonisation and electrification of the transport sector. The reform and the investments proposed by Slovenia address the key challenges of the energy-related Country Specific Recommendations in 2023 and complement other reforms and investments in the original RRP.

- (40) The modified RRP includes an extensive set of mutually reinforcing reforms and investments that contribute to effectively addressing all or a significant subset of the economic and social challenges outlined in the country-specific recommendations addressed to Slovenia by the Council in the context of the European Semester, notably to simplify the permitting procedures for renewables, to reduce the reliance on fossil fuels, strengthen the electricity grid, and decarbonise and electrify the transport sector.

***Contribution to growth potential, job creation and economic, social and institutional resilience***

- (41) In accordance with Article 19(3), point (c), of and Annex V, criterion 2.3, to Regulation (EU) 2021/241, the modified RRP including the REPowerEU chapter is expected to have a high impact (Rating A) on strengthening the growth potential, job creation, and economic, social and institutional resilience of Slovenia, contributing to the implementation of the European Pillar of Social Rights, including through the promotion of policies for children and youth, and on mitigating the economic and social impact of the COVID-19 crisis, thereby enhancing the economic, social and territorial cohesion and convergence within the Union.
- (42) According to simulations performed by the Commission services to assess the impact of the original Slovenian RRP, it was expected that the original plan had the potential to increase the GDP of Slovenia by between 1.1% and 1.7% by 2026. After 20 years, GDP could be 0.5% higher<sup>5</sup>. The economic boost provided by the plan was also expected to support public finances. The RRP of Slovenia was expected to improve the country's macroeconomic performance, in particular through increasing the productivity of the economy and long-term growth, and the creation of innovative ecosystems of economic and business infrastructure. The original RRP was expected to address employment and social challenges relevant for the implementation of the European Pillar of Social Rights. Investments and reforms in affordable housing contribute to social inclusion and poverty reduction.
- (43) The modified RRP takes into account the lower maximum financial contribution and the high inflation starting from mid-2021. The ambition of some measures is therefore slightly lowered, and some investments are removed. Additional investments and one reform are added in the REPowerEU chapter. The modified plan is expected to result in slightly reduced impacts on economic cohesion and to contribute a little less to the reduction of weaknesses and vulnerabilities of the economy in comparison to the original plan. However, in relation to the reduced financial contribution, the modified RRP is nevertheless expected to have a high impact as it includes structural reforms

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<sup>5</sup> Such simulations reflect the overall impact of NGEU, which also includes funding for ReactEU, and increased funding for Horizon Europe, InvestEU, JTF, Rural Development and RescEU. Such simulation does not include the possible positive impact of structural reforms, which can be substantial.

and investments, which will allow Slovenia to exploit its economic potential and improve the resilience of its social system.

- (44) The modified RRP, including a REPowerEU chapter, includes the analysis of the general economic impact of the plan. In line with the analysis of the original plan, the expenditure from the plan has been classified into four model groups of measures: infrastructure investments; various forms of aid; RDI; and human capital. The model-based analysis on the macroeconomic impact included in the modification continues to show a clearly positive long-term impact despite the lower allocation and increased inflation. Model estimates performed by the Slovenian authorities show that Slovenia's modified RRP would boost economic growth and raise the level of GDP by around 0.7 % in 2026, when the impact would be highest. The positive effects of the modified RRP would be maintained after the end of the measures, as estimates suggest that GDP would be on average higher by around 0.5 % per year in 2027-2040. The analysis presented only takes into account the effects of investment measures in isolation, however, given significant involvement of Slovenia as a small open economy in international trade flows, it can be expected that other countries' RRP's will have significant positive spill-over effects on the Slovenian economy.
- (45) The modified RRP includes significant investments and reforms to address social challenges, like the shortage of affordable housing, and difficult access to healthcare, and improve social cohesion, notably also through education. The flagship reforms include pension, healthcare and long-term care reforms. The original plan also already included investments in the modernisation and the digitalisation of the health system.
- (46) As part of the amendment of the RRP, the investments dedicated to some of the above-mentioned social and employment investments has been reduced, lowering the expected targets – such as the removal of investment in a infectious diseases clinic. However, the original positive assessment of the social impact of the plan on social cohesion remains unchanged. In particular, the RRP still addresses the challenges identified in various country reports and country-specific recommendations regarding healthcare, long-term care and pension reforms.

#### ***Do no significant harm***

- (47) In accordance with Article 19(3), point (d), of and Annex V, criterion 2.4, to Regulation (EU) 2021/241, the modified RRP including the REPowerEU chapter is expected to ensure that no measure (Rating A) for the implementation of reforms and investments projects included in this RRP does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852 of the European Parliament and of the Council<sup>6</sup> (the principle of 'do no significant harm').
- (48) Changes introduced in measures through the modification of RRP plan do not affect the assessment carried out for the original RRP, which remains valid.
- (49) For what concerns the new reform and the investments introduced in the REPowerEU chapter, Slovenia provided a systematic assessment of each measure against the principle of 'do no significant harm' in line with Commission's technical guidance on the application of 'do no significant harm' under the Recovery and Resilience Facility Regulation (2021/C58/01). The information provided allows to conclude that the

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<sup>6</sup> Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).

modified plan is expected to ensure that no measure does significant harm within the meaning of Article 17 of Regulation (EU) 2020/852.

### ***Contribution to the REPowerEU objectives***

- (50) In accordance with Article 19(3), point (da), of and Annex V, criterion 2.12, to Regulation (EU) 2021/241, the REPowerEU chapter is expected to effectively contribute to a large extent (Rating A) to energy security, the diversification of the Union's energy supply, an increase in the uptake of renewables and in energy efficiency, an increase of energy storage capacities or the necessary reduction of dependence on fossil fuels before 2030.
- (51) The implementation of the measures included in the REPowerEU chapter is expected to contribute notably to supporting the objectives in Article 21c (3), points (b) and (e), of Regulation (EU) 2021/241. By scaling up reform A (Reform of the promotion of renewable energy sources in Slovenia) of component 1 (Renewable energy and energy efficiency), and by adding a new investment D on decarbonisation of industry of component 17 (REPowerEU), alongside the scaled-up investment D (Energy efficient restructuring of district heating systems with the use of renewable sources) of component 1 (Renewable energy and energy efficiency), the REPowerEU chapter reinforces the ambition to decarbonise the economy by increasing energy efficiency and the share of renewables in line with the objective set out in Article 21c (3), point (b).
- (52) The scaled-up investment E (Scaled-up measure: Promoting the deployment of alternative fuels infrastructure in transport) of component 17 (REPowerEU) supports effectively the deployment of zero-emission transport and its infrastructure in line with the objective set out in Article 21c (3), point (e). The upgrade of the electricity distribution network under the new investment C (Strengthening the electricity distribution network (medium-voltage network) of component 17 (REPowerEU) is expected to accelerate the integration of renewable energy sources by addressing electricity distribution bottlenecks in line with the objective set out in Article 21c (3), point (e).
- (53) The REPowerEU chapter is coherent with Slovenia's policy framework aimed at reducing greenhouse gas emissions and increasing the share of renewable energy sources. The measures also reinforce those included in the original RRP on promoting energy efficiency by increasing the share of renewables in district heating systems.
- (54) The REPowerEU chapter also addresses the need to diversify away from fossil fuels by accelerating the deployment of renewable energy sources and supporting the decarbonisation of industry and of transport, therefore increasing Slovenia's energy security.

### ***Measures having a cross-border or multi-country dimension or effect***

- (55) In accordance with Article 19(3), point (db), of and Annex V, criterion 2.13, to Regulation (EU) 2021/241, the measures included in the REPowerEU chapter are expected to a large extent (Rating A) to have a cross-border or multi-country dimension or effect.
- (56) The investments with a multi-country and cross-border dimension included in the REPowerEU chapter support the decarbonisation of industry and the deployment of alternative fuels infrastructure in transport by reducing the dependency on fossil fuels and by reducing energy demand of the industry sector. The investments in the upgrade of the electricity distribution grid and in the energy-efficient restructuring of district



heating systems through the introduction of renewables also have a cross-border dimension, as they are expected to enable the grid connection of a higher share of renewables and decrease the demand for fossil fuels. Therefore, these measures will contribute to securing energy supply in the Union as a whole, including by addressing challenges identified in the Commission's most recent needs assessment, in line with the objectives set out in Article 21c(3), taking into account the financial contribution available to the Member State concerned and its geographical position and reducing dependency on fossil fuels and to reducing energy demand.

- (57) The total costs of these measures account for a total of EUR 122 million representing 100% of the estimated costs of the REPowerEU chapter.

#### ***Contribution to the green transition including biodiversity***

- (58) In accordance with Article 19(3), point (e), of and Annex V, criterion 2.5, to Regulation (EU) 2021/241, the modified RRP including the REPowerEU chapter, contains measures that contribute to a large extent (Rating A) to the green transition, including biodiversity, or to addressing the challenges resulting therefrom. The measures supporting climate objectives account for an amount which represents 48.88% of the RRP's total allocation and 79.29% of the total estimated costs of measures in the REPowerEU chapter calculated in accordance with the methodology set out in Annex VI to that Regulation. In accordance with Article 17 of Regulation (EU) 2021/241, the modified RRP including the REPowerEU chapter is consistent with the information included in the National Energy and Climate Plan 2021-2030.
- (59) Given the decreased financial contribution of Slovenia's RRP and the inclusion of new measures in the REPowerEU chapter supporting climate objectives, the climate contribution of the plan has increased from 42.45% to 48.88%.
- (60) The measures withdrawn or reduced do not impact the overall ambition of the plan regarding the green transition, while the REPowerEU chapter provides an additional support to the green transition of Slovenia, since the reform and all the investments contribute integrally to accelerating the uptake of renewables and thereby reducing the reliance on fossil fuels and reducing air pollution, as well as increasing energy efficiency and energy savings.
- (61) Regarding the contribution of the measures of the REPowerEU chapter in Slovenia's RRP to achieving the 2030 climate targets and the objective of EU's climate neutrality by 2050, they aim to facilitate the deployment of renewable energy sources in certain areas such as roadsides, water surfaces, and rooftops in line with the EU environmental legislation. Moreover, Slovenia has foreseen measures to decarbonise the economy, a support scheme for zero-emission vehicles, measures to strengthen the medium-voltage electricity distribution network, as well as to restructure existing district heating systems with new renewable energy sources technologies.
- (62) These measures are expected to have a lasting impact by accelerating the phase-out of fossil fuels towards a durable renewable energy system in Slovenia. They will reduce the greenhouse gas emissions and facilitate the uptake of renewable energy in Slovenia and by that contribute to the attainment of the 2030 climate targets and the objective of the Union climate neutrality by 2050.

#### ***Contribution to the digital transition***

- (63) In accordance with Article 19(3), point (f), of and Annex V, criterion 2.6, to Regulation (EU) 2021/241, the modified RRP contains measures that contribute to a large extent to the digital transition or to addressing the challenges resulting from it.

The measures supporting digital objectives account for an amount, which represents 20.01% of the modified RRP's total allocation calculated in accordance with the methodology set out in Annex VII to that Regulation.

- (64) The modification of the RRP did not impact Slovenia's ambition towards the digital transition with respect to the modified measures. The modified RRP continues to significantly contribute to the digital transition of the public administration and businesses, including by developing necessary infrastructure (building up connectivity, cloud and improving cybersecurity), deploying advanced and user-friendly digital solutions and services, as well as transforming business processes and closing the digital gap for more traditional companies.
- (65) The REPowerEU chapter is expected to contribute to the digital transition and to address the resulting challenges by strengthening the medium-voltage electricity distribution network through new control systems and sensor technologies that shall enable the interactive and intelligent monitoring, measurement, quality control or management of energy generation, transmission, distribution or consumption within the distribution network. In accordance with Article 21c(5) of Regulation (EU) 2021/241, reforms and investments in the REPowerEU chapter are not to be taken into account when calculating the plan's total allocation for the purpose of applying the digital target requirement set by that regulation.

#### ***Lasting impact***

- (66) In accordance with Article 19(3), point (g), of and Annex V, criterion 2.7, to Regulation (EU) 2021/241, the modified RRP including the REPowerEU chapter is expected to have a lasting impact on Slovenia to a large extent (Rating A).
- (67) The envisaged reforms of the healthcare, long-term care and pension systems, already included in the original RRP, are expected to result in lasting improvements to the social security system in Slovenia, in terms of service provision to all citizens, efficiency, adequacy, and financial sustainability. Those reforms are expected to address the key socio-economic challenges of a rapidly aging society. Reforms to the pension system and labour market regulations will promote longer working lives and ensure the medium and long-term sustainability and adequacy of the pension system. The implementation of other reforms is expected to bring about significant structural changes to public administration, improving its effectiveness and efficiency. The modified RRP also aims at making the country's digital infrastructure more resilient.
- (68) In the area of investment, a lasting structural change is expected from the measures to boost productivity and investments of companies. Further investments should accelerate the digital transformation of the public sector and companies. The largest investment in the RRP should contribute to climate change adaptation with a focus on civil protection and flood prevention, while many others should directly contribute to climate change mitigation. Investments in sustainable transport are expected to contribute to significant reductions in greenhouse gas emissions and air pollution from transport, thus ensuring a better living environment for the population and better operating conditions for economic operators. Further measures should support the energy efficiency of the economy. Key investments in healthcare should boost e-health and improve the infrastructure and treatment of infectious and communicable diseases, thus contributing to the health system's preparedness and resilience.

#### ***Monitoring and implementation***

- (69) In accordance with Article 19(3), point (h), of and Annex V, criterion 2.8, to Regulation (EU) 2021/241, the arrangements proposed in the modified RRP including the REPowerEU chapter are adequate (Rating A) to ensure effective monitoring and implementation of the RRP, including the envisaged timetable, milestones and targets, and the related indicators.
- (70) The original RRP proposed adequate arrangements to ensure effective monitoring and implementation of the RRP, including the envisaged timetable, milestones and targets, and the related indicators.
- (71) The nature and extent of the proposed modifications to Slovenia's RRP do not have an impact on the previous assessment of the effective monitoring and implementation of the RRP. In particular, the same structure is tasked with (i) the implementation of the RRP; (ii) the monitoring of progress on milestones and targets; and (iii) the reporting. Furthermore, the overall arrangements proposed by Slovenia in terms of organisation (including provision to ensure sufficient staff allocation) of the implementation of the reforms and investments, are credible. The milestones and targets that accompany the modified measures, including the new ones in the REPowerEU chapter, are clear and realistic and the proposed indicators for those milestones and targets are relevant, acceptable and robust.

### ***Costing***

- (72) In accordance with Article 19(3), point (i), of and Annex V, criterion 2.9, to Regulation (EU) 2021/241, the justification provided in the modified RRP including the REPowerEU chapter on the amount of the estimated total costs of the RRP is to a medium extent (Rating B) reasonable and plausible, is in line with the principle of cost efficiency and is commensurate to the expected national economic and social impact.
- (73) The justification provided in the original plan on the amount of the estimated total costs of the RRP was to a medium extent reasonable and plausible, in line with the principle of cost efficiency and was commensurate to the expected national economic and social impact and obtained a 'B' rating. That conclusion remains unchanged as the modification mostly reduces the targets proportionally in view of the decrease in the maximum financial contribution and, where relevant, taking into account unexpectedly high inflation. Various price indexes have been selected and presented to demonstrate the higher-than-expected increase in prices.
- (74) The assessment of the cost estimates for the REPowerEU measures show that most of the costs are reasonable and plausible even though the evidence shows varying degrees of details and depth of calculations. Also, the references to already existing projects were limited, explained by the aim to implement innovative projects that have not been implemented before. In some cases, details on the methodology and assumptions used to make the cost estimates were limited, again partly due to the novelty of the measures, or less clear preventing an A rating under this assessment criterion. Finally, the estimated total cost of the modified RRP is in line with the principle of cost-efficiency and commensurate to the expected national economic and social impact.

### ***Protection of the financial interests of the Union***

- (75) In accordance with Article 19(3), point (j), of and Annex V, criterion 2.10, to Regulation (EU) 2021/241, the arrangements proposed in the modified RRP including the REPowerEU chapter are adequate (Rating A) to prevent, detect and correct corruption, fraud and conflicts of interests when using the funds provided under that Regulation, and the arrangements are expected to effectively avoid double funding

under that Regulation and other Union programmes. This is without prejudice to the application of other instruments and tools to promote and enforce compliance with Union law, including for preventing, detecting and correcting corruption, fraud and conflicts of interest, and for protecting the Union budget in line with Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council<sup>7</sup>.

- (76) The original RRP clearly identified the roles and responsibilities for its implementation and the internal control tasks. The relevant functions are appropriately segregated. A coordinating body has been established and a National Decree and Guidelines of the Coordination Body lays out the procedures for carrying out audits and controls in compliance with applicable Union and national legislation. The control system and other relevant arrangements are adequate to prevent, detect and correct corruption, fraud, and conflicts of interest, and to prevent double funding. The actors responsible for controls have the legal empowerment and administrative capacity necessary to exercise their planned roles and tasks. The audit and control framework was part of a specific milestone on control and audit systems, which has been satisfactorily fulfilled.
- (77) These provisions to the financial interests of the Union have not been altered substantially in the modified RRP. The addendum only clarifies that the Office of the Implementation of the Recovery and Resilience Plan is responsible for payments at national level and for the preparation and submission of payment requests to the European Commission. While the National Cost Coordinator is responsible for the ex-ante review and approval of the estimate of the cost of measures in the event of changes to the plan.

### ***Coherence of the RRP***

- (78) In accordance with Article 19(3), point (k), of and Annex V, criterion 2.11, to Regulation (EU) 2021/241, the modified RRP including the REPowerEU chapter includes to a high extent (Rating A) measures for the implementation of reforms and public investment projects that represent coherent actions.
- (79) The original RRP was structured around four coherent clusters, which had been expected to contribute to the objectives of Regulation (EU) 2021/241. Each cluster was built around components that include consistent packages of both reforms and investments, pursuing complementary aims and mutually reinforcing measures. At the overall level of the RRP, all clusters pursued complementary objectives and represent coherent actions.
- (80) The modified plan retains the coherent structure of the RRP and integrates the REPowerEU chapter smoothly with the existing measures related to climate change and energy efficiency. As the amendments to the plan mainly concern investments, the relative weight of reforms is even increased in the modified plan. The modifications made to the existing components do not alter the overall coherence of the plan and therefore do not have an impact on the previous assessment of the coherence of the RRP.

### ***Equality***

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<sup>7</sup> Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council of 16 December 2020 on a general regime of conditionality for the protection of the Union budget (OJ L 433 I, 22.12.2020, p. 1).

- (81) Slovenia amended and removed some measures, which could potentially help efforts towards gender equality and equal opportunities. It states, however, that these measures will either be implemented with financing from other sources or have already become obsolete as other measures have been taken to the same effect. The broadening of the measure helping young people to enter the labour market more quickly should support equal opportunities. Therefore, the RRP will still directly or indirectly contribute to the implementation of the principles of the European Pillar of Social Rights, thus maintaining the same social impact of the RRP and ensuring gender equality and equal opportunities for all.

### ***Consultation process***

- (82) During the preparation of the modified RRP, including the REPowerEU chapter, Slovenia conducted a comprehensive consultation process through a written feedback procedure and organised a public presentation and discussion. Stakeholders (representatives of ministries, organisations and associations in the fields of energy, transport, trade, environment and business, as well as from local self-governments and non-governmental organisations) and the general public had the opportunity to submit their comments on the REPowerEU chapter proposal and a public event with a discussion was also organised. The responsible national bodies assessed and addressed the comments received during the consultation and harmonised the content of the new REPowerEU chapter. For the modified RRP, another public event with a presentation and discussion of the plan was organised with the participation of the public and other relevant stakeholders.
- (83) Stakeholders, local authorities, social partners and the general public have been regularly updated on the progress of the implementation of the plan in Slovenia's annual event on the implementation of the RRP. The modified plan envisages further consultations with social partners or relevant stakeholders on its implementation, in particular before the adoption of relevant legislation on key reforms. To ensure ownership by the relevant actors, it is crucial to involve all local authorities and stakeholders concerned, including social partners, throughout the implementation of the investments and reforms included in the modified RRP including the REPowerEU chapter.

### ***Positive assessment***

- (84) Following the positive assessment of the Commission concerning the modified RRP including the REPowerEU chapter, with the finding that the plan satisfactorily complies with the criteria for assessment set out in Regulation (EU) 2021/241, in accordance with Article 20(2) of and Annex V to that Regulation, the reforms and investment projects necessary for the implementation of the modified RRP including the REPowerEU chapter, the relevant milestones, targets and indicators, and the amount made available from the Union for the implementation of the modified RRP including the REPowerEU chapter in the form of non-repayable financial and loan support should be set out.

### ***Financial contribution***

- (85) The estimated total costs of the modified RRP including the REPowerEU chapter of Slovenia is EUR 2 158 318 340. As the amount of the estimated total costs of the modified RRP is higher than the updated maximum financial contribution available for Slovenia, the financial contribution calculated in accordance with Article 11 allocated for Slovenia's modified RRP including the REPowerEU chapter should be equal to the

total amount of the financial contribution available for Slovenia's modified RRP including the REPowerEU chapter. This amount is equal to EUR 1 490 956 633.

- (86) Pursuant to Article 21a(5) of Regulation (EU) 2021/241, on 14 July 2023 Slovenia submitted a request for the allocation of the revenue referred to in Article 21a (1) of that Regulation, shared between Member States on the basis of the indicators set out in the methodology in Annex IVa to Regulation (EU) 2021/241. The estimated total costs of the measures referred to in Article 21c(3), points (b) to (f) included in the REPowerEU chapter is EUR 121 991 707. As this amount is higher than the allocation share available for Slovenia, the additional non-repayable financial support available for Slovenia should be equal to the allocation share. This amount is equal to EUR 116 734 327.
- (87) Additionally, in accordance with Article 4a of Regulation (EU) 2021/1755<sup>8</sup>, on 28 February 2023 Slovenia submitted a reasoned request to transfer all its remaining provisional allocation from the resources of the Brexit Adjustment Reserve to the Facility, amounting to EUR 5 257 380. That amount should be made available to support the reforms and investments in the REPowerEU chapter as additional non-repayable financial support.
- (88) The total financial contribution available to Slovenia should be EUR 1 612 948 340.

#### ***Loan***

- (89) Furthermore, in order to support additional reforms and investments in the modified RRP including the REPowerEU chapter, Slovenia has requested additional loan support of EUR 367 000 000 for a total amount of EUR 1 072 370 000, in particular, to support the reforms and investments in the RRP that are not part of the REPowerEU chapter. The amount of the estimated total costs of the RRP is higher than the combined financial contribution available for Slovenia, including the REPowerEU chapter and the updated maximum financial contribution for non-repayable financial support, the revenue from the emission trading system under Directive 2003/87/EC, and the resources from the Brexit Adjustment Reserve. Taking into consideration the initial loan granted to Slovenia and this additional request, the maximum volume of the loan requested by Slovenia is less than 6,8% of its 2019 gross national income in current prices. In light of the significant floods that took place in August 2023, Slovenia has requested the additional loan support for green transition and reconstruction projects in the area of sustainable mobility, as well as energy efficiency.

#### ***REPowerEU Pre-financing***

- (90) Slovenia has requested the following funding for the implementation of its REPowerEU chapter: EUR 116 734 327 from the revenue from the Emissions Trading System under Directive 2003/87/EC of the European Parliament and of the Council and a transfer of EUR 5 257 380 from the provisional allocation from the resources of the Brexit Adjustment Reserve.
- (91) For those amounts, pursuant to Article 21d of Regulation (EU) 2021/241, on 14 July 2023 Slovenia has requested pre-financing of 20% of the funding requested. Subject to available resources, that pre-financing should be made available to Slovenia subject to the entry into force of, and in accordance with, an agreement to be concluded between

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<sup>8</sup> Regulation (EU) 2021/1755 of the European Parliament and of the Council of 6 October 2021 establishing the Brexit Adjustment Reserve (OJ L 357 8.10.2021, p. 1).

the Commission and Slovenia pursuant to Article 23(1) of Regulation (EU) 2021/241 (the 'financing agreement').

- (92) Council Implementing Decision ST 10612/21 and ST 10612/21 ADD 1 of 28 July 2021 on the approval of the assessment of the RRP for Slovenia should therefore be amended accordingly. For the sake of clarity, the Annex to that Implementing Decision should be replaced entirely,

HAS ADOPTED THIS DECISION:

### *Article 1*

Implementing Decision (EU) ST 10612/21 and ST 10612/21 ADD 1 of 28 July 2021 is amended as follows:

- (1) Article 1 is replaced by the following:

#### *“Article 1*

#### *Approval of the assessment of the RRP*

The assessment of the modified RRP of Slovenia on the basis of the criteria provided for in Article 19(3) of Regulation (EU) 2021/241 is approved. The reforms and investment projects under the RRP, the arrangements and timetable for the monitoring and implementation of the RRP, including the relevant milestones and targets, and the additional milestones and targets related to the payment of the loan, the relevant indicators relating to the fulfilment of the envisaged milestones and targets, and the arrangements for providing full access by the Commission to the underlying relevant data are set out in the Annex to this Decision.”;

- (2) In Article 2, paragraphs 1 and 2 are replaced by the following:

“1. The Union shall make available to Slovenia a financial contribution in the form of non-repayable support amounting to EUR 1 612 948 340.<sup>9</sup> That contribution includes:

- (a) an amount of EUR 1 280 114 102 that shall be available to be legally committed by 31 December 2022;
- (b) an amount of EUR 210 842 531 that shall be available to be legally committed from 1 January 2023 until 31 December 2023;
- (c) an amount of EUR 116 734 327<sup>10</sup>, in accordance with Article 21a(6) of Regulation (EU) 2021/241, exclusively for measures referred to in Article 21c of that Regulation, with the exception of measures referred to in Article 21c (3), point (a);
- (d) an amount of EUR 5 257 380, transferred from the Brexit Adjustment Reserve to the Facility.

2. The Union financial contribution shall be made available by the Commission to Slovenia in instalments in accordance with the Annex to this Decision. An amount of EUR 231 000 547

<sup>9</sup> This amount corresponds to the financial allocation after deduction of the Slovenia's proportional share of the expenses of Article 6(2) of Regulation (EU) 2021/241, calculated in accordance with the methodology of Article 11 of that Regulation.

<sup>10</sup> This amount corresponds to the financial allocation after deduction of the Slovenia's proportional share of the expenses of Article 6(2) of Regulation (EU) 2021/241, calculated in accordance with the methodology of Annex IVa of that Regulation.

shall be made available as pre-financing in accordance with Article 13 of Regulation (EU) 2021/241.

An amount of EUR 24 398 341 shall be made available as pre-financing in accordance with Article 21d of Regulation (EU) 2021/241. That pre-financing may be disbursed by the Commission in up to two payments.

The pre-financing and instalments may be disbursed by the Commission in one or several tranches. The size of the tranches shall be subject to the availability of funding.”;

(3) In Article 3, paragraphs 1 and 2 are replaced by the following:

*“Article 3  
Loan support*

1. The Union shall make available to Slovenia a loan amounting to a maximum of EUR 1 072 370 000.
2. The loan support referred to in paragraph 1 shall be made available by the Commission to Slovenia in instalments in accordance with the Annex to this Decision.
3. Instalments may be disbursed by the Commission in one or several tranches. The size of the tranches shall be subject to the availability of funding.”

(4) The Annex is replaced by the text in the Annex to this Decision.

*Article 2*

This Decision is addressed to the Republic of Slovenia.

Done at Brussels,

*For the Council  
The President*