

Strategic planning steps and tools

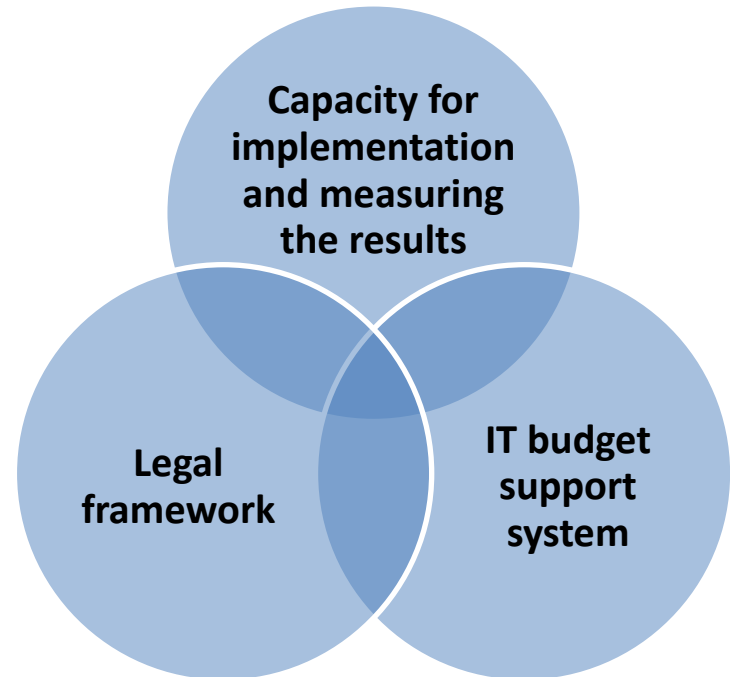
Mapping strategies and priorities, and structural reforms

Linking them to fiscal expenditure: setting ceilings on policy levels

Defining hierarchy of measures and clear responsibilities

Tools:

- Medium term fiscal strategy
- Medium term budgetary framework
- Fiscal rules
- Spending reviews
- Program budgeting
- Results oriented budgeting



Strategic planning and program budgeting

Strategic and budgetary documents:

- Development strategy of Slovenia 2060 - SRS*
- Other strategic documents (sectoral ,horizontal)
- State development policy program(4-years, rollover) - DPRP**
- Medium term fiscal strategy** (GG Framework+ Stability programme)
- National reform program (annually-updated) – NRP
- Partnership program 2014-2020 (EU funds)
- Budget memorandum (annual)
- Budgets (2-year roll-over) - state, local communities, pension, social and health funds (annual)

Analysis and evaluation documents:

- Development report (annual, SRS)
- Spending reports
- Budget execution report

*in final phase of preparation

** defined in new Public finance act

Documents used in EU economic governance

European Commission

- Annual Growth Survey (AGS)
- Alert Mechanism Report (AMR)
- In depth review (IDR)
- Country specific recommendations (CSR)
- Country report (CR)

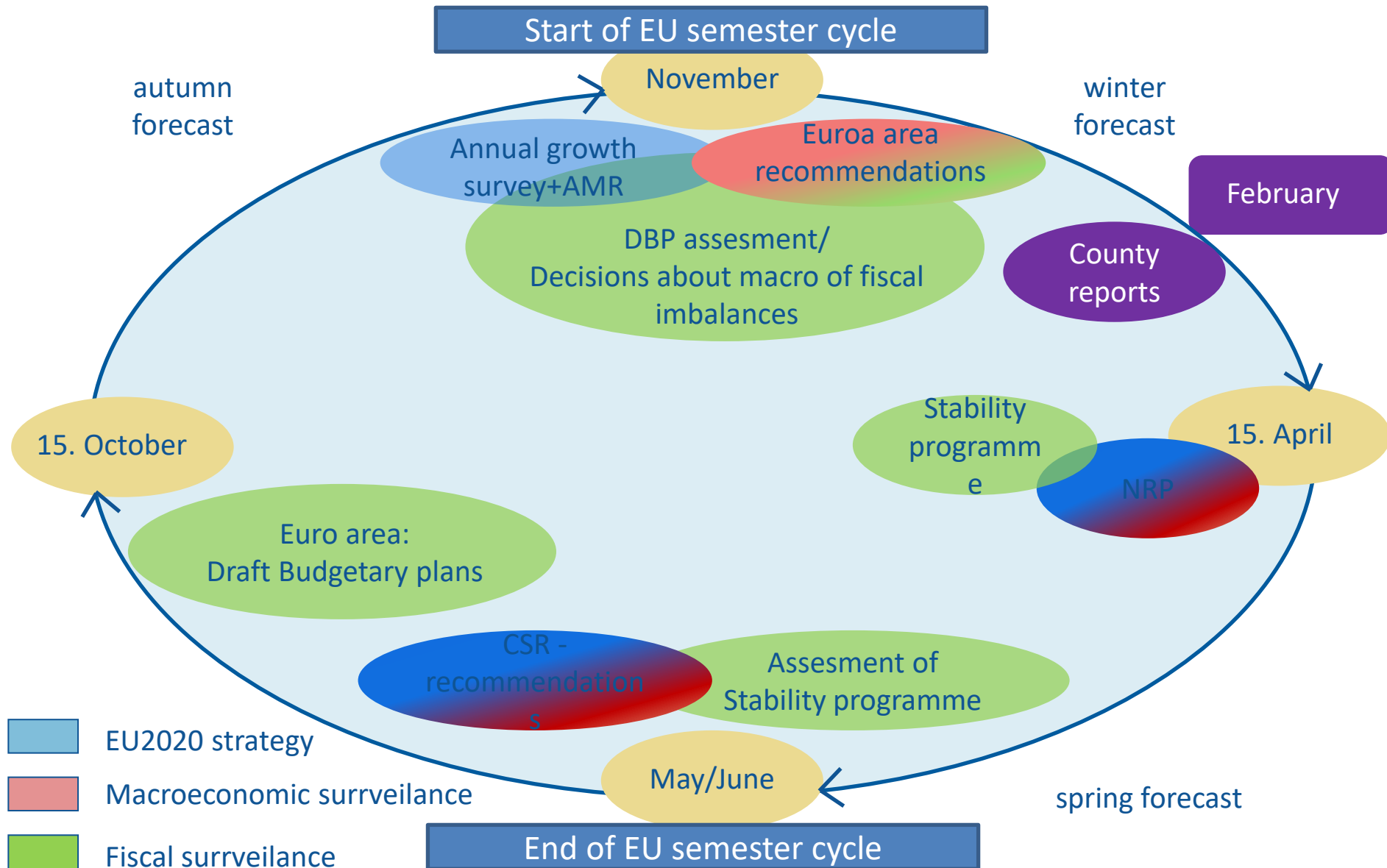
National –short term

- General government fiscal framework
- Stability Programme (PS)
- Budget Memorandum
- Draft Budgetary plan (DBP)
- National reform Programme (NRP)
- National program of development priorities

National -Strategic

- Strategy EU 2020
- Slovenian Development strategy 2030
- Partnership agreement for EU funds
- Operational programmes for EU funds

Process and coordination of economic and fiscal policy on EU level



Country specific recommendations

- long term fiscal sustainability
- structural reforms: pensions, health...
- labour market and employment policies
- banking and financial system
- competitiveness, SMEs
- anti-corruption, public procurement
- public administration
- privatization, SOEs

Areas of action taken under the CSR4

CSR4: Take measures to modernise public administration and reduce the administrative burden on business.

CSR4: Improve the governance and the performance of state-owned enterprises.

Administrative
burden on
business

Public
administration

State owned
enterprises

Administrative burden on business

- **Taxation:** reducing administrative barriers (pre-filled forms, extended deadlines, prolongation of the instalment payments period) lower personal Income tax; modernizing the collection of excise duties (the abolition of the regular monthly billing for the period when there was no excise duty due, electronic refunds, small producers exemptions, exemption for energy-intensive businesses).
- **Insolvency framework:** improving the efficiency of the judicial system and the reduction of the length of proceedings.
- **SME test:** obligatory for all laws. Over 200 civil servants are being trained. It is integrated into the Government system MEPED (Modular Environment for the Preparation of Electronic Documents).
- **Public Procurement:** new legal framework, simplified requirements (electronic execution, mandatory e-auctions and e-reversed auctions), particularly beneficial for the SMEs. Cost effectiveness -savings estimated to 5-10%.
- **Deregulation of activities and professions :** review of the following professions and activities: funeral activity, construction, surveying and mapping activity, chimney sweeps, real estate, driving schools, lawyers, veterinary and welfare.
- **Conditions for market entry:** number of entry regulations reduced from 64 to 25.
- **Simplifications:** common residence and work permit for foreigners in one place; (shortening the time period for issuance of permits for more than half); obligatory electronic applications for social securities contributions, electronic submission of claims for salary compensation...

Public administration

- **Strategy of public administration** and the **Action plan** for the development of public administration to be implemented stepwise by 2020.
- The **updated Single Document** is published on the website in a manner that provides a clear agenda for progress with activities, responsibilities and deadlines for specific actions. Enables public and up-to-date overview of the realization by ministries. Some 60% of the measures have been implemented.
- The Single Document was **supplemented with 26 priority measures** of the Government, which will be monitored monthly. Every year min.10 measures from the Single Document will be evaluated.
- **Digital transformation.** The State Cloud was completed, while a fully-interoperable government IT cloud infrastructure is planned for 2020 with Hybrid and Innovative Clouds. All new IT projects are now implemented as cloud services, they are standardised and have common infrastructure.
- The renewed **state Portal e-Uprava** ensures full interconnectivity of 30 back offices, registers and data bases with estimated savings for public administration.

State owned enterprises

CSRs	2013	2014	2015
Centralization of asset management			
Make the SSH fully operational			
Ensure professional management			
Adopt a corporate governance code			
Adopt an asset management strategy			
Adopt a performance criteria for SSH			
Adopt an annual asset management plan			

Results: measurable improvements

- SOE's portfolio ROE in 2015 increased to 4,7% from 1,8% in 2014 and 2,1% in 2013
- Dividends to equity ratio of SOE's increased to 1,6%
- **WEF global competitiveness indicator:** Slovenia has gained 14 places in the last two years and now ranks at 56 out of 138 economies
- **Doing Business** report ranks Slovenia 30th/190 economies, up from 35 two years ago.
- **Justice Scoreboard** reveals the number of pending cases per 100 inhabitants at 12.0
- World Bank's **World Governance Indicators (WGI)**, rank Slovenia 48th out of 209 countries in terms of government effectiveness, 42nd as regards the quality of contract enforcement
- **Deloitte** Central Europe CFO Survey shows that unstable economic and tax law as factor of risk was chosen by 45 % of CFOs – 3 percentage points less than year before
- The goal „**Minus 25%**“ of administrative burdens achieved: 71 laws and 3.529 regulation acts were checked, 1.5 billion EUR of administrative burdens were identified and 365 mio EUR realised savings for business subjects, citizens and the general government
- Every input of 1 EUR in the program for the elimination of regulatory burdens saves up to 215 EUR to the economy and citizens.