

POSITION PAPER OF THE REPUBLIC OF SLOVENIA

ON COHESION POLICY BEYOND 2020

Cohesion Policy represents one of the key pillars of a strong European Union whose functioning should be based on a clear vision, competitive and innovative economy, and orientation towards sustainability, creativity, social mobility and collective solidarity. Cohesion Policy directly supports the Member States, regions, cities and rural areas to make full use of their potentials.

The debate on the future of Cohesion Policy takes place amid global change, including in particular the shift to the Fourth Industrial Revolution, demographic megatrends and climate change. Europe should embrace these challenges in a proactive and ambitious way, in the spirit of European integration; it is only together we can better confront the challenges and turn them into opportunities.

- Slovenia sees Cohesion Policy as the main, financially strong European investment policy that should be clearly focused on structural transformation by boosting and speeding the deployment of new technologies, facilitating societal change and supporting the development of associated infrastructure. Therefore, Slovenia is convinced that Cohesion Policy should be implemented across the whole of EU, and acknowledges it should become even more focused. Slovenia understands and supports the need for compliance, consistency, and for embedding Cohesion Policy in the wider EU development context. Slovenia underlines that this “embedding” should be effective and should take into due account the territorial dimension, the long-term nature of Cohesion Policy and the division of powers within individual Member States.
- The GDP should continue to play a decisive role in determining financial allocation within Cohesion Policy, as it reflects a country’s capacity to invest in the necessary change. Cohesion Policy funds should further be earmarked for strengthening long-term factors of productivity, such as innovation capacity and human capital, for empowering people through knowledge, competencies and skills, and for supporting social and economic transformation instead of being used for current transfers.
- Structural transformation is a long-term process. In most of the countries and regions the process has started already a while ago, but the time is ripe now to accelerate and advance it. This cannot be achieved if the regions, particularly those caught in the “middle-income trap”, were faced with radical budget cuts to the funding available for structural transformation. A situation where certain areas suddenly lose a significant share of their development funding during the transition from one multiannual financial framework to another is not only politically unacceptable but also paralyses the transition of such areas to more developed ones, and the whole Europe ends up being worse off.
- Cohesion Policy measures should be consistent and coordinated horizontally (at the level of different policies), vertically (at different governance levels, i.e. European, national and

regional/local), and territory-wise (at the level of regions, cities, rural areas). Slovenia believes that Cohesion Policy should further act as a uniform development and investment policy which builds on complementary and consistent use of different funding instruments, as this 'is the only way to achieve the planned results and the needed structural change in the countries, regions, cities and rural areas. Additionally, the measures should remain integrated in the future, at least those funded by the European Regional Development Fund and the European Social Fund. Slovenia considers that the "multi-fund operational programmes" approach, which was a novelty in this programming period, should be kept in the future, while obstacles that put a brake on the implementation should be removed. Slovenia supports the idea of integrity and coherence, and underlines that while ESI Funds each have their particular mission, complementary types of support could be funded by a single ESI Fund, regardless of its mission, in order to achieve the objectives.

- The positive results of already delivered reforms of Cohesion Policy should be transferred to other EU policies. Ex-ante conditionalities, including smart specialisation strategy, should be particularly underlined in this context as they contribute significantly to policy transformation by supporting and facilitating the optimisation of the regulatory, programme and institutional framework. Slovenia is in favour of making ex-ante conditionalities even more focused.
- In terms of territorial cohesion, Slovenia supports a programme framework that will foster a coordinated and complementary action, while taking into account the development dependency between urban and rural areas. Slovenia backs the idea of keeping further the integrated territorial approach that builds on an integrated development strategy of a given territory, while addressing the economic, social and other challenges.
- Slovenia firmly supports further efforts to significantly remove administrative barriers. It welcomes the recommendations of the High Level Group on Simplification, and stresses that recommendations on the simplification should be fed into the legislative proposals for the future Cohesion Policy. In the spirit of simplification, Slovenia believes that the new legislative framework should contain clear provisions that enable putting the principle of proportionality in practice.
- Slovenia expresses support for evolution of Cohesion Policy implementation, and stresses that the outputs, the lessons learned and the knowledge gained should be upgraded in the future. Slovenia advocates for continued use of already established fully functional management systems in the post-2020 period as well.
- The lessons learned in the current programming period show how important it is to have the normative framework as well as the delegated and implementing acts prepared in time. Slovenia considers that in order to ensure the effectiveness of Cohesion Policy, and in particular to deliver quality development and innovative projects, the current de-commitment rule provides an adequate and predictable time frame.
- Slovenia recalls the need to allow for more flexibility within agreed priority areas to address the specific national and regional needs and challenges of priority areas, and to take into account regional disparities between Member States. Slovenia reaffirms that the principle of shared management is the right way to address such challenges, and at the same time

highlights that a uniform and simpler set of rules, in particular horizontal rules (e.g. state aid), should be applied to both shared and central management for Cohesion Policy to be effective.

- Slovenia will strive for the right balance of securing the minimum amount of funding needed to implement the measures and setting the co-financing rate that ensures ownership of the project by the beneficiaries. This is the only way to creating conditions for a cost-effective project implementation.
- Slovenia advocates for a bigger role and relevance of financial instruments in the post-2020 Cohesion Policy, but acknowledges that grants will continue to be the main source of funding. Slovenia stresses that financial instruments should be implemented in a way that avoids any competition between financial instruments implemented at the central level and the ones used in Cohesion Policy.
- Slovenia emphasises that the European Territorial Cooperation with its three strands should retain a significant role in Cohesion Policy beyond 2020. Cross-border cooperation in particular contributes to the development of potentials in the border regions. Implementation rules should better reflect the specific character of the European Territorial Cooperation and its multilateral approach. These rules should ensure the application of the principle of proportionality, formulate a list of common indicators in accordance with the needs of the European Territorial Cooperation programmes and provide an exemption from the application of State Aid rules. Slovenia highlights the invaluable European Added Value of the European Territorial Cooperation programmes.