



OECD Development Co-operation Peer Reviews

SLOVENIA

2024



OECD Development Co-operation Peer Reviews: Slovenia 2024

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Foreword

The OECD Development Assistance Committee (DAC) conducts reviews of the development co-operation efforts of DAC members every five to six years. DAC peer reviews seek to improve the quality and effectiveness of development co-operation policies, programmes and systems, and to promote good development partnerships for greater impact on poverty reduction and sustainable development in developing countries.

From 2021, DAC peer reviews no longer cover all components identified in the peer review analytical framework (<https://www.oecd.org/en/topics/development-co-operation-peer-reviews-and-learning.html>). Instead they highlight good and innovative practices and reflect on key challenges faced by the reviewed member on select themes, recommending improvements. These themes are selected through consultation with representatives from the reviewed member and its partners.

At the beginning of the process, the reviewed member submits a self-assessment. Based on this, staff from the Secretariat and two DAC members designated as peer reviewers visit the member's capital to interview officials and parliamentarians, as well as representatives of civil society, non-government organisations and the private sector. This is followed by visits to up to two partner countries or territories, where the team meets with the representatives from the reviewed member as well as senior officials and representatives of the partner's administration, parliamentarians, civil society, the private sector and other development partners. The team then compiles the findings of these consultations and prepares a set of recommendations which are then discussed during a formal meeting of the DAC prior to finalisation of the report. During the whole process, the OECD Development Co-operation Directorate provides analytical support and is responsible for developing and maintaining, in close consultation with the DAC, the methodology and analytical framework within which the peer reviews are undertaken.

To support learning between DAC members, the report highlights a number of valuable practices from the reviewed member, from which peers can draw inspiration and learning. These are documented in further detail on the [Development Co-operation TIPS · Tools Insights Practices](#) online peer learning platform, that offers insights into making policies, systems and partnerships more effective. The peer review report is complemented by the [Slovenia's development co-operation profile](#) which includes factual information on its policies, development financing, institutional arrangements, and management systems.

The analysis presented in this report is based on (1) a desk review, including Slovenia's self-assessment and written assessments provided by 15 partners (non-governmental organisations, civil society representatives, the private sector and think tanks); and (2) an extensive process of consultation with actors and stakeholders in Slovenia and North Macedonia (listed in Annex C). The work was discussed during the meeting of the DAC on 20 June 2024 and revised to integrate comments. It reproduces in the section titled "The DAC's peer review recommendations to Slovenia" the recommendations approved by the Committee via written procedure on 25 June 2024.

Acknowledgements

Development Assistance Committee (DAC) peer reviews function as a tool for both learning and accountability. This report is the result of an in-depth consultation and review process. It was produced by a review team comprising peer reviewers from Denmark (Anne Marie Tyndeskov Voetmann and Henrik Jespersen from the Ministry of Foreign Affairs of Denmark) and Switzerland (Lorenz Kammermann, State Secretariat for Economic Affairs, and Georgette Bruchez, Swiss Development cooperation Agency). From the OECD Development Co-operation Directorate, co-authors were Rachel Sberro-Kessler, as lead analyst and Néstor Pelechà-Aigües as policy analyst. Renwick Irvine, Team Lead for Peer Reviews, oversaw the review. Samantha Proteau and Agustina Vierheller provided logistical assistance to the review, and formatted and produced the report. Héctor Moreno provided statistical support and Yasmin Ahmad and Elena Bernaldo de Quiros verified the data. The report was prepared under the supervision of Rahul Malhotra, Head of Division, Reforms and Partnerships for Development Impact and Mayumi Endoh, Deputy Director of the OECD Development Co-operation Directorate. Susan Sachs edited the original English version of the report and Sylvaine Herold the French translation.

The team are grateful for valuable inputs from across the Development Co-operation Directorate – including from the Financing for Sustainable Development division and the Global Partnership for Effective Development Co-operation –, and the OECD, in particular the Directorate for Employment, Labour and Social Affairs; the Economics Department; the Environment Directorate; and the Trade and Agriculture Directorate. Interviews with and written submissions from 15 of Slovenia’s partners (non-governmental organisations, civil society representatives, the private sector, think tanks and multilateral organisations) helped to focus and enrich the review.

The Peer Review of Slovenia benefited throughout the process from the commitment and dedication of representatives of Slovenia’s Ministry of Foreign and European Affairs. The review team is also thankful to Slovenia Embassy in North Macedonia, who ensured smooth contact with local counterparts as well as documentation, insights and logistical support.

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Abbreviations and acronyms

CEF	Center of Excellence in Finance
CEP	Centre for European Perspective
CPA	Country Programmable Aid
CMSR	Centre for International Cooperation and Development
COVID-19	Coronavirus (SARS-CoV-2)
CSO	Civil Society Organisation
DAC	Development Assistance Committee (OECD)
DFI	Development Finance Institution
EU	European Union
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GNI	Gross National Income
HDP	Humanitarian-development-peace
ICPE	International Center for Promotion of Enterprises
ICRC	International Committee of the Red Cross
ITF	ITF Enhancing Human Security
LDC	Least Developed Countries
MFEA	Ministry of Foreign and European Affairs
NGO	Non-governmental organisation
ODA	Official development assistance
OECD	Organisation for Economic Co-operation and Development
PCSD	Policy Coherence for Sustainable Development
RBC	Responsible Business Conduct
SDG	Sustainable Development Goal
SEAH	Sexual Exploitation, Abuse, and Harassment
SLOGA	Slovenian Global Action
SMEs	Small and Medium-sized Enterprises

TEI Team Europe Initiative

UN United Nations

Signs used:

USD United States dollar

Slight discrepancies in totals are due to rounding.

Annual average exchange rate: 1 USD = EUR

2018	2019	2020	2021	2022	2023
0.847	0.893	0.878	0.846	0.951	0.925

Executive summary

How can a development co-operation system with limited human and financial resources support quality projects at scale? This question underpinned the OECD Development Assistance Committee (DAC) peer review of Slovenia, conducted by Denmark and Switzerland. The peer review provides an assessment of where Slovenia stands, its achievements and how it can further improve. The peer review recognises Slovenia's strengths: its influence in multilateral organisations, its valued engagement in the Western Balkans anchored in its European Union (EU) accession experience and its strong support to post-conflict reconstruction efforts through demining. The re-establishment of a dedicated Directorate for Development Cooperation and Humanitarian Aid in November 2022 and the identification of development co-operation as one of the government's foreign policy priorities, provide opportunities to further increase the scale and the impact of Slovenia's development co-operation.

To make the most of its expertise and resources, Slovenia should further focus development co-operation on selected priority countries and key multilateral partners. Most of Slovenia's gross bilateral official development assistance (ODA) goes to its priority regions of the Western Balkans, the European neighbourhood and sub-Saharan Africa, but it is spread across several individual countries. In addition, greater focus on key multilaterals could help deepen partnerships. Contributions to multilaterals for humanitarian assistance grew sixfold between 2021 and 2023, and ensuring continuity in funding to multilateral institutions will be important to ensure effectiveness.

Slovenia can pursue its efforts to move to larger multi-annual projects. In the past decades, Slovenia has created four implementing institutions and developed an innovative model to build expertise on specific topics based on its comparative advantage and to mobilise resources from other donors. While Slovenia has made efforts to move towards funding fewer bigger projects with its non-government organisation (NGO) partners, it can make further progress by adopting a similar approach with multilaterals as well as its implementing institutions. Although most partners receive funding from the Ministry of Foreign and European Affairs (MFEA) that enables them to plan for multi-annual projects, unused funds cannot be carried over from one year to the next.

Despite Slovenia's commitment to increase ODA to reach 0.33% of gross national income (GNI) by 2030, financial and human resources are not in line with its ambitions. Slovenia's 2017 Resolution called for a whole-of-government action plan to be adopted within six months to help Slovenia achieve its national and EU commitments, but Slovenia has not been able to adopt such an action plan. Slovenia's ODA to GNI ratio increased from 0.16% in 2017 to 0.19% in 2021, with a temporary uptick to 0.29% in 2022 due to in-donor refugee costs related to Russia's war of aggression against Ukraine and debt relief. In 2023, ODA fell, and Slovenia anticipates a further decline to 0.21% of GNI in 2025, which would put its ambitions at risk. Developing a long-term ODA growth action plan would allow Slovenia to evaluate opportunities and risks associated with increasing ODA contributions and enable informed decisions on areas of ODA growth. This could, for instance, include strategic considerations on the impact of future EU accessions on Slovenia's development co-operation programme.

Together with a long-term plan on ODA, consolidating MFEA's human resources for development co-operation would be key to ensure that human resources are in line with ambitions. At the time of

the last peer review, there were only 12 staff working in development co-operation in Ljubljana. With the re-establishment of the Directorate and Slovenia's presidency of the Council of the EU, staff numbers have grown to 20 but new staff were not fully dedicated to the bilateral development co-operation programme. The 2024-25 United Nations Security Council membership could create similar pressures. Although the staff is committed and dedicated, the Directorate faces challenges of limited development expertise, particularly due to high rotation. Further strengthening human resources and establishing a clear specialised career path in development co-operation, similar to those in consular and economic diplomacy specialisations, could help position development as a valued career choice for diplomats.

Further cross-government co-ordination would improve the coherence of development co-operation, notably in education support. The MFEA is the national co-ordinator in charge of preparing framework programmes across ministries, but it has not been able to do so since 2016-19 due to COVID-19, EU presidency and limited political support. While it has been collecting two-year budget plans from all ministries on an annual basis, the MFEA should use the permanent inter-ministerial coordination group to further engage in strategic dialogue on the objectives, volume and modalities of development co-operation programmes. One of the areas where increased coherence is needed is the large fee waivers programme, an agreement through which higher education students from partner countries can study for free in Slovenia. Imputed student costs, accounting for 40% of bilateral ODA, are managed by the Ministry of Higher Education, Science and Innovation and are not treated as an integral part of the development dialogue with partner countries. As youth emigration is a key development challenge for the Western Balkans, a reflection on how to avoid a brain drain in partner countries and most effectively support their education systems would be of critical importance.

Slovenia is a champion for gender equality but can further enhance the quality of its programming related to the environment, results measurement and evaluation. Slovenia has adopted a feminist approach to its foreign policy and has taken positive steps to mainstream gender in its programming. Progress on environmental issues has been slower but environment guidelines are expected to be adopted by summer 2024. While Slovenia's thematic priorities target four Sustainable Development Goals (SDGs), its projects are focused on outputs, which limits Slovenia's ability to assess its contribution to development and to create a compelling narrative on its programme. For several years, Slovenia had no staff in the MFEA working on evaluations and therefore has not been able to evaluate its development co-operation strategy in 2023 as initially planned or to fully implement its 2020-22 evaluation plan. The appointment in 2024 of one staff in the Directorate to work part time on evaluations and the newly adopted evaluation plan for 2024-26 are positive steps towards making progress on evaluation.

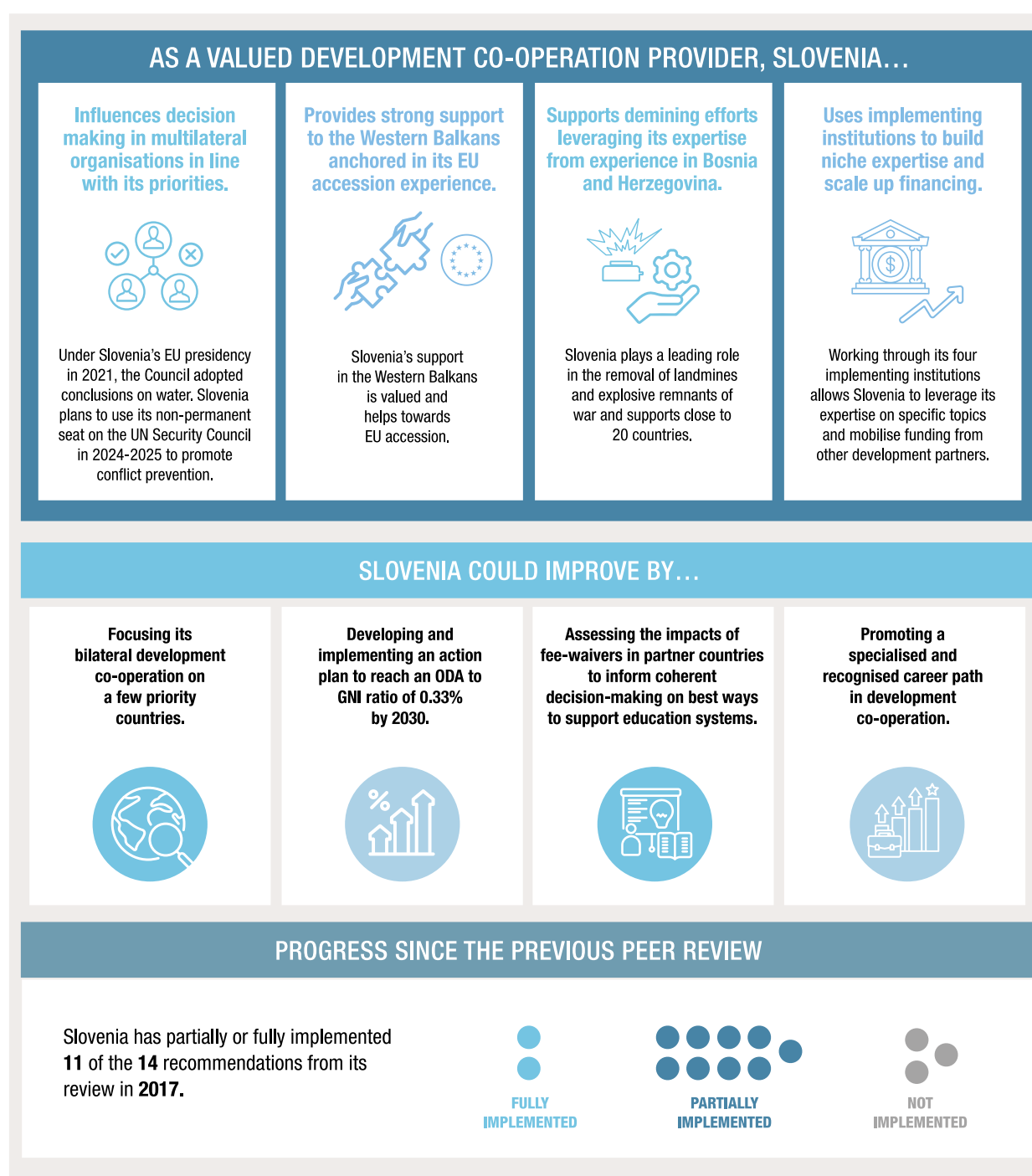
Slovenia's strategic partnerships have brought several benefits but Slovenia can further improve how it works with NGOs. Strategic partnerships with Karitas Slovenia (2021-23) and with the International Committee of the Red Cross (2023-25) have enabled increased flexibility to respond to emergencies and supported capacity development. Expanding the strategic partnership modality to incorporate NGOs working on development, awareness raising and global education could significantly amplify Slovenia's efforts in these sectors. In addition, partnering with NGOs as actors in their own right through core funding could allow Slovenia to progressively enhance the capacity and impact of NGOs.

Slovenia has designed an innovative mechanism to mobilise private sector resources and expertise, but more can be done to engage more effectively. Since 2018, the MFEA has promoted co-operation between the private sector and NGOs by encouraging private sector participation in NGO calls for proposals for up to 10% of the project value. These partnerships have allowed Slovenia to mobilise private sector resources and expertise, but this mechanism should be further refined to ensure that the right incentives are in place. In addition, support to local micro-entrepreneurs and small and medium-sized enterprises is positive but fragmented. Taking stock of the various initiatives undertaken by implementing institutions, embassies, NGOs and multilaterals would help in deciding whether new instruments are needed. In particular, analysing the additionality and sustainability of these initiatives would help prioritise engagements.

The DAC's recommendations to Slovenia

1. In order to make the most of its expertise and resources, Slovenia should focus its bilateral development co-operation on a **few priority countries** within its priority regions of the Western Balkans, European neighbourhood and sub-Saharan Africa.
2. Slovenia should ensure multilateral contributions are focused on a **narrow set of partners** based on development co-operation priorities – notably on least developed countries (LDCs), environment and gender equality – and ensure predictability in its contributions.
3. Slovenia should make progress towards **multi-year funding** and transition to fewer, larger projects with key multilaterals and implementing institutions.
4. Slovenia should develop and implement an **action plan** to reach an ODA to GNI ratio of 0.33% by 2030, aligned with its commitments and ambitions, by:
 - a. actively engaging all ministries to enable informed decisions on areas of ODA growth
 - b. strengthening communications on results to create a compelling narrative on development co-operation
 - c. enhancing efforts to boost public and political support for development co-operation in the medium and long term, including through global education.
5. To improve the coherence and predictability of development co-operation, Slovenia should increase **cross-government** co-ordination, notably through the strategic use of four-year framework programmes.
6. Given the large volume of **imputed student costs**, Slovenia should assess the impacts of fee waivers in partner countries to inform coherent decision making on the best ways to support education systems.
7. To enhance the **quality** of its development co-operation programme, the MFEA should:
 - a. ensure progress on cross-cutting priorities by implementing environmental guidelines, building and leveraging Slovenia's expertise on environmental topics, and strengthening gender mainstreaming by raising awareness and enabling capacity building for partners
 - b. use SDG-linked outcome indicators for key thematic priorities
 - c. strengthen evaluation capacity, building on the recent adoption of an evaluation plan.
8. Slovenia should consolidate its **human resources** in development co-operation by adopting a strategic workforce plan, and the MFEA should create a specialised and recognised career path, and explore hiring of local staff in key embassies.
9. The MFEA should engage in selected additional **strategic partnerships** in development, awareness raising and global education and support the capacity, stability and impact of NGOs.
10. Slovenia should strengthen its NGO-private sector partnerships mechanism to make it more attractive for all partners and analyse the additionality and sustainability of current **private sector** initiatives undertaken by various stakeholders to inform decisions about potential new instruments.

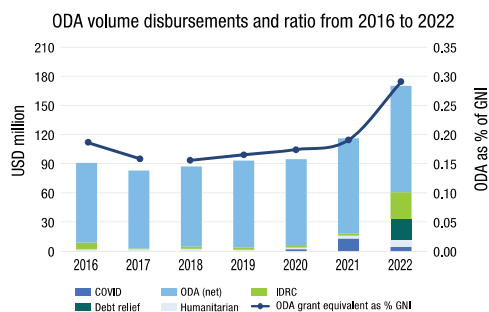
Infographic 1. Highlights from the 2024 Development Co-operation Peer Review of Slovenia



Infographic 2. Slovenia's development co-operation at a glance

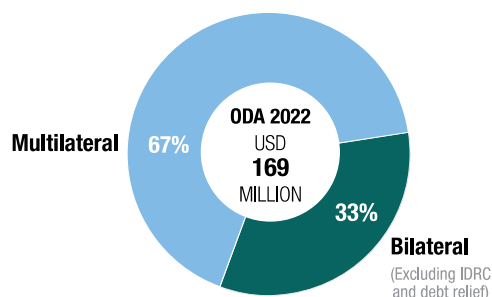
Figures expressed are gross disbursements in USD million in constant 2021 prices unless otherwise stated

DUE TO EXCEPTIONAL IN-DONOR REFUGEE COSTS AND DEBT RELIEF, SLOVENIA'S ODA TO GNI RATIO INCREASED TO 0.29% IN 2022



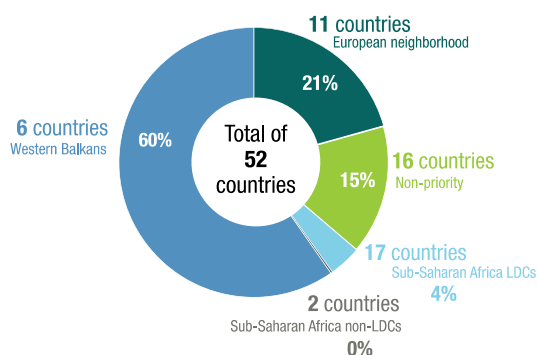
Note: Since 2018, ODA is measured on a grant equivalent basis but this did not impact Slovenia's ODA which is entirely composed of grants

IN 2022, MOST OF SLOVENIAN ODA WAS PROVIDED MULTILATERALLY



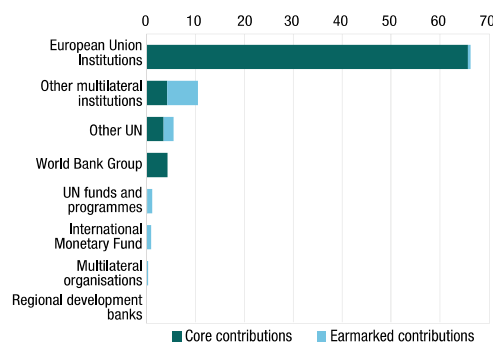
SLOVENIA'S ODA BROADLY REFLECTS REGIONAL PRIORITIES BUT IS SPREAD OUT ACROSS A LARGE NUMBER OF COUNTRIES

Allocation of gross bilateral ODA by region and country category, 2022



THE EU IS BY FAR THE MOST IMPORTANT MULTILATERAL PARTNER

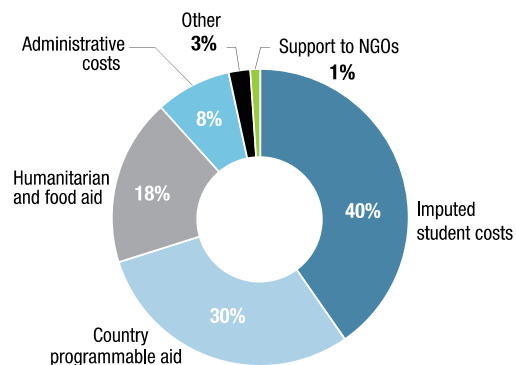
Gross disbursements in USD millions, 2021-22 average



Note: Other multilateral institutions includes International Monetary Fund (IMF) and Multilateral Organisations among others, UN funds and programmes includes: UNDP, UNEF, UNFPA, UN-Habitat, UNHCR, UNICEF.

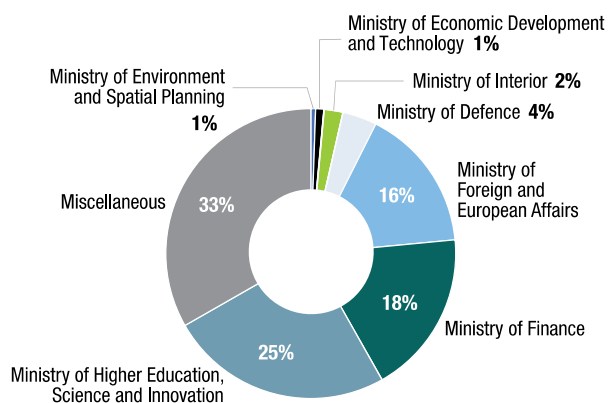
IMPUTED STUDENT COSTS CONSTITUTE 40% OF SLOVENIA'S BILATERAL ODA IN 2022

Bilateral ODA by type of expenditure in 2022 excluding debt relief and IDRC



THE MINISTRY OF FOREIGN AND EUROPEAN AFFAIRS ACCOUNTS FOR 16% OF BILATERAL SPENDING

Average of bilateral ODA by agency in 2021-2022



Findings

This report presents the findings and recommendations of the 2024 development co-operation peer review of Slovenia. In accordance with the peer review methodology, it does not cover all components identified in the peer review analytical framework. Rather, the report focuses on three areas of Slovenia's development co-operation that were selected in consultation with Slovenia's partners and representatives of the Slovenian government. It first explores Slovenia's overall strategic framework and cross-government co-ordination mechanisms to determine whether they are fit for purpose. The review then analyses the extent to which Slovenia's financial and human resources for development co-operation match its ambitions. Finally, it assesses Slovenia's engagement with partners including multilaterals, implementing institutions, non-government organisations and the private sector. For each of these areas, the report identifies Slovenia's strengths as well as the challenges it faces, the factors contributing to Slovenia's achievements, and the opportunities and risks that lie ahead.

Slovenia's context

The political context for development co-operation has improved

Development co-operation is one of the foreign policy priorities for the new coalition that came to power in 2022. The Freedom Movement, a new political party led by Robert Golob, leads a centre-left coalition since 1 June 2022. Slovenia's Government Coalition Agreement includes development co-operation as one of its foreign affairs priorities. The government is stable and has solid support in the parliament (Economist Intelligence Unit, 2023^[1]), which suggests that development co-operation will likely remain important on the political agenda of the Ministry of Foreign and European Affairs (MFEA).

Slovenia holds leadership roles in international forums and influences global policy making.

Slovenia's presidency of the Council of the European Union (EU) in the second half of 2021 focused on bolstering EU resilience, aiding post-pandemic recovery and advocating for EU enlargement towards the Western Balkans. At the beginning of 2023, Slovenia became a member of the United Nations (UN) Economic and Social Council for the 2023-25 period. In May 2023, Slovenia co-led the Mutual Legal Assistance Diplomatic Conference that adopted the Ljubljana-The Hague Convention, an important milestone in the fight against impunity for international crimes. Starting in January 2024, Slovenia holds a non-permanent seat on the UN Security Council for the 2024-25 term and is committed to using this opportunity to promote conflict prevention and gender equality and address climate change (Republic of Slovenia, 2023^[2]).

The government launched a feminist approach to foreign policy in 2023, and gender equality has been among Slovenia's priorities for development co-operation for more than a decade. The MFEA is developing a national feminist foreign policy strategy anchored in Slovenia's 2015 Declaration (Republic of Slovenia, 2015^[3]), which promotes women's rights. This commitment, together with the recently adopted gender equality guidelines for development co-operation, is likely to reinvigorate Slovenia's emphasis on gender equality as part of its development co-operation.

Spillovers from Russia's war of aggression against Ukraine and recent floods in Slovenia create a challenging context for official development assistance (ODA) growth

The Slovenian economy's post-pandemic recovery faces strong headwinds, notably due to the ongoing war in Ukraine and catastrophic floods that hit the country in 2023. In the aftermath of the COVID-19 crisis, Russia's invasion of Ukraine and associated geopolitical tensions led to increases in energy prices and disrupted global supply chains, putting additional pressure on Slovenia's economy (OECD, 2023^[4]). In May 2022, inflation in Slovenia hit a 20-year high of 8.7%. Floods in the country in August 2023 created additional economic challenges to the post-pandemic recovery. Gross domestic product (GDP) growth has been on a downward trajectory, decreasing from 8.2% in 2021 to 2.5% in 2022 (World Bank, 2024^[5]) and is projected to have slowed further to 1.5% in 2023. However, GDP growth is projected to increase to 2.6% in 2024, driven by lower inflation and extensive reconstruction efforts that should stimulate the national economy (OECD, 2023^[4]). A significant portion of the funding for these efforts is expected to come from EU resources (Economist Intelligence Unit, 2023^[1]).

In the current economic context, development co-operation is not a key priority beyond the MFEA.

While the MFEA is strongly committed to integrating development co-operation into Slovenia's foreign policy, awareness of and support for development co-operation are limited across other ministries. The government's immediate priorities are to address the severe flooding of August 2023 and mitigate cost of living pressures. In the medium term, the government aims to decarbonise the economy and undertake reforms in pensions and health care (Economist Intelligence Unit, 2023^[1]).

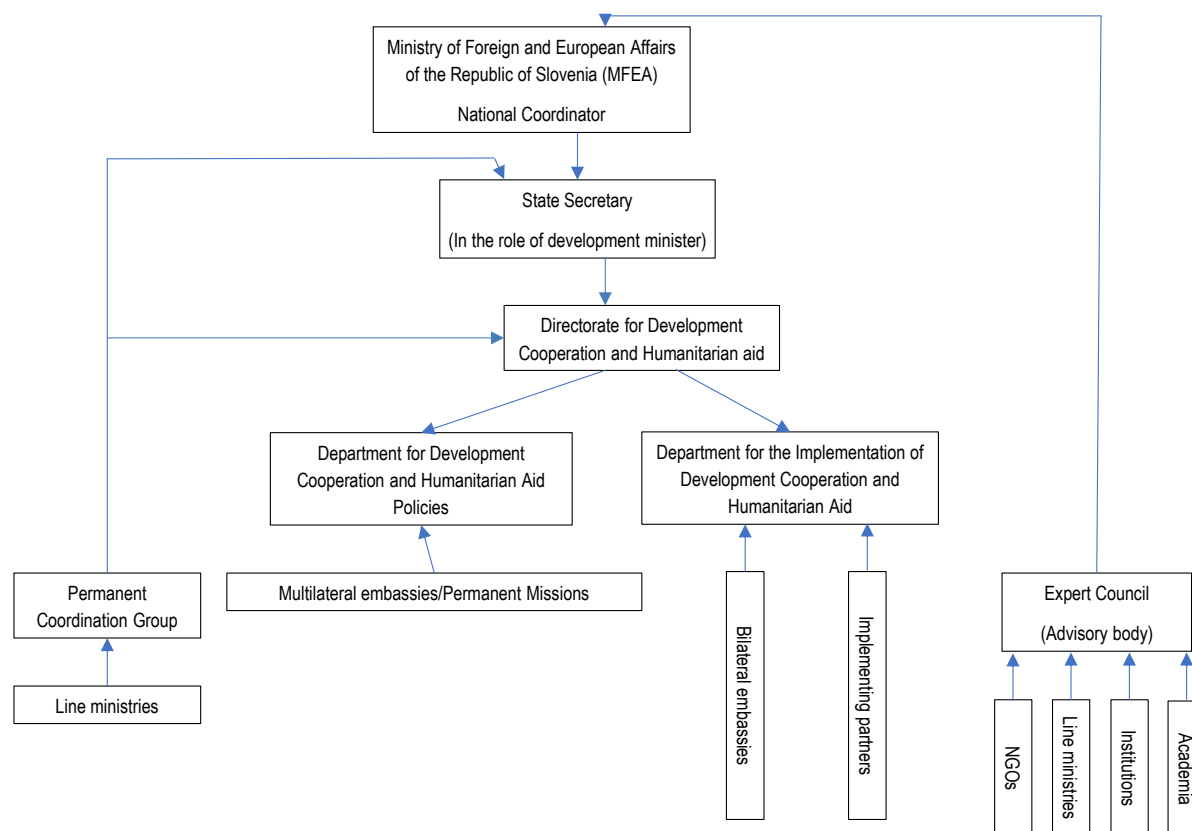
Looking ahead, Slovenia plans to reduce its deficit, which would leave limited fiscal space for ODA growth. Slovenia's public debt is slightly above the threshold set by the European Stability and Growth Pact. The government plans to reduce the deficit progressively from 3.8% of GDP in 2024 (European Commission, 2023^[6]) to 1.3% in 2026 (Republic of Slovenia, 2023^[7]). At the same time, Slovenia has an ageing population that will require more resources for health, pensions and other care for older people (OECD, 2022^[8]). Together, these pressures contribute to creating a challenging context for ODA growth.

Adoption of a strategy and re-establishment of a dedicated directorate have given development co-operation greater prominence

Slovenia set the strategic direction for development co-operation through its 2017 Resolution on Development Co-operation and the 2018 Development Co-operation and Humanitarian Aid Strategy Until 2030 (hereafter the 2018 Strategy). The resolution, adopted in 2017 by the Slovenia National Assembly (2017^[9]), outlines the basic orientations, goals, and thematic and geographical priorities for development co-operation and the commitment to allocate 0.33 per cent of gross national income (GNI) for ODA by 2030. The strategy adopted by the government the following year sets out concrete actions to be taken and quantifiable indicators to measure progress until 2030 (Republic of Slovenia, 2018^[10]). Slovenia plans to evaluate the implementation of the 2018 Strategy in 2024. Slovenia has also adopted an Act on Development Cooperation and Humanitarian Aid and a Decree that elaborates more details on the modalities and criteria for financing development co-operation.¹

The re-establishment of a dedicated Directorate for Development Cooperation and Humanitarian Aid in November 2022 has given visibility for Slovenia's development co-operation. From 2015 to 2022, following the dissolution of the Development Cooperation Directorate, a department within the MFEA's Directorate for Multilateral Co-operation managed development co-operation. In November 2022, however, Slovenia re-established a separate Directorate for Development Cooperation and Humanitarian Aid organised into a policies department and implementation department. It is one of six directorates in the MFEA (Annex D). The new set-up, illustrated in Figure 1, has given renewed visibility to development co-operation and led to an increase in staff.

Figure 1. The institutional set-up for Slovenia's development co-operation



Source: Republic of Slovenia (2023^[11]), *Peer Review Self-Assessment of the Republic of Slovenia* (24 November 2023).

Fit for purpose

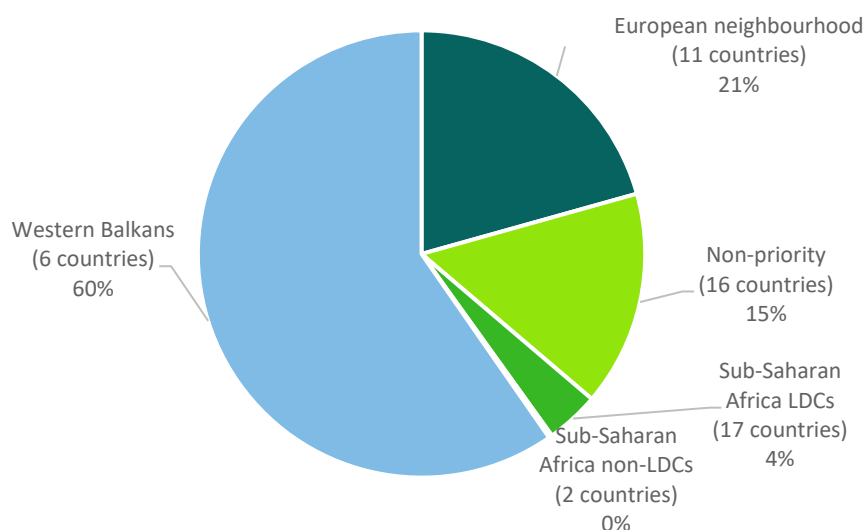
By continuing with its efforts to narrow the focus of its strategic priorities, Slovenia can better leverage its comparative advantage

In the 2018 Strategy, Slovenia identified geographic, thematic and cross-cutting priorities with clear concentration targets. Slovenia's geographic priorities are the Western Balkans,² the European neighbourhood³ and sub-Saharan Africa with a particular focus on least developed countries (LDCs).⁴ The Strategy identifies two broad thematic priorities: (1) productive employment, decent work and inclusive society, which include education, enabling business environments, private sector development, rule of law and good governance,⁵ and (2) sustainable management of natural resources and the fight against climate change, which include water management and transition to a circular economy.⁶ The Strategy sets clear concentration targets for these priority regions and themes⁷ and also identifies environmental protection and gender equality as cross-cutting priorities to be incorporated into all activities.

Slovenia's geographic allocation of ODA broadly reflects regional priorities, but given the breadth of geographical priorities, its ODA is spread across a large number of countries. In 2022, most of Slovenia's USD 35 million in gross bilateral ODA⁸ went to priority regions, with 60% to the Western Balkans, 21% to the European neighbourhood and 4% to LDCs in sub-Saharan Africa. However, the ODA was spread across 52 individual countries, each receiving an average of less than USD 700 000.

In non-priority countries, which received 16% of Slovenia's ODA, the funding was spread among 16 different countries⁹ (Figure 2). Such geographic dispersion can create transaction costs for both Slovenia and partner countries. The upcoming evaluation of the 2018 Strategy is an opportunity to consider focusing ODA on a smaller number of geographic priorities.

Figure 2. Allocation of gross bilateral ODA by region and country category, 2022



Note: LDCs = Least developed countries. The figure refers to gross bilateral ODA allocated by country or by region and excluding debt relief to Angola.

Source: OECD (2024^[12]), *OECD Creditor Reporting System* (database), <http://data-explorer.oecd.org/s/c>.

StatLink  <https://stat.link/z0rwj5>

The current focus on the Western Balkans builds on a shared culture and leverages Slovenia's comparative advantage. Slovenia's technical assistance and infrastructure projects in Western Balkans countries draw on its transition experience; its familiarity with these countries' institutional and social structures; and their strong common historical, linguistic, cultural and institutional links. Slovenia has embassies in all six Western Balkans countries, and its foreign policy prioritises the region. The top recipients of Slovenian ODA in the Western Balkans in 2022 were North Macedonia (USD 6.4 million), Bosnia and Herzegovina (USD 5.8 million), and Serbia (USD 5.2 million).¹⁰ North Macedonia and Montenegro are programme partner countries where Slovenia has a two-year programme agreed with each government through a Memorandum of Understanding (MoU), which promotes transparency and dialogue.

Slovenia's experience in becoming an EU member is an aspirational example for many stakeholders in the Western Balkans. Slovenia was the first former Yugoslav republic to join the EU, in 2004. Croatia followed in 2013, and now Bosnia and Herzegovina, Montenegro, North Macedonia, and Serbia have all been officially granted candidate status. Having gone through the EU accession process with similar institutional structures in place, Slovenia is able to share its valuable experience and expertise with Western Balkans countries on their paths to EU membership. These constitute a strong comparative advantage for Slovenia. For instance, Slovenia's technical assistance to various ministries in North Macedonia to incorporate the EU acquis, coupled with infrastructure projects to help the country fulfil standards on wastewater management and political support in Brussels for its EU accession, are highly valued. Slovenia is perceived as a bridge helping North Macedonia understand and fulfil the various

requirements of EU integration. This support for EU accession is reported as ODA since it has a development purpose.

Selecting fewer priority countries in the European neighbourhood and sub-Saharan Africa would increase the impact of Slovenia's development co-operation. Slovenia has three resident embassies¹¹ in the European neighbourhood (in Algiers, Cairo and Kyiv) and one in sub-Saharan Africa (Addis Ababa). This limited network of embassies, coupled with the limited experience of most implementing institutions outside of the Western Balkans, makes it challenging to support development co-operation in the European neighbourhood and sub-Saharan Africa.¹² Development co-operation is dispersed across 11 countries and territories¹³ in the European neighbourhood and 17 countries in sub-Saharan Africa.¹⁴ The Directorate for Development Cooperation and Humanitarian Aid has taken positive steps to narrow down its geographic priorities both in the European neighbourhood (Moldova and a specific city in Ukraine), and in sub-Saharan Africa (Uganda, Rwanda and Sudan). Communicating these geographic priorities with line ministries and working with other development partners would improve the impact of Slovenia's development co-operation. Focusing on a few countries would allow Slovenia to deepen partnerships and move further towards programmatic approaches, as demonstrated by the experience of Iceland, which focuses on three priority countries.

Slovenia supports LDCs through multilaterals, which may be a more efficient way to engage in these countries than through its bilateral programme. In 2022, LDCs received 4.6% of Slovenia's gross bilateral ODA,¹⁵ but this low level is partially compensated by the fact that 13.6% of multilateral ODA went to LDCs in 2022. Slovenia's total ODA to LDCs represent 0.06% of GNI, which is below Slovenia's international commitment.¹⁶ As multilaterals have expertise and a footprint in LDCs and can engage in comprehensive dialogue with partner countries, continuing to work with multilaterals may be the most efficient way for Slovenia to fulfil its domestic and international commitments on LDCs.

Identifying more clearly Slovenia's thematic comparative advantage would help build internal capacity and increase impact and visibility. Slovenia has strong expertise in water management and is active in water diplomacy.¹⁷ It also has valued expertise in governance, notably through its EU transition experience, as well as in demining, based on its experience with demining in Bosnia and Herzegovina (Box 1). However, given the broad scope of sectors that fall under the four SDGs identified as thematic priorities, more sectors are emerging in Slovenia's programming (e.g. digitisation, artificial intelligence, food security), which raises capacity challenges. Focusing on fewer sectors would help build and retain thematic expertise within the Directorate and implementing partners. For instance, some municipalities in North Macedonia shared that they would welcome stronger technical support in project planning and supervision of complex water projects. Slovenia may want to reflect further on the right balance between being flexible enough to adjust to partner demand and sticking to its expertise areas.

Slovenia adopts a humanitarian-development-peace (HDP) nexus approach by providing coherent crisis response anchored in the EU civil protection mechanism and encouraging MFEA humanitarian and development staff to engage in collaborative approaches to crises. Slovenia's development co-operation strategy is aligned to HDP nexus principles, prioritising emergency response, post-crisis assistance, and preventive action and resilience in its humanitarian efforts (Republic of Slovenia, 2018^[10]). Demonstrating its commitment, Slovenia provided USD 7.6 million for humanitarian aid in 2022, or 8.3% of its bilateral ODA – a nearly threefold increase in humanitarian disbursements over 2021 (OECD, 2024^[12]). Slovenia's programming for crisis response is anchored in the EU civil protection mechanisms, which ensures co-operation and avoids duplication. In addition, Slovenia encourages collaboration among humanitarian and development staff in the policy and implementation departments of the MFEA's Directorate for Development Cooperation and Humanitarian Aid. Such collaboration enhances co-ordination, expertise and comprehensive crisis responses and aligns with the good practices of DAC members.

While Slovenia has expertise in peacebuilding and conflict prevention, increased contingency funds in the MFEA would enable quicker responses to crises. At the policy level, Slovenia supports international initiatives that contribute to peace including by co-leading development of the Mutual Legal Assistance Convention on International Crimes (Republic of Slovenia, 2024^[13]). At the operational level, Slovenia is a leader in the removal of landmines and explosive remnants of war, drawing on its experience in demining in Bosnia and Herzegovina (Box 1). Slovenia could further capitalise on this valuable expertise, for instance by expanding its demining efforts in Ukraine. Slovenia has also improved how it works with partners, notably by providing softly earmarked contributions to the international organisations that implement its crisis responses and transitioning to multi-annual funding through the strategic partnership modality with the International Committee of the Red Cross (ICRC) and a selected NGO (Karitas Slovenia for the period 2021-23). Increasing MFEA contingency funds would allow quicker and more comprehensive crisis responses. Engaging in peer learning at the DAC International Network on Conflict and Fragility would further enhance Slovenia's approach to the HDP nexus. In addition, further engaging with the OECD DCD Secretariat would help Slovenia adjust the way humanitarian assistance is counted to align to OECD standards.¹⁸

Box 1. Building on its experience in demining in Bosnia and Herzegovina, Slovenia is among the leaders in the removal of landmines and explosive remnants of war

Following the Dayton peace agreement in 1995, Slovenia played an important role in demining the land in Bosnia and Herzegovina and supporting landmine victims. In conflict and post-conflict settings, mines and explosive remnants of war impede freedom of movement and limit livelihood capacity by preventing large portions of land from being developed and instilling fear and mistrust in populations. These, in turn, prevent sustainable economic and social recovery and increase sources of community fragility. To address this challenge, Slovenia established the International Trust Fund for Demining and Mine Victims Assistance in 1998 as a humanitarian non-profit organisation to help Bosnia and Herzegovina in the implementation of the peace agreement and to provide assistance and support for post-conflict rehabilitation.

Today, Slovenia allocates a large part of its peace ODA to demining and supports several countries around the world with post-conflict rehabilitation. In 2021, Slovenia allocated the biggest share (20.2%) of its peace ODA to the removal of landmines and explosive remnants of war, significantly more than the DAC average (2.1%) (OECD, 2023^[14]). Based on its experience in Bosnia and Herzegovina, the International Trust Fund for Demining and Mine Victims Assistance has expanded its thematic and geographic scope. In 2012, its name was changed to the ITF Enhancing Human Security (ITF) to reflect its focus on a broader range of challenges beyond the physical removal of landmines, including risk education, surplus arms reduction, rehabilitation of victims and capacity building. In 2023, the ITF operated in 19 countries and regions.

Through its implementing institution, Slovenia supports mine victims in addition to removal of landmines. In 2022, the ITF cleared over 4 million square metres of land and found and destroyed more than 3 900 mines and unexploded ordnance. Over 11 800 people received risk education messages and over 7 500 people received mental health and psychosocial support. Over 3 000 vulnerable individuals and their families received food and hygiene care packages.

Landmine removal has positive impacts on a range of development outcomes but requires long-term engagement. Recent research has found that it increases economic growth, citizen trust in government and productive land use (Patterson, 2023^[15]). Demining is a complex operation that includes survey, clearance and support services. The time and resources required for demining operations can vary based on factors such as terrain, type of mines, and accessibility. After the war in Bosnia and Herzegovina, it was estimated that 4 200 square kilometres of land were mine contaminated. Three decades after the end of the war, there are still mines and unexploded ordnance remaining.

Note: This practice is documented in more detail on the Development Co-operation TIPs •Tools Insights Practices platform at https://www.oecd.org/en/publications/2021/03/development-co-operation-tips-tools-insights-practices_d307b396/slovenia-s-experience-in-removing-mines-and-explosive-remnants-of-war_4fb7e857.html.

Source: ITF (2023^[16]), 2022 Annual Report, https://www.itf.si/upload/publications/itf_ar_2022.pdf?v=2; OECD (2023^[14]), "Peace and official development assistance," <https://doi.org/10.1787/fccbfcc-en>.

Slovenia is a champion for gender equality in international forums and has made efforts to mainstream gender equality as a cross-cutting priority. Slovenia supports gender equality in multilateral institutions¹⁹ and has adopted a feminist approach to its foreign policy (Republic of Slovenia, 2023^[17]). Slovenia has hired a dedicated gender specialist and recently adopted gender equality guidelines that set forth the basis for mainstreaming gender equality in programming both as a primary objective and as a cross-cutting priority (Republic of Slovenia, 2023^[18]). Despite these positive steps, awareness of the

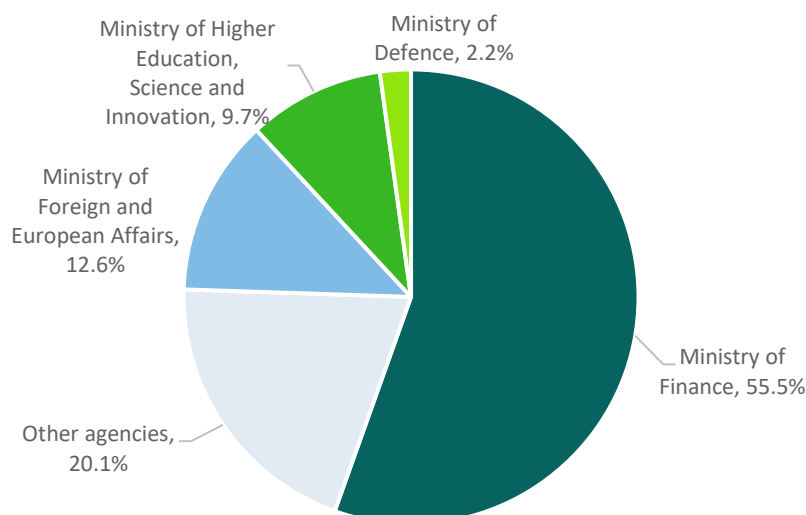
gender guidelines across line ministries and stakeholders is still limited, and capacity building will be required to ensure compliance with the mandatory ex-ante gender analysis of all of Slovenia's projects. Slovenia's performance on the DAC gender equality policy marker is below ambitions. In the period 2021-22, Slovenia committed 7.7% of its screened bilateral allocable aid to activities with gender equality and women's empowerment as either a principal or significant objective, down from 36.3% in 2019-20²⁰ and below the DAC average of 42.2%. Increasing awareness of the DAC guidance on gender equality and gender equality policy markers across embassies, NGOs and implementing institutions in key partner countries would allow for progress.

Limited awareness and expertise have slowed progress on mainstreaming environmental issues. Despite Slovenia's growing engagement in global environmental initiatives such as the UN Green Group²¹ and through multilateral organisations,²² there has been limited progress in making environmental protection a cross-cutting priority. Slovenia has set ambitious environmental and climate commitments in its development co-operation strategy.²³ However, in 2021-22, it committed 12.5% of its total bilateral allocable aid in support of the environment and the Rio Conventions, a decline from the 27.1% share in 2019-20 and below the DAC average of 35.1%. Slovenia could appoint a dedicated environmental specialist within the Directorate and further reinforce collaboration with the Ministry of Environment, Climate and Energy.²⁴ Adopting and implementing environmental guidelines also would contribute to achieving Slovenia's climate objectives.²⁵ Screening all projects systematically against the Rio Markers and requiring ex-ante environmental assessments for largest projects would be useful first steps towards mainstreaming environmental considerations across Slovenia's portfolio (OECD, 2021^[19]).

Stronger cross-government co-ordination would increase the coherence of Slovenia's development co-operation

Slovenia's ODA is disbursed by a variety of ministries, with the MFEA responsible for a limited share. As shown in Figure 3, the MFEA implements a relatively small share of total ODA (13% in 2022) (OECD, 2024^[12]) but a larger share of bilateral ODA (34% in 2022).²⁶ Key ministries and offices that disbursed ODA in 2022 include the Ministry of Finance (contributions to multilaterals including mainly mandatory contributions to the EU); the Government Office for the Support and Integration of Migrants (in-donor refugee costs);²⁷ the Ministry of Higher Education, Science and Innovation (imputed student costs); the Ministry of Health (vaccine donations);²⁸ the Ministry of Defence (humanitarian assistance), and the Ministry of the Economy, Tourism and Sport (UNIDO partnership). Experience from other DAC members shows that when the national co-ordinator is responsible for a minor share of ODA, strong cross-government mechanisms are needed to ensure coherence and integrity. An example is Portugal: Camões disburses only 8% of the country's ODA, but it must approve all development co-operation projects and thus has a strong co-ordination and quality assurance role.

Figure 3. Breakdown of shares of ODA disbursed by ministry, 2022



Source: OECD (2024^[12]), *OECD Creditor Reporting System* (database), <http://data-explorer.oecd.org/s/c>.

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Cross-government co-ordination mechanisms are not fully exploited, and further steering from the MFEA would increase coherence. As the national co-ordinator for development co-operation, the MFEA is tasked with preparing four-year framework programmes for development co-operation and humanitarian assistance in consultation with line ministries.²⁹ However, after the 2016-19 programme, the MFEA was unable to prepare a new framework programme mainly due to the COVID-19 pandemic, Slovenia's 2021 EU Council presidency and the low priority given to development co-operation beyond the MFEA. While the MFEA has been collecting two-year budget plans from line ministries on an annual basis, it does not use this opportunity to engage in strategic dialogue on the objectives, volume and modalities of development co-operation programmes. This can undermine coherence and co-ordination. For example, the Ministry of the Economy, Tourism and Sport has developed a partnership with the UN Industrial Development Organization (UNIDO) to support private sector development, but this partnership does not fully focus on the identified geographic priorities for Slovenia's development co-operation. Reviving the four-year framework programmes and using them to co-ordinate more strategically would enhance the predictability and coherence of Slovenian development co-operation. Similarly, the inter-ministerial Permanent Coordination Group for Development Cooperation³⁰ is supposed to be a mechanism for co-ordinating and monitoring development co-operation across ministries, but it did not meet between 2019 and 2022.³¹ The group started meeting again in 2023 but is used for information sharing rather than for co-ordination. Building on renewed activity, Slovenia could use this group as a platform to discuss how to further focus geographic and thematic priorities and make progress on cross-cutting priorities.

Slovenia's high ODA investment in educating foreign students could be more effectively managed, notably through stronger co-operation between the Ministry of Higher Education and the MFEA. Imputed student costs, accounting for 40% of bilateral ODA,³² are managed by the Ministry of Higher Education, Science and Innovation and are not an integral part of the development dialogue with partner countries. Slovenia plans to conduct an analysis of where students go after their studies, and anecdotal evidence indicates that they do not always return home but move elsewhere in the EU³³ (OECD, 2022^[20]). As youth emigration is a key development challenge for the Western Balkans, a reflection on how to avoid

a brain drain in partner countries and most effectively support their education systems would be of critical importance. Under DAC statistical reporting directives, imputed student costs are eligible for inclusion in a country's ODA if the presence of students reflects the implementation of a conscious policy of development co-operation and if there is an appropriate degree of involvement by the authorities responsible for ODA programmes in the formulation of policy on the intake and tuition of students.³⁴ Slovenia could potentially learn from the experience of the Czech Republic, which redesigned its scholarship programme to strengthen universities in partner countries by sending them teachers and bolstering their management skills (OECD, 2023^[21]). Slovenia could also adjust its fee waivers to ensure that they complement what universities in partner countries offer – for instance by prioritising fields of study that address labour market demand in the partner countries and focusing on students who otherwise have limited opportunities to access higher education. Slovenia may also want to explore how best to support the education systems in the Western Balkans, capitalising on its own experience of education system reform. Finally, Slovenia could use the students it hosts from the Western Balkans as a bridge to engage with the diaspora from the Western Balkans, with the aim of informing policy and building awareness of development co-operation. As an example, New Zealand's Ministry of Foreign Affairs and Trade has engaged with Pacific diaspora communities to gain insights and feedback about its development co-operation approach, challenges and opportunities. Such a dialogue in Slovenia could potentially feed into the upcoming review of the 2018 Strategy.

The 2017 peer review made two recommendations on policy coherence for sustainable development (PCSD), but Slovenia has struggled to make progress on this topic. Following the adoption of the 2018 Strategy, Slovenia established an inter-ministerial group of focal points tasked with raising awareness around PCSD and checking for potential inconsistencies between development co-operation and other policies. However, the focal points have not been active since the outbreak of the COVID-19 pandemic. In 2023, the MFEA and the Slovenian Research and Innovation Agency commissioned the Faculty of Social Sciences of the University of Ljubljana to review PCSD, but the project has been slightly delayed, and the report is now planned for 2024-25. Re-establishing the line ministries' focal points group and selecting a few topics for PCSD would help ensure that domestic policies – for example, fee waivers – do not harm and benefit partner countries.

The MFEA can further mobilise the expertise and experience of other ministries. For instance, the Ministry of Environment, Climate and Energy now participates in the selection committee for NGO projects as a way to ensure that environment cross-cutting priorities are taken into account. Given that the MFEA oversees several projects related to food security, the ad-hoc participation of the Ministry of Agriculture, Forestry and Food in selection committees could also be considered. Likewise, learning from the partnership between the Ministry of Economy, Tourism and Sport and UNIDO could be useful to feed into current reflections on private sector engagement.

Recommendations

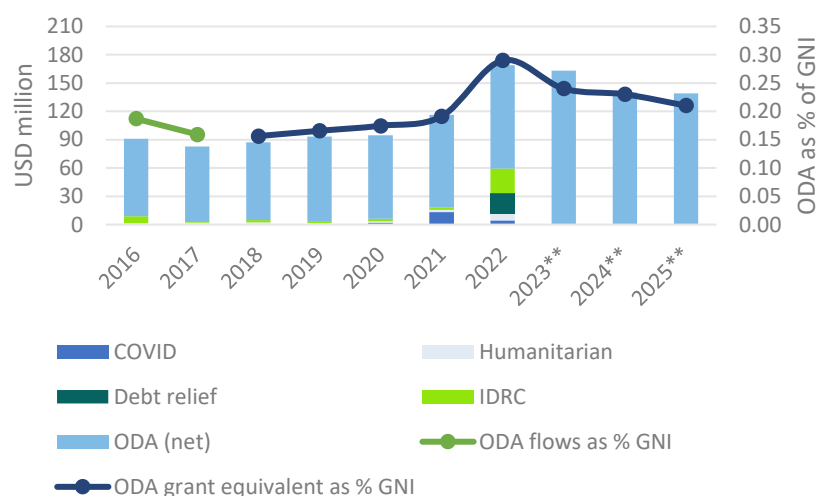
- In order to make the most of its expertise and resources, Slovenia should focus its bilateral development co-operation on a few priority countries within its priority regions of the Western Balkans, European neighbourhood and sub-Saharan Africa.
- Slovenia should ensure progress on cross-cutting priorities by implementing environmental guidelines, building and leveraging Slovenia's expertise on environmental topics, and strengthening gender mainstreaming by raising awareness and enabling capacity building for partners.
- To improve the coherence and predictability of development co-operation, Slovenia should increase cross-government co-ordination, notably through the strategic use of four-year framework programmes.
- Given the large volume of imputed student costs, Slovenia should assess the impacts of fee waivers in partner countries to inform coherent decision making on the best ways to support education systems.

Matching resources to ambitions

Despite Slovenia's commitment to increase ODA to reach 0.33% of GNI by 2030, limited political and public support hinders progress

Slovenia's ODA to GNI ratio increased from 0.16% in 2017 to 0.19% in 2021, with a temporary uptick in 2022 due to exceptional circumstances. Slovenia's total ODA reached USD 168.7 million in 2022, an increase of more than 50% in volume that pushed the ODA to GNI ratio to 0.29% that year (Figure 4). This increase was mainly due to in-donor refugee costs related to Russia's war of aggression against Ukraine and interest cancellation upon the clearing of Angola's debt in 2022. According to current plans of line ministries and GNI growth projections shared as part of this peer review, Slovenia envisions a decline in ODA as a share of GNI to 0.24 in 2023, 0.23 in 2024 and 0.21 in 2025. Preliminary 2023 data reported to the OECD Creditor Reporting System suggest ODA decreased by 13.9% from 2022 volumes, confirming Slovenia's forecasts. Such a drop in ODA would put Slovenia's ambitions at risk.

Figure 4. Evolution and projections of total ODA volumes and percentage of GNI, 2016-25 (est.)



Note: **ODA (net) data for 2023, 2024 and 2025 are based on projections by Slovenia for all ODA components foreseen across line ministries. IDRC = in-donor refugee costs.

Source: Authors' elaboration based on data reported to the OECD (2024^[12]), *OECD Creditor Reporting System* (database), <http://data-explorer.oecd.org/s/c>.

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Political support for increased ODA beyond the MFEA is limited but there is some momentum to reach the ODA/GNI target of 0.33% by 2030. The MFEA is committed to making progress towards ODA commitments, but there is limited political support among other ministries. The 2017 Resolution called for a whole-of-government action plan to be adopted within six months to help Slovenia achieve its national and EU commitment (Slovenia National Assembly, 2017^[9]). However, no action plan has been adopted. In order for Slovenia to fulfil its national and international commitments, every line ministry should own Slovenia's 0.33% ODA/GNI target. There is now some momentum for a new action plan to increase ODA volumes. The government coalition's inclusion of development co-operation as a priority and the strong leadership of the MFEA are positive signals (see Slovenia's context). Developing a long-term ODA growth action plan involving all ministries to reach the 0.33% ODA/GNI goal by 2030 would allow Slovenia to evaluate opportunities and risks associated with increasing ODA contributions and enable informed decisions on areas of ODA growth. This could for instance include strategic considerations on the impact of future EU accessions on Slovenia's development co-operation programme. A long-term action plan would also provide a foundation for developing four-year framework programmes.

More could be done to engage with decision makers on development co-operation and humanitarian aid. The MFEA engages with the parliament on development co-operation issues, notably through presentation of the development co-operation annual report and through ad-hoc discussions at the National Assembly's Committee on Foreign Policy. While these efforts strengthen support for development co-operation across policy makers, more targeted efforts could be helpful. In particular, identifying political champions to place development co-operation more prominently on the agenda of the foreign policy committee might help achieve greater visibility and understanding of Slovenia's development co-operation role and results. Additionally, a more focused development co-operation programme could foster a more robust narrative on the importance of ODA to achieving Slovenia's objectives.

Slovenia has the opportunity to strengthen public support for development co-operation by leveraging positive initiatives such as the Slovenian Development Days and NGO campaigns. For

more than a decade, the MFEA has organised the Slovenian Development Days, Slovenia's flagship event for raising public awareness on development co-operation and a critical MFEA effort to generate public support for ODA.³⁵ Similarly, NGO campaigns have contributed significantly to increasing awareness about global poverty, crises and the importance of development co-operation, including through community engagement. Past efforts include innovative communication initiatives such as the chart-topping song "One World" by the group Slove'n'aid (OECD, 2017^[22]). Nonetheless, a recent Eurobarometer public opinion survey found slightly less support among Slovenian respondents for development co-operation and humanitarian aid than the EU average³⁶ (European Commission, 2022^[23]). Slovenia could further explore other innovative methods to communicate with NGOs, the private sector and media to highlight development co-operation results and harness their expertise and networks (OECD, 2021^[24]). The upcoming evaluation of the 2018 Strategy could also be an opportunity to engage with the public further. As an example, Ireland held extensive consultations on its development co-operation strategy, enabling it to craft a narrative that successfully combines national interests and values and resonates with the public, civil society and policy makers.

Ramping up efforts on global education could boost long-term public support. Slovenia is committed to global development education at the political level and recently endorsed the European Declaration on Global Education to 2050 (Global Education Network Europe, 2022^[25]). Although Slovenia's 2018 Strategy foresees global education as a development co-operation priority, funding for the development awareness area has decreased in recent years.³⁷ Developing a global education strategy could contribute to ensuring that global education remains a pillar of Slovenia's commitment to fostering a globally aware and engaged society (OECD, 2021^[24]). Building on recent funding of a global education project with Slovenian Global Action (SLOGA), the national NGO umbrella, in 2023-25, increased funding for global education would contribute to increased public support, civic engagement and international solidarity in the medium to long term.

Improving results-based management and evaluations would increase quality and help build a stronger narrative on development co-operation

Slovenia makes efforts to link its projects to SDGs, but results setting can be improved. While standard project proposal documents include sections on links to SDGs, results are focused on outputs. Identifying one or two key SDG-linked headline indicators in each priority theme would allow Slovenia to monitor outcomes and communicate more easily about development co-operation results.³⁸ As a first step, Slovenia could ask its partners to report on a few outcome indicators on a voluntary basis and then make their use mandatory over time. In addition, although project proposal documents include sections on the expected effect of each project on poverty and inequality, project selection is not based on poverty-focused context analysis. For instance, infrastructure projects supported in North Macedonia are not located in poorest regions³⁹ (OECD, 2021^[26]). Given Slovenia's current focus on middle-income countries, the use of poverty-focused analysis would strengthen its approach to poverty eradication, particularly in the countries in the immediate neighbourhood.

Monitoring processes have been standardised but further opportunities for visits to partner countries would improve decision making. Standard monitoring forms are submitted every six months to the MFEA from both NGOs and implementing institutions. Funding for implementing institutions has also increased to ensure regular monitoring visits.⁴⁰ However, limited opportunities for MFEA staff to visit partner countries have constrained the MFEA's capacity to properly monitor, learn from and adjust programming based on results.⁴¹ The 2024 partner country visit plan and the revision of monitoring guidelines adopted in April 2024 are positive steps to address this.

Slovenia has adopted ambitious evaluation objectives at both the strategic and project level, but evaluation capacity can be strengthened. At the strategic level, Slovenia had planned to evaluate its 2018 Strategy after five years and also adopted an evaluation plan for 2020-22. The evaluation of the

2018 Strategy that was supposed to be conducted in 2023 has now been postponed to 2024. Only one of the three strategic evaluations planned for 2020-22 has been conducted.⁴² Strengthening the MFEA's capacity on evaluation and focusing efforts on one or two strategic evaluations would help Slovenia improve its development co-operation. The appointment of one staff in the Directorate to work part time on evaluations and the new evaluation plan for 2024-26, adopted in April 2024, are positive steps in this direction.⁴³ At the project level, Slovenia requires all NGOs and implementing institutions to report on results three years after a project has closed. While this requirement is meant to give partners enough time to assess the sustainability and impact of their projects, the quality of these reports is limited as project staff often move on to new tasks. To increase the usefulness and independence of these exercises, Slovenia could require evaluations only of larger projects after three years and require that these be conducted by independent and accredited evaluators.⁴⁴

Improved training and career paths, a more focused programme, and stronger local presence would increase effectiveness

Development co-operation staff are highly committed and the re-establishment of the Directorate in 2022 provides the foundation to strengthen human resources. In 2015, Slovenia's Directorate for Development Cooperation and Humanitarian Aid was dissolved. This led to a decrease in staff working on development co-operation and humanitarian aid in the MFEA, leaving only 12 staff working in the aid programme in headquarters in Ljubljana during 2017-18. Slovenia's 2018 Development Cooperation Strategy outlined key headquarters-based roles such as statistical reporting, development communications, global education, evaluations and effectiveness (Republic of Slovenia, 2018^[10]). But these lacked dedicated staff, or their responsibilities were merged with other duties in 2017 and 2018. With the re-establishment of the Directorate and Slovenia's presidency of the Council of the EU, staff numbers have grown to 20 (Table 1) but new staff were not fully dedicated to the bilateral development co-operation programme. The Directorate aims to increase its personnel and the 2024-25 United Nations Security Council membership could create similar pressures.

Table 1. Directorate for Development Co-operation and Humanitarian Aid headquarters staff numbers as of January 2024

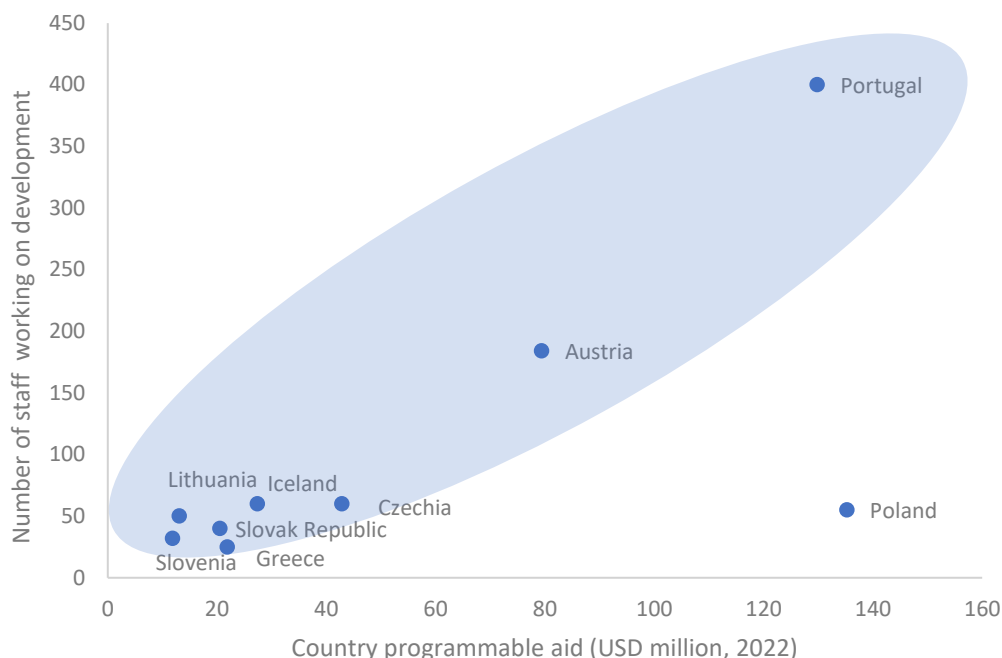
	Diplomats	Staff	Total
Leadership (Director-General, Assistant Director-General, Ukraine coordinator and administrator)	3	1	4
Policy department	6	-	6
Implementation department	2	6	8
Support (trainees)	-	2	2
Total	11	9	20

Note: The headcounts are as of January 2024. All Directorate staff are based at headquarters in Ljubljana. The 20-person staff includes 14 women and six men.

Source: Authors' elaboration based on Republic of Slovenia (2023^[11]), *Peer Review Self-Assessment of the Republic of Slovenia* (24 November 2023).

The number of staff working on development co-operation is broadly in line with that of DAC members with comparable volumes of country programmable aid (CPA). Slovenia has 20 full-time staff in headquarters working on development co-operation and humanitarian and 12 staff in diplomatic missions (OECD, 2023^[27]). Most DAC members with comparable volumes of CPA⁴⁵ have similar staff-to-CPA ratios.⁴⁶ Figure 5 charts CPA volumes against staff levels in Slovenia and seven other DAC members.

Figure 5. Selected DAC members' country programmable aid and number of staff working on development co-operation in headquarters and embassies, 2021



Note: This figure includes all staff of ministries and agencies who work on development co-operation and humanitarian aid in headquarters, embassies and in-country offices. The comparison is limited to DAC members with CPA levels similar to Slovenia's. This analysis does not consider DAC members that have not reported staffing levels dedicated to development co-operation in the 2023 *OECD Development Co-operation Profiles*.

Source: Authors' elaboration based on data from OECD (2023^[27]), *OECD Development Co-operation Profiles*, <https://doi.org/10.1787/2dcf1367-en> and OECD (2024^[12]), *OECD Creditor Reporting System* (database), <http://data-explorer.oecd.org/s/c>.

StatLink  <https://stat.link/wj5yum>

Although diplomats undergo development co-operation training and exams, limited expertise and frequent rotations still impact the Directorate's capacity. Only half of the staff in the Directorate's implementation department have more than five years of experience. Specialised training sessions, such as diplomatic training and the EU civil protection mechanism courses, are positive steps towards developing a consistent development co-operation training programme. The Peace Operations Training Centre of Slovenia is also a good example of training for military, police and civilian personnel for peace operations. Further training and incorporating practical experiences such as project monitoring visits to partner countries would improve the Directorate's capabilities (see section titled Improving results-based management and evaluations would increase quality and help build a stronger narrative on development co-operation). In addition, when diplomats with development co-operation expertise rotate, they are often assigned to unrelated roles, which hampers the development of specialised knowledge and skills. Slovenia could find ways to build and retain development expertise and capacities within the MFEA by establishing a number of specialist roles and protecting these from rotation. Establishing a clear, specialised career path in development co-operation, similar to those in consular and economic specialisations, could help position development as a valued career choice for diplomats. DAC members Denmark, Ireland and the Slovak Republic, for instance, ensure that staff have opportunities to move between policy, programming and support functions in development co-operation and humanitarian aid, including among posts in headquarters and missions, to enhance experience and skills (OECD, 2021^[28]). Further geographic and

thematic focus of development co-operation (see section titled Adoption of a strategy and re-establishment of a dedicated directorate have given development co-operation greater prominence) would also enable staff to build greater expertise.

In programme partner countries, strengthening the role of embassies in development co-operation, notably through local staff, would increase effectiveness. In North Macedonia, the embassy plays an important role by engaging in dialogue with government and national stakeholders and by implementing projects funded by the recently created Development Fund. It also informs municipalities of infrastructure calls for proposals by the implementing agency, the Centre for International Cooperation and Development (CMSR), but does not engage actively in project implementation support or monitoring except when issues arise. This is a missed opportunity, especially as the CMSR does not have offices outside of Slovenia. The Slovenian embassy has only one economic counsellor working part time on development co-operation. Delegating more authority to embassies in programme countries would increase responsiveness to partners' needs and help support project implementation and monitoring. Given that diplomats rotate in and out of embassy posts, having one local staff member on development co-operation in key embassies also would ensure continuity and offer a more cost-effective solution than relying solely on expatriate staff.

Slovenia taps into the expertise of NGOs, academia and think tanks and can introduce mechanisms to further retain knowledge in-house. The MFEA hired external experts to help develop Slovenia's 2018 Strategy, the concept note for the strategic partnership modality with civil society organisations (CSOs) in 2019, and the research project on PCSD. Outsourcing can be a good, cost-efficient practice that complements the Directorate's expertise. Slovenia could explore additional mechanisms to further harness the benefits of outsourcing while retaining knowledge internally. These could include maintaining knowledge management systems and continuing to deploy hybrid teams involving the Directorate's staff to facilitate on-the-job learning.

As Slovenia plans to review its development co-operation strategy in 2024, an associated human resources strategic plan would be beneficial. Such a plan would enable Slovenia to ensure alignment between human resources and policy goals. It also could serve as framework for consolidating Slovenia's human resources capacities and promoting development co-operation as a valued career path. A human resources plan could incorporate a long-term perspective on recruitment and include regular reviews to build and maintain adequate expertise and capacity, thus encouraging staff development (OECD, 2021^[28]).

Recommendations

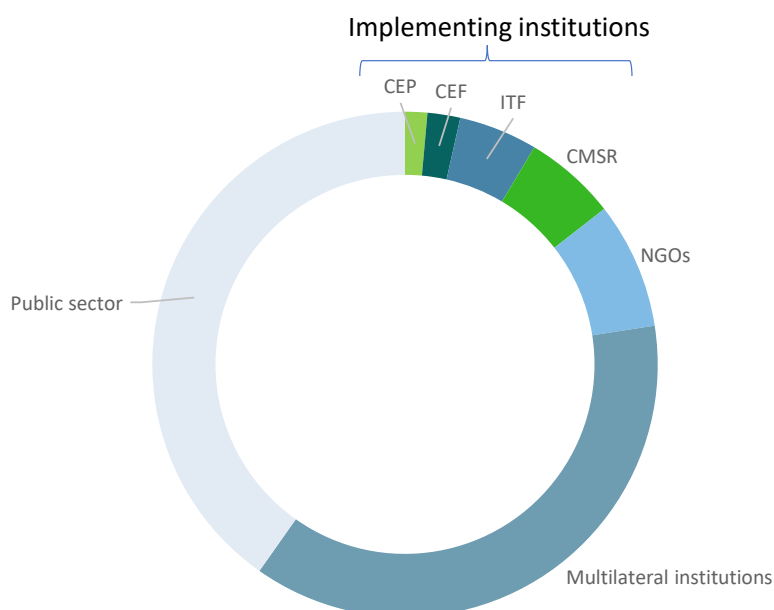
- Slovenia should develop and implement an action plan to reach an ODA to GNI ratio of 0.33% by 2030, aligned with its commitments and ambitions, by:
 - actively engaging all ministries to enable informed decisions on areas of ODA growth
 - strengthening communications on results to create a compelling narrative on development co-operation
 - enhancing efforts to boost public and political support for development co-operation in the medium and long-term, including through global education.
- To enhance the quality of its development co-operation programme, the MFEA should:
 - use SDG-linked outcome indicators for key thematic priorities
 - strengthen evaluation capacity, building on the recent adoption of an evaluation plan.
- Slovenia should consolidate its human resources in development co-operation by adopting a strategic workforce plan, and the MFEA should create a specialised and recognised career path, and explore hiring of local staff in key embassies.

Engaging strategically with partners

Slovenia has a broad range of partners and can advance towards having fewer, larger projects

In terms of ODA volume channelled, Slovenia's main partners are multilateral organisations, but it also engages with implementing institutions, NGOs and the private sector. In 2022, core and earmarked contributions to multilaterals accounted for nearly 55% of total ODA,⁴⁷ making multilateral institutions one of the main partners of Slovenia's development co-operation. In particular, 76% of Slovenia's total contributions to multilateral organisations in 2022 were allocated to EU institutions. NGOs and implementing institutions – the CMSR, Center of Excellence in Finance (CEF), the ITF and the Centre for European Perspective (CEP) – channelled, respectively, 8% and 15% of gross bilateral ODA in 2021-22 (Figure 6). ODA dedicated to private sector development and funding mobilised from private sector companies are still limited, but engagement is growing.

Figure 6. Breakdown of Slovenia's gross bilateral ODA by channel, 2021-22



Note: Disbursements exclude imputed student costs, debt relief and in-donor refugee costs. Gross bilateral ODA disbursed through multilaterals only includes earmarked contributions and excludes the CEF, which has the status of an international institution but is displayed separately.

Source: OECD (2024^[12]), *OECD Creditor Reporting System* (database), <http://data-explorer.oecd.org/s/c>.

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Slovenia has made efforts to move towards funding fewer, bigger projects, and adopting a differentiated approach by type of partner would enable further progress. In particular, Slovenia has made efforts to increase average project value in NGO calls for proposals while also keeping small-sized projects that allow smaller NGOs to compete. Between 2019 and 2022, average project size across all channels increased from about USD 200 000 to USD 300 000.⁴⁸ However, some of Slovenia's partners, such as EU pillar-assessed implementing institutions⁴⁹ and multilaterals, have the capacity to manage larger programmes but receive fragmented funding from Slovenia. An example is the ITF: It received the same amount of funding from Slovenia and the Austrian Development Agency in 2022 (USD 1.9 million), but Austria funds two projects while Slovenia funds 12 projects. Similarly, funding to UNIDO is dispersed across several projects,⁵⁰ which creates transaction costs both for Slovenia and UNIDO. Funding fewer, bigger projects or adopting a minimum threshold for project size for implementing institutions and multilaterals could help increase effectiveness.

Slovenia influences decision making in multilateral institutions but can further reflect on how engagement with multilaterals complements bilateral assistance

Slovenia punches above its weight in terms of its influence on decision making in multilateral organisations. Slovenia presided over the Council of the European Union in the second half of 2021, focusing on bolstering EU resilience, aiding post-pandemic recovery and advocating for enlargement towards the Western Balkans. Under its presidency, the Council adopted the conclusions on water in EU's external action, and Slovenia continues to engage on this topic as part of the Germany-Portugal-Slovenia trio.⁵¹ During the Slovenian presidency, Council Conclusions on public sector expertise were also adopted. Since January 2024, Slovenia has a non-permanent seat on the UN Security Council for the 2024-25 term

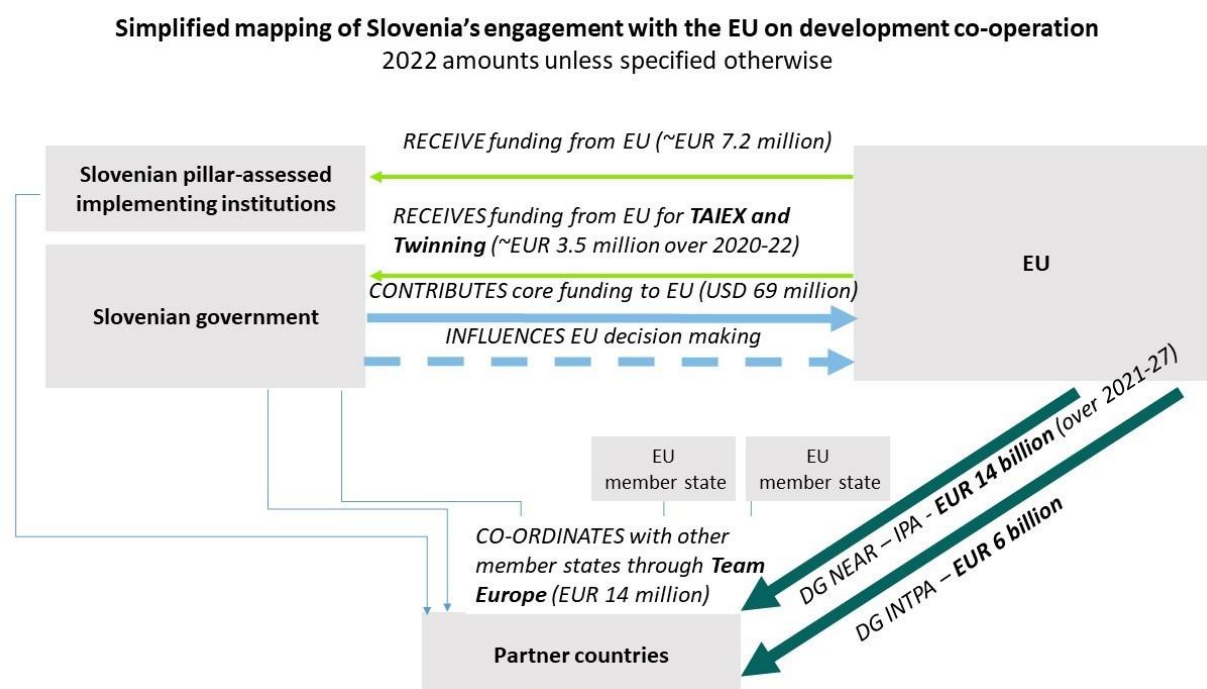
and has committed to using this opportunity to promote conflict prevention, protection of civilians in armed conflicts, the role of women in peace processes, and working at the intersection of climate, peace and security. Such responsibilities are key opportunities to influence international decision making, but they risk draining stretched resources and require follow-up and continuity.

Slovenia's experience with several EU instruments provides an opportunity to reflect on how to best engage with the EU. Among multilateral institutions, EU institutions play an especially key role, receiving 74% of total earmarked and core contributions to multilaterals on average in 2021-22. Slovenia contributes to EU development co-operation through its funding and its voice in the decision-making process for allocating the EU's International Partnerships (INTPA) and Neighbourhood and Enlargement (NEAR) funds (Figure 7). Partner countries highly value Slovenian support through Twinning projects and Technical Assistance and Information Exchange (or TAIEX). Slovenia is one of the most active EU members in TAIEX, mobilising 84 experts in 2021. It is also active in Twinning projects in the Western Balkans as a junior partner, with four Twinning projects implemented in 2021. These technical assistance activities and projects help partner countries on their path to EU accession and leverage Slovenia's expertise in this area. Slovenia also co-ordinates its development co-operation with other EU members states through Team Europe. However, most of Slovenia's five Team Europe Initiatives (TEIs) are outside Slovenia's geographic priorities – three are in Latin America, one in Asia and one in sub-Saharan Africa⁵² – which raises questions as to the contribution of these partnerships to Slovenia's objectives.

Following a rapid two-year increase in voluntary contributions to multilaterals, notably for humanitarian assistance, ensuring stability going forward will be key. Contributions to multilaterals for humanitarian assistance grew sixfold between 2021 and 2023⁵³ as part of Slovenia's strategy to boost humanitarian assistance. Its funding to the ICRC in 2023 was six times more than agreed in the strategic partnership MoU,⁵⁴ which is positive but also raises issues of predictability and continuity in funding. Earmarked funding to the World Food Programme also increased with three new earmarked funding programmes for food security, Ukraine and the Sahel region. As part of Slovenia's draft 2023 framework programme, 2024 contributions to multilaterals for humanitarian assistance are expected to fall back to roughly 2021 levels. In order to receive additional funds from reserves, government approval would be needed. Ensuring continuity in funding to multilateral institutions is important for Slovenia's credibility and development impact as well as for multilateral effectiveness.

Figure 7. Simplified mapping of Slovenia's development co-operation engagement in the EU and ODA flows

Disbursements in 2022 unless otherwise specified



Note: DG NEAR = Directorate-General for Neighbourhood and Enlargement Negotiations; DG INTPA = Directorate-General for International Partnerships. For Twinning and IPA amounts, the volumes correspond to the total amount disbursed or that is planned to be disbursed during the specified period.

Source: Authors' elaboration based on European Commission (2023^[29]) *Annual Activity Report 2022: DG for International Partnerships*, https://commission.europa.eu/publications/annual-activity-report-2022-international-partnerships_en; European Commission (2023^[30]), *Overview: Instrument for Pre-accession Assistance* (webpage), https://neighbourhood-enlargement.ec.europa.eu/enlargement-policy/overview-instrument-pre-accession-assistance_en; ITF Enhancing Human Security (2023^[16]), *Annual Report 2022*, https://www.itf.si/upload/publications/itf_ar_2022.pdf?v=2; Center of Excellence in Finance (2023^[31]), *Annual Report 2022*, https://www.cef-see.org/assets/files/CEF_Annual_Report_2022_web_spread.pdf; and interviews with the DG INTPA and the Slovenian MFEA.

Slovenia can make further progress on its priorities by engaging strategically with multilaterals.

Slovenia currently supports through mandatory or voluntary contributions more than 60 multilateral organisations, including various UN agencies, and may want to reflect on principles for engagement. DAC members' practices in this regard vary. Some DAC members use multilaterals to reinforce their geographic and thematic bilateral allocations. Others use multilaterals to extend geographically or thematically and as a way to learn and complement their bilateral engagement where they lack the expertise, field presence or capacities to implement projects alone. Given its strategic priorities on LDCs, gender equality and environmental protection, Slovenia may want to further reflect on how the multilateral development system can be a conduit to advance these priorities.

Slovenia's implementing institutions have developed clear expertise, but greater predictability of funding and flexibility would increase impact

Slovenia has four implementing institutions that have different expertise and status. The CEP and CMSR operate as quasi-agencies for Slovenia's development co-operation. The ITF Enhancing Human Security and CEF receive significant external funding and operate more independently. Of the four

institutions, the CMSR and ITF received the largest amount of funding, respectively USD 1.6 million and USD 1.5 million in 2022. Box 2 describes their role in Slovenia's development co-operation.

Box 2. Slovenia uses implementing institutions to build niche expertise and scale up financing

Slovenia has established four implementing institutions with specific expertise. Working through these implementing institutions allows Slovenia to leverage its expertise on specific topics and mobilise funding from other development partners:

- **ITF Enhancing Human Security** was established by the Slovenian government in 1998 to support demining in the Western Balkans. It is EU pillar assessed and is considering changing its status to an international organisation. In 2022, most funding was external: 50% from the United States, 25% from the EU and 12% from Slovenia. Activities include humanitarian mine action, victim assistance, medical and psychosocial rehabilitation, conventional weapons destruction, capacity building, vocational training, provision of food and non-food related items, and advocacy.
- **The Center of Excellence in Finance** was established by the Slovenian government in 2001 to support capacity development of public officials in Southeast Europe. In 2022, the Slovenian government and public bodies provided 58% of the CEF's budget; external funding sources included the EU, International Monetary Fund, Ministry of Finance of the Netherlands, Ministry of Finance of Slovakia, and Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH, the German development agency. Key activities include public financial management, central banking, leadership for managing reforms, and learning and knowledge ecosystems. Since 2015, the CEF has the status of international organisation and is now EU pillar assessed, which has allowed it to receive more funding from a variety of donors, scale up its operations, and increase its expertise and capacity. These changes have created challenges for Slovenia as it must conduct more of its work in English and has less control over decision making.
- **The Centre for European Perspective** was established by the Slovenian government in 2006 to support partner countries on their path towards EU accession through the sharing of best practice from the Slovenian public administration (e.g. on good governance, the rule of law and the fight against crime) and support to the private sector. Currently, the CEP is working on four projects – three bilateral projects in Serbia, North Macedonia and Ukraine as well as a regional project in the Western Balkans. Projects are focused on several aspects of the rule of law, fight against disinformation, and post-conflict reconstruction and empowerment of municipalities in Ukraine. The CEP is currently engaging in discussions with the European Commission on a possible pillar assessment process.
- **The Centre for International Cooperation and Development (CMSR)** was established in 1966. It has a dual role of supporting Slovenian exports (e.g. by providing information to Slovenian companies on international markets and preparing economic and country risk analysis) and implementing bilateral development co-operation. Most of its projects are related to construction and rehabilitation of water and wastewater treatment plants in the Western Balkans and the European neighbourhood. The CMSR also supports projects in other sectors such as agriculture, solar power and forest management, and satellite monitoring of waterway in other parts of the world such as sub-Saharan Africa (Kenya and Uganda). The CMSR has started the preparation of its EU pillar assessment process in 2024.

Note: This practice is documented in more detail on the Development Co-operation TIPs • Tools Insights Practices platform at https://www.oecd.org/en/publications/development-co-operation-tips-tools-insights-practices_be69e0cf-en/slovenia-uses-implementing-institutions-to-build-niche-expertise-and-scale-up-financing_b4a3a9b7-en.html.

Increased flexibility, predictability and scope of funding would strengthen the ability of implementing institutions to deliver. For most implementing institutions, the lack of flexibility to carry over unused funds from one year to the next is a challenge. While Slovenia's funding is generally for two years, unused funds in the calendar year need to be returned to the MFEA. This rule can put project implementation at risk if there are delays and can lead to perverse incentives to disburse at the end of the calendar year. In addition, implementing institutions have limited predictability of funding. As an example, the CMSR must present its list of preapproved projects to various ministries to request funding, a process that can take up to four months and significantly reduces implementation time for partners in the framework of one-year budgets. Finally, the scope of funding is currently limited to projects, and this is a challenge for implementing institutions that rely on Slovenian funding. For example, the MFEA funding covers staff costs for days they work, and implementing institutions have to use other resources to pay staff for holidays and sick leave.

Municipalities value CMSR support to infrastructure projects, but increased sharing of expertise, a stronger results orientation and stricter processes for tenders would increase quality.

Infrastructure projects are generally identified by the CMSR in co-operation with municipalities in partner countries, and the municipalities usually issue the public calls for tender.⁵⁵ Hydrosystem Zletovica in North Macedonia is a positive example of the CMSR's long-term involvement in one region with gradual upgrades over time. At the same time, some municipal officials noted they would welcome more sharing of expertise to review technical documentation and oversee construction for complex water projects. A stronger results orientation would allow municipalities to reallocate funds across activities to reach their objectives. Finally, in order to ensure the integrity of its development assistance, and to maintain the trust of its partners, all Slovenian actors must ensure that tendering procedures allow local companies to compete on a level playing field with Slovenian companies.

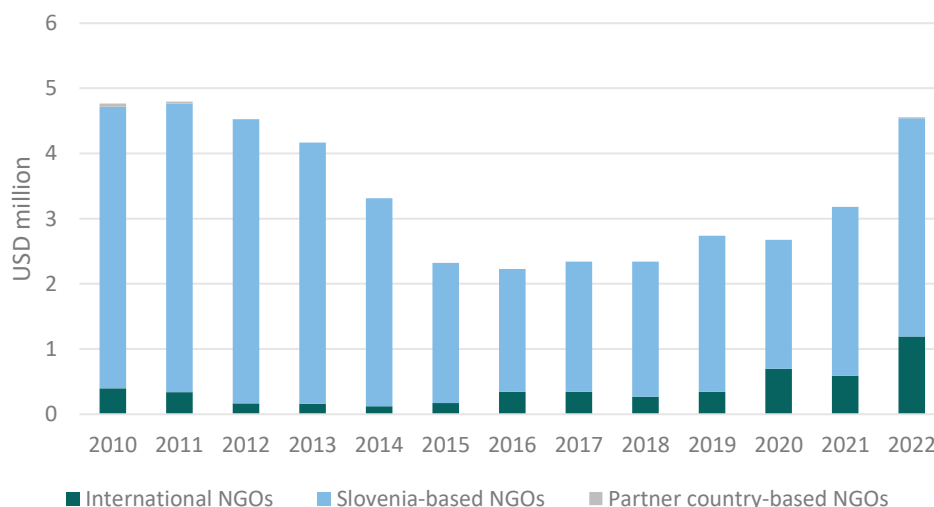
While the government coalition agreement indicates the possibility of creating an agency, there is no plan to do so in the medium term, which is reasonable given Slovenia's development co-operation institutional set-up. Creating a new agency would either add another level of intermediation or require a complex process of merging implementing institutions, some of which are already EU pillar assessed and widely accepted. The current set-up provides a clearer line of sight for development co-operation, which is important given that the Directorate has only recently been re-established. The possibility of creating an agency could potentially be explored in the longer term as a way to build and retain expertise when ODA volumes grow.

Improving partnerships with NGOs would enhance Slovenia's development co-operation

In 2023, Slovenia updated its guidelines for co-operation with NGOs in development co-operation and humanitarian aid, demonstrating a commitment to facilitate open dialogue with and financial support for NGOs (Republic of Slovenia, 2023^[32]). The guidelines recognise NGOs as crucial partners for implementing Slovenian projects and set out the framework for dialogue between the MFEA and NGOs. The guidelines also acknowledge NGOs' central contributions to Slovenia's awareness-raising and global learning efforts and their positive role as advocates for sustainable development at both the EU and national levels.

Slovenia has the potential to increase the share of its bilateral ODA for NGOs, which currently is less than half the DAC average. In 2022, only 0.6% of gross bilateral ODA was allocated to NGOs as core contributions, and 4.3% was channelled through NGOs to implement projects initiated by Slovenia as earmarked funding. This is lower than the DAC average of 1.2% for core and 10.4% for earmarked NGO contributions. The total volume for NGOs increased in 2021 and 2022, as shown in Figure 8, but not at the same pace as the total ODA volume growth, resulting in a slight decrease in the share of ODA directed to NGOs from 6.9% in 2021 to 6.7% in 2022⁵⁶ (OECD, 2024^[12]).

Figure 8. Bilateral ODA provided to NGOs as core and earmarked funding by international NGOs, Slovenia-based NGOs and partner country-based NGOs, 2010-22



Source: OECD (2024^[12]), *OECD Creditor Reporting System* (database), <http://data-explorer.oecd.org/s/c>.

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Strategic partnerships with humanitarian NGOs have strengthened Slovenia's humanitarian assistance and could be extended to other types of NGOs. Strategic partnerships with Karitas Slovenia (2021-23) and with the ICRC (2023-25) have enabled increased flexibility to respond to emergencies and supported capacity development.⁵⁷ Expanding the strategic partnership modality to incorporate NGOs working on development, awareness raising and global education could significantly amplify Slovenia's efforts in these sectors. Such partnerships could foster innovation in Slovenia's development, awareness-raising and global education priorities by facilitating closer knowledge sharing and joint problem solving between the MFEA and NGOs.

Partnering with NGOs as actors in their own right through core funding would allow Slovenia to progressively enhance the capacity and impact of NGOs and by extension its broader development co-operation system. Slovenia primarily offers project-based funding, reserving limited core funding for humanitarian NGOs through the strategic partnership modality.⁵⁸ Slovenia has granted special status to some Slovenian NGOs working on development co-operation as public interest entities. This makes them eligible for small allocations of individuals' personal income tax, providing additional resources that can be put to use to achieve Slovenia's development co-operation objectives. Yet limitations in NGO capacities hinder their full contribution to these objectives as well as their ability to independently undertake projects. Core funding is the most development-effective type of support with advantages such as predictability, flexibility, sustainability, administrative efficiency, and, significantly, ownership and accountability (OECD, 2020^[33]). Introducing core funding would empower NGOs to initiate demand-driven programming based on priorities they define with their partner countries. It also would enable them to build their own and their partners' internal capacities and focus on development outcomes and community relationships. The upfront investment in due diligence required to enter into core funding relationships with NGOs would be recuperated over the medium and long term in the form of reduced transaction costs and overall greater effectiveness for Slovenia and its NGO partners (OECD, 2023^[34]).

Improving the predictability and flexibility of funding would allow NGOs to deliver better. Slovenia primarily engages with NGOs as its project implementers through multi-year calls for proposals. Slovenia also provides matching funds for EU-funded projects implemented by Slovenian NGOs, expanding the reach of NGOs' interventions. However, Slovenia could better inform NGOs about the timing of its calls for proposals to enhance predictability, allowing NGOs to strengthen their planning and resource allocation and allow participation of a more diverse range of NGOs. NGOs report that they face burdensome reporting requirements, even for small projects. Slovenia could explore increasing flexibility in the funds provided to enable NGOs to adapt to changing needs (OECD, 2021^[35]). As is the case with funding for implementing institutions, unused funds for CSOs cannot be carried over from one year to the next. The obligation to return unspent funds hampers efficiency and predictability despite the MFEA's flexibility in practice. Slovenia could also adjust disbursement rules to a project's risk, size and deliverables and relax restrictions on moving funds from one year to another, allowing NGOs to deliver better (OECD, 2020^[33]).

Slovenia has found ways to engage with local NGOs in partner countries, and stronger engagement would increase effectiveness. The MFEA does not currently engage directly with local NGOs. Instead, the MFEA engages with local NGOs indirectly when international or Slovenian NGOs partner with local NGOs or through the recently created Development Fund disbursed by embassies.⁵⁹ Working with Slovenian or international NGOs can bring specific added value by mobilising Slovenian expertise and strengthening advocacy and public support for development co-operation in Slovenia. Yet, this solution might also create inefficiencies and limit the ability to find the best-fit implementing partner. It also limits accountability between the MFEA and the end beneficiary as they only connect through intermediaries. Furthermore, the current focus on Slovenian and international NGOs present in Slovenia restricts locally led development. Direct funding and engagement with local NGOs in partner countries would allow for increased efficiency and sustainability, particularly if Slovenia hires local staff in key partner country embassies to support development co-operation efforts. By hiring local staff in this way (see section titled Improved training and career paths, a more focused programme, and stronger local presence would increase effectiveness), it could then pilot direct funding to local NGOs with long-standing local partners.

Further consultations and dialogue with NGOs at the strategic level would better leverage NGOs' expertise and enhance awareness-raising efforts. Slovenia has an effective dialogue with NGOs at the operational level, and the MFEA meets at least once a year with SLOGA. Although NGOs have a representative at Slovenia's Expert Council for Development Cooperation for dialogue at the strategic level, the Council has not met since 2019. NGO guidelines envision ways to enhance dialogue, for instance by systematically soliciting NGO input before critical international events and supporting NGO representation in Slovenian delegations to major international conferences, however NGOs have not participated to such events for several years. NGOs have been consulted as part of the preparation of the 2018 Strategy and the 2023 gender guidelines, but there is no regular dialogue with NGOs. Regular dialogue with NGOs on strategic and policy issues such as policy coherence would boost the MFEA's knowledge and results in partner countries.

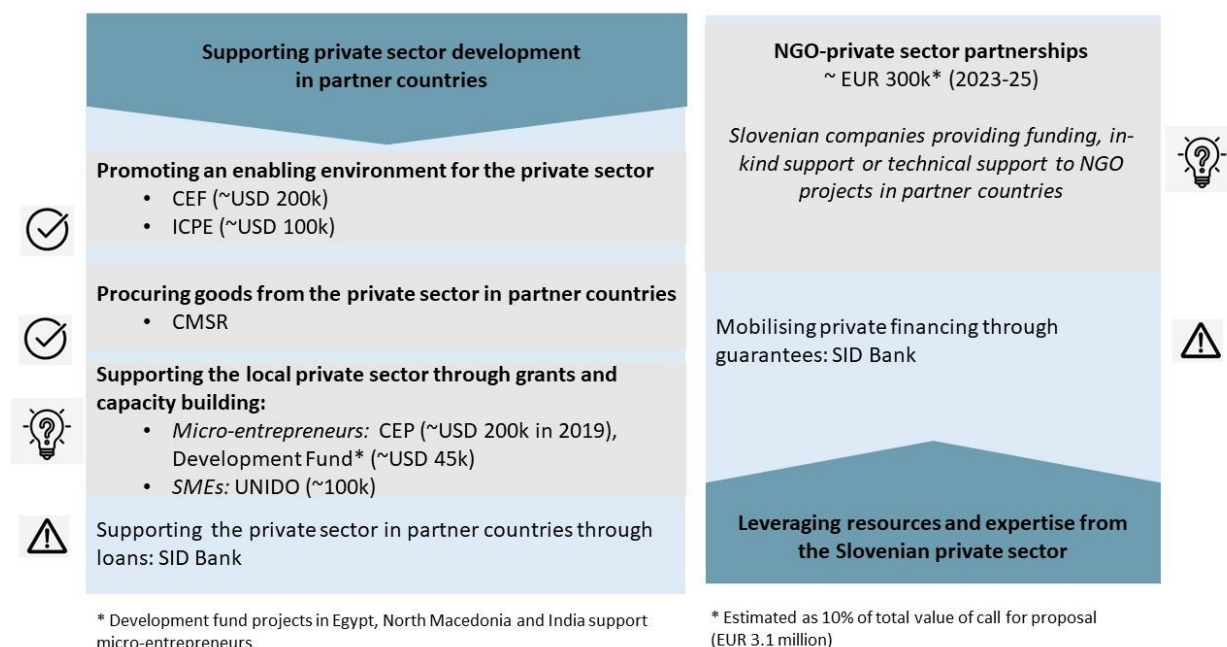
Gradual engagement with the private sector can help achieve development co-operation objectives based on learning from past experience and from others

While Slovenia's current engagement with the private sector is limited in terms of ODA volume, the country has tested various ways to engage to achieve development goals. The 2018 Strategy calls for Slovenia to align its efforts to the Addis Ababa Action Agenda and to engage with the private sector as a way to achieve development co-operation objectives. The 2018 Strategy highlights that in addition to their role as implementing partners (procuring goods and services), private companies offer expertise and resources that can contribute to the fight against poverty. Slovenia engages with the private sector through a variety of intermediaries such as its implementing institutions, multilateral partners, NGOs and embassies. These engagements are small in size (about EUR 100 000 each), but some are innovative,

including NGO-private sector partnerships aimed at leveraging resources and expertise from Slovenian companies (Figure 9).

Figure 9. Simplified mapping of Slovenia's engagement with private sector

Disbursements in 2022 unless otherwise specified



Note: ICPE = International Center for Promotion of Enterprises. Grey-shaded boxes show existing instruments and light blue boxes indicate new instruments that Slovenia is considering. The check mark inside a circle highlights programmes that overall work well. The question mark symbol highlights the need for reflection based on lessons learned, and the warning symbol suggests careful assessment.

Source: Authors' elaboration based on OECD (2024^[12]), *OECD Creditor Reporting System (database)*, <http://data-explorer.oecd.org/s/c>.

Slovenia contributes to enabling environments for the private sector in partner countries through the CEF and the ICPE. The CEF focuses on central banking and public financial management in the Western Balkans that can indirectly promote private sector development in partner countries by establishing the conditions for businesses to flourish. Slovenia also supports the ICPE, which among other activities supports trade in the Western Balkans, Africa, Asia and Latin America. For example, the ICPE is organising an event in Ljubljana in 2024 to increase foreign direct investment (FDI) into Bosnia and Herzegovina and exports from, Bosnia and Herzegovina to the EU market. Such matchmaking events can help create opportunities for companies in partner countries and promote job creation and growth.

Slovenia also creates opportunities for the private sector in partner countries by using local systems for procurement. Partner countries lead most tenders for infrastructure.⁶⁰ This is positive and gives opportunities for local companies to compete. Local procurement can help support local companies and boost local employment. However, given the prevalence of corruption in the Western Balkans,⁶¹ particular attention needs to be paid to managing the risk of corruption (Annex B).

Support to local micro-entrepreneurs and small and medium-sized enterprises (SMEs) is positive but fragmented. Until 2019, Slovenia supported entrepreneurship projects through the CEP, notably in Bosnia and Herzegovina, Kosovo, and the Western Balkans, based on Slovenia's own experience supporting young entrepreneurs and start-ups. Slovenia also supports women micro-entrepreneurs

through the Development Fund disbursed through embassies.⁶² It also supports women entrepreneurship through NGO programmes such as the Association for Culture and Education, PiNA, which carried out activities to support women's socially responsible entrepreneurship in Bosnia and Herzegovina. Through its partnership with UNIDO, Slovenia promotes SME innovation, but these efforts are dispersed across several countries – e.g. an innovation biotechnology centre in Cuba, a smart manufacturing innovation centre in Serbia and a global supply chain for tomato processing in Egypt. This partnership is restricted to Slovenian institutions, which may not always be the most cost-effective approach.⁶³ Taking stock of these various initiatives implemented by the CEP, embassies, NGOs and UNIDO would help in deciding whether new instruments are needed. In particular, analysing the additionality and sustainability of these initiatives would help prioritise engagements. In the medium term, Slovenia could consider developing principles to engage with the private sector.

Partnerships between NGOs and the private sector can be improved by ensuring they are fully optional and attractive for NGOs. Since 2018, the MFEA has promoted co-operation between the private sector and NGOs by encouraging private sector participation in NGO calls for proposals for up to 10% of the project value. These partnerships have allowed Slovenia to mobilise private sector resources and expertise. While private sector participation is optional in theory, all NGO projects selected in the last call for proposals in 2023-25 include private sector partners. Ensuring that these partnerships are fully optional would allow quality projects without a business partner to qualify. In addition, the process of identifying a relevant private sector partner and getting a company's buy-in is burdensome and costly for NGOs. The MFEA could potentially simplify this process by identifying companies that comply with responsible business conduct (RBC) standards, are active in partner countries and are willing to engage in development co-operation. The MFEA could also raise awareness among these companies to increase their buy-in and facilitate matchmaking.⁶⁴ Finally, recognising that the Western Balkans are more attractive than sub-Saharan Africa for most Slovenian companies,⁶⁵ the MFEA could adjust the encouraged percentage of private sector participation by geographic region.⁶⁶ Learning from this innovative NGO-private sector partnership mechanism and adjusting its design over time would help increase its attractiveness and scale.

Using Slovenia's export bank, SID Bank, for development co-operation could be an opportunity to leverage an existing institution that has investment expertise but would require clear development principles. Some DAC members have used export banks for development co-operation,⁶⁷ which can leverage their investment expertise. However, for SID Bank to become a development finance institution (DFI), it would need a development mandate⁶⁸ and there would need to be a clear separation between export promotion and development activities so that Slovenia maintains its commitment to untying. Currently, SID Bank's status means all investments must include at least a 20% "Slovenian component". Transforming SID Bank into a DFI also would require it to build development expertise so that financed projects convey additionality and contribute to the reduction of poverty and inequality. In addition, SID Bank would need to strengthen its capacity to invest in partner countries as most of its investments are currently in Slovenia⁶⁹ and it currently has no offices outside of Slovenia. Finally, the decision to go ahead with new instruments such as development loans or guarantees would need to be grounded in a careful assessment of supply and demand. As an example, other development providers are already offering guarantees and loans for micro-entrepreneurs and SMEs in the Western Balkans, which highlights the importance of co-ordination with other actors.

Promoting RBC among Slovenian companies operating in partner countries would yield positive development impacts. Many Slovenian companies are active in the Western Balkans. The volume of Slovenian FDI in the region amounted to EUR 3.2 billion in 2022 and mainly focused on the banking, insurance and manufacturing sectors (Banka Slovenije, 2023^[36]). Ensuring that Slovenian businesses operating in partner countries observe and promote high RBC standards would be key to enhancing their development impact, particularly when it comes to human rights, focus on equal opportunities, fundamental rights at work and environmental protection. Slovenia's national contact point for RBC has not been active

in recent years (OECD, 2022^[8]) and could be strengthened to promote good practice and expand the development impact of Slovenian companies in partner countries. Better practices among Slovenian companies can also help disseminate standards and due diligence practices in partner countries.

Expanding partnerships with Slovenian businesses in the Western Balkans could help address brain drain and promote the return of foreign students. For several Slovenian businesses in North Macedonia, recruiting qualified staff in areas such as accounting and information technology is a challenge. Creating linkages with students on the fee waiver programme could prove useful. Slovenia could build on positive efforts such as the recent conference in Ljubljana with the Slovenian-Macedonian Business Club to ensure that fee waivers help students gain specific skills that address labour market shortages in the Western Balkans.

Providing transparent information on remitting options could help lower the costs of remittances and contribute to improving living conditions in the Western Balkans. Remittances are an important source of income for families in the Western Balkans.⁷⁰ However, wiring money through formal financial institutions to the Western Balkans is expensive, and sending money in cash is unsafe. In 2021, the average transaction cost to send money to North Macedonia was 7.41% and 7.27% to send to Bosnia and Herzegovina versus a transaction cost of 1.1% to send money to Georgia. The 2023 EU growth plan should help reduce the costs of cross-border payments in the Western Balkans by facilitating participation to the Single Euro Payments Area (European Commission, 2023^[37]). In addition, Slovenia could make information on remittances more easily accessible to migrants. As an example, the Australian and New Zealand governments have worked together to create a website (www.sendmoneypacific.org) that provides information on remitting choices for migrants living in their countries and remitting to the Pacific Islands. These types of websites do not require a major monetary investment and can have a major impact on the remittances market by increasing transparency and competition. Furthermore, Slovenia could also partner with the large network of Slovenian financial institutions in the Western Balkans to reduce transaction costs.

Recommendations

- Slovenia should ensure multilateral contributions are focused on a narrow set of partners based on development co-operation priorities – notably on least developed countries (LDCs), environment and gender equality – and ensure predictability in its contributions.
- Slovenia should make progress towards multi-year funding and transition to fewer, larger projects with key multilaterals and implementing institutions.
- The MFEA should engage in selected additional strategic partnerships in development, awareness raising and global education, and support the capacity, stability and impact of NGOs.
- Slovenia should strengthen its NGO-private sector partnerships mechanism to make it more attractive for all partners and analyse the additionality and sustainability of current private sector initiatives undertaken by various stakeholders to inform decisions about potential new instruments.

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Notes

¹ In 2018, the National Assembly adopted the Act on Development Cooperation and Humanitarian Aid, which defined the roles of the Framework Programme in planning ODA funds. The legislation also included the private sector among development co-operation implementing partners, introduced the concept of strategic partnership for non-governmental organisations, and authorised possible advance payment to implementing partners of development co-operation and humanitarian aid projects. A decree issued in 2018 on implementing development co-operation and humanitarian aid elaborated on the Act with greater detail, including for example criteria for financing development activities.

² The Western Balkans countries are Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, and Serbia.

³ The EU neighbourhood countries are Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Kyrgyzstan, Lebanon, Libya, Republic of Moldova, Morocco, Syrian Arab Republic, Tunisia, Ukraine, and West Bank and Gaza Strip.

⁴ Other objectives in the Strategy are to increase the share of country programmable aid to 40% in programme countries and 60-70% in the Western Balkans by 2030 and for Slovenia to rank among the top five donors in at least three countries by 2030.

⁵ This theme contributes to Sustainable Development Goals (SDGs) 8 and 16.

⁶ This theme contributes to SDGs 12 and 13.

⁷ The Strategy further plans for the share of country programmable aid for the Western Balkans to reach 70% by 2019 and for the share for thematic priorities to reach 75% by 2022.

⁸ The figure represents gross bilateral ODA allocated by country or region, excluding debt relief to Angola. In 2022, Slovenia cancelled part of Angola's debt and counted it as ODA. Given the significant volume of this debt relief (USD 19 million), most of the 2022 numbers exclude it in this report.

⁹ Slovenia ranks last among the DAC members in terms of the geographic dispersion of its ODA as measured by the Gini ratio (0.34 in 2021).

¹⁰ Imputed student costs account for most of these ODA flows.

¹¹ Several embassies cover partner countries non-residentially.

¹² Given the limited presence of embassies in partner countries, three of the seven embassies that received funding from the Development Fund in 2023 were in countries that are outside Slovenia's geographic priority regions: Brazil, People's Republic of China and India.

¹³ The 11 are Armenia, Egypt, Georgia, Jordan, Kyrgyzstan, Lebanon, Moldova, Syria, Tunisia, Ukraine, and West Bank and Gaza Strip.

¹⁴ The 17 are Central African Republic, Comoros, Democratic Republic of the Congo, Ethiopia, Gambia, Guinea-Bissau, Lesotho, Madagascar, Malawi, Mozambique, Rwanda, Somalia, South Sudan, Sudan, Tanzania, Uganda and Yemen.

¹⁵ The gross bilateral ODA figure excludes debt relief to Angola.

¹⁶ The UN target for ODA is 0.15-0.20% of a country's GNI.

¹⁷ Slovenia is very active in water diplomacy. It is a member of the Blue Group, which promotes the right to safe drinking water in international forums, particularly in the UN Human Rights Council. Slovenia also is a co-founder and chair of the Geneva Group of Friends on Water and Peace; has proposed the appointment of a UN Special Envoy for Water; and is a member of both the Transboundary Water Cooperation Coalition and the UN Educational, Scientific and Cultural Organization World Water Assessment Programme Call for Action to accelerate gender equality in the water domain.

¹⁸ For instance, disaster risk reduction is counted separately from humanitarian assistance in the OECD Creditor Reporting System.

¹⁹ As an example, Slovenia has committed to promote gender equality during its term as a member of the UN Security Council. Slovenia also is an active in promoting women's rights and the Women, Peace and Security agenda as a member of the Multi-Stakeholder Coalition for Gender Equality in Water. During its presidency of the EU Council, it also pushed for the inclusion of the link between water and gender equality in EU Council conclusions.

²⁰ This decrease is notably due to the impact of COVID-19 vaccine dose donations. Slovenia's 2018 strategy aims to have gender equality as a primary or second objective in at least 85% of its development co-operation projects by 2030. The strategy is available at <https://www.gov.si/assets/ministrstva/MZZ/Dokumenti/multilateral/razvojno-sodelovanje/Development-Cooperation-and-Humanitarian-Aid-Strategy-of-the-Republic-of-Slovenia.pdf>.

²¹ In addition to Slovenia, members of the UN Green Group are Cabo Verde, Costa Rica, Iceland, Singapore and the United Arab Emirates. The Green Group issued a call for action in combating climate change in a [joint statement](#) at the 2020 UN General Assembly general debate.

²² Key contributions to multilateral organisations in environment-related issues include support to the Global Environment Facility, the Green Climate Fund, the Special Climate Change Fund and the Adaptation Fund.

²³ In line with the Strategy, Slovenia plans to allocate 60% of its country programmable aid to projects with an environmental perspective and 40% of country programmable aid to climate action by 2030. For more information, see <https://www.gov.si/assets/ministrstva/MZZ/Dokumenti/multilateral/razvojno-sodelovanje/Development-Cooperation-and-Humanitarian-Aid-Strategy-of-the-Republic-of-Slovenia.pdf>.

²⁴ Within the MFEA, Slovenia has an ambassador for water diplomacy and an ambassador for environmental protection and climate change, but no specific staff in the Directorate.

²⁵ Guidelines are expected to be finalised by June 2024.

²⁶ This figure excludes in-donor refugee costs and debt relief.

²⁷ In Figure 3, these are included in "other agencies".

²⁸ In Figure 3, these are included in "other agencies".

²⁹ The 2016-19 Framework Programme provided a four-year indicative forward expenditure plan that included the approved ODA budget for two years and a projected two-year outlook based on the minimum level of assistance that Slovenia would be able to provide to its partner countries.

³⁰ The Permanent Co-ordination Group is expected to meet at least once a year at the member level and twice a year at the deputy level.

³¹ In that period, cross-government co-ordination took place on ad-hoc basis.

³² The figure relates to bilateral ODA in 2022 excluding debt relief and in-donor refugee costs.

³³ The five-year retention rate of foreign students in Slovenia is about 15%, which is below the DAC average and suggests that these students could be moving to other countries.

³⁴ The demonstration of involvement should consider factors such as the role of the ODA authorities (whether central, state or local) in the specification of sectors and levels of education; the needs of the developing countries concerned for particular qualifications; the number and selection of categories of students or trainees to be brought into the host country; the extent to which tuition can be tailored to the needs of developing country students; the conduct of discussions with developing countries to co-ordinate the supply of places in the donor's educational system with each country's requirements; special measures to avoid brain drain; and support for the reintegration of students into their home country.

³⁵ The MFEA also promotes the participation of parliamentarians in the annual Slovenian Development Days to enhance parliamentary awareness of Slovenia's development programme.

³⁶ Almost nine in ten (89%) respondents in Slovenia agreed that it is important to partner with countries outside the EU to reduce poverty around the world, equal to the EU average. However, just over seven in ten (71%) agreed that tackling poverty in partner countries should be one of the EU's main priorities, which was lower than the EU average of 80%. Respondents in Slovenia were also less likely than the EU average – at 52% and 67%, respectively – to agree that tackling poverty in partner countries should be one of the main priorities of the national government.

³⁷ Funding for development awareness decreased from about USD 260 000 in 2018 to USD 14 000 in 2022.

³⁸ Slovenia could use the global indicator framework for SDGs. For example, Indicator 6.1.1 (the proportion of the population using safely managed drinking water services) could be relevant for monitoring results in a specific partner country.

³⁹ Water infrastructure projects are in the Eastern and Southeastern regions of North Macedonia. But the regions experiencing high poverty rates are mainly located in the north in the Polog and Skopje regions and in the Northeastern region, which has poverty rates as high as 42.8%. Attempts by the embassy to encourage poorest regions to participate were not successful.

⁴⁰ In 2022, funding to the CMSR for overhead costs has increased mainly to increase the centre's ability to undertake monitoring visits.

⁴¹ Monitoring visits were stopped during the COVID-19 crisis, but three monitoring visits took place both in 2022 and in 2023.

⁴² The evaluation of water infrastructure construction projects in the municipality of Probištip in North Macedonia for the 2012-19 period has been conducted. Findings from this evaluation led to stronger monitoring processes for the CMSR and increased efforts on sustainability. Evaluations of projects in the field of equality for women and girls in the Western Balkans and evaluations of humanitarian projects in the Middle East have not been conducted.

⁴³ The 2024-26 evaluation plan calls for one strategic evaluation per year: evaluation of the Strategy in 2024, evaluation of development awareness projects in 2025 and evaluation of gender projects in the Western Balkans in 2026.

⁴⁴ For smaller projects, project completion reports prepared three months after closing may be sufficient for Slovenia to learn from results.

⁴⁵ The comparison looks at CPA only since CPA excludes imputed student costs, which represent a significant share of Slovenia's ODA.

⁴⁶ An exception is Iceland, which has relatively more staff but a different business model than Slovenia's. Iceland's embassies are actively engaged in project design, management and monitoring and often work without intermediaries such as NGOs. Many of these projects are capacity-building projects at the district level, far from the partner country's capital, and include a strong focus on locally led development and require significant investments of time from embassy staff. Iceland also has a higher volume of earmarked funding to multilaterals than does Slovenia. Lithuania also has relatively more development co-operation staff than Slovenia, but this is partly explained by the fact that Slovenia's staffing numbers do not count people working in implementing institutions while Lithuania's staff numbers include people working at the quasi-agency Central Project Management Agency.

⁴⁷ More specifically, multilaterals account for 48.2% of Slovenia's core contributions and 6.4% of earmarked contributions.

⁴⁸ This refers to the average size of project-type interventions that are country allocated only and of commitments when they are reported the first time in OECD CRS.

⁴⁹ A pillar-assessed institution is one whose operations have passed the institutional compliance assessments as required by the European Commission before it will use indirect management co-operation with them.

⁵⁰ In 2022, the value of each project supported through UNIDO was between USD 100 000 and USD 200 000.

⁵¹ For the period from 1 July 2020 to 31 December 2021, Germany, Portugal and Slovenia formed a so-called trio presidency of the Council of the European Union.

⁵² The TEIs focus on themes related to the green and digital economy as well as provision of basic health services, governance and peace. Recently, Slovenia has participated to TEIs in line with its geographic priorities such as the TEI in Ukraine (currently on hold) and a global TEI on deforestation-free value chains (with a focus on Moldova and Montenegro).

⁵³ The figures are based on budget documents shared by Slovenia.

⁵⁴ The source for this information is an interview with the ICRC.

⁵⁵ In 2023, CMSR organised 6 presentations in 5 partner countries (Bosnia and Herzegovina, Moldova, Montenegro, Northern Macedonia, and Ukraine) and received 118 project proposals from 8 countries.

⁵⁶ The amount excludes debt relief to Angola in 2022.

⁵⁷ For example, the MFEA quickly increased funding to the ICRC in 2023 to react to humanitarian crises without the need for a call for proposal.

⁵⁸ According to the law, the MFEA can provide core funding to the NGO platform but not to NGOs themselves. As of now, the MFEA has not provided core funding to SLOGA.

⁵⁹ Slovenia recently established a Development Fund, which has a budget of EUR 150 000, to further engage embassies in development co-operation. The budget for 2024 is increased to EUR 300 000.

⁶⁰ Partner countries are generally in charge of project procurement except in the rare cases when Slovenia provides the majority of a project funding. As an example, if Slovenia provides 40% of project funding, the partner country is in charge of 100% of project procurement. For more detail, see the discussion of the DAC Recommendation on Untying Official Development Assistance in Annex B.

⁶¹ North Macedonia, for instance, scores 40 in the Corruption Perceptions Index on a scale that ranges from 0 (high level of corruption) to 100 (no corruption).

⁶² This includes projects in Egypt, North Macedonia and India for women microentrepreneurs for about EUR 15 000 each.

⁶³ The partnership with UNIDO promotes the direct involvement of Slovenian organisations, universities, institutes and companies. Tenders are competitive but restricted to Slovenia's institutions.

⁶⁴ As a positive step, the MFEA financed activities of Karitas Slovenia in 2023 to raise awareness among companies about NGO-private sector partnerships

⁶⁵ In 2022, the volume of Slovenian FDIs in sub-Saharan Africa was ten times lower than the volume of FDIs to the Western Balkans.

⁶⁶ In 2024, the MFEA has taken positive steps in this direction by asking NGOs to prepare a proposal on the level of co-financing from private sector.

⁶⁷ Korea, for instance, uses its export credit agency, the Export-Import Bank of Korea, for development. OeEB, the Austrian Development Bank, is a wholly owned subsidiary of Oesterreichische Kontrollbank AG, which acts as the government's Export Credit Agency. FinDev Canada, the DFI, receives funding from and shares back-office risk management with the export promotion agency.

⁶⁸ Although SID Bank has been pillar assessed since early 2024, it has not applied for EU funding for development co-operation as it has no development co-operation mandate. Should it receive a new development mandate, the governance of the SID Bank would also be an important consideration.

⁶⁹ SID bank has also a few investments in Eastern Europe.

⁷⁰ According to the National Bank of the Republic of North Macedonia, remittances (both through financial institutions and in cash) exceed EUR 1 billion per year, or about 16% of GDP on average. See <https://www.nbrm.mk/ns-newsarticle-soopstenie-05082020-en.nspix>.

Annex A. Progress since the 2017 DAC peer review recommendations

Towards a comprehensive Slovenian development effort

2017 Peer Review Recommendations	Progress
Strengthen cross-government co-ordination on policy coherence for development, giving the inter-ministerial working body a co-ordination and policy arbitration role.	<i>Not implemented</i> The 2018 Strategy identifies policy coherence for development as one of the key principles, but co-ordination on this topic within the Permanent Coordination Group has not taken place. In 2023, the MFEA and the Slovenian Research and Innovation Agency commissioned the Faculty of Social Sciences of the University of Ljubljana to conduct a review of policy coherence for development to be completed in 2025.
Encourage all ministries to analyse specific opportunities for achieving policy coherence for development, and to raise them with the inter-ministerial working body for a whole-of-government discussion.	<i>Not implemented</i> The 2018 Strategy plans for the appointment of contact points at relevant ministries to report annually on policy coherence for development to the Permanent Coordination Group. Focal points have not been active due to lack of capacity in both the MFEA and line ministries.

Vision and policies for development co-operation

2017 Peer Review Recommendations	Progress
Outline its approach to poverty eradication, particularly in the countries in the immediate neighbourhood.	<i>Partially implemented</i> The 2018 Strategy clearly identifies poverty eradication as an objective of development co-operation along with the goal of addressing inequality and achieving sustainable development. All standardised forms for project applications include a section on poverty, inequality and the SDGs. However, project selection is not based on poverty-focused context analysis.

Aid volume and allocation

2017 Peer Review Recommendations	Progress
Tighten its thematic focus and geographic footprint so as to reduce fragmentation, and focus on its comparative advantage so as to increase impact.	<i>Partially implemented</i> The 2018 Strategy identifies geographic and thematic priorities with concentration targets. In line with these priorities, 69% of Slovenia's gross bilateral ODA allocated by country or region was allocated to the Western Balkans in 2022. However, Slovenia's gross bilateral ODA was spread among 39 countries, with an average of less than USD 1 million for each country. New themes are emerging in Slovenia's development co-operation programme, pointing to opportunities to further narrow its focus.

Organisation and management

2017 Peer Review Recommendations	Progress
Adapt the framework programme to provide a comprehensive and coherent whole-of-government approach to its international development co-operation, including the development results it seeks to achieve.	<i>Not implemented</i> No framework programme has been adopted since 2016-19. The MFEA collects two-year budget plans from line ministries on an annual basis but does not use this opportunity to engage in strategic dialogue on the objectives, volume and modalities of development co-operation programmes.
Identify the human resources required across the Slovenian government to deliver a growing, high-quality development co-operation programme.	<i>Partially implemented</i> Since the Directorate was reestablished in 2022, staffing levels have increased. However, Slovenia's human resources capacity falls short of its ambitious goals. The staff demonstrate commitment and dedication, yet challenges persist, among them a high rate of rotation, limited expertise, substantial workloads and the perception of development co-operation as a less attractive career path. Key roles critical to Slovenia's 2018 Strategy – statistical reporting, development communications, global education, and evaluations and effectiveness, among others – have lacked assigned specialists or have been combined with other duties for an extended period.

Development co-operation delivery and partnerships

2017 Peer Review Recommendations	Progress
Assess which multilateral organisations to work with to achieve its strategic aims more effectively – including ensuring support for least developed countries – and outline the results it expects from its contributions to specific multilateral organisations.	<i>Partially implemented</i> The 2018 Strategy identifies five key multilateral partners. To date, Slovenia contributes to more than 60 multilateral organisations and may want to reflect on principles for engagement, notably related to LDCs, gender and environment. Voluntary contributions to multilaterals, notably for humanitarian assistance, have rapidly increased in the past two years but are anticipated to decline in coming years.
Expand its partnerships with other donors to forge joint policy positions and programming.	<i>Partially implemented</i> Project documents include a section on how each project complements existing projects from other development partners. Slovenia has engaged in co-financing with other donors as well as co-ordinated Team Europe Initiatives. However, Slovenia does not engage actively in donor co-ordination groups.
Ensure that all stakeholders involved in Slovenia's development co-operation understand the importance of mainstreaming gender and environment across their activities and have the tools to be able to do so.	<i>Partially implemented</i> The 2018 Strategy incorporates both cross-cutting priorities. A gender expert was appointed by the Directorate, and guidelines for integrating gender equality were established that require gender analysis for all projects. However, efforts are required to strengthen capacity around and awareness of these guidelines. Progress on environmental issues remains limited. With no specific staff dedicated to environment, environmental guidelines are yet to be completed.
Define the nature of strategic partnerships with NGOs and the private sector and how they will be put into practice.	<i>Implemented</i> In 2023, Slovenia updated guidelines for its dialogue and engagement with NGOs as project implementers. These guidelines establish the framework for the strategic partnership modality, which has been effectively used for delivering Slovenia's humanitarian aid through NGOs. Slovenia has a strategic partnership with a private company for evaluation and promotes NGO-private sector partnerships.

Results and accountability

2017 Peer Review Recommendations	Progress
Create an evaluation culture across government in which all stakeholders integrate evaluation into their development co-operation efforts.	<i>Partially implemented</i> The MFEA has made efforts to adopt an evaluation plan for 2020-22 and to publish evaluation reports online, but no evaluation has been undertaken since 2020. In 2024, a new evaluation plan has been adopted and one staff in the MFEA has been appointed.
Encourage ministries and implementing partners to plan and manage for results.	<i>Partially implemented</i> The MFEA has rolled out standard project monitoring forms for NGOs and implementing institutions. Slovenia's results are focused on outputs, and adopting a theory of change in each of Slovenia's priority themes would allow Slovenia to ensure that each output leads to outcomes. Limited opportunities for MFEA trips to partner countries have constrained the ministry's capacity to properly monitor, learn and adjust programming based on results.

Humanitarian assistance

2017 Peer Review Recommendations	Progress
Increase its participation in peace and fragility networks and systematise the deployment of its technical assistance to focus its efforts and build knowledge in fragile contexts outside the Western Balkan region.	<i>Implemented</i> Slovenia's 2018 Strategy is aligned with the DAC Recommendation on the Humanitarian-Development-Peace Nexus. Slovenia is promoting this agenda through its 2024-25 UN Security Council membership. Slovenia has also developed expertise on peace ODA and notably on demining through the ITF. In addition, Slovenia provides crisis responses in the Western Balkans region and beyond, anchored in the EU civil protection mechanism.
Consider how its flexible and multi-year humanitarian aid can be most effective.	<i>Partially implemented</i> Slovenia contributes to crisis responses through softly earmarked funds to international organisations. It has also moved towards multi-year humanitarian funding, establishing strategic partnerships with the ICRC and one humanitarian NGO for the period 2024-28 (in 2021-23, this was Caritas Slovenia). However, the MFEA faces challenges in rapidly allocating emergency funds due to the absence of contingency funds within the MFEA and constraints on accessing reserve funds from the Ministry of Finance.

Annex B. Progress against OECD legal instruments under the responsibility of the DAC

Recommendations adopted by the Development Assistance Committee (DAC)

DAC Recommendation on the Terms and Conditions of Aid (1978) [\[OECD/LEGAL/5006\]](#)

Slovenia provides all its ODA in the form of grants. Were Slovenia to offer loans, it would need to comply with the DAC Recommendation on the Terms and Conditions of Aid.

DAC Recommendation on Untying Official Development Assistance (2001) [\[OECD/LEGAL/5015\]](#)

In 2022, 99.6% of Slovenia's ODA covered by the Recommendation was reported as untied, up from 92.6% in 2021. Slovenian tied aid is mainly driven by COVID-19 vaccine donations and small grants to CSOs whose size might not justify international calls. For government-to-government support, Slovenia's partner countries are in charge of project procurement in accordance with their national legislation and through their own systems in most instances except when Slovenia provides the majority of a project funding, which is good practice. Slovenia should ensure that its aid is both de jure and de facto untied and that tendering processes are transparent. Slovenia should also ensure that its earmarked contributions to multilaterals are not tied to Slovenian institutions.

DAC Recommendation on Ending Sexual Exploitation, Abuse, and Harassment (SEAH) in Development Co-operation and Humanitarian Assistance (2019) [\[OECD/LEGAL/5020\]](#)

On Pillar 1, all of Slovenia's contracts with implementing partners require compliance with the UN Secretary-General's Bulletin on special measures for protection from sexual exploitation and sexual abuse (SEA) and with relevant Slovenian regulations. This ensures that implementing partners take the necessary steps to prevent SEA.

On Pillar 4, Slovenia has deployed training for its implementing partners to ensure that communities care for SEAH survivors and prevent new victims, including through its Peace Operations and Training Centre.

On Pillar 5, Slovenia engages in the Gender Action Plan III for like-minded member states dealing with European legislation and gender quality in development co-operation. It also participates in the DAC Network on Gender Equality (GenderNet), although its involvement in the Working Group on ending SEAH is limited.

DAC Recommendation on the Humanitarian-Development-Peace Nexus (2019) [\[OECD/LEGAL/5019\]](#)

Slovenia's strategy follows the Humanitarian-Development-Peace nexus principles, and its humanitarian efforts focus on emergency response, post-crisis support, building resilience and preventive measures.

In terms of co-ordination, Slovenia analyses the situation on the ground for its humanitarian assistance with the help of information from its diplomatic networks, the EU, and its implementing foundations and NGOs. This approach allows for an informed analysis of a conflict's root causes. Slovenia also financially supports the UN Resident Coordinator in such contexts, thereby enhancing cost-effective co-ordination across partner countries' humanitarian, development and peace architecture. Slovenia encourages collaboration among staff working on humanitarian and development assistance within the same departments of the MFEA Directorate for Development Cooperation and Humanitarian Aid.

In terms of programming, Slovenia integrates its crisis responses within the EU civil protection mechanisms. Slovenia contributes to peacebuilding and crisis prevention, for example providing resources for UN peacekeeping operations such as those in Kosovo, Lebanon and Syria. Slovenia specialises in peace ODA, notably in demining in collaboration with the ITF Enhancing Human Security. It also provides bilateral humanitarian aid through the strategic partnership with the ICRC and a selected NGO (Karitas Slovenia in 2021-23). Slovenia emphasises gender equality in its projects, requiring gender mainstreaming as a mandatory component in all project proposals. The women, peace and security agenda is among Slovenia's priorities for its 2024-25 UN Security Council membership.

In terms of financing, Slovenia provides non-earmarked or softly earmarked contributions to international organisations working on crisis responses. Through its strategic partnerships, Slovenia provides multi-annual funding to ICRC, World Food Programme, and other international organisations and a selected NGO partner. However, limited contingency funds at the MFEA level restrict Slovenia's ability to respond swiftly to crises.

DAC Recommendation on Enabling Civil Society in Development Co-operation and Humanitarian Assistance (2021) [[OECD/LEGAL/5021](#)]

On respecting, protecting and promoting civic space (Pillar I), Slovenia's priorities include support for the rule of law and democracy, particularly in the Western Balkans (Republic of Slovenia, 2018^[1]). However, its NGO guidelines do not specifically address civic space (Republic of Slovenia, 2023^[2]), and current projects do not expressly focus on promoting civic space as understood in the DAC Recommendation on Enabling Civil Society. Participation in the DAC Community of Practice on Civil Society could help Slovenia learn from other DAC members' strategies and tools for addressing civic space – including, for instance, engaging and co-ordinating with partner NGOs on civic space to learn from their experiences and challenges in partner countries.

Regarding supporting and engaging with civil society (Pillar II), Slovenia considers NGOs to be important implementing partners in its development co-operation and humanitarian aid. The recently updated 2023 NGO guidelines set forth the framework for Slovenia to engage with NGOs as project implementers and establishes the basis for dialogue with NGOs (Republic of Slovenia, 2023^[2]). The guidelines also regulate the strategic partnership modality, a strengthened partnership approach to partner with selected humanitarian NGOs. The share of Slovenia's total bilateral ODA funding to and through NGOs decreased from 6.9% in 2021 to 6.7% in 2022, even after adjusting for the exceptional clearing of Angola's debt in 2022 (OECD, 2024^[3]). This share was lower than the OECD DAC average of 11.6% in 2022. To date, Slovenia provides minimal core support to NGOs, primarily offering small amounts through the strategic partnership modality for humanitarian aid. Slovenia does not provide direct financial support to non-Slovenian NGOs through its regular calls for proposals. Slovenian NGOs are required to partner with local institutions and organisations to implement their projects in partner countries.

Regarding incentivising CSO effectiveness, transparency and accountability (Pillar III), Slovenia requires gender and/or human rights analysis of all NGO projects. Slovenia promotes co-ordination and dialogue between the MFEA and SLOGA, the Slovenian NGO umbrella, as well as among SLOGA members. Slovenia does not provide core support to NGOs beyond the limited unearmarked funding provided through

the strategic partnership modality. Core funding would help strengthen NGO capacities and address NGOs' vulnerabilities.

Recommendations adopted by the Council

OECD Recommendation on Policy Coherence for Sustainable Development (2010) ***[[OECD/LEGAL/0381](#)]***

Slovenia has committed to the principle of PCSD in the 2017 Resolution and the 2018 Strategy. The 2018 Strategy provides for the establishment of focal points in the ministries to monitor the development of internal policies and report on possible inconsistencies between development co-operation policies and other policies. Focal points were appointed in ministries but have not met regularly as an inter-ministerial group since the outbreak of COVID-19. The MFEA co-financed the SLOGA platform project, which set up a website (<https://www.skladnost-politik.si/>) to raise awareness and highlight the importance of policy coherence. At the end of 2023, the MFEA and the Slovenian Research and Innovation Agency commissioned the Faculty of Social Sciences of the University of Ljubljana to review PCSD. Building on this upcoming PCSD study, selecting key topics and appointing focal points within line ministries will be key to ensure coherence.

The OECD Recommendation of the Council for Development Co-operation Actors on Managing the Risk of Corruption (2016) ***[[OECD/LEGAL/0431](#)]***

The Directorate for Development Cooperation and Humanitarian Aid at the MFEA has no specific code of conduct on corruption to date, although the MFEA has been providing training to staff on anti-corruption. Slovenia has a focal point in the Legal Affairs and Public Procurement Service of the MFEA who can be contacted by Directorate staff with any questions or suspicions related to possible instances of corruption or conflict of interest.

ODA funds are controlled at three different levels: by the MFEA project manager, by the MFEA financial service and by the Ministry of Finance. The Court of Audit can also perform audits. Audit findings are presented to the MFEA leadership and project implementers. There is a clause on eligible use of funds in co-funding agreements for projects. If irregularities are detected, either expense claims cannot be paid or funds need to be reimbursed. In case of major irregularities, the MFEA may withdraw from the co-funding agreement.

There is scope to develop these risk management tools further, particularly by exerting due diligence prior to the granting of ODA contracts and examining the applicant's corruption risk management systems and through strengthening of reporting mechanisms. That instances of corruption or irregularities are very rarely observed further suggests there is scope for improvement, for example through identification of potential disincentives for reporting corruption. Evidence from other donor countries highlights the frequent connection between low reporting, low frequency of incidents and limited effectiveness of risk management systems. The Recommendation calls for active and systematic assessment and management of corruption risks, notably through building an evidence base for corruption risk management. Assessing risks beyond the fiduciary dimension (e.g. informational, reputational, do no harm) could also help further strengthen the integrity of Slovenia's ODA.

Recommendation of the Council on Environmental Assessment of Development Assistance Projects and Programmes (2020) ***[[OECD/LEGAL/0458](#)]***

Slovenia does not have dedicated staff on environmental issues for its development assistance projects. It does not provide sufficient guidance to ensure that environmental issues inform project design and are

systematically monitored. Slovenia started to develop guidelines for mainstreaming environmental protection in its development assistance, but these have not been finalised. Slovenia could make greater use of the DAC Secretariat and the statistical peer review mechanisms to improve the screening and use of the Rio Markers.

OECD DAC Declaration on a new approach to align development co-operation with the goals of the Paris Agreement on Climate Change (2021) [OECD/LEGAL/0466]

The 2017 Resolution defines the “fight against climate change, focused on the sustainable management of natural and energy resources” as one of Slovenia’s two general thematic priorities (Slovenia National Assembly, 2017^[4]). Environmental protection is also considered a cross-cutting priority, and contributing to the increased use of fossil fuels through projects and programmes is prohibited. Slovenia’s 2018 Strategy sets a target of 35% of CPA for climate-related interventions by 2022 and 40% for climate interventions by 2030. The environmental protection target was 50% of CPA by 2022 and 60% by 2023. Slovenia is far from meeting these commitments despite its growing engagement in global environmental initiatives. Slovenia is a member of the United Nations Green Group, which issued a call for action to combat climate change at the 2020 UN General Assembly. Slovenia also contributes to multilateral organisations pursuing green objectives such as the Global Environment Facility, the Green Climate Fund, the Special Climate Change Fund and the Adaptation Fund. Slovenia is developing guidelines on environmental protection that could also cover development co-operation activities contributing to global climate and biodiversity objectives, for example by introducing a checklist that ensures that all its activities contribute to these goals and do no harm to the environment.

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- Slovenia National Assembly (2017), “No. 002-01/17-11/”, in *Resolution on Development Cooperation and Humanitarian Assistance of the Republic of Slovenia*, <https://www.gov.si/assets/ministrstva/MZZ/Dokumenti/multilateral/razvojno-sodelovanje/Resolution-on-development-cooperation-and-humanitarian-assistance-of-the-Republic-of-Slovenia.pdf>. [4]

Annex C. Organisations consulted during the peer review

Organisations consulted in Slovenia

Public authorities

1. Ministry of Foreign and European Affairs (MFEA)
2. Ministry of Finance
3. Ministry of the Economy, Tourism and Sport
4. Ministry of the Environment, Climate and Energy
5. Ministry of Higher Education, Science and Innovation
6. National Assembly
7. SID Bank

Implementing institutions, CSOs and private sector partners

8. Center of Excellence in Finance (CEF)
9. Center for European Perspective (CEP)
10. Centre for International Cooperation and Development (CMSR)
11. ITF Enhancing Human Security (ITF)
12. Association for Culture and Education, PiNa
13. Institute Circle
14. SLOGA
15. Karitas Slovenia
16. Forum for Equitable Development
17. Geocodis
18. Limnos
19. Nova Ljubljanska Banka

Organisations consulted in North Macedonia

Authorities in North Macedonia

20. National IPA Coordinator (NIPAC) office, Secretariat for European Affairs.
21. Ministry of Agriculture, Forestry and Water Economy
22. Ministry of Education and Science
23. Budget and Funds Department of the Ministry of Finance

- 24. Emigration Agency of North Macedonia
- 25. Institute of Agriculture
- 26. Municipality of Dojran
- 27. Municipality of Probistip
- 28. Economic Chamber of North Macedonia

Slovenian authorities and development co-operation providers

- 29. Delegation of the European Union
- 30. Embassy of Slovenia in Skopje
- 31. Embassy of France in Skopje
- 32. Embassy of Japan in Skopje
- 33. United Nations
- 34. World Bank

CSOs and private sector partners

- 35. ADRA Macedonia
- 36. Caritas North Macedonia
- 37. Dobredojde Macedonia Welcome Centre
- 38. FARMAHEM
- 39. Hydrosystem Zletovica
- 40. Institute of Communication Studies
- 41. Iskra
- 42. Nova Ljubljanska Bank (NLB)
- 43. Triglav
- 44. ZIP Institute

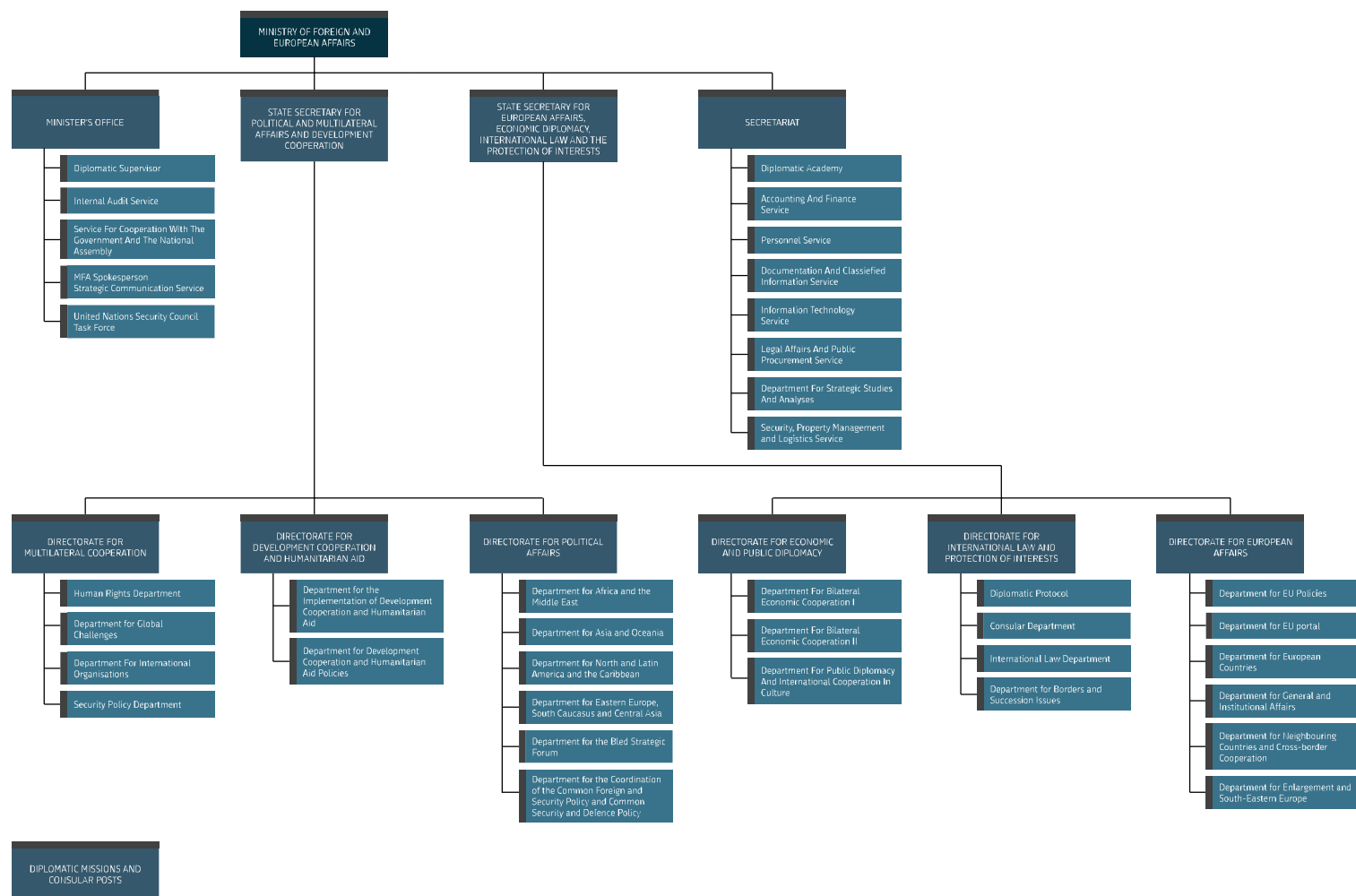
Organisations consulted remotely

Multilateral institutions

- 45. European Union Directorate-General for International Partnerships (DG INTPA)
- 46. International Center for Promotion of Enterprises (ICPE)
- 47. International Committee of the Red Cross (ICRC)
- 48. Global Education Network Europe (GENE)
- 49. United Nations Industrial Development Organization (UNIDO)
- 50. United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA)
- 51. World Bank
- 52. World Food Programme (WFP)

Annex D. Ministry of Foreign and European Affairs organigram

Figure A D.1. Ministry of Foreign and European Affairs organigram



Source: <https://www.gov.si/assets/organigrami/ministrstva/Organigram-of-the-Ministry-of-Foreign-and-European-Affairs.pdf>

OECD Development Co-operation Peer Reviews

SLOVENIA

The OECD's Development Assistance Committee (DAC) conducts peer reviews of individual members once every five to six years. Reviews seek to improve the quality and effectiveness of members' development co-operation, highlighting good practices and recommending improvements.

Slovenia's official development assistance to Gross National Income ratio increased from 0.16% in 2017 to 0.19% in 2021, with a temporary uptick to 0.29% in 2022. This increase was mainly due to in-donor refugee costs related to Russia's war of aggression against Ukraine. Slovenia punches above its weight as it influences decision-making in multilateral organisations in line with its priorities, notably on water and gender. Partners value its strong support to the Western Balkans, anchored in its European Union accession experience, as well as its support to demining efforts around the world. This peer review provides a set of recommendations to focus its approach, ensure cross-government co-ordination, match financial and human resources to ambitions, and build stronger relationships with partners.

