

SLOVENIA'S 2023 SOVEREIGN SUSTAINABILITY BOND REPORT

June 2024



REPUBLIC OF SLOVENIA
MINISTRY OF FINANCE



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I. Introduction

I.1 Slovenian Development Strategy 2030^[1]

Slovenia is an active international partner in global efforts towards peace and security, respect for human rights, cultural diversity, rule of law and conscientious response to global challenges.



For Slovenia
a
commitment
is
demonstrated
through
actions,
not
just words.

Slovenia is fully committed to all 17 goals of the **UN's Sustainable Development 2030 Agenda** and the targets of the:

- ▶ **Paris Agreement on Climate Change:** keeping the global average temperature rise above pre-industrial levels well below 2 degrees Celsius this century;
- ▶ **European Green Deal:** reduction of net greenhouse gas emissions by at least 55% by 2030, compared to 1990 levels, no net emissions of greenhouse gases by 2050, economic growth decoupled from resource use, no person and no place left behind; and the
- ▶ **European Pillar of Social Rights:** in Slovenia at least 79.5% of the population aged 20 to 64 should be in employment by 2030, at least 60% of all adults should be participating in training every year by 2030 and the number of people at risk of poverty or social exclusion should be reduced by at least 9,000 by 2030.

[1] Slovenian Development Strategy 2030. Available [here](#).

To become a society that understands how to deal with change, uncertainty and challenges, Slovenia wants to create the conditions for and establish a systemic approach to sustainable development.

Slovenia demonstrates its commitment to environmental and social sustainability through the **Slovenian Development Strategy 2030** (SDS2030). The strategy is the country's core development framework, based on the guidelines set out in the Vision of Slovenia, Slovenia's development baselines and international commitments, and economic, social and environmental trends and challenges at the regional, national, European and global levels.

SDS2030 is a multi-sectoral national strategy, which takes into account the planet's limitations and creates conditions and opportunities for present and future generations. A **high quality of life for all** is placed at the center of the SDS2030. In designing the developmental paths to a better life for all inhabitants, Slovenia is aware of its **responsibilities in the global context**.

The sustainable mentality is an outcome of proactive policies and is not coincidental.

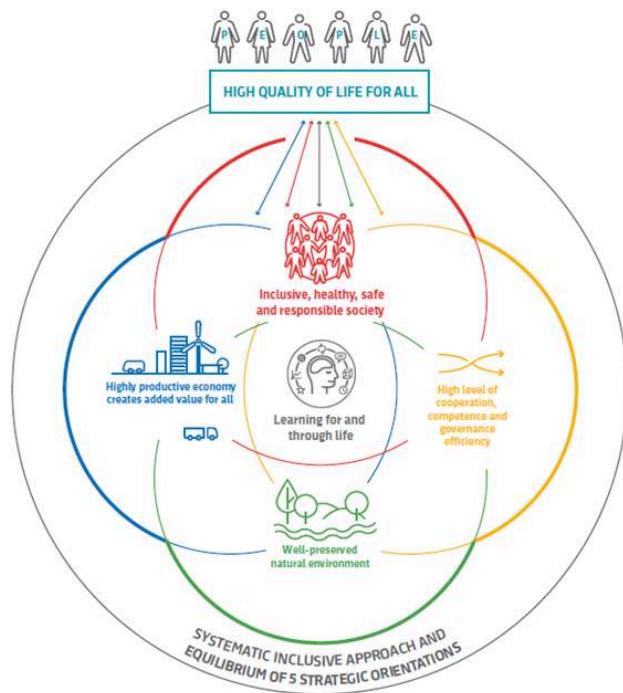


At the level of the individual, a high quality of life is manifested in good opportunities for employment, education, and creativity, as well as a dignified, safe, and active life, within a healthy and clean environment with inclusion in democratic decision-making and participation in social management.

Slovenia's strategic orientations for achieving a high quality of life are:

- ▶ an inclusive, healthy, safe, and responsible society,
- ▶ learning for and throughout life,
- ▶ a highly productive economy that creates added value for all,
- ▶ a well-preserved natural environment, and
- ▶ a high level of cooperation, competence and governance efficiency.

The five strategic orientations for achieving the primary objective will be implemented through operations in various inter-connected and interdependent areas, which are **reflected in the Strategy's 12 development goals**. Each goal is linked to the sustainable development goals set out in the UN's Sustainable Development 2030 Agenda. The goals constitute a basis for designing the priority tasks and measures to be implemented by the Slovenian government, regional development stakeholders, local communities, and other stakeholders.



Progress on the implementation of the SDS 2030 is reported annually through **the Development Report**^[2] prepared by the Institute for Macroeconomic Development and Analysis. The report follows the five strategic orientations that the SDS2030 identified as crucial for achieving high quality of life for all. It shows trajectory on parameters and provides recommendations on how to improve the implementation, so that all objectives are met.

[2] Institute for Macroeconomic Development and Analysis (2023). *Development report 2023*. Available [here](#).

I.2 Slovenian Sustainability Bonds

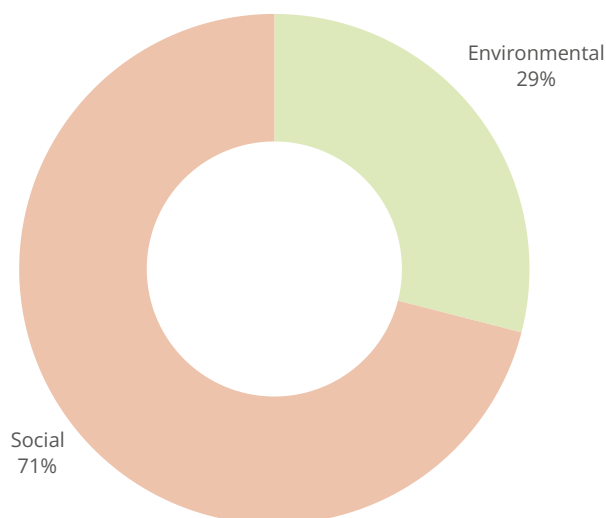
In **June 2021** the Republic of Slovenia issued its **1st Sustainability Bond (“Slovenia’s 2021 Sovereign Sustainability Bond”)** in the amount of EUR 1 billion with a maturity of 10 years, due on July 1, 2031. The initial issue was followed by several reopenings, bringing the total outstanding amount to **EUR 1.24 billion**.

With the issuance, the Republic of Slovenia was the first among the countries of Central and Eastern Europe, and the second among the Member States of the European Union, to issue a Sustainability bond. The proceeds from the bond were used to finance projects that contribute to Slovenia’s **environmental** (33%) and **social goals** (67%). The first Slovenian sustainability bond report on the allocation of funds and the impacts was published in **June 2022**^[3]. The allocation report was also reviewed by an external verifier^[4].

In **January 2023**, Slovenia issued its 2nd Sustainability Bond **(“Slovenia’s 2023 Sovereign Sustainability Bond”)** in the amount of **EUR 1.25 billion** and a maturity of 10 years, due on January 10, 2033.

The proceeds from the bond were used to finance projects that contribute to Slovenia’s **environmental (29%)** and **social goals (71%)**. A detailed description of the allocation of funds and their impacts is outlined in the following sections of this report.

Figure 1: Slovenia’s 2023 Sovereign Sustainability Bond contribution



Source: Ministry of Finance

[3] *Slovenian Sustainability Bond Report* (June 2022). Available [here](#).

[4] Morningstar Sustainability (June 2022). *Republic of Slovenia Annual Review*. Available [here](#). Morningstar Sustainability (June 2023). *Republic of Slovenia Annual Review*. Available [here](#).





**Slovenia
looks for
excellence in
its
Sustainability
Bonds.**

The key document for issuing Sustainability Bonds is **the Slovenian Sovereign Sustainability Bond Framework** (the **“Framework”**)^[5]. The Framework has been prepared in accordance with the relevant International Capital Market Association (ICMA) Principles. The Framework categories were also mapped to the main **United Nations Sustainable Development Goals** and **European Environmental Objectives** that they contribute to.

The commitment to the highest market practices and global standards is reflected in the 2023 update of the Framework, wherein **Slovenia** pledges to adhere as closely as possible **to the criteria of the EU Taxonomy**^[6], a modern framework of the European Union determining economic activities that are considered sustainable and environmentally friendly.

[5] *Slovenian Sovereign Sustainability Bond Framework* (January 2023). Available [here](#).

[6] *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*. Available [here](#).

I.3 Preparation of Slovenia's 2023 Sustainability Bond Report

In line with the reporting commitments defined in the Framework, Slovenia has prepared the second Slovenian Sustainability Bond Report. This report describes **the allocation and impact of the projects financed with the proceeds from the Slovenia's 2023 Sovereign Sustainability Bond.**

The information provided in this report is based, as far as possible, on the existing public data and information for different green and social projects, as well as on direct interactions with the different line ministries, project owners and project managers.

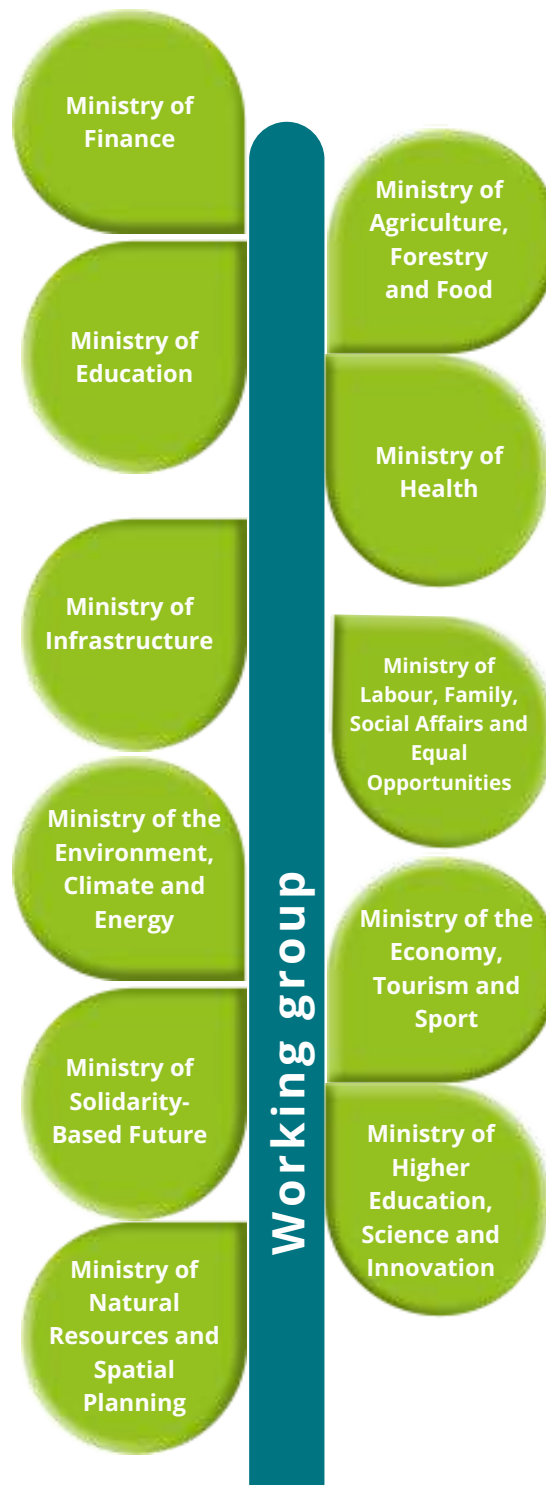


This report covers **five categories for eligible green and social expenditures** identified in the Framework: Low Carbon Transport, Sustainable Environmental Management, Access to Essential Services - Health, Access to Essential Services - Education and Access to Essential Services - Social Inclusion.

This report has been prepared by the Sustainability Bond Working Group (“**SSBs Working Group**”) in collaboration with different ministries and bodies that are responsible for the management of the allocated projects, with additional input from different benefiting institutions themselves.

The report is intended to provide insight into asset allocation of the Slovenia's 2023 Sovereign Sustainability Bond, **covering the year 2022 and 2023 eligible expenditures**. It also describes the specific environmental and social impacts of the eligible 2022 and 2023 expenditures which received funds from the **Slovenia's 2023 Sovereign Sustainability Bond**, by quantifying them where possible and details the allocation and impact reporting for 156 projects (**33 green and 123 social individual projects and project portfolios**) from five categories for eligible green and social expenditures.

[7] Morningstar Sustainalytics (June 2024). *Allocation Review for Slovenia's 2023 Sovereign Sustainability Bond*. Available [here](#).



The alignment of this allocation report with the Framework's criteria and commitments was independently **assessed by Morningstar Sustainalytics**^[7].

Morningstar Sustainalytics also carried out an independent **impact assessment** of the eligible expenditures under the Low Carbon Transport, Access to Essential Services - Health, and Access to Essential Services - Education categories.

Morningstar Sustainalytics' **Impact Report** covering the three mentioned categories is incorporated below but is also available as a separate document on the Ministry of Finance's website^[8]. The **impact assessment** of the expenditures within the Sustainable Environmental Management and Access to Essential Services - Social Inclusion categories was **prepared by the SSBs Working Group** and is included in this report.

[8] Morningstar Sustainalytics (June 2024). *Impact Report for Slovenia's 2023 Sovereign Sustainability Bond*. Available [here](#).

I.4 Slovenia's 2023 Sovereign Sustainability Bond – Allocation and Impact summary

Since the issuance of the Slovenia's 2023 Sovereign Sustainability Bond in January 2023, EUR 1.25 billion have been allocated to 2022 and 2023 eligible expenditures within five green and social categories: Clean Transportation, Education, Healthcare, Social Inclusion and Sustainable Environmental Management.

Table 1: Allocation summary of Slovenia's 2023 Sovereign Sustainability Bond

Category	SDGs/EU Environmental Objectives	Allocated in 2022 (€)	Allocated in 2023 (€)	Total (€)	Share (%)
Low Carbon Transport	   Climate Change mitigation	107,923,449	215,409,543	323,332,992	26
Sustainable Environmental management	  Protection and Restoration of Biodiversity and Ecosystems	21,093,896	14,844,252	35,938,148	3
Access to Essential Services - Education	 	135,342,430	118,567,887	253,910,317	20
Access to Essential Services - Social Inclusion		3,132,467	220,527,472	223,659,939	18
Access to Essential Services - Healthcare		194,542,464	218,616,140	413,158,604	33
Total green and social categories:		462,034,706	787,965,294	1,250,000,000	100

Source: Ministry of Finance

The reported impacts of Slovenia's 2023 Sovereign Sustainability Bond corresponds to the Sustainability Bond financing contribution to the total respective project financing and thus do not represent the full impact of the financed projects. The impact is reported for each project separately.

Morningstar Sustainalytics calculated social and environmental impacts for the three of the five Use of proceeds categories: Low Carbon Transport / Clean Transport, Access to Essential Services – Education and Access to Essential Services – Healthcare, to which Slovenia has allocated a total of EUR 990 million. Table 2 below provides a summary of the environmental and social impact of the three categories, which Morningstar Sustainalytics calculated from the allocation of proceeds from Slovenia's 2023 Sovereign Sustainability Bond and other inputs related to the financed project.

Impacts for these categories are presented as they appear in the original Morningstar Sustainalytics report, where the estimation method used is also detailed^[9].

Table 2: Summary of Environmental and Social Impact – Portfolio Level

Total Allocated Amount	Bond Tenor	Financed Emissions Avoided	Financed Total DALYs Averted per Year	Financed Total Annual Return on Education
EUR	Years	tCO ₂ e/year	DALYs/year	EUR/year
990,401,909	10	20,571	1,515	110,302,344

Source: Morningstar Sustainalytics

Financed projects within the Low Carbon Transport / Clean Transport category amounted to 20,571 tCO₂e/year in emissions avoided, with an average efficiency of 63.62 tCO₂e avoided per year per million EUR spent.

Financed projects within Access to Essential Services – Education category brought about EUR 110,302,344 annual return on education for EUR 253,910,317 spent, representing EUR 0.43 of annual return on education for every EUR spent once.

Financed projects within Access to Essential Services – Healthcare category averted 1,515 disability-adjusted life-years. For each EUR 1 million spent, on average 3.67 DALYs were averted.

[9] Morningstar Sustainalytic (June 2024). *Impact Report for Slovenia's 2023 Sovereign Sustainability Bond*. Available [here](#).

Due to the ongoing development of methodologies for assessing impact in the categories *Sustainable Environmental Management* and *Access to Essential Services - Social inclusion*, Morningstar Sustainalytics did not prepare impact report for these two categories at this time. Subsequently, the **SSSBs Working Group** prepared the impact report for these two categories on a best effort basis, reporting outcomes only – direct, measurable results of an activity or program. The metrics in Tables 3 - 4 correspond to annual figures in the year 2023 (and are based on the share of project financing).

Table 3: Summary of Sustainable Environmental Management outcomes

Crop production		Total Value of the Project - all sources of funding	RS Budget Share of Total Project Value	RS Budget as a source	Share of 2023 Sust. Bond in Total Project Value	2023 Sustain. Bond allocation	Allocated Amount by the RS Budget (If the full amount of the project is/was eligible/partial eligibility not taken into account)		Project life time	Farmland under soil conservation/regenerative agricultural practices (year 2023)		Farmland under soil conservation/regenerative agricultural practices (year 2023; prorated)		Increase in area under certified organic or sustainable agriculture (between 2022 and 2023)		Increase in area under certified organic or sustainable agriculture (between 2022 and 2023; prorated)	
							2022 €	2023 €		years of operation*	% of acreage farmed UAA**	in ha	% of acreage farmed UAA**	in ha	% of acreage farmed UAA**	in ha organic farming***	% of acreage farmed UAA**
NRP Nr.	Project name	€	%	€	%	€	2022 €	2023 €	years of operation*	% of acreage farmed UAA**	in ha	% of acreage farmed UAA**	in ha	% of acreage farmed UAA**	in ha organic farming***	% of acreage farmed UAA**	in ha organic farming***
2330-15-0011	Area-related measures aimed at supporting farmers who voluntarily undertake sustainable agricultural practices under the Rural Development Programme	735,636,373	25.51	187,662,637	4.89	35,938,148	21,093,896	14,844,252	9	59.90	360,723	2.93	17,622	0,22	1.322	0,01	65

*: 2014-2022

** : UAA = 602.208 ha, UAA= Utilised Agricultural Areas

***: Organic farming: Year 2022 = 49.218 ha, year 2023 = 50.540 ha

Source: Ministry of Finance

Financed project within Sustainable Environmental Management category enabled:

- 2.93% of UAA or 17,627 ha of farmland subjected to soil conservation or regenerative agricultural practices,
- 175 organic farms and 237 farms to receive program funds for the purpose of sustainable agriculture management and
- 65 ha of farmland to be subject to certified organic or sustainable agriculture.

Table 4: Summary of Access to Essential Services - Social Inclusion outcomes

Access to Essential Services – Social Inclusion	Total Value of the Project - all sources of funding (€)	Share of 2023 Sust. Bond in Total Project Value (%)	2023 Sust. Bond allocation (€)	Outcome indicators
Social activation	18,939,822	54.39	10,301,493	228 Individuals benefited from various initiatives, 9 objects have been constructed or refurbished
Natural disaster infrastructure restoration	972,739,036	21.93	213,358,446	13,775 individuals through various initiatives in the aftermath of the August 2023 floods, 18 bridges and 108 km of local and regional roads
Total	991,678,858	22.55	223,659,939	

Source: Ministry of Finance





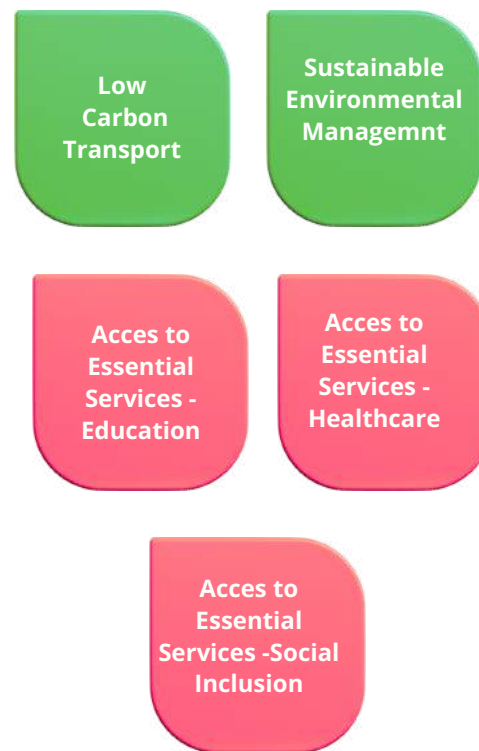
II. Allocation Report

II.1 Introduction

In January 2023, **Slovenia published an updated Framework** to govern the issuance of its Sustainability Bonds, which enables Slovenia to fund state expenditures with high environmental or social impact (“Eligible Green and/or Social Projects”) with sustainability debt instruments. In the Framework, Slovenia committed to report on the Sustainability Bonds issued, specifically the following:

- ▶ total amount of allocated expenditures,
- ▶ total amount allocated per Eligible Green and/or Social category,
- ▶ the remaining unallocated amount and
- ▶ the amount of financing vs refinancing.

Figure 2: Green and social categories to which the funds of the Slovenia's 2023 Sustainability Bond were allocated



Source: Ministry of Finance

Eligible Green and Social expenditures are state budget expenditures that qualify under the Framework and are aligned with all relevant and applicable **national and international environmental and social standards and regulation** (such as those outlined in Appendix 2 of the Framework).

Eligible green and social projects financed under this Framework adhere to Internationally recognised guidelines, specifically the **UN Guiding Principles on Business and Human Rights** and the **OECD Guidelines for Multinational Enterprises**.



A healthy and active lifestyle throughout one's life cycle is crucial for a high quality of life for all generations. Slovenia looks to achieve this goal.

Expenditures that contravene the exclusion criteria as defined by the Framework are not eligible for allocation. Furthermore, expenditures fully funded by a dedicated tax, as well as investments fully funded by external programs (such as EIB or EU programs) are not eligible for allocation in order to avoid **"double-counting"**. In case expenditures are partially financed by the dedicated funding or by external programs, only the share of **direct financing from an integral part of the state budget** is considered in the allocation.



Each Green or Social Project has been subject to the **standard national budgetary process** under the Ministry of Finance's responsibility. Before any public resources are ultimately expensed on any projects, the relevant departments/users of public funds are accordingly responsible to ensure that each investment proposal meets all the relevant **evaluation processes and value-for-money tests** required under the **Public Finance^[10] Act** and its bylaw **Decree on the Uniform Methodology for the Preparation and Treatment of Investment Documentation in the Field of Public Finance^[11]**.

[10] *Public Finance Act*. Available [here](#).

[11] *Decree on the Uniform Methodology for the Preparation and Treatment of Investment Documentation in the Field of Public Finance*. Available [here](#).

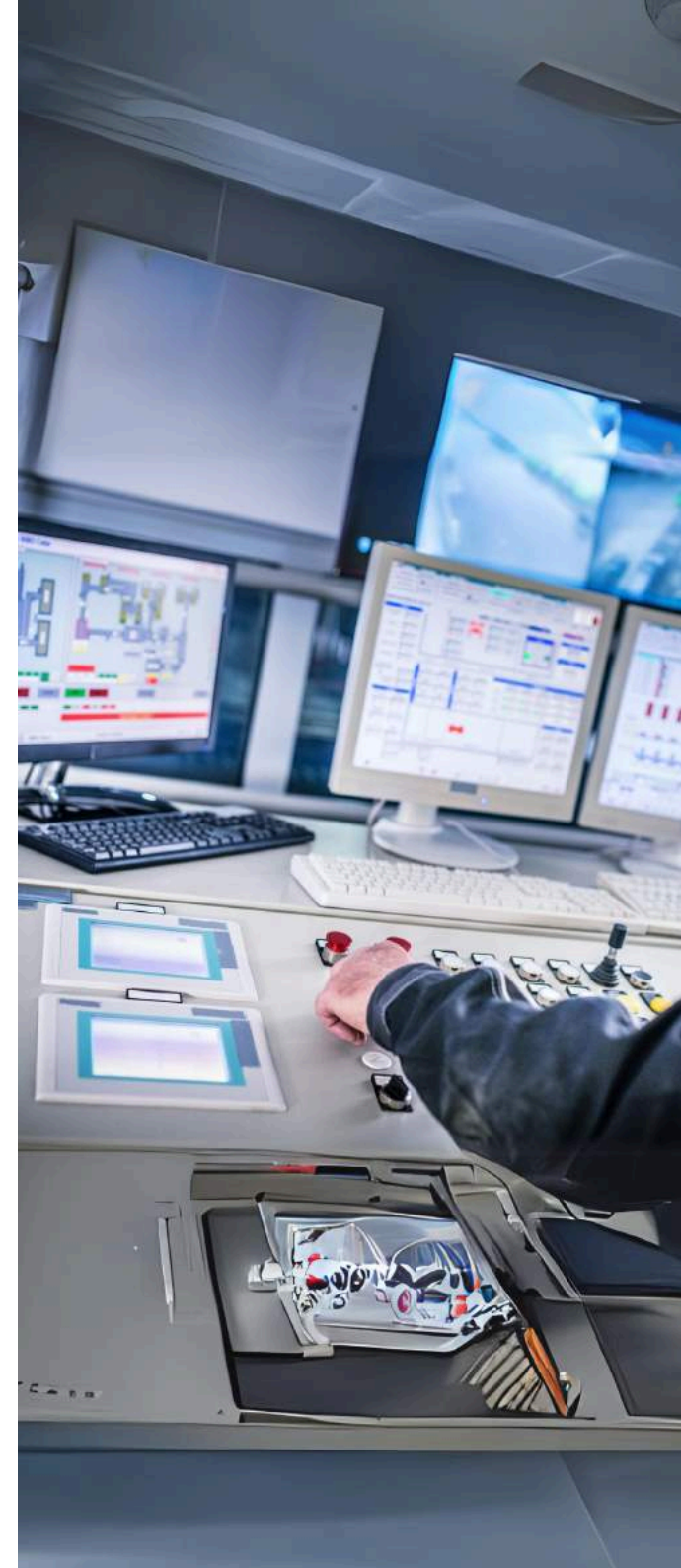
II.2 Selection and Control of Eligible Expenditures

The **SSSBs Working Group**, comprised of representatives of eleven line ministries, was established by the government to oversee the allocation of funds raised under each sovereign Green, Social or Sustainability Bond to **Eligible Green and Social Projects**. The SSSBs Working Group verifies that the expenditures **meet the criteria and objectives** for the use of proceeds set out in the Framework and approves the expenditures to be included in the Allocation Report.

The eligible expenditures for the years 2022 and 2023 were first proposed by the respective line ministries. The amounts of the expenditures were then **verified by the Ministry of Finance**, using the state budgetary accounting system "MFERAC".

MFERAC provides financial and accounting data, rules, procedures, controls, reports, etc. to demonstrate the compliance of expenditures with the legislation that governs the operations of budgetary users and the application of the state budget.

MFERAC provides the data to track each project according to the institutional (budget users), functional (policy and program) and economic (accounts) classification. For each project, **the application enables insight** into budgeted amounts for the project in the current yearly government budget, preloads (signed contracts), unpaid and paid amounts, as well as more detailed elements on the project from which the payment obligations arise.



II.3 Key Environmental and Social Policies

Slovenia is constantly working to improve and implement its **environmental and social** policies and practices to create a more sustainable and equitable future for all. The aim of the policies is to balance economic development with environmental protection and social well-being.

This report only contains an indication of some of Slovenia's key environmental and social policies. A more detailed overview of the relevant policies and objectives is included in the introduction of the Framework.

Slovenia's key environmental policies include the:

- ▶ National Energy and Climate Plan,
- ▶ Resolution on Slovenian Climate Strategy 2050,
- ▶ Transport Development Strategy,

- ▶ Resolution on the National Environmental Action Programme 2020–2030,
- ▶ Strategic Framework for Climate Change Adaptation.

All allocated amounts are directed towards the implementation of Slovenia's social and environmental policies.



Slovenia's key social policies and objectives include the:

- ▶ Resolution on National Housing Programme (2015 – 2025),
- ▶ Active Ageing Strategy,
- ▶ development of a high-quality public healthcare system which is accessible to all and is based on universality, solidarity, equality, fair financing, and safety of healthcare,
- ▶ lifelong education and learning.



Slovenia aspires towards an effective and high-quality education system designed to prepare individuals for successful work, a high quality of life and participation in society.

II.4 EU Taxonomy

The Framework follows the criteria of the EU Taxonomy and supplementing Delegated Act on **Climate Mitigation** and **Climate Adaptation** to the extent possible when defining the eligibility criteria for the Eligible Green Categories^[12]. Out of the two Eligible Green Categories allocated to under the Slovenia's 2023 Sustainable Bond, the Low Carbon Transport category has been assessed by Morningstar Sustainalytics as aligned with the applicable **Substantial Contribution criteria**^[13] of the **EU Taxonomy**. The Low Carbon Transport category is mapped to seven economic activities.

Relevant Technical Screening Criteria (TSC) for the activities under Sustainable Environmental Management category was not available by the time this report was prepared.

Morningstar Sustainalytics did not assess the Eligible Green Categories for their alignment with the **Do No Significant Harm (DNSH)** criteria and **Minimum Safeguards requirements**.

Figure 3: Summary of alignment of Low Carbon Transport category with the TSC as per Morningstar Sustainalytics' assessment in the Second Party Opinion^[14]

Framework Criterion	Alignment with Technical Screening Criteria
	TSC
Passenger interurban rail transport	■
Freight rail transport	■
Infrastructure for rail transport	■
Urban and suburban transport, road passenger transport	■
Infrastructure enabling low-carbon road transport and public transport	■
Operation of personal mobility devices, cycle logistics	■
Infrastructure for personal mobility, cycle logistics	■

Source: Morningstar Sustainalytics

[12] Morningstar Sustainalytics did not assess the Sustainable Environmental Management and the Climate Change Adaptation categories of the Framework against the EU Taxonomy as, at the time, the Taxonomy did not include any applicable Technical Screening Criteria for the activities under those categories.

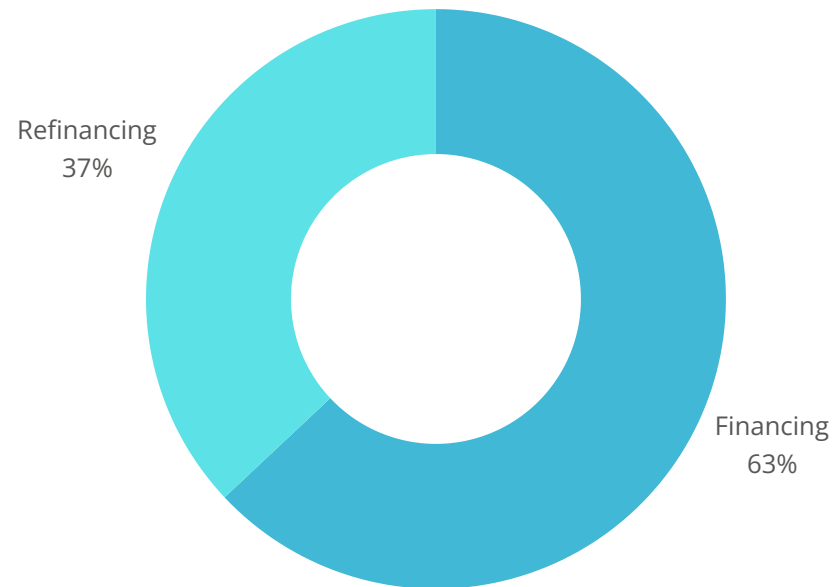
[13] Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives. Available [here](#).

[14] Morningstar Sustainalytics (January 2023). *Second-Party Opinion Slovenian Sovereign Sustainability Bond Framework*. Available [here](#).

II.5 Allocation per Category

The charts and table below shows the allocation of funds from the proceeds of the 2nd Sustainability Bond issued in January 2023^[15]. The table elaborates on the allocation between two green and three social categories in years 2022 and 2023. Expenditures allocated **in 2022 can be considered as expenditures for refinancing purposes and expenditures allocated in 2023 as expenditures for financing purposes**. The amount of identified Eligible Green and Social Projects from 2022 and 2023 exceeded the amount issued, allowing the proceeds of the Slovenia's 2023 Sovereign Sustainability Bond to be **fully allocated, with the total amount allocated equaling EUR 1.25 billion**.

Figure 4: Slovenia's 2023 Sovereign Sustainability Bond financing vs refinancing

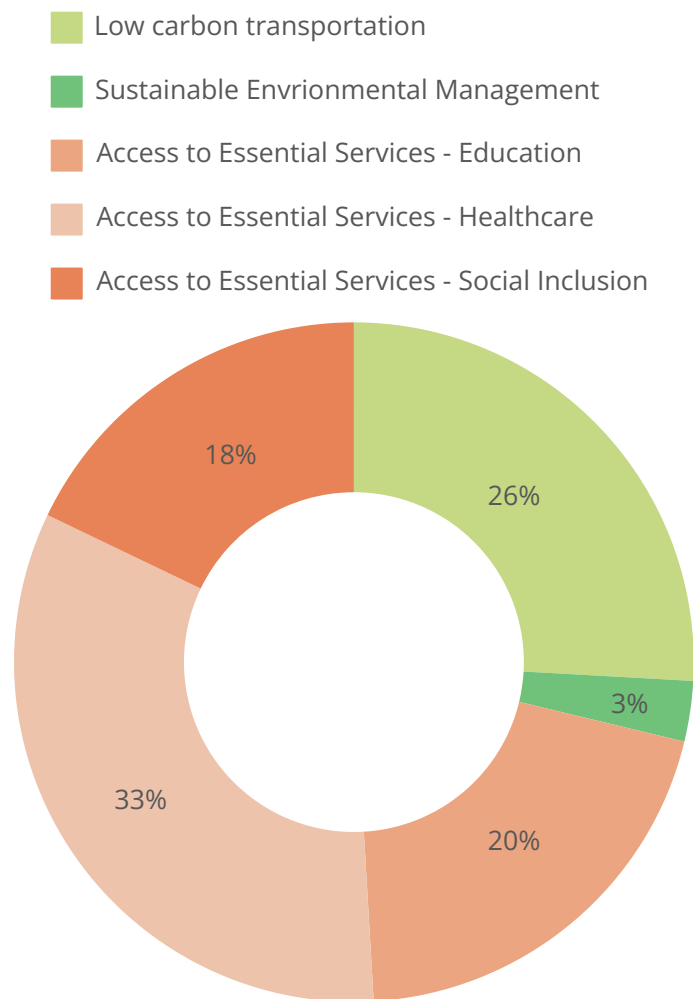


Source: Ministry of Finance

Slovenia's Sustainability Bonds offer a glimpse into a world where investing is not just about financial gain, but about collectively financing a greener and more equitable society.

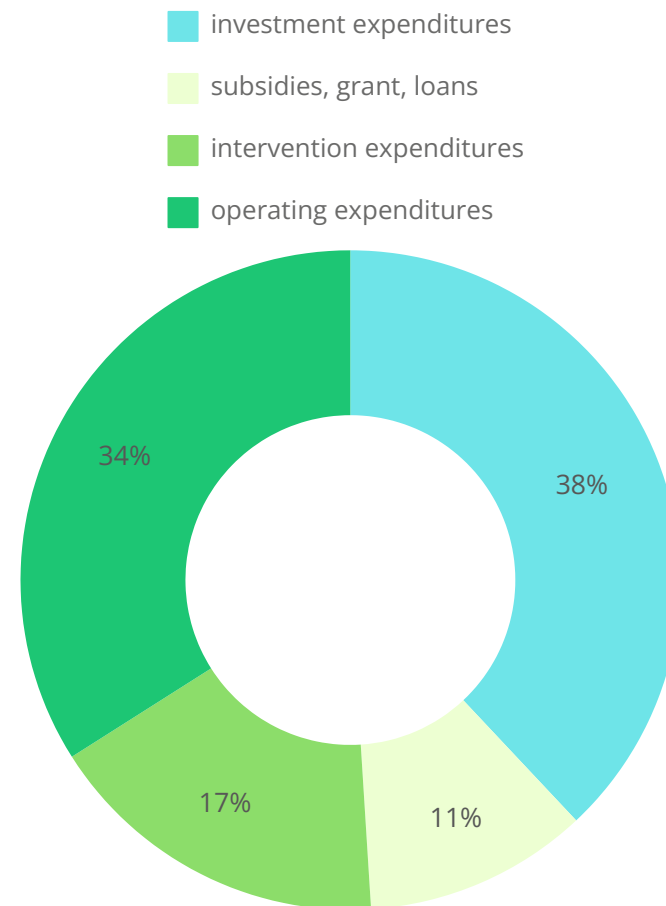
[15]The proceeds of the Slovenia's 2021 Sovereign Sustainability Bond issued in July 2021 were fully allocated before the issuance of the Slovenia's 2023 Sovereign Sustainability Bond.

Figure 5: Slovenia's 2023 Sovereign Sustainability Bond allocation by project category



Source: Ministry of Finance

Figure 6: Allocation amount by type of expenditure



Source: Ministry of Finance

The following tables further break down allocation amounts within each category.

Table 7: Allocation amounts in 2022 and 2023

Category	SDGs/EU Environmental Objectives	Allocated in 2022 (€)	Allocated in 2023 (€)	Total (€)	Share (%)
Low Carbon Transport	   Climate Change mitigation	107,923,449	215,409,543	323,332,992	26
Sustainable Environmental management	  Protection and Restoration of Biodiversity and Ecosystems	21,093,896	14,844,252	35,938,148	3
Access to Essential Services - Education	 	135,342,430	118,567,887	253,910,317	20
Access to Essential Services - Social Inclusion		3,132,467	220,527,472	223,659,939	18
Access to Essential Services - Healthcare		194,542,467	218,616,140	413,158,604	33
Total green and social categories:		462,034,706	787,965,294	1,250,000,000	100

Source: Ministry of Finance

Allocated funds for **Low Carbon Transport** financed:

- ▶ electric rolling stock
- ▶ construction and upgrade of cycling infrastructure
- ▶ construction and upgrade of railway infrastructure
- ▶ measures implementation that contribute to sustainable, green, resilient and smart mobility for the general public

By encouraging a shift towards low carbon alternatives, Slovenia **aims to reduce** overall emissions from the transport sector. Thereby, positively contributing towards **the goal of climate change mitigation** and the reduction of greenhouse gas emissions and limiting of global warming.



Table 8: Allocation amounts per Sub-categories – Low Carbon Transport

Project Category	Sub-category	Year		Total 2022-23 (€)
		2022 (€)	2023 (€)	
Low Carbon Transport	Rolling stock	11,660,033	11,660,033	23,320,066
	Cycling infrastructure	17,907,903	39,185,860	57,093,763
	Railway infrastructure	76,980,056	163,150,817	240,130,873
	Sustainable regional, local and urban mobility	1,375,457	1,412,833	2,788,290
		107,923,449	215,409,543	323,332,992

Source: Ministry of Finance



The Sustainable Environmental Management category refers to the allocation of funds to projects and activities in the field of agriculture.

Sustainable agricultural practices contribute positively to the following EU environmental objectives:

► Protection and restoration of biodiversity and ecosystems: creation of a more resilient agricultural ecosystem and support to healthy populations of pollinators and other beneficial organisms.

► Reduced greenhouse gas emissions: reduction of greenhouse gas emissions compared to conventional methods.

► Sustainable use and protection of water and marine resources: conservation of water resources and protection of water quality.

► Pollution prevention and control: minimization of synthetic fertilizers and pesticides helps reducing pollution of soil and water bodies.

Table 9: Allocation amounts per Sub-categories – Sustainable Environmental Management

Project Category	Sub-category	Year		Total 2022-23 (€)
		2022 (€)	2023 (€)	
Sustainable Environmental Management	Sustainable agricultural practices	21,093,896	14,844,252	35,938,148

Source: Ministry of Finance



Allocated amount from **Access to Essential Services – Education** category enabled:

- ▶ increase of children's participation in pre-school education, which also ensures better results in further education

- ▶ subsidies for school meals for primary and secondary school students with lower socioeconomic status

- ▶ purchase, construction, refurbishment and equipment investments in kindergartens and primary schools

Table 10: Allocation amounts per Sub-categories – Access to Essential Services - Education

Project Category	Sub-category	Year		Total 2022-23 (€)
		2022 (€)	2023 (€)	
Access to Essential Services - Education	Pre-school	92,175,601	66,160,603	158,336,204
	Primary school	35,086,444	43,006,003	78,092,447
	Secondary school	8,080,385	9,401,281	17,481,666
		135,342,430	118,567,887	253,910,317

Source: Ministry of Finance

Access to Essential Services - Social Inclusion category applies to the allocation of projects in the field of social activation:

- ▶ reconstruction of building such as Elderly Homes, apartments for young families, special welfare institutions etc.

and in the field of natural disaster infrastructure restoration:

- ▶ investments to repair flood damage
- ▶ solidarity aid for helping affected people and people with low socioeconomic status

Table 11: Allocation amounts per Sub-categories – Access to Essential Services - Social Inclusion

Project Category	Sub-category	Year		Total 2022-23 (€)
		2022 (€)	2023 (€)	
Access to Essential Services - Social Inclusion	Natural disaster infrastructure restoration	0	213,358,446	213,358,446
	Social activation	3,132,467	7,169,026	10,301,493
		3,132,467	220,527,472	223,659,939

Source: Ministry of Finance

In the field of healthcare, allocated funds for category **Access to Essential Services – Healthcare** financed:

- ▶ investments in healthcare system development
- ▶ renovation and improvement, equipping and upgrading the health care institutions
- ▶ postgraduate training of health professionals
- ▶ strengthening the competences of personnel in healthcare to ensure the quality of care in the field of geriatric care for the elderly
- ▶ development, promotion and implementation of various health care programmes and services



HEALTHCARE

Table 12: Allocation amounts per Sub-categories – Access to Essential Services - Healthcare

Project Category	Sub-category	Year		Total 2022-23 (€)
		2022 (€)	2023 (€)	
Access to Essential Services - Health	Health care system development	3,944,067	122,058,858	126,002,925
	Health institutions construction, renovation and equipping	40,893,922	43,067,466	83,961,388
	Health services	63,643,218	53,487,576	117,130,794
	Health professionals training	86,061,257	2,240	86,063,497
		194,542,464	218,616,140	413,158,604

Source: Ministry of Finance

The allocation tables on project-by-project basis can be found on the Ministry of Finance's website^[15].

[15] Ministry of Finance's website available [here](#).



III. Impact Report

III.1 Introduction

In the Framework, Slovenia **committed to report annually to investors** on the environmental and/or social output of the allocated proceeds until the full allocation of the bond's proceeds, subject to the availability of the relevant data.

The Impact Report **is aligned, to the extent possible**, with the:

► ICMA Harmonized Framework on Impact Reporting^[16]

Slovenia aims to adhere to the **highest standards in terms of external review** of the Sustainability Bond reporting. Morningstar Sustainalytics, as an independent third party, was therefore invited to prepare the

Impact Report for the following three categories:

- **Low Carbon Transport,**
- **Access to Essential Services – Education, and**
- **Access to Essential Services – Healthcare**

Morningstar Sustainalytics Impact Report for Slovenia's 2023 Sovereign Sustainability Bond is available [here](#).

[16] ICMA (2023). Handbook Harmonised Framework for Impact Reporting June 2023. Available [here](#).



Morningstar Sustainalytics calculated the estimated impact achieved in the categories **Clean Transportation, Access to Essential Services - Education and Access to Essential Services - Healthcare**. Financed projects avoided emissions, financed return on education and financed DALYs averted are reported proportionally, by using the share of Slovenia's 2023 Sovereign Sustainability Bond financing in the total respective project financing and thus do not represent the full impact of the financed projects. The estimated impacts correspond to a representative year during the bond's term to maturity. The Morningstar Sustainalytics report also tabulates more detailed data at the project or portfolio level regarding the overall impact of projects or portfolios.

Due to the ongoing development of methodologies for assessing impact in the categories of Sustainable Environmental Management and Access to Essential Services - Social inclusion, Morningstar Sustainalytics did not prepare an impact report for the



two categories at this time. Subsequently the **SSSBs Working Group** prepared the impact report for the two categories:

- ▶ **Sustainable Environmental Management and**
- ▶ **Access to Essential Services - Social Inclusion**

on a best effort basis.

The assessed outcomes are presented as annual figures in 2023 and pro-rated, weighted by the Slovenia's 2023 Sovereign Sustainability Bond allocation in the total financing of the project.

The **Impact Report** on Sustainable Environmental Management and Access to Essential Services - Social Inclusion is limited to the assessment of outcomes, which refers to the **direct, measurable results of an activity or program**.

III.2 Outcomes per Category

State policies, the state of play, and projects' outcomes are intricately linked in the context of Sustainability Bond impact reporting:

- ▶ Slovenian Sovereign Sustainability Bonds have been issued to finance projects directly aligned with the Republic's environmental and social policies,
- ▶ the current situation, and immediate and medium-term policy priorities determine the type of projects for which Slovenia shall prioritize funding, and
- ▶ the outcomes demonstrate the projects' contribution to achieving Slovenia's sustainability goals.

Overall, a sustainability bond becomes a powerful tool when there is a clear connection between the Republic's policies, the current situation and the impacts achieved through the projects funded.





III.2.1 Sustainable Environmental Management

The share of employment in agriculture in Slovenia continues to decline. Agriculture, together with forestry, hunting and fishing, contributed 1.7% to total added value in 2022, and 6.3% to total employment in Slovenia. With a share of 95%, the family workforce^[17] still dominates.



In recent years, there has been a noticeable decrease in the negative impacts of agriculture on the environment, which is due to the more rational use of pesticides and mineral fertilizers. In 2022, the area of agricultural land intended for organic farming increased.

[17] These are independent farms owned by the family, they have a farm holder as the manager of this farm, and the work is helped by family members who may be members of this farm or work elsewhere and also help on the farm at peak time.

A large, vertical photograph of a lush green agricultural field, likely corn, stretching towards a horizon under a sunset sky. The sky transitions from a deep orange near the horizon to a soft purple at the top. The field is filled with rows of tall, green plants, and the overall scene conveys a sense of natural beauty and sustainable agriculture.

To be a part of the
solution, Slovenia supports
sustainable agricultural
practices.

Slovenia defined 6 focus areas for action in the **Rural Development Program 2014-2022**:

(1) acceleration of structural adjustment processes in agriculture, thereby creating conditions for increasing the productivity of Slovenian agriculture;

(2) more effective market organization of agriculture, strengthening of agri-food chains and greater visibility and quality locally produced products;

(3) sustainable exploitation of forests and increasing the added value of wood through better market integration in the field of forestry and along the forest-wood chain and increasing competitiveness in the field of forestry and non-industrial processing of wood;

(4) promotion of agricultural practices that have a beneficial effect on conservation of natural resources and adaptation to climate change;

(5) green jobs and coherent and sustainable rural development based on the development of endogenous potentials of the local environment; and.

(6) transfer of knowledge and innovation, care for the environment and climate change

The focus areas follow the objectives of EU strategies, recommendations of the European Commission, selected thematic objectives of the Partnership Agreement between Slovenia and the European Commission and six priority tasks from Regulation 1305/2013/EU^[18].



In 2023, the implementation of the new **Strategic Plan of the Common Agricultural Policy 2023-2027** began. Nevertheless, agricultural-environment-climate payments and payments for organic farming in **2023 followed the Rural Development Program 2014-2022**. Beneficiaries of the payments were the AEs, which joined these measures voluntarily and undertook to implement the prescribed above-required agricultural practices for five years.

Agri-environmental payments promote agricultural practices aimed at preserving biodiversity and the landscape, adequate water management, soil management, and mitigating and adapting agriculture to climate change.

[18] Regulation (EU) No 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005. Available [here](#).

The agri-environmental payments are conditional on the use of fertilizers and phytopharmaceuticals, crop rotation, treatment and care of crops, methods and date of mowing or pastures, mountain pastures, conservation of plant genetic resources. These payments contribute to the:

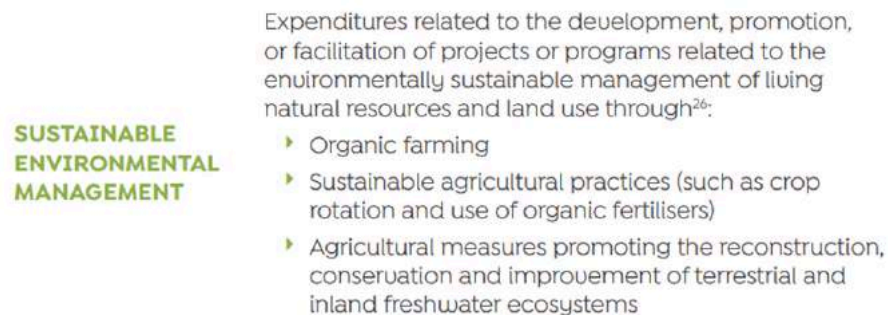
- ▶ preservation and enhancement of biodiversity and the preservation of the agricultural landscape. Agri-environmental payments implement the Directive 92/43/EEC^[19] and Directive 2009/147/EC^[20];
- ▶ reduction of water and soil pollution and thus to the preservation of water and land resources;
- ▶ objectives of the Directive 2000/60/EC^[21];
- ▶ promotion of the cultivation technologies that contribute

to the sustainable and rational use of land and preserve and improve biological activity, biodiversity and soil fertility, and are aimed at appropriate soil use, prevention of erosion and negative changes in soil structure, and reduction of the adverse substances in the soil; and

- ▶ mitigation of and adaptation to climate change.

Projects within the Sustainable Environmental Management category **promote nature-friendly farming methods**, including not only the prohibition of the use of chemically synthesized phytopharmaceuticals and mineral fertilizers, but also a focus on maintaining soil fertility, closed nutrient cycling, improving soil conditions, as well as plant, animal and human health, implementing appropriate husbandry for animals, production of healthy, high-quality and safe foods, protection of natural life resources (soil, water, air), active protection of the environment and biodiversity and sustainable management of non-renewable natural resources.

Figure 7: Sustainable Environmental Management Category



Source: Framework



[19] Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora. Available [here](#).

[20] Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds. Available [here](#).

[21] Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy. Available [here](#).

2023 Outcomes of the Sustainable Environmental Management Category expenditures

- ▶ **2.93% of UAA^[22] or 17,626 ha of farmland subjected to soil conservation or regenerative agricultural practices,**
- ▶ **175 organic farms and 237 farms received program funds for the purpose of sustainable agriculture management and**
- ▶ **65 ha of farmland is subject to certified organic or sustainable agriculture.**

The assessed outcomes shown refer to the **pro-rated portion** (weighted by the Slovenia's 2023 Sovereign Sustainability Bond allocation in total project financing) of the program Surface measures - Rural Development Program 14-20. Slovenia's share of financing for this program amounts to 25.5% of the total program funding between 2022-2023, while the Slovenia's 2023 Sovereign Sustainability Bond allocation amounts to 4.9%. The assessed outcomes correspond to the representative year 2023. More detailed data on the project within the Sustainable Environmental Management category **is presented in an excel table**, available on the Ministry of Finance's website^[23].



[22] Utilised Agricultural Areas occupy a total of 602,208 ha in Slovenia. It is an indicator that was established by the Ministry of Agriculture, Forestry and Food at the beginning of the 2014-2020 program period and does not change during the program.

[23] Ministry of Finance's website available [here](#).

III.2.2 Access to Essential Services – Social Inclusion

The at-risk-of-poverty or social exclusion rate in Slovenia was 13.7% in 2023, translating to about 287,000 residents. The rate was the highest in 2014 (19.0%), but since then it has been gradually decreasing (in nine years it went down by 5.3 percentage points). The at-risk-of-poverty threshold in 2023 was EUR 903 per month.

Slovenia's key endeavours are focused on the elimination of poverty and social exclusion of all marginalised groups and individuals, based on their needs.

Demographic changes

Slovenia is facing demographic changes that will have a **major impact on the future development of society and the quality of life**. The changes are manifested in the increase in the number of people over 65 years of age, the low birth rate, and the reduction of the population in the 20-64 age group, which is the current definition of the working population. According to demographic projections, the aging process will accelerate in the future, and the share of the population over 65 will increase significantly.

Demographic changes will therefore lead to a relatively rapid reduction in the capacity of the active population, which can significantly reduce the ability to achieve faster economic progress, which is needed to further improve the population's standard of living.

Life expectancy has increased significantly in recent decades for both sexes. According to data from the Statistical Office of the **Republic of Slovenia**, in the second half of 2023 there were 448,955 inhabitants aged 65 and over, which represents 21.17% of all inhabitants of Slovenia. By 2025, the number of people aged 65 and over is expected to increase to 475,988, representing 22.6% of the total population, and by 2030 it will exceed 30%.

Diversity and inclusion are values Slovenia shall strive for.



Figure 8: Access to Essential Services – Social Inclusion category**ACCESS TO
ESSENTIAL
SERVICES –
SOCIAL INCLUSION**

Expenditures providing access to essential services to by:

- ▶ Providing access to essential infrastructure and services to vulnerable populations
- ▶ Providing access to essential infrastructure and services to populations affected by natural disasters



Source: Framework

Forecasts of the demand for services in homes for the elderly show that user demand for more complex care will increase significantly by 2030. In the field of care for the elderly, it will be necessary to provide facilities that will enable the accommodation of users and at the same time provide integrated services and programs for persons who will not be included in institutional care.

Long living society

The **Active Ageing Strategy** is based on the concept of active aging, which emphasizes activity and creativity at all stages of life, care for health, and intergenerational cooperation and solidarity. This ensures the well-being and quality of life of the population with an emphasis on intergenerational cooperation and awareness of the importance of quality aging. The strategy stems from the awareness that human rights are the same for all people.

The key challenges of a long-lived society are:

- ▶ ensuring the conditions for an active and healthy life throughout life;
- ▶ providing opportunities and promoting education and creativity throughout the entire life;
- ▶ adaptation of the working and living environment to the needs of all age groups; and
- ▶ social involvement and active citizenship of all generations.

**Social protection**

The **Resolution on the National Social Assistance Program 2022-2030** is implemented through services in the field of social welfare. In addition to other social welfare services, the "accommodation with care service" provides individuals with accommodation. The services are carried out by retirement homes, special social welfare institutions, welfare work centers, training institutions and private individuals with a concession.

Part of the institutional capacities (mainly for persons with special needs) will, by 2030, be transformed into community-based care. In addition to the services that are part of the public social welfare network and are financed from the state budget, pilot projects will take place to test solutions in the field of relocating adults from institutions to the communities (into small accommodation units in the community or homes). The pilot projects will be financed by European funds.

Natural disasters

The National Program for Protection Against Natural and Other Disasters considers all risks of natural and other disasters that threaten people, animals, property, cultural heritage, and the environment. The program follows the guidelines of the Sendai Framework^[24] for Disaster Risk Reduction 2015-2030 and considers the

principles of the 2030 Agenda for sustainable development. It is harmonized with Decision 1313/2013/EU^[25]. The program follows the general goal of protection against natural and other disasters, namely to reduce the number of incidents and to prevent or mitigate their consequences to make life safer and of a better quality.

The program is aimed at prevention, which is more effective and, in the long run, cheaper than other forms of protection against accidents. Since it is not possible to eliminate all dangers that cause accidents, all forms of protection and preparedness that enable quick and effective action in the event of accidents are treated equally in the program.



Heartfelt people and a spirit of solidarity live in Slovenia.

[24] Sendai Framework for Disaster Risk Reduction 2015-2030. Available [here](#).

[25] Decision No 1313/2013/EU of the European Parliament and of the Council of 17 December 2013 on a Union Civil Protection Mechanism with EEA relevance. Available [here](#).

2023 Outcomes of the Access to Essential Services - Social Inclusion category expenditures:

► **Establishment of capacities for 227 elderly people and people with disabilities through investments in:**

- homes for the elderly,
- intergenerational facilities and
- facilities for people with disabilities,

► **Financing and co-financing of salaries for 52 employees of companies affected by floods in 2023,**

► **Aid to various municipalities to eliminate the consequences of natural disasters in 2022 and 2023, which contributed to:**

- the repair or construction of 18 bridges,
- the repair or construction of 108 kilometers of local and regional roads and
- the re-establishment of other municipal infrastructure,

► **Assistance in the form of payment of extraordinary monetary aid as solidarity aid to 7,717 persons affected by floods and landslides in 2023, Reimbursements of salaries for 421 furloughed workers in the immediate aftermath of the floods,**

► **Immediate reconstruction efforts affecting 5,608 individuals,**

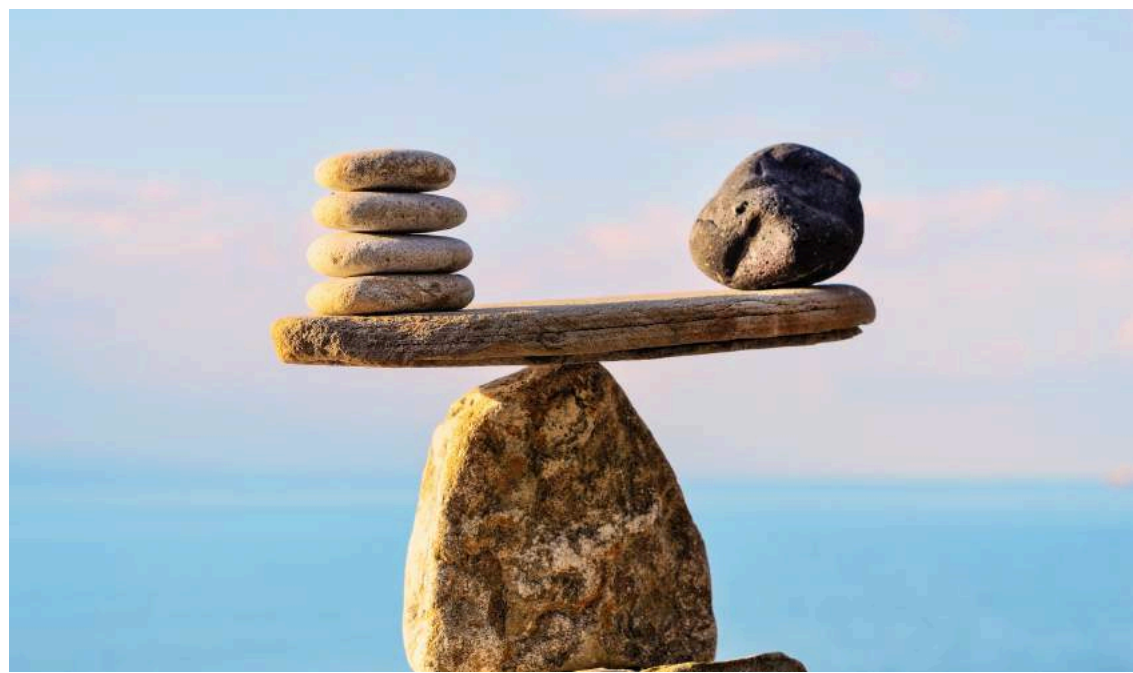
[26] Ministry of Finance's website available [here](#).

► **One-time solidarity aid to 30 social care workers and,**

► **Assistance to welfare and social programs for target groups most affected by floods and landslides.**

Prorated outcomes are presented, weighted by the Slovenia's 2023 Sovereign Sustainability Bond allocation in total project funding which stands at 22.6%. The assessed outcomes correspond to the representative year 2023.

More **detailed data** on a project-by-project basis with a breakdown of funding within the Social Inclusion category **is presented in an excel table**, available on the Ministry of Finance's website^[26].





IV. Case Studies

IV.1 Upgrade of existing railway line between Ljubljana and Divača (3rd phase) to increase capacity, safety, and interoperability

Table 13: Summary of the allocation amount per project – Low Carbon Transport – Railway infrastructure

Project	Category	SDGs/EU Environmental Objectives	Total value of the project (€)	Total value of RoS funding (€)	Allocated amount (€)	Share of Slovenia's 2023 Sust. Bond in Total project value (%)
Upgrade of existing railway line between Ljubljana and Divača (3rd phase) to increase capacity, safety, and interoperability	Low Carbon Transport	   Climate Change mitigation	312,945,884	91,801,945	57,997,097	19

Source: Ministry of Finance

The project is part of **Global Project** covering the upgrade of the railway line Ljubljana-Divača located on the Baltic-Adriatic and the Mediterranean Core Network Corridors. With the ongoing growth of traffic, the railway line is becoming increasingly saturated, and with the opening of the new 2nd track between Divača and Koper, a significant increase in freight transport on the entire Divača-Ljubljana section can be expected. Interventions for upgrading the infrastructure to **TEN-T core network** requirements are therefore necessary.

Upgrade of existing railway

The main objective of the project is to improve the technical parameters of the railway infrastructure, namely:

- ▶ speed of freight trains 100 km/h
- ▶ maximum possible length of trains of 740 metres
- ▶ axle load of at least 22.5 tons
- ▶ increasing the throughput and transport capacity of the railway line

- ▶ increasing the level of traffic safety
- ▶ improving reliability of electricity supply
- ▶ ensuring interoperability and compliance with the TSI requirements

The implementation of the project and achievement of the above objectives will contribute to improvements in terms of capacity, safety, performance and efficiency of the railway line, which will also have positive socio-economic effects and impacts on environment.



The implementation of the upgrade of the railway between Ljubljana and Divača is planned for the years 2021 to 2027, within the framework of which the 3rd phase includes Lots 2 to 6, namely:

Lot 2 represents the upgrade of part of the Brezovica-Preserje section, part of the Preserje-Borovnica section and the Borovnica railway station:

- implementation: September 2022 – February 2024,
- value of construction works: EUR 96.12 million (of which EUR 19.31 million are non-refundable and EUR 57.90 million are refundable funds from the Recovery and Resilience Plan).

Picture 2: The railway station Borovnica



Source: DRI Investment Management, Company for Development of Infrastructure Ltd.

Upgrade of existing railway

Picture 1: The upgraded line Brezovica - Preserje



Source: DRI Investment Management, Company for Development of Infrastructure Ltd.

Upgrade of existing railway

The 3rd Lot covers the upgrading of the Brezovica and Preserje railway stations and the construction of a railway station with an underpass in Vnanje Gorice.

- Project documentation is currently being prepared, and implementation is planned for 2024-2025.
- The estimated value of the public procurement proposal for the 3rd Lot is EUR 101,832,635.91.

Picture 3: Vnanje Gorice - visualization



Source: SŽ - Project company Ljubljana, PCL

Picture 4: Vnanje Gorice - visualization



Source: SŽ - Project company Ljubljana, PCL

The 4th Lot includes construction of two power substations, a sectioning point and an underpass

The scope of work includes:

- construction of cable lines between distribution transformer station Vrhnika - power substation Borovnica,
- construction of cable lines between distribution transformer station Postojna - power substation Postojna,
- construction of Power substations Borovnica and Postojna and a sectioning point in Verd
- duration: December 2022 - February 2025
- the contract value for this part is EUR 16,913,493.92
- construction of an underpass for cyclists and pedestrians in Postojna
- duration: January 2023-July 2024
- the contract value for this part is EUR 1,414,528.72.

Upgrade of existing railway

The 5th Lot - implementation of Automatic block signaling (ABS) on the Ljubljana-Divača section:

- in preparation.

The 6th Lot - adaptation of the ETCS system on the Ljubljana-Divača section:

- in preparation.

Picture 5: Power substation Postojna



Source: Slovenian Infrastructure Agency



IV.2 Cycling connections in the area of the RDP of Slovenske gorice: Lenart-Cerkvenjak-Trnovska vas

Table 14: Summary of the allocation amount per project – Low Carbon Transport – Cycling infrastructure

Project	Category	SDGs/EU Environmental Objectives	Total value of the project (€)	Total value of RoS funding (€)	Allocated amount (€)	Share of Slovenia's 2023 Sust. Bond in Total project value (%)
Cycling connections in the area of the RDP of Slovenske gorice: Lenart-Cerkvenjak-Trnovska vas	Low Carbon Transport	   Climate Change mitigation	4,753,313	609,277	584,774	12

Source: Ministry of Finance

The main goal of the investment was construction of a cycling route that connects the municipalities of Trnovska vas, Sveti Andraž in Slovenske gorice, Cerkvenjak, and Sveta Trojica in Slovenske gorice with Lenart, which serves as the administrative and employment centre of the central part of Slovenske gorice. This area represents the final destination for daily commuters in the fields of education (kindergartens, school, Adult Education Centre, etc.), healthcare (health centre), and economy (industrial zone, numerous companies, administrative centre). Therefore, suitable green transport infrastructure is extremely important for the residents in the area covered by the investment.

Cycling connections

The project measures have improved cycling conditions, boosted cycling rates, and strengthened safety and the feeling of security for cyclists. The operation also **contributes to reducing air pollution**, noise emissions, greenhouse gas emissions, and energy consumption, as well as increasing the attractiveness and quality of rural and urban environments. While being provided with a higher quality of life and an elevated standard of living, residents are simultaneously encouraged to adopt a healthier lifestyle.

The project is in its final phase and the constructed infrastructure is already in use.

Key results:

- 18,3 km of new cycling routes
- 19,3 km of established cycling connections (18,3 km + 1 km)



Source: Development Agency Slovenske gorice



IV.3 Surface measures – Rural Development Programme 14-20

Table 15: Summary of the allocation amount per project – Sustainable Environmental Management - Organic farming activities and incentives

Project	Category	SDGs/EU Environmental Objectives	Total value of the project (€)	Total value of RoS funding (€)	Allocated amount (€)	Share of Slovenia's 2023 Sust. Bond in Total project value (%)
Area-related measures aimed at supporting farmers who voluntarily undertake sustainable agricultural practices under the Rural Development Programme	Sustainable Environmental management	  Protection and Restoration of Biodiversity and Ecosystems	735,636,373	187,662,637	21,093,896	3

Source: Ministry of Finance

Source: Vesna Čuček, Agricultural Forestry Institute



Surface measures

Objective: Support for agricultural practices beneficial for the climate and the environment

Goals and measures:

► Goals:

- reduction of (potential) soil and water pollution with fertilizers and pesticides,
- soil conservation, prevention of land cover change,
- land degradation reduction,
- preservation of the mosaic agricultural landscape,
- conservation of biodiversity and genetic resources,
- increase of areas under organic farming,
- climate change mitigation,
- GHG emissions reduction,
- prevention of the overgrowing of agricultural land and thus loss of biodiversity and agricultural landscape in less favoured areas

► II. pillar measures:

- agri-environment-climate payments,
- organic farming,
- payments to areas facing natural or other specific constraints

► Beneficiaries:

- farmers,
- groups of farmers,
- land owners



Surface measures

Duration:

- ▶ The project is being carried out between 2014 and 2022.
- ▶ The last year of payment is 2023.
- ▶ The implementation of these measures will continue in the period 2023-2027 in the scope of Strategic plan of the CAP 2023-2027

Partner:

- ▶ Paying Agency (Agency for Agricultural Markets and Rural Development).





IV.4 Lenart Residential Unit

The Hrastovec Social Care Institution was the implementer of the project for the construction of the Lenart Residential Unit - a residential unit for people with disabilities, which is an important step towards the deinstitutionalisation. It has a total of **584 residents** who are accommodated in the Hrastovec main unit (Hrastovec Castle area) and in external units. Residents are treated in a holistic manner in the institution with a view to preserving their psycho-physical capacities. This includes socialisation and re-socialisation, discharge and other forms of non-institutional accommodation (families of origin, substitute families, residential units, independent housing, etc.). The institution is open to **adults with long-term mental health problems**, dementia, chronic alcohol-induced psychosis, moderate, severe and profound intellectual disability, multiple disabilities (adults with intellectual disability, personality disorders, motor and sensory disabilities and head injuries), people with severe or profound motor or sensory disabilities who are not able to live independently, and people with advanced chronic or terminal illness at the end of life.

Table 16: Summary of the allocation amount per project – Access to Essential Services - Social Inclusion - Social activation

Project	Category	SDGs/EU Environmental Objectives	Total value of the project (€)	Total value of RoS funding (€)	Allocated amount (€)	Share of Slovenia's 2023 Sust. Bond in Total project value (%)
Construction of a dispersed living unit in Lenart that will enable users to receive institutional care, social care and health services and maintain their social inclusion in their personal and wider social network of the local environment.	Access to Essential Services - Social Inclusion		4,196,593	3,974,497	3,974,497	95

Source: Ministry of Finance

Residential Unit

The reasons for the investment intention stem from the existing state of the architecture and functional design of the Hrastovec unit, which is located in the **Hrastovec Castle building**. This set-up proved to be insufficient to combat the spread of disease when the coronavirus epidemic broke out in 2020. This was particularly evident in the facilities, which were not built as social welfare institutions in the first place and were merely adapted for the purpose of carrying out this activity. It is also impossible to meet the requirements of the sectoral regulation on **minimum technical requirements** for social welfare service providers in former castle premises.

The **main purpose** of the investment project is to provide suitable premises for the provision of institutional care for adults with long-term mental disabilities, **to provide a pleasant and safe living environment** for the residents, to

improve the living and working conditions **for all users** of the buildings, to provide **sustainable solutions** both in terms of adequate living standards and for adequate protection and technical preparedness in the event of epidemics.



Source: Maribor24.si

Residential Unit



Source: lokalec.si

The **Lenart Residential Unit** is designed as a sheltered housing estate of nine houses, seven of which are used for living, one for occupational, physiotherapy and social activities, and one for support services. Each of the seven houses has four double rooms and two single rooms. Each room has an en-suite bathroom adapted for the most **demanding care** and its own covered terrace. All rooms are wheelchair-accessible and allow the use of hospital beds. At the centre of each house is a common area with a kitchen, dining room, living room, wardrobe and internet corner.

The whole development is disability-friendly, environmentally friendly and energy self-sufficient. All the services offered by the town (post office, shop, health centre, bus station, church, etc.) are located in the immediate vicinity, allowing residents **to integrate into the community**.



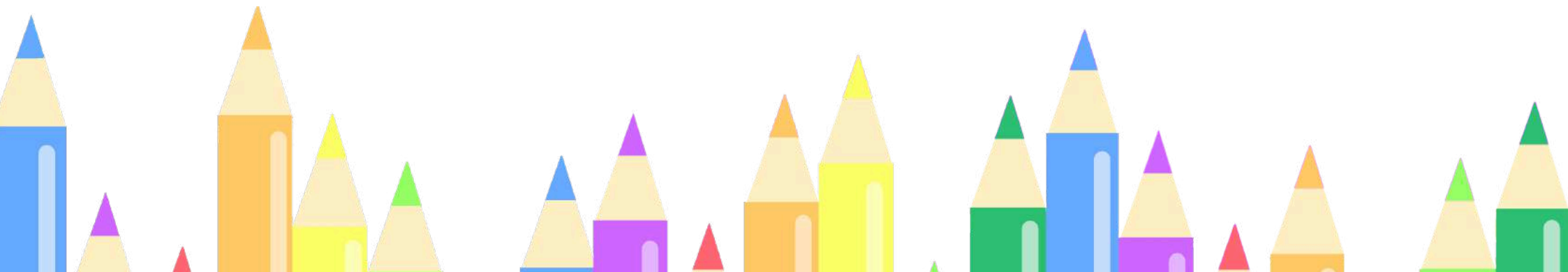
IV.5 Purchase, construction, refurbishment and equipment investments in kindergartens and primary schools

Table 17: Summary of the allocation amount per project – Access to Essential Services - Education

Project	Category	SDGs/EU Environmental Objectives	Total value of the project (€)	Total value of RoS funding (€)	Allocated amount (€)	Share of Slovenia's 2023 Sust. Bond in Total project value (%)
Purchase, construction, refurbishment and equipment investments in kindergartens and primary schools	Access to Essential Services - Education	 	243,324,362	81,846,335	64,808,145	27

Source: Ministry of Finance

Based on the call for co-financing of **investments in kindergartens and primary education** in the Republic of Slovenia, the Ministry of Education has selected 126 projects of educational institutes for co-financing in the budget period 2021-2024. In this way, the Ministry provides funds for co-financing investments in infrastructure that fall within the Ministry's field of work, i.e., **co-financing investments** in the facilities of educational institutions - kindergartens and primary education facilities, which include primary schools, branch primary schools, primary schools for pupils with special needs and music schools.



Investments in kindergartens and primary education

Investments include the renovation of existing premises and new construction/additions/superstructures of premises, with the aim of ensuring the static and seismic safety of the buildings and/or with the aim of providing missing areas or premises for the implementation of the educational program.

The main objectives of the project are:

- Provision of new or renovated premises with the aim of providing adequate surfaces or premises for the implementation of the educational program
- Renovation of existing premises with the aim of ensuring the static and seismic safety of buildings
- Financial assistance to municipalities in the implementation of planned investments in infrastructure, which falls under the ministry's field of work.

The key project results/indicators are the following:

- 5,700 m² of reconstructed and 49,900 m² of newly built areas in a total of 55 kindergarten facilities; and
- 30,800 m² of reconstructed and 63,100 m² of newly built surfaces in a total of 71 facilities intended for primary education.

So far, 56 projects have been completed (26 investments in kindergartens and 30 in primary education). The rest of the projects are being implemented; the expected completion is in 2025.

Investments in kindergartens and primary education

Picture 6: Kindergarten Hoče

Source: Municipality Hoče-Slivnica

IV.6 Healthcare investments

Table 18: Summary of the allocation amount per project – Access to Essential Services - Healthcare

Project	Category	SDGs/EU Environmental Objectives	Total value of the project (€)	Total value of RoS funding (€)	Allocated amount (€)	Share of Slovenia's 2023 Sust. Bond in Total project value (%)
Postgraduate training of health professionals			386,230,222	386,230,222	86,061,257	22
Improvements to facilities for the blind and partially sighted to enable an increase in autonomy and independence	Access to Essential Services - Healthcare		1,220,755	618,264	587,041	48
Construct and equip hospital wards at SB Celje			116,504,517	37,007,937	13,394,617	11
Total:			503,955,494	423,586,423	100,042,915	20

Source: Ministry of Finance



Healthcare investments

Postgraduate training of health professionals

Aim of project:

- Ensuring the conditions for the qualification of health professionals for independent work in the health sector.
- We finance the salaries of health professionals in the first six months (interns) and in the next six months (secondaries), as well as the costs of mentoring.

Number of trainee: Specialist trainees:

- 3,300
- 2,050

Construct and equip hospital wards at SB Celje

Aim of project:

- Finalisation of the premises in the existing, yet to be completed, orthopaedic and other inpatient wards, the emergency block and the specialist outpatient services; modernisation of older existing facilities.
- Progressive acquisition of general and medical equipment and infrastructure to enable the modernisation of the hospital as a whole and to provide adequate.

The projects includes:

- renovation of dilapidated buildings of 15,000 m²,
- new construction and extension of 25,000 m² and
- intermediate reconstruction of buildings of 2,000 m²

Picture 6: Emergency block Celje



Source: SB Celje

Improvements to facilities for the blind and partially sighted to enable an increase in autonomy and independence

Aim of project:

- improve the conditions for blind and partially sighted rehabilitation patients,
- increase the effectiveness of individual treatment in the context of their integrated rehabilitation,
- including the provision of modern and attractively furnished medical facilities, and
- improve the working conditions and facilitate the work of the participating medical staff in the programme.

The expected results of the project:

- an increase in the independence, autonomy and self-management of the rehabilitand, which allows to relieve them from the need for care or foreign assistance
- a reduction in the volume and costs of institutional care for the blind and partially sighted.
- savings in care fees and the cost of foreign assistance, social transfers, while increasing the employability of the rehabilitants, and a reduction in waiting times, as it will be possible for all the rehabilitation teams to work in parallel.



Source: Ministry of Health

