

35th SESSION

Report
 CPL35(2018)03final
 6 November 2018

Local democracy in Slovenia

Monitoring Committee

Rapporteurs:¹ Henrik Brade JOHANSEN, Denmark (L, ILDG)
 Gaye DOGANOGLU, Turkey (L, EPP/CCE)

Recommendation 421(2018)2
 Explanatory memorandum4

Summary

This report follows the third monitoring visit carried out in Slovenia since this country ratified the European Charter of Local Self-Government in 1996.

The rapporteurs highlight that, overall, Slovenia complies with the provisions of the Charter which are extensively referred to by the Constitutional Court in its case law. The principle of local self-government is recognised both by the Constitution and the domestic legislation and Slovenian local authorities enjoy legal protection which is in line with the requirements of the Charter. A variety of instruments of public participation in the local decision making processes, including referendum, is also positively noted in the report.

Nonetheless, the Congress rapporteurs consider that the absence of consensus between central and local authorities on the current principles of municipal financing, leading to the dependence of financial stability of local self-government on the state transfers, an over-regulation in certain areas of municipal tasks and shortcomings in the implementation of consultation process with local authorities still need to be tackled in Slovenia.

Therefore, the rapporteurs call on the Slovenian Government to achieve consensus on the system of municipal financing and to increase local fiscal autonomy on the basis of consultation with local authorities and their associations. The national authorities are urged to ensure that local authorities are more effectively consulted in practice, in due time and in an appropriate manner at every stage of planning and decision-making processes in all matters directly concerning them.

Further, the rapporteurs encourage the national authorities to simplify the existing legal regulations of certain tasks and responsibilities at local level. Finally, promoting mergers and various forms of inter-municipal cooperation in consultation with local authorities and based on financial incentives are suggested as being efficient means to ensure effective public service delivery at grass-roots level.

1 L: Chamber of Local Authorities / R: Chamber of Regions
 EPP/CCE: European People's Party Group in the Congress
 SOC: Socialist Group
 ILDG: Independent Liberal and Democratic Group
 ECR: European Conservatives and Reformists Group
 NR: Members not belonging to a political group of the Congress

RECOMMENDATION 421(2018)²

1. The Congress of Local and Regional Authorities of the Council of Europe refers to:

a. Article 2, paragraph 1.b of Statutory Resolution CM/Res(2015)9 relating to the Congress, which provides that one of the aims of the Congress shall be “to submit proposals to the Committee of Ministers in order to promote local and regional democracy”;

b. Article 2, paragraph 3 of Statutory Resolution CM/Res(2015)9 relating to the Congress, stipulating that “The Congress shall prepare, on a regular basis, country-by-country reports on the situation of local and regional democracy in all member states and in states which have applied to join the Council of Europe, and shall ensure, in particular, that the principles of the European Charter of Local Self-Government are implemented”;

c. Chapter XVII of the Rules and Procedures of the Congress on the organisation of monitoring procedure;

d. the explanatory memorandum on local democracy in Slovenia drawn up by the rapporteurs, Henrik Brade Johansen, Denmark (L, ILDG) and Gaye Doganoglu, Turkey (L, EPP/CCE) following a visit to Slovenia from 20 to 22 February 2018.

2. The Congress notes that:

a. Slovenia signed the European Charter of Local Self-Government on 11 October 1994 and ratified it in its entirety on 15 October 1996;

b. Slovenia signed the Additional Protocol to the European Charter of Local Self-Government on the right to participate in the affairs of a local authority on 16 November 2009 and ratified it on 6 September 2011;

c. The state of local and regional democracy in Slovenia was the subject of a Congress monitoring report in 2010. The Committee on the Honouring of Obligations and Commitments by member States of the European Charter of Local Self-Government (hereinafter referred to as Monitoring Committee) decided to carry out a visit to monitor the state of local self-government in Slovenia and its compliance with the European Charter of Local Self-Government. It instructed Mr Henrik Brade Johansen, Denmark (L, ILDG) and Mrs Gaye Doganoglu, Turkey (L, EPP/CCE) as rapporteurs to update the above-mentioned report on local and regional democracy in Slovenia and to submit it to the Congress;

d. The Congress delegation carried out a monitoring visit to Slovenia from 20 to 22 February 2018.

3. The Congress wishes to thank the Permanent Representation of Slovenia to the Council of Europe, the Slovenian authorities at central and local levels, including the Association of Municipalities and Towns of Slovenia (SOS) and the Association of Municipalities of Slovenia (ZOS) as well as other interlocutors for their valuable co-operation at different stages of the monitoring procedure and for the information provided to the delegation.

4. It notes with satisfaction that:

a. Slovenia, in general, complies with the provisions of the European Charter of Local Self-Government.

b. The Slovenian Government has adopted the Development Strategy for Local Self-Government up to 2020, expressing its vision towards modernisation of local self-government in the medium term.

c. The Constitutional Court extensively applies the Charter in its decisions.

² Discussed and approved by the Chamber of Local Authorities on 6 November 2018, and adopted by the Congress on 7 November 2018, 2nd sitting (see Document CPL35 (2018)03, explanatory memorandum), rapporteurs: Henrik Brade JOHANSEN, Denmark (L, ILDG) and Gaye DOGANOGLU, Turkey (L, EPP/CCE).

d. There are many instruments of public participation in the local decision-making processes, including referendums.

5. Taking into account that some issues raised in the previous Congress recommendation of 2011 remain relevant, the Congress notes that the following points call for particular attention of national authorities:

a. the absence of consensus between local and central authorities on the principles of municipal financing, including the fiscal autonomy of Slovenian local authorities, that makes financial stability of local self-government dependent on State transfers;

b. over-regulation in certain areas, such as construction control, municipal police and pre-school education, which increases the cost of provision of services for local authorities and limits their discretion to manage their own affairs;

c. there are still shortcomings in the practice of implementation of the consultation process with local authorities on all matters that concern them directly which reduces the meaningfulness of consultations and limits the influence of local authorities on final decision-making;

d. municipal fragmentation until 2015 negatively affected the capacities of smaller municipalities to implement municipal tasks and to provide high quality service.

6. In the light of the above, the Congress asks the Committee of Ministers to invite the Slovenian authorities to:

a. achieve consensus, through all possible means, on the basis of consultations with local authorities and their associations on the principles of municipal financing and on the ways to strengthen their fiscal autonomy, with a view to guaranteeing the commensurability of local self-government resources with increasing responsibilities;

b. in consultation with local authorities and their associations rationalise, where possible, in order to simplify existing legal regulations of certain tasks and responsibilities at local level that would allow more discretion to local authorities in adapting their exercise to local conditions and alleviate the human resources and financial burden that they have to finance from their own resources;

c. increase the regularity of consultations with local authorities and their associations and respect legal deadlines in order to allow local authorities to be consulted in "due time", and to strengthen the impact of local authorities on decision-making processes for all matters that concern them directly;

d. promote mergers of local authorities and different forms of inter-municipal co-operation based on the consultations with local authorities and incentive measures with a view of ensuring effective public service delivery.

EXPLANATORY MEMORANDUM

Table of contents

1.	INTRODUCTION: AIM AND SCOPE OF THE VISIT, TERMS OF REFERENCE	5
2.	HISTORICAL AND POLITICAL BACKGROUND	6
3.	INTERNAL AND INTERNATIONAL FRAMEWORK.....	7
3.1	Local government system.....	7
3.2	Status of the capital city.....	8
3.3	Legal status of the European Charter of Local Self-Government.....	9
3.4	Previous Congress reports and recommendations	9
4.	HONOURING OF OBLIGATIONS AND COMMITMENTS: ANALYSIS OF THE SITUATION OF LOCAL DEMOCRACY ON THE BASIS OF THE CHARTER	10
4.1	Article 2: Foundation of local self-government	10
4.2	Article 3: Concept of local self-government.....	10
4.3	Article 4: Scope of local self-government	13
4.4	Article 5: Protection of local authority boundaries	16
4.5	Article 6: Appropriate administrative structures and resources	17
4.6	Article 7: Conditions under which responsibilities at the local level are exercised.....	19
4.7	Article 8: Administrative supervision of local authorities' activities	20
4.8	Article 9: Financial resources.....	22
4.9	Article 10: Local authorities' right to associate	28
4.10	Article 11: Legal protection of local self-government.....	30
5.	OTHER MATTERS RELATED TO THE FUNCTIONING OF LOCAL AND REGIONAL SELF-GOVERNMENT.....	31
6.	CONCLUSIONS AND RECOMMENDATIONS	32
	Appendix 1– Programme Congress monitoring delegation visit to Slovenia	34

1. INTRODUCTION: AIM AND SCOPE OF THE VISIT, TERMS OF REFERENCE

1. Pursuant to Article 2, paragraph 3 of Statutory Resolution CM/Res(2015)9 of the Council of Europe Committee of Ministers, the Congress of Local and Regional Authorities (hereinafter referred to as “the Congress”) regularly prepares reports on the state of local and regional democracy in all Council of Europe member states.

2. Slovenia signed the European Charter of Local Self-Government on 11 October 1994, and ratified it on 15 October 1996. Slovenia has adopted all the provisions of the Charter with no declarations.

3. Slovenia has also signed and ratified - Additional Protocol to the European Charter of Local Self-Government on the right to participate in the affairs of a local authority (ETS No.207): signed on 16 November 2009, and ratified on 6 September 2011 with entry into force for Slovenia: 1 June 2012.

4. In the domain of local and regional democracy, Slovenia has also signed and ratified the following Council of Europe Treaties and Protocols:

- The European Outline Convention on Transfrontier Co-operation between Territorial Communities or Authorities (ETS No.106): signed on 28 January 1998, and ratified on 17 July 2003. Entry into force for Slovenia: 18 October 2003.

- The addition protocol to the European Outline Convention on Transfrontier Co-operation between Territorial Communities or Authorities, of 9 November 1995 (ETS No.159): signed on 28 January 1998, and ratified on 17 September 2003. Entry into force for Slovenia: 18 December 2003.

- The Protocol No. 2 of the European Outline Convention on Transfrontier Co-operation between Territorial Communities or Authorities concerning inter-territorial co-operation, of 5 May 1998, (ETS No.169): signed on 20 October 1998, and ratified on 17 September 2003. Entry into force for Slovenia: 18 December 2003.

- The Protocol No. 3 of the European Outline Convention on Transfrontier Co-operation between Territorial Communities or Authorities concerning Euro-regional Co-operation Groupings, of 16 November 2009 (ETS No.206): signed on 16 November 2009, and ratified on 6 September 2011. Entry into force for Slovenia: 1 March 2013.

5. The Chair of the Committee on the Honouring of Obligations and Commitments by member States of the European Charter of Local Self-Government of the Congress (hereinafter referred to as Monitoring Committee) appointed both Mr Henrik Brade JOHANSEN, Denmark (L, ILDG) and Ms Gaye DOGANOGLU, Turkey (L, EPP/CCE), members of the Chamber of Local Authorities as rapporteurs, and instructed them to prepare and submit such a report to the Congress. An official monitoring visit in Slovenia was carried out by the aforementioned rapporteurs. The Delegation was assisted by Dr. Iveta Reinholde (expert-consultant). This group of persons will be hereinafter referred to as “the Delegation”.

6. The official monitoring visit took place on 20-22 February 2018. During the visit, the Congress delegation had meetings at the Ministry of Finance and the Ministry of Public Administration, at the Court of Audits, at the National Assembly, the National Council, the Constitutional Court and with the Ombudsman. The Delegation also had exchanges with representatives of the Slovenian National delegation to the Congress, Representatives of the Association of Municipalities and Towns of Slovenia, Representatives of the Association of Municipalities of Slovenia. The detailed programme of the visit appears as Appendix I to this document. The Delegation would like to thank all interlocutors whom they met during the visit, for their warm welcome and the valuable information provided to the Delegation during the meetings and the consultation procedure.

7. This report was drafted on the basis of information received during interviews with Slovenian authorities and representatives of local municipalities. Extracts from the relevant laws and policy papers along with documents and data provided by the representatives of the Slovenian authorities, international organisations and experts ensured valuable insight in the functioning of the local democracy. The summative assessment derived from site visits together with documents analysis identified strengths and areas for improvements of local self-government system. Finally, Local Autonomy Index was referred to in order to verify findings discovered against internationally approved measures. The aim of the report is to identify the current *state-of-art* in the domain of local and regional democracy.

2. HISTORICAL AND POLITICAL BACKGROUND

8. The Republic of Slovenia is a democratic parliamentary republic. It became an independent country with representative democracy based on multi-party system after it split from Yugoslavia in 1991. It covers an area of 20 273 km², its population in 2018 was 2.066 million.³ Out of population, 49.7% are urban residents demonstrating a rather high level of urbanisation in Slovenia.

9. Since May 2004, the Republic of Slovenia is a member of the European Union and, in 2007, it joined Eurozone with the euro as its currency so becoming the first country from the former communist regime ruled countries to join the Eurozone. The official language is Slovenian. However, Italian and Hungarian are also official languages in the regions along Italian and Hungarian borders where settlements of those ethnic minorities are located.

10. Politically, Slovenia is a parliamentary democracy with a multi-party system. The head of state is the President, who is elected by popular vote every five years and has mainly representative duties and is also Commander-in-chief of the defence forces. Since 22 December 2012, Mr Borut Pahor has been President of the Republic of Slovenia, re-elected in the presidential election of 2017.

11. The executive authority is held by the government - the Prime Minister and the Council of Ministers (Cabinet), both elected by the National Assembly (*Državni zbor Republike Slovenije*).

12. For policy implementation purposes, there are 14 ministries and several government offices in Slovenia.

13. The legislative branch is the bi-cameral parliament consisting of the National Assembly and the National Council. The National Assembly where the political power is concentrated consists of 90 members, elected in general elections for a four-year term. The most recent elections were held on 3 June 2018. The National Council (*Državni svet Republike Slovenije*) is the representative body for social, economic, professional and local interests. The National Council has 40 members elected for five years by the electoral colleges. The interests of the National Council represents all the main segments of society: 4 representatives of employers, 4 representatives of employees, 4 representatives of farmers, crafts and trades, and independent professions as well as 6 representatives of non-commercial fields. There are also - 22 representatives of local interests.⁴ Legislative power is concentrated in the National Assembly. Thus, the National Assembly passes proposed laws, ratifies international treaties, and adopts the national budget and exercise scrutiny over the government's activities. The National Council brings together the interests of various social groups within a single institution to neutralise the influence of political parties and represent specific social and economic interests.

14. Judicial powers are executed by judges, who are elected by the National Assembly. There are four levels of the courts of general jurisdiction. There are also courts of specialised jurisdiction, having jurisdiction only in the fields of labour and social law and administrative law. The core of judiciary consists of two main bodies - the Supreme Court and the Constitutional Court.

15. The Republic of Slovenia has been a member of the Council of Europe since May 1993. On 11 October 1994 Slovenia signed the European Charter of Local Self-Government, and ratified all its provisions on 15 October 1996.

16. According to Article 8 of the Constitution of the Republic of Slovenia "*Laws and regulations must comply with generally accepted principles of the international law and with treaties that are binding on Slovenia. Ratified and published treaties shall be applied directly*". Therefore, the European Charter of Local Self-Government (hereafter the Charter) has been directly incorporated in the Slovenian legislative system and practice following its ratification by the National Assembly.

17. The Delegation has acknowledged that the Constitutional Court of Slovenia is very familiar with the European Charter of Local Self-Government and the Charter has been widely applied in many decisions of the Constitutional Court.⁵ The subjects the Court dealt with covers a wide spectrum of issues of local importance, including local government financing, competences and spatial planning.

³ OECD, UCLG. Slovenia. Unitary Country. October 2016.

⁴ <http://www.ds-rs.si/?q=en/about-national-council> (accessed 14 March 2018)

⁵ Information provided by the Constitutional Court of the Republic of Slovenia

18. Since its independence in 1991, Slovenia has undergone many reforms – transition to democracy, accession to the EU and NATO and reorganisation of local self-government. The local self-governments with new functions and new bodies according to principles of local democracy started to operate in 1995. However, the number of municipalities has increased over the last 20 years from 60 in 1991, to 147 in 1993 and ended up with 212 today.⁶ Thus, the reform of local self-government reflects a complex and dynamic process which will continue in the future as well. Meanwhile, the reform of local self-government was accompanied also by several problems like differences in views of political stakeholder during preparation of all necessary legal acts, introduction of new methods and changing political values in a rather short period of time. Slovenian municipalities have also faced economic crises, globalisation trends and increasing demands of municipal residents for better quality services.

3. INTERNAL AND INTERNATIONAL FRAMEWORK

3.1 Local government system

19. The Constitution of the Republic of Slovenia was adopted on 23 December 1991, by the National Assembly.

20. Article 9 of the Constitution⁷ states that “Local self-government in Slovenia is guaranteed”, thus ensuring that the principle of local self-government is constitutionally recognised.

21. Up to date, Slovenia has a single tier of local government. There is also a structured sub-municipal level of 6 035 settlements. Regionalisation reform has been discussed for a long time, but regions are still not established. Slovenia is also divided into 58 administrative districts representing the State at territorial level in charge of supervising municipalities.

22. Part V of the Constitution is devoted to the basic principles of self-government:

- Articles 138 -139 contains the definition of the municipality;
- Article 140 refers to the scope of local self-government;
- Article 141 defines urban municipalities;
- Article 142 defines municipal revenues;
- Article 143 is devoted to regions;
- Article 144 covers the scope of supervision state authorities.

23. Along with Part V of the Constitution, the provisions related to local self-government are included in other Articles of the Constitution:

- Article 44 defines public participation in public affairs;
- Article 64 secures rights of Italian and Hungarian minorities;
- Article 65 is devoted to the status and special Rights of the Roma Community;
- Article 146 defines financing of local municipalities;
- Article 147 is devoted to local taxes;
- Article 148 describes principles of budget.

24. The Local Self-Government Act (1993, lastly amended in 2018) is the main law regulating local self-government. It regulates the organisation, competences, finances and operational aspects of local municipalities. The law also regulates the forms of associations and cooperation. Municipal property is regulated by the Physical Assets of the State and Local Government Act (ZSPDSLS-1) (Official Gazette of the Republic of Slovenia No. 11/18). Other important pieces of legislation are:

- The Local Elections Act (1994, lastly amended in 2017);
- The Capital City of the Republic of Slovenia Act (ZGMRS) (2004, lastly amended in 2017);
- The Financing of Municipalities Act (ZFO-1) (2006, lastly amended in 2017; with corrigendum of one article in 2018);
- The Public Finance Act (1999, lastly amended in 2018);
- The Establishment of Municipalities and Municipal Boundaries Act (1994, lastly amended in 2018);
- The Act Regulating Measures Aimed at Fiscal Balance of Municipalities (2015);
- The Fiscal Rules Act (ZFISP) (2015).

⁶ OECD, UCLG. Slovenia. Unitary Country. October 2016

⁷ Here and after when referring to the Constitution: the Constitution of the Republic of Slovenia. Constitution. Official Gazette of the Republic of Slovenia Nos. 33/91-I, 42/97, 66/2000, 24/03, 69/04, 68/06, and 47/13

25. Slovenia has entered the stage on continuous modernisation. In 2016, *The Development Strategy for Local Self-Government up to 2020* was adopted as a medium term development for local self-government. The Strategy expresses the Government's vision in implementing more systematic and planned approach towards the future development of local self-government in Slovenia.⁸ The Strategy is based on the assumption that Slovenia has in place a contemporary and efficient system of local self-government which does not need radical reforms. Thus, the Strategy addresses only those issues that have been recognised by different stakeholders as requesting improvement or upgrading.

26. During the consultation procedure, the Association of Municipalities and Towns of Slovenia underlined that it is important for the Strategy to have the support of local self-government and associations.

27. The Strategy has defined six directions for further development of local municipalities:

- Increase of efficiency in meeting needs and interests of local residents;
- Strengthening the role of associations of municipalities as state partners;
- Ensuring financial autonomy of local municipalities and stability of their funding;
- Determining the functional content of regions and establishing an efficient form of inter-municipal cooperation for implementation of such tasks;
- Strengthening influence of municipal residents in local decision-making;
- Defining the role, status and competencies of urban municipalities facing reality of increasing urbanisation.

28. However, during the visit, the rapporteurs have heard criticisms from some representatives of local authorities and associations that the Strategy does not address decentralisation and regionalisation issues. In view of the importance of this question, the rapporteurs would encourage the government in close consultations with local associations to discuss various measures and proposals aimed at achieving a stronger decentralisation.

3.2 Status of the capital city

29. The capital city of the Republic of Slovenia is Ljubljana and it has constitutional recognition.⁹ Ljubljana is the largest city in Slovenia with population of 289.513¹⁰ or approximately 14% of the total population in the country.

30. According to the Act on Capital City passed in 2004, Ljubljana has multiple roles – as a city, a capital city, and an urban municipality. Since many state bodies, as well as international organisations, have their seats in Ljubljana, the municipality and the state are legally obliged to cooperate and coordinate the implementation of certain tasks and the state is obliged to co-finance the tasks that are of special importance for the state.¹¹ The cooperation concerns such sectors as environmental protection, land management and use, public security, road safety and urban transport, the provision of economic and non-economic public services, and in other areas of public interest.

31. The amendment of the Capital City Act in 2017 was made to arrange financial issues in the relationship between the municipality of Ljubljana and the state as a city has to implement function of special importance for the state. Now the Act states that a city shall receive not less than 0.60% and not more than 0.80% of personal income tax. However, the final rate is calculated by the Ministry of Finance.

32. The City Council of Ljubljana is the supreme body that determines all matters in the framework of the rights and obligations of City of Ljubljana. It has 45 members who meet in regular and/or extraordinary meetings. There are approximately 571¹² employees in the administration of the city.

33. The main competences of the City Council are to:

- adopt the Statute, decrees and other acts of the Council,
- adopt spatial plans, spatial executional acts and other plans for municipal development,
- adopt the budget,
- determine the organisation and working areas of the City Administration,

8 The Development Strategy for Local Self-Government in the Republic of Slovenia up to 2020. Adopted in 2016.

9 Article 10 of the Constitution.

10 Data as it was at 01.01.2018.

11 Article 3, 6, Act on Capital City.

12 Data as it was at 28.02.2018.

- give assent to the transfer of duties from State competences to municipality.

34. There is a directly elected mayor and five deputy mayors. Since 2006, the mayor of the City has been Mr Zoran Janković. He was re-elected several times as a mayor in 2010 and 2014.

35. The City Council may set up commissions and boards, which deal with matters within the competences of the City Council. At the beginning of 2018, there were such commissions like Commission for mandate questions, elections and appointments; Statutory legal commission; Commission for citizens' initiatives; Commission for international relations; Commission for awards. There are following boards: Board for finance, Board for local self-government, Board for pre-school education and schooling; Board for sports; Board for cultural and research activities, Board for health and social care; Board for economic activities, tourism and agriculture; Board for economic public companies and traffic; Board for spatial management and planning; Board for managing real estate; Board for residential policies; Board for environmental protection; Board for the protection, rescue and civil defence.¹³

36. Members of commissions and boards are appointed by the City Council from among its own members, but also from among other residents of Ljubljana. However, the number of residents shall not exceed the half of its members.

37. The latest Co-operation Agreement between the Government and the City of Ljubljana was signed in May 2016 to ensure the Implementation of Programmes and Tasks in accordance with the Act on Capital City of the Republic of Slovenia for the period 2016-2018.¹⁴ The agreement has ensured a constant coordination of projects, by which the conditions for the functioning of city bodies and organisations as well as for the representation of national interests are ensured.

38. According to the rapporteurs, the Slovenian legislation has, in general, taken account of Congress Recommendation 219 (2007) on the Status of Capital Cities.

3.3 Legal status of the European Charter of Local Self-Government

39. Regarding the legal status of the Charter, the Constitutional Court has the competence to declare that any law is not in conformity with the Charter. Since the Charter has been ratified by Slovenia, it has superiority over domestic legislation. The Slovenian Constitutional Court is very active in guaranteeing the applicability and effectiveness of the Charter as it can be seen from many court decisions that interpret it extensively.¹⁵

3.4 Previous Congress reports and recommendations

40. The state of local and regional democracy in Slovenia has already been the subject of Congress monitoring reports. On the basis of these reports, Recommendation 89(2001) and Recommendation 308(2011)¹⁶ on local and regional democracy in Slovenia were adopted by the Congress, consequently on 30 May 2001 and 18 October 2011.

41. In the latest report, the Congress recognized that, in general terms, the system of local government in Slovenia was developed in accordance with modern European standards. It noted, however, municipalities' relatively low level of tax revenue autonomy, shortcomings in the consultation process between local authorities and the central government and the difficulty in reaching a consensus on the number of regions as the principal reason for the blockage of regionalisation process.

¹³ <https://www.ljubljana.si/en/municipality/the-city-council/> (accessed April 6, 2018).

¹⁴ Co-operation Agreement between the Government and the City of Ljubljana. Wednesday, 11. 5. 2016.

<https://www.ljubljana.si/en/news/co-operation-agreement-between-the-government-and-the-city-of-ljubljana/>

¹⁵ According to the information provided by the Constitutional Court regarding the latest decisions.

¹⁶ Debated and adopted by the Congress on 18 October 2011, 1st sitting (see document [CG\(21\)12](#) explanatory memorandum), Rapporteurs: J. Wielen, the Netherlands (L, EPP/CD) and M. Jegeni-Yildiz, Turkey (R, EPP/CD).

4. HONOURING OF OBLIGATIONS AND COMMITMENTS: ANALYSIS OF THE SITUATION OF LOCAL DEMOCRACY ON THE BASIS OF THE CHARTER

4.1 Article 2: Foundation of local self-government

Article 2 – Constitutional and legal foundation for local self-government

The principle of local self-government shall be recognised in domestic legislation, and where practicable in the constitution.

42. In Slovenia, the principle of local self-government is explicitly recognised in the Constitution. As previously mentioned, Article 9 of the Constitution establishes that “*Local self-government in Slovenia is guaranteed*”. In addition, Part V of the Constitution sets the basic principles of self-government and covers the definition of the municipality, the scope of local self-government, urban municipalities, regions; municipal revenues and local taxes as well as supervision by state authorities.

43. The Local Self-Government Act serves as the “umbrella” law in regulating local self-government. Since its adoption, it was amended many times¹⁷ to adapt to administrative modernisation tendencies of local self-government. Article 2 of this Law states that: “*A municipality shall, in accordance with the Constitution and laws, independently regulate and perform the matters, duties and functions vested in it by law*”. This clearly stands for obvious and sound recognition of local self-government at the level of regular legislation as well.

44. Since the principle of local self-government is recognised both in the Constitution and in the domestic legislation, the rapporteurs conclude that Slovenia is in compliance with the above mentioned article of the Charter.

4.2 Article 3: Concept of local self-government

Article 3 – Concept of local self-government

- 1 Local self-government denotes the right and the ability of local authorities, within the limits of the law, to regulate and manage a substantial share of public affairs under their own responsibility and in the interests of the local population.
- 2 This right shall be exercised by councils or assemblies composed of members freely elected by secret ballot on the basis of direct, equal, universal suffrage, and which may possess executive organs responsible to them. This provision shall in no way affect recourse to assemblies of citizens, referendums or any other form of direct citizen participation where it is permitted by statute.

4.2.1 Article 3.1

45. In the opinion of the rapporteurs, local municipalities in Slovenia continue to independently and autonomously regulate and manage substantial share of public affairs, as it is set by the Constitution and domestic laws.

46. This conclusion is reached in view of the number and importance of local competencies and since the local authorities have been entrusted with typical powers (e.g. power to enact binding local regulations and to impose sanctions and fines). Furthermore, Slovenian local authorities may approve necessary development plans and freely formulate local public policies. It was found that State agencies and departments exercise control over the municipal decision in the frameworks set by the legislation.

47. Another indicator of political and social role of local self-government in a country is the local government expenditure as a part of public expenditure. According to Eurostat data, total public expenditure is around 47% from GDP (2015), while local government expenditure share is approx. 18%. Revenue autonomy at the local level of Slovenia is slightly higher than the EU average (Slovenia- 59%, EU- 53%). The dependency on central government transfers in Slovenia is lower than the EU

¹⁷ In 1994 (2), 1995, 1997 (2), 1998 (2), 2000, 2002, 2005, 2007, 2008, 2009, 2010 and 2018.

average (Slovenia - 41%, EU - 47%). Local own revenues represent 13% of total government revenues, which is in line with the EU average (13%).¹⁸

48. The rapporteurs therefore conclude that Article 3.1 of the Charter is complied with by Slovenia.

4.2.2 Article 3.2

49. The internal structure and organisation of local authorities are regulated by the Local Self-Government Act (chapter IV). According to the legal framework, the main bodies of the municipality are a council, a mayor and a municipal administration.

50. The representative body is the council – composed of the councillors. The municipal council is the decision-making body on all matters concerning municipality. Municipal councillors are elected by the citizens through a process of secret, general and direct voting. The Local Elections Act regulates elections to municipal councils, elections of mayors and elections to the councils of district, village and urban communities. Elections are called every four years and the latest local elections were held in 2014.

51. According to first two paragraphs of Article 5 of the Local Elections Act, *“all citizens of the Republic of Slovenia who on the polling day have reached 18 years of age shall have the right to vote for and be elected as members of municipal councils”*.

52. Under the conditions referred to in paragraph one of this Article, *“the right to vote for and be elected as members of municipal councils shall also apply to citizens of other Member States of the European Union holding a permanent residence registration certificate and having registered permanent residence in the Republic of Slovenia, or a residence registration certificate and registered temporary residence in the Republic Slovenia”*.

53. At the same time, the Local Elections Act provides two types of principles regarding elections of municipal councillors - the principle of majority (majority elections) and the principle of proportionality (proportional elections). Councillors are elected according to the majority principle, if a municipal council has fewer than 12 members.¹⁹ If a municipal council has more than 12 members, then councillors are elected according to the principle of proportionality. Regarding municipalities with mixed ethnicities, the Local Elections Act states that members of municipal councils - representatives of the Italian, Hungarian national communities and the Roma community - shall be elected according to the principle of majority.

54. According to the principle of majority, individual candidates and candidates who receive the most of votes are elected, whilst the principle of proportionality envisages voting lists of candidates in electoral units. In this case, voters may only vote for one list of candidates and chose a candidate to whom they give preference in the election.

55. The local election procedures have introduced a gender mainstreaming policy as well. The Local Elections Act states that each list of candidates must include at least 40% of candidates of the opposite gender, while spots in the first half of the list shall be allocated alternately by gender. The 40% quota was fully implemented in the recent 2014 local elections.²⁰ In the 2014 local elections, there were 1,069 elected women councillors (a share of 31.8%), compared to 730 women elected in 2010 elections (22% share).²¹

56. The municipal council is the highest decision-making body and according to the Local Self-Government Act (Article 38) consists of 7 to 45 members depending on the number of residents in the respective municipality.

57. A local council adopts the most vital decisions affecting the municipality such as local budget, local internal regulations, internal structure of the municipal administration, local spatial plan, local economic and development plans, generally binding regulations, the remuneration of the council

18 Rakar I. Twenty years of the European Charter of Local Self-Government in Slovenia - a success story? *Hrvatska i komparativna javna uprava: časopis za teoriju i praksu javne uprave*, 2018, Vol. 18, No. 3.

19 Law on Local Election. Article 9, 10.

20 European Parliament. The Policy on gender Equality in Slovenia. 2015. p.27.

[http://www.europarl.europa.eu/RegData/etudes/STUD/2015/510010/IPOL_STU\(2015\)510010_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/STUD/2015/510010/IPOL_STU(2015)510010_EN.pdf)

21 Ibid.

members and of the mayor, etc. The Local Self-Government Act sets up to 23 different competences of the municipality.²² In addition, sectoral legislation may provide for other competences.

58. The mayor is the top executive authority and official representative of the municipality. Under the Local Elections Act, mayors are elected by direct elections for a period of four years by the citizens having permanent residence in the municipality. Usually, regular mayoral elections take place at the same time as regular municipal council elections.

59. A municipal council appoints members of a supervisory committee which is the highest body of supervision of public expenditure in a municipality. In the context of its competences, the supervisory committee shall perform supervision of the disposal of municipal property; oversee the purposefulness and sense of the use of budgetary funds as well supervise the financial operations of the users of budgetary funds as set by the Local Self-Government Act.²³ Within the sphere of its competence, the supervisory committee may determine violations of regulations or irregularities in the municipality's operations, and if this is the case, inform the competent ministry and the Court of Auditors.

60. According to the Local Self-Government Act, the mayor shall propose that the municipal council adopt the municipal budget and the final account of the budget, decrees and other acts within the competence of the municipal council, and shall be responsible for the implementation of decisions passed by the municipal council. At the same time, the mayor shall withhold the implementation of a decision by the municipal council which he believes to be illegal or in conflict with the statute of the municipality. In such cases, the mayor proposes that the municipal council adopt a new decision. Although, the mayor shall notify the ministry of the apparently illegal decision. However, if the municipal council adopts the same decision again despite the mayors concerns, the mayor may file a procedure to the administrative court. This provision in the law indicates a strong position of the mayor in the local-self-government system of Slovenia. Some studies show that mayors are the most powerful actors in municipalities according to their self-perception²⁴ and their influence is unusually high in Slovenia (which is listed together with Hungary and France among top three countries in Europe having "*strong mayor form*"²⁵).

61. The recent local elections in Slovenia were held in October 2014. During the consultation procedure, the Association of Municipalities and Towns of Slovenia pointed out in particular that 115 out of 212 elected mayors participated in the 2014 elections not as members of any political party but as independent candidates or with the support of groups of voters.²⁶

62. A municipal administration is established in each municipality to implement local policies. A mayor is the head of the municipal administration. Everyday operation of the municipal administration is managed directly by the secretary of the municipality, who is appointed and dismissed by the mayor.

63. Article 44 of the Constitution provides for direct citizen participation in the decision-making. In addition, the Local Self-Government Act states that citizens can use several forms of direct participation, i.e. they shall discuss individual matters, form standpoints, give proposals, initiatives and opinions, and make decisions at municipal meetings according to the law or the municipal statute.²⁷

64. New Article 48a introduces the possibility of participative budget: "In the procedure of drafting the budget, the municipality may determine the amount of funds intended for financing projects proposed by members of the municipality. The municipality shall carry out consultations on the proposed projects with members of the municipality no later than by the submission of the budget to the municipal council for adoption".

65. There are specific guidelines designed for public participation on the local level where particular methods of public participation are explored.²⁸ Guidelines discuss such methods of direct participation

22 Local Self-Government Act, Article 21.

23 Local Self-Government Act, Article 32.

24 Navarro C., Karlsson D., Magre J., Reinholde I. Mayors in the Town Hall: Patters of Relations and Conflict Among Municipal Actors. In: Heinelt H., Magnier A., Cabria M., Reynaert H (eds) Political leaders and changing local democracy. The European mayors. Palgrave Macmillian 2018.p.361.

25 Ibid., p.365.

26 https://volitve.gov.si/lv2014/rezultati/zbirni_podatki.html

27 Articles 44 and 45.

28 Smernice za vključevanje občanov in drugih zainteresiranih skupin v procese odločanja v občin.

http://www.mju.gov.si/fileadmin/mju.gov.si/pageuploads/JAVNA_UPRAVA/svlsrp.gov.si/pageuploads/lok-sam-2015/aktualno-Is/Smernice-vkljucevanja-obcanov-210917.pdf

as questionnaires, surveys, consultation, focus group discussions, online chats, facilitated workshops and meetings with interest groups. Research data shows that residents most commonly use writing form, website of the municipality or to speak in person with representatives of municipality in order to express their view on local regulations.²⁹

66. Based on the above, the rapporteurs conclude that the provisions of Article 3.2. of the Charter are met in Slovenia.

4.3 Article 4: Scope of local self-government

Article 4 – Scope of local self-government

- 1 The basic powers and responsibilities of local authorities shall be prescribed by the constitution or by statute. However, this provision shall not prevent the attribution to local authorities of powers and responsibilities for specific purposes in accordance with the law.
- 2 Local authorities shall, within the limits of the law, have full discretion to exercise their initiative with regard to any matter which is not excluded from their competence nor assigned to any other authority.
- 3 Public responsibilities shall generally be exercised, in preference, by those authorities who are closest to the citizen. Allocation of responsibility to another authority should weigh up the extent and nature of the task and requirements of efficiency and economy.
- 4 Powers given to local authorities shall normally be full and exclusive. They may not be undermined or limited by another, central or regional, authority except as provided for by the law.
- 5 Where powers are delegated to them by a central or regional authority, local authorities shall, insofar as possible, be allowed discretion in adapting their exercise to local conditions.
- 6 Local authorities shall be consulted, insofar as possible, in due time and in an appropriate way in the planning and decision-making processes for all matters which concern them directly.

4.3.1 Article 4. Para 1-5

67. By virtue of the Constitution: “*The competencies of a municipality comprise local affairs which may be regulated by the municipality autonomously and which affect only the residents of the municipality*”.³⁰

68. In general, the Local Self-Government Act classifies municipal tasks into six groups:³¹

- a. normative regulation (like the municipality adopts its statute, decrees and other municipal legal acts);
- b. administration (e.g. the municipality manages municipal assets and local public services);
- c. use of own resources (e.g. the municipality builds and maintains local public roads and other paths);
- d. promoting economic development in its territory;
- e. assuring aid and rescue in cases of elementary disasters and control of local public events;
- f. concluding contracts on acquisition and alienation of mobile and immobile assets on public concessions.

69. In details, competences of municipalities are established by the Local Self-Government Act and other legal acts. Along with above-mentioned six groups of competences, substantially competences of local municipalities cover such policy areas as:

- a. assets of the municipality;
- b. economic development of the municipality;
- c. spatial development and planning as well as building land management;
- d. creating the conditions for the construction of housing;

29 Rakar I., Benčina J. Good governance at local level – The case of Slovenia. Conference paper, 2014.

https://www.researchgate.net/publication/313173503_Participation_in_Slovenian_Urban_Municipalities_-_Theory_and_Practice
30 Article 140, part 1.

31 Brezovšek M. Local self-government in Slovenia: Theoretical and historical aspects. Faculty of Social Sciences, Založba FDV Ljubljana 2014, P.15-16.

- e. management of local public services and services of social welfare;
- f. environmental protection;
- g. management of water supply and power supply facilities;
- h. educational activities, culture, sports and recreational activities;
- i. public roads and other public areas;
- j. and other local matters of public interest.³²

70. Municipal operations and activities are also regulated by sectoral legislation. Thus, other laws also define municipal competences, e.g., Roads Act, Environment Protection Act. Disputes between municipalities and the government concerning the distribution of competences are quite frequent and often settled in the Constitutional Court (see for instance, the Decision No. U-I-164/14, dated 16 November 2017 (Official Gazette RS, No. 75/17) on the role of municipalities in the spatial planning at the level of the state).

71. Therefore, in practice, municipalities perform mainly service delivery functions (e.g., delivery of public services), while a central government keeps regulatory and policy design functions (e.g., legal regulation). Public services are rarely provided by state or municipal bodies themselves. The common approach is to establish specialised legal persons (e.g. public company, public fund, public agency) or to grant concessions.

72. Apart from the competencies of a local municipality already defined in the legislation, the central government may transfer new functions or tasks to local authorities. In this case, the central government has to provide the municipalities with additional resources. In respect to this, the Constitution clearly states that *“By law, the state may transfer to municipalities the performance of specific duties within the state competence if it also provides the financial resources to enable such.”*³³

73. Article 24 of the Local Self-Government Act regulates the transfer of functions and explicitly states that *“The state may by law vest in a municipality the performance of individual duties and functions from state jurisdiction that can be more rationally and more efficiently performed in the municipality, if it also provides the necessary means for such. The law may determine that the performance of individual duties and functions from state jurisdiction referred to in the preceding paragraph shall be transferred to all municipalities, urban municipalities, municipalities in a specific territory, or an individual municipality”* In fact, the Local Self-Government Act clearly sets the adequate concomitant resources as the key condition for the transfer of tasks.

74. The Local Self-Government Act also limits the state, effectively preventing it from intervening into the sphere of municipalities' self-government.³⁴

75. Article 140 of the Constitution distinguishes between so-called *“own”* and *“transferred”* tasks. However, most of academics consider that in practice there are almost no such tasks that could be considered as delegated (transferred).³⁵ Thus, there is a situation where general legislation and theoretical approaches foresee task delegation, whilst there is no practical application of this.³⁶ However, a problem regarding the assignment of new tasks (or duties, or activities) to local authorities by the different legal act has been reported to the rapporteurs by more than one interlocutor. The rapporteurs have been warned about a growing number of legal standard-setting regulations in certain areas of local self-government tasks and that such over-regulation in certain areas has resulted in increasing bureaucracy and pressure on local municipalities in the exercise of their competences. Allegedly, this also unnecessarily increased the cost of services that local authorities had had to cover from their own-resources.

76. The most frequently mentioned example of over-regulation by interlocutors was the amendments in the legislation regarding construction control and municipal police since local municipalities reportedly are facing lack of funding for attracting and training qualified staff. This also reflects *de facto* condition when the municipalities are obliged to implement some additional activities while other stakeholders, mainly the Government, would not perceive this activity as delegated.

32 Article 21.

33 Article 140.

34 Brezovšek M. Local self-government in Slovenia: Theoretical and historical aspects. Faculty of Social Sciences, Založba FDV Ljubljana 2014., P.14.

35 Rakar, I. (2018): Twenty years of the European charter of local self-government in Slovenia – a success story? *Hrvatska i komparativna javna uprava: časopis za teoriju i praksu javne uprave*, 2018, Vol. 18, No. 3.

36 Rakar, I., Tičar, B. (2017). Pravo javne uprave [Law of Public Administration], p. 259. Ljubljana: Fakulteta za upravo.

77. Pre-schooling has also been mentioned as an over-regulated sphere. The rapporteurs have been informed that local authorities have had to increase local expenditure in order to fulfil their tasks in the field of pre-school education, while no additional resources have been provided to that end. Local municipalities suggested reviewing the spheres subject to detailed regulation and either minimising the required conditions set or providing more operational flexibility for municipalities which they could better adapt to local conditions within certain limits (e.g. students per teacher ratio).

78. The rapporteurs noted some lack of clarity in practice in distribution of competences of local authorities (own and delegated competences) in practice. Therefore, in their opinion, a review of the list of competences of municipalities could be carried out in consultations with the representatives of local authorities to avoid any overlapping or duplication of functions. During the consultation procedure, the Ministry of Public Administration argued that Slovenia had a good overview of the tasks of the municipalities, which are regulated on frequent basis and monitored in the Catalogue of Competences of Slovene Municipalities (Katalog pristojnosti slovenskih občin). It underlined that the Catalogue is financed by the Ministry of Public Administration through association of municipalities, published every year and available online. In the opinion of the rapporteurs such practice of reviews should be continued and possibly deepened in consultations with local associations.

79. In the opinion of the rapporteurs, although in general, Slovenian local authorities seem to have an adequate degree of autonomy and discretion in their competences, there is a risk that excessive regulation by the government of the provision of certain local services may hinder local government ability to perform tasks under their own responsibility.

80. In the light of the precedent, it may be concluded that articles 4.1. - 4.5. of the Charter are generally complied with in Slovenia. However, it would be advisable that the central government in consultation with local authorities undertake a review of the degree of prescription in existing legal regulations of certain tasks and responsibilities at local level with a view of removing as many as cannot be of overriding necessity. Such functional review could be carried out, as suggested by local representatives, in the light of the implementation of the Development Strategy for Local Self-Government up to 2020.

4.3.2 Article 4.6

81. The "Resolution of normative activities" (adopted 19 November 2009) introduced a new approach for preparation of laws and regulations in Slovenia, which has had to serve a platform for extended consultations between the government and local municipalities. Precisely, the resolution was intended to introduce the standards of quality in preparation of legal acts as a result of analyses that had highlighted some weaknesses in the process of drafting regulations, such as the lack of consultations with society and experts.

82. The three associations (i.e. Association of Municipalities and Towns of Slovenia (SOS), The Association of Municipalities of Slovenia (ZOS) and Association of Urban Municipalities of Slovenia (ZMOS)) are active and participate regularly in the consultations with the central government.

83. During the consultation procedure, the Ministry of Public Administration underlined that in 2016 the Secretary General of the Government of the Republic of Slovenia, at the initiative of the Ministry, amended the Rules of Procedure of the Government of the Republic of Slovenia making it mandatory for ministries and other bodies to involve all three associations to discuss the draft documents.

84. However, the representatives of the associations pointed out that municipalities or their associations often are not called to participate in the design process of the new bills and regulations or the deadline for receiving their feedback is too short to react properly. According to the associations, their views are not sufficiently taken into account at the final stage of decision-making. Associations underlined that a regular communication and coordination between the government and local municipalities may ensure both the quality of legal acts and a better assessment of the financial implication of their implementation at local level.

85. In the opinion of the rapporteurs, the effective consultation process with local authorities could also help to identify the potential spheres of overregulation (such as pre-school education and spatial planning, as mentioned before) at the very early stages of legal drafting.

86. On these grounds, the rapporteurs cannot conclude that the government acts in a systematic way in breach of Article 4.6. However, having regard to the concerns expressed by the local authorities and their associations, the rapporteurs would recommend increasing the degree of involvement of local representatives at every stage of preparing new laws and regulations on all matters of their concern, and extending the timescale for consultations to make them more efficient.

4.4 Article 5: Protection of local authority boundaries

Article 5 – Protection of local authority boundaries

Changes in local authority boundaries shall not be made without prior consultation of the local communities concerned, possibly by means of a referendum where this is permitted by statute.

87. As indicated earlier, Slovenia has a single-tier self-government system – only local level of municipalities, since due to various reasons a regional level has not been implemented yet.

88. In 1991, Slovenia had 60 municipalities, in February 2018 the total number of municipalities in Slovenia reached 212, 11 of which have urban status.

89. Slovenia also has twelve statistical regions with no administrative functions.³⁷ Statistical regions are subdivided into two macro-regions (East and West Slovenia) for the purpose of the Regional policy of the European Union.

90. The general conditions for establishing a new municipality are defined by the legal acts. The Constitution (Article 139) explicitly states that “*A municipality is established by law following a referendum by which the will of the residents in a given territory is determined. The territory of the municipality is also defined by law*”. According to the Constitution, the will of residents plays a crucial role in determining self-government.

91. Also the Local Self-Government Act (Article 12) provides that “The area of the municipality may be changed or a new municipality may be established by law after a referendum has been held to determine the will of the population”. A referendum is mandatory to establish a new local municipality either splitting from the current local municipality or merging together. According to Article 14a of the Local Self-Government Act “a decree on the calling of a referendum on the establishment of a new municipality or a change in the territory of the municipality shall determine the referendum area or several referendum areas, the text of the question in each area, the date of the referendum and the voting day”.

92. However, for establishing a new municipality some conditions have to be met. The Local Self-Government Act (Article 13a) clearly requires that “*A municipality shall have at least 5,000 inhabitants.*”

93. The municipal capacity to fulfil tasks should also be considered. Before 2010 in exceptional cases, a municipality could have fewer than 5,000 inhabitants for geographic, border location, nationality, historical or economic reasons. Those exceptions were deleted by the amending act of 2010 and the only exception from the condition of 5000 inhabitants now (Article 13a) is as follows: “*Upon its establishment a municipality may have fewer than 5,000 inhabitants if this involves the establishment of a new municipality by way of a merger of two or more municipalities.*”

³⁷ <https://portal.cor.europa.eu/divisionpowers/Pages/Slovenia.aspx> (accessed March 27, 2018)

94. According to the data of the Ministry of Finance, 111 municipalities do not meet the criteria of 5000 inhabitants, while the smallest municipality has only 362 inhabitants. Therefore, the number and size of municipality shall be regarded in the context of their capacity to provide all necessary public services at the good quality level. Fragmentation of the country continued and the number of municipalities increased to 212 in 2015.

95. Today, half of the Slovenian municipalities (111) have a population of fewer than 5,000 residents, and six of these have fewer than 1,000; 48 municipalities have a population of between 5,000 and 10,000; 49 municipalities have a population of between 10,000 and 50,000; two municipalities have a population of between 50,000 and 100,000 and two of over 100,000.³⁸

96. There is a rather large diversity among local municipalities in Slovenia. For example, Komenda is a municipality with the highest natural increase per 1000 inhabitants – 9.9 while Kostel, on contrary, is the municipality with the lowest natural increase per 1000 inhabitants – (minus) 20.3. Kočevje is covering the largest area 555 km² while Odranci covers only 7 km².³⁹ There are 5,977 settlements in total and 59 settlements were unpopulated in Slovenia in January 2017.⁴⁰

97. Already back in 2001, the Congress had emphasised that Slovenia should apply measures tailored to prevent further fragmentation, resulting in inadequate funding and the lack of capacity of municipalities to ensure their tasks.⁴¹ However, the process of establishing new local authorities continued. The last new municipality was established in 2015 – the municipality of Ankaran which is now one of the smallest municipalities by size since it covers only 8 km². According to the Ministry of Public Administration the trend in fragmentation of municipalities has stopped since then. It appears to the rapporteurs that small municipalities have problems in performing many tasks and are more dependent on the equalisation under the Financing of Municipalities Act.

98. If the municipality is too large, it is losing its internal cohesion and power distance increases. The residents might feel the inability to influence decisions or to participate in the direct decision-making. If the municipality is too small, the residents are under the risk of being limited in their self-governmental rights and enjoying poorer quality services.⁴²

99. Currently, there is no reform tailored to merge municipalities on the agenda.

100. In the opinion of the rapporteurs Slovenia complies with Article 5 of the Charter.

4.5 Article 6: Appropriate administrative structures and resources

Article 6 – Appropriate administrative structures and resources for the tasks of local authorities

- 1 Without prejudice to more general statutory provisions, local authorities shall be able to determine their own internal administrative structures in order to adapt them to local needs and ensure effective management.
- 2 The conditions of service of local government employees shall be such as to permit the recruitment of high-quality staff on the basis of merit and competence; to this end adequate training opportunities, remuneration and career prospects shall be provided.

4.5.1 Article 6.1

101. The mayor is the top executive authority and official representative of the municipality. The Local Self-Government Act states that mayors are elected by direct elections for a period of four years.

³⁸ www.mju.gov.si/en/local_self_government/slovene_municipalities_in_numbers/

³⁹ <http://www.stat.si/StatWeb/Field/Index/20/69>

⁴⁰ <http://www.stat.si/StatWeb/en/News/Index/6697>

⁴¹ See Recommendations 89(2001). Paragraph 4.b.i

⁴² Brezovšek M. Local self-government in Slovenia: Theoretical and historical aspects. Faculty of Social Sciences, Založba FDV Ljubljana 2014., p.63.

102. For implementation of local policies, the municipal administration is established in each municipality where the mayor is the head of the municipal administration, but everyday operation of the municipal administration is managed directly by the secretary of the municipality, who, in turn, is appointed and dismissed by the mayor.

103. The Local Self-Government Act in this respect states that “*Professional and administrative work for the needs of the municipal council shall be carried out by the municipal administration*”.⁴³

104. There are numerous forms of inter-municipal cooperation in Slovenia: 1) establishment of public agencies, public funds, public institutes, public companies and institutions, 2) establishment of joint municipal administrative bodies that carry out individual tasks related to municipal administration, 3) establishment of joint bodies for exercising the rights of municipalities to found joint public institutes or public companies, 4) establishment of joint bodies for legal defence before the courts or other state bodies, 5) establishment of the joint management and execution of individual administrative tasks and for carrying out joint developmental and investment programs and 6) establishment of joint organizations to represent and exercise municipal interests.⁴⁴

105. In order to promote cooperation among municipalities, especially smaller ones, the government has designed the regulatory framework for a joint municipal administration. According to the Local Self-Government Act (Article 49a): “*Municipalities may decide to establish one or more bodies of common municipal administration. A common municipal administration body or common services of the municipalities for performing individual tasks of the municipal administration shall be established by municipal councils pursuant to general legal acts referred to in paragraph two of Article 49 of this Act. The mayors may agree that tasks of a common municipal administration body or common services under the preceding paragraph be performed within one of the municipal administrations.*”

106. Since the self-organisation powers of Slovenian local municipalities are only limited by the law, the provisions of Article 6.1. of the Charter are respected.

4.5.2 Article 6.2

107. A person elected as the mayor of the local municipality cannot be a deputy mayor, a member of a municipal council or of a supervisory committee, and cannot work in the municipal administration. The amendment of Members of Parliament Act of 2011⁴⁵ also abolished dual mandate – that is the cumulation of the office of a member of parliament and a mayor.

108. Conditions of office of local elected representatives and their financial compensation are regulated by the Local Self-Government Act. Article 34a of the Act states that members of the municipal council, the mayor and the deputy mayor are municipal functionaries and they shall perform their functions on a non-professional basis. However, the mayor may decide to perform his/her functions on a professional basis. At the same time, the deputy mayor may also decide to perform his/her functions on a professional basis if he/she obtains consent from the mayor.

109. Thus, municipal officials have the right to a salary if performing their functions in a professional capacity, or to an allowance if performing functions in a non-professional capacity. According to the Local Self-Government Act, mayors who perform their functions on a non-professional basis may receive their wages in the amount of 50% of the wages they would have received if they had decided to perform tasks on a professional basis.

110. Following the general policy in Slovenia, salaries for professional municipal officers are determined by the law regulating public sector wages as prescribed in the Public Service Salary Act.

111. On these grounds, the delegation concludes that Article 6.2 of the Charter is complied with in Slovenia.

43 Article 35.

44 Rakar, I., Tičar, B., & Klun, M. (2015). Inter-municipal cooperation: challenges in Europe and in Slovenia. *Transylvanian review of administrative sciences*, 45 E, 185-200.

45 <https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina/2011-01-1904?sop=2011-01-1904>

4.6 Article 7: Conditions under which responsibilities at the local level are exercised

Article 7 – Conditions under which responsibilities at local level are exercised

- 1 The conditions of the office of local elected representatives shall provide for free exercise of their functions.
- 2 They shall allow for appropriate financial compensation for expenses incurred in the exercise of the office in question as well as, where appropriate, compensation for loss of earnings or remuneration for work done and corresponding social welfare protection.
- 3 Any functions and activities which are deemed incompatible with the holding of local elective office shall be determined by statute or fundamental legal principles.

4.6.1 Article 7.1

112. Conditions of office of local elected representatives are regulated by the Local Self-Government Act. Article 34a of the Act establishes that members of the municipal council, the mayor and the deputy mayor are municipal functionaries. As mentioned earlier, municipal functionaries shall perform their functions on a non-professional basis taking into account exceptions for a mayor who can decide to perform his/her tasks on professional basis and the deputy mayor who may also perform the functions professionally if agreed by the Mayor. Salaries for professional municipal administrators are regulated by Public Service Salary Act.

113. At the same time, the Public Sector Salary System Act regulates mayors' salary. However, the salary of a mayor may differ from one municipality to another since, according to the mentioned Act, local municipalities are classified in seven groups based on the number of inhabitants.

114. During the interviews the representatives of local authorities pointed out that the salary of the mayor, deputy mayor and municipal councillors are well regulated. However, the problem is that there is no connection between the salary of the mayor and the directors of public institutions that are under municipal jurisdiction and the municipality has no influence on the directors salary (for example the principal of the kindergarten, the director of the cultural center, teacher in the kindergarten). According to the Association of Municipalities and Towns of Slovenia in particular in smaller municipalities the salaries of the teachers in the kindergarten, some municipal employees, directors of public institutions are higher than those of mayors and, in the view of the Association, the salaries of elected representatives should be determined more proportionally in correlation with those of other civil employees in institutions under the municipal jurisdiction.

115. Thus, the Delegation concludes that Article 7.1 of the Charter is generally complied with in Slovenia.

4.6.2 Article 7.2

116. The Local Self-Government Act is precise regarding salaries of municipal functionaries. It states precisely that "*Mayors who perform their functions on a non-professional basis shall be entitled to wages in the amount of 50% of the wages they would have received had they performed this function on a professional basis*". This clause ensure that mayors are entitled to receive the financial compensation during their office even they keep their other business and/or employment options.

117. A member of a municipal council is entitled to an attendance fee for the session of the municipal council or meetings of the working body of the municipal council. The amount of fee to be paid to members of municipal council for attendance of meetings may not exceed 7.5% of the salary of the mayor.

118. The municipal council decides on criteria for the payment of attendance fee for members of municipal council, member of working bodies of the municipal council and other municipal bodies. However, benefit for years of services for elected local representatives is not taken into account. Anyway, the level of wages or partial wages and the partial wages of members of the municipal council shall be stipulated in a municipal council act.

119. Therefore, the Delegation concludes that Article 7.2 of the Charter is complied with in Slovenia.

4.6.3 Article 7.3

120. The limits and all activities assumed incompatible with holding local elected office are included in the domestic legislation. A person elected as mayor is not allowed to hold a position of a deputy mayor, member of a municipal council or in a supervisory committee. The law prohibits to a mayor to be municipal bureaucrat. Finally, since 2011, mayors are not allowed to represent their electorate in the parliament since a dual mandate, that is as a member of parliament and a mayor, has been prohibited. The office holding limits have been introduced to ensure that mayors fully devote themselves for the benefit of people who voted for them.

121. Consequently, the rapporteurs consider that Article 7.3. as well as paragraphs 1 and 2 of Article 7 are fully respected in Slovenia.

4.7 Article 8: Administrative supervision of local authorities' activities

Article 8 – Administrative supervision of local authorities' activities

- 1 Any administrative supervision of local authorities may only be exercised according to such procedures and in such cases as are provided for by the constitution or by statute.
- 2 Any administrative supervision of the activities of the local authorities shall normally aim only at ensuring compliance with the law and with constitutional principles. Administrative supervision may, however, be exercised with regard to expediency by higher-level authorities in respect of tasks, of which the execution is delegated to local authorities.
- 3 Administrative supervision of local authorities shall be exercised in such a way as to ensure that the intervention of the controlling authority is kept in proportion to the importance of the interests which it is intended to protect.

4.7.1 Article 8.1.

122. As mentioned earlier, in the opinion of the rapporteurs municipalities are autonomous in Slovenia and they operate relatively independently from the state.

123. Administrative supervision, especially regarding legality of work of local municipalities is prescribed by the Constitution. The Constitution states that: "*State authorities supervise the legality of the work of local community authorities*".⁴⁶ The Constitution includes also a clause regarding supervision in case of delegated tasks.

124. Chapter X of the Local Self-Government Act (Articles 88-90c) defines the scope of supervision by state authorities. By vigour of legislation, supervision shall be performed by the government and the ministries. Supervision concerns the legality of the work of municipal bodies, the legal implementation of general acts and individual municipal acts as well as supervision of delegated tasks and duties.

125. The rapporteurs therefore conclude that Article 8.1 of the Charter is complied with in Slovenia.

4.7.2 Article 8.2.

126. As explained in paragraph 124, there is certain scope of supervision exercised by the government and ministries in Slovenia. The following bodies are competent as regards the supervision over legality of municipal operations and actions: the National Assembly, the Ministry of Public Administration, the Government, the Administrative and the Constitutional Court, the Court of Audit and the Information Commissioner.

127. The main governmental body responsible for the development of the local self-government system in the country is the Ministry of Public Administration (hereafter, the Ministry) and its Local Self-Government Service. Now the Ministry, as a horizontal Ministry, covers several areas such as better regulations, administrative burden as well as local self-government.

⁴⁶ Article 144.

128. The Ministry has several relevant tasks aimed at developing the system of local self-government. All tasks performed by the Ministry can be divided into a number of groups.⁴⁷

- a. systemic measures like to prepare regulations concerning the organisation, functioning and financing of municipalities or analyses;
- b. monitoring of financing of local municipalities together with the Ministry of Finance;
- c. coordination work with other public administration bodies in the field of local municipalities;
- d. advisory and assistance role for municipalities;
- e. implementation of the European Charter of Local Self-Government and all legal acts dealing with effective functioning of municipalities.

129. The core institution to supervise budget and finances of local municipalities is the Slovenian Court of Audit.

130. The Constitution states that “the *Court of Audit is the highest authority for supervising state accounts, the state budget, and all public spending.*” Its independent status is also secured by the Constitution.

131. The Court of Audit shall carry out a certain number of statutory audits annually. The Court of Audit performs audits of the regularity of operations in municipalities in order to improve public funds. For the audits at municipal level, the Court of Audits applies several principles to select municipalities for audit such as potential risks, maturity of internal control systems in local municipalities, results of previous audits and/or the implementation of large scale investment projects.

132. In 2014, the Court of Audit implemented the first audit regarding the results-based budgeting at municipal level – in the municipality of Kranj. Already during the audit procedure, the municipality corrected some mistakes and inefficiencies identified. After the audit, the municipality implemented corrective measures and received recommendations regarding improvement of budgeting.⁴⁸

133. As the Court of Audit has also advisory role, it answers the questions regarding public finance which helps municipalities improve their operation before audits. In 2014, the Court of Audits replied to questions covering such areas of municipal functioning as work of municipality supervisory boards and borrowing.⁴⁹

134. According to the law, only the National Assembly can dissolve a municipal council and dismiss a mayor on a proposal from the Government. The Local Self-Government Act (Article 90b) specifies the conditions under which the National Assembly can interfere in local affairs. A municipal council may be subject to an early dissolution if it does not implement decisions of the Constitutional Court imposing on it to act in compliance with the Constitution or law; if during the year for which the budget has not been adopted the municipal council fails to adopt the budget submitted and drafted in compliance with the law for the following year too, and the budget could enter into force at the beginning of the year; or if despite convening the municipal council at least three times in a single calendar year, the municipal council fails to hold a quorate session.

135. A mayor may be subject to an early dismissal from office if he/she does not implement decisions of the Constitutional Court or final decisions of the court competent for administrative disputes imposing on it to act in compliance with the Constitution or law.

136. In the event of the dissolution of a municipal council, the National Assembly shall call early elections to the municipal council, and in the event of the dismissal of a mayor it shall call by-elections to fill the position of mayor.

137. In fact, before the National Assembly decides on such a “last resort” decision, it must warn the municipal council or the mayor of his/her unlawful conduct and propose how to eliminate it within a reasonable period of time. If the municipal council or mayor acts in accordance with the warning, the National Assembly shall stop the procedure of dissolution or dismissal by a decision.

138. In the light of the precedent, the rapporteurs conclude that Article 8.2 of the Charter is generally complied with in Slovenia.

⁴⁷ http://www.mju.gov.si/si/lokalna_samouprava/sluzba_za_lokalno_samoupravo/

⁴⁸ Court of Audit. Annual Report 2014. [http://www.rs-rs.si/rsrc/rsrseng.nsf/V/K1984743588CB13CCC1257ED6001FFCD6/\\$file/Letno_porocilo_2014_ANG.pdf](http://www.rs-rs.si/rsrc/rsrseng.nsf/V/K1984743588CB13CCC1257ED6001FFCD6/$file/Letno_porocilo_2014_ANG.pdf)

⁴⁹ Ibid.p.44.

4.7.3 Article 8.3

139. The supervision of legality of municipalities' decisions is based primarily on cooperation, mutual exchange of information and professional assistance to municipalities. This includes also "early warning approach" where ministries warn municipalities, when they detect any inefficiency regarding the functioning and operation of municipalities.

140. In case a municipality does not follow the general legal act and/or the Constitution in the exercise of its own competences, the ministry should propose that the Government initiate proceedings before the Constitutional Court for the assessment of conformity of the general legal act of the municipality with the Constitution and law.⁵⁰

141. In case of delegated tasks, the state carries out supervision of lawfulness of operations of municipal bodies along with the control of expediency and professional performance of delegated tasks. If the Government considers that a municipal regulation related to delegated tasks is unlawful, it can request the Constitutional Court to review its legality. In supervision of expediency and legality of such operations of municipal bodies, the ministry may provide mandatory instructions for organisation of services.

142. In general during their visit, the rapporteurs have heard no concerns as regards the current system of inter-administrative control by the State.

143. The Delegation considers that state supervision of local authorities is not excessive and globally complies with the provisions of Article 8.3 of the Charter.

4.8 Article 9: Financial resources

Article 9 – Financial resources of local authorities

- 1 Local authorities shall be entitled, within national economic policy, to adequate financial resources of their own, of which they may dispose freely within the framework of their powers.
- 2 Local authorities' financial resources shall be commensurate with the responsibilities provided for by the constitution and the law.
- 3 At least part of the financial resources of local authorities shall derive from local taxes and charges of which, within the limits of statute, they have the power to determine the rate.
- 4 The financial systems on which resources available to local authorities are based shall be of a sufficiently diversified and buoyant nature to enable them to keep pace as far as practically possible with the real evolution of the cost of carrying out their tasks.
- 5 The protection of financially weaker local authorities calls for the institution of financial equalisation procedures or equivalent measures which are designed to correct the effects of the unequal distribution of potential sources of finance and of the financial burden they must support. Such procedures or measures shall not diminish the discretion local authorities may exercise within their own sphere of responsibility.
- 6 Local authorities shall be consulted, in an appropriate manner, on the way in which redistributed resources are to be allocated to them.
- 7 As far as possible, grants to local authorities shall not be earmarked for the financing of specific projects. The provision of grants shall not remove the basic freedom of local authorities to exercise policy discretion within their own jurisdiction.
- 8 For the purpose of borrowing for capital investment, local authorities shall have access to the national capital market within the limits of the law.

⁵⁰ Article 88a of Local self-government act.

4.8.1 Article 9, para.1 - 4 and 7

144. The principle of adequacy of local finances is rather explicitly mentioned in the Constitution. The Constitution (Article 142) states that “A municipality is financed from its own sources. Municipalities that are unable to completely provide for the performance of their duties due to insufficient economic development are assured additional funding by the state, in accordance with principles and criteria provided for by law”.⁵¹

145. Regarding municipal incomes, the Constitution stipulates that: “The state and local communities raise funds for the performance of their duties by means of taxes and other compulsory charges as well as from revenue from their own assets”.⁵² As enshrined in the Constitution: “Local communities impose taxes and other charges under conditions provided for by the Constitution and Law”. However, during interviews, the delegation was told that in practice municipalities are facing increasing amount of tasks and decreasing revenues transferred from the state that poses problems to municipalities. During the consultation procedure the Ministry of Finance and the Ministry of Public Administration, however, did not share this point of view on decreasing revenues. They claimed that after reaching the bottom of financial crisis in 2015 and 2016 the revenues of municipalities were constantly growing from 2017 and afterward. According to the data of the Ministry of Finance concerning the lump sum expenditure per capita:

2012: 1st half 554.50€, 2nd half 543.00 €
 2013: 536.00 €
 2014: 536.00 €
 2015: 1st half 525.00€, 2nd half 519.00 €
 2016: 522.00 €
 2017: 533.50 €
 2018: 551.00 €
 2019: 558.00 €

146. In general, the system of local government financing in Slovenia is based on: own resources, additional state funds distributed as financial equalisation for economic weaker municipalities and borrowing.

147. Local finance is regulated by several laws: the Local Self-government Act, the Financing of Municipalities Act and the Public Finance Act. According to a Local Self-government Act (Article 52), the exercise of local matters of public interest is to be financed by the municipality's own resources, state budget and loans.

148. Municipalities' own resources include taxes and other contributions, and revenue from its assets, in accordance with Article 52 of the Local Self-Government Act. The principles of financing of municipalities are specified in Article 3 of the currently applicable Financing of Municipalities Act (ZFO-1): “Municipality financing shall be based on the principles of local self-government, mainly on the principle of proportionality of sources of financing with the municipality tasks and on the principle of independence of municipalities in financing municipality tasks.”

149. Thus, the municipality's own sources shall be: 1. taxes and other obligatory contributions; 2. revenue from the assets of the municipality.

150. Up to date, personal income tax revenue is the most important local government revenue source and municipalities receive 54% of this tax according to the criteria of adequate absorption of municipalities defined by the Financing of Municipalities Act. Meanwhile, local authorities' income may also come from other taxes (e.g. property tax, corporate tax etc.).

151. Tax revenues are specified in Article 6 of the currently applicable ZFO-1:
 “(1) Sources of municipality financing shall consist of municipality budget revenues from:

- property tax;
- vessel tax;
- tax on real property transactions;
- inheritance and gift tax;
- tax on winnings from conventional games of chance, and

⁵¹ Article 142.

⁵² Article 146.

– any other tax where so provided by the Act governing taxes.

152. The total tax revenues in local government budgets amounted to 64% of total municipal revenues in 2009. In 2013 municipal tax revenues amounted to 69.45% of total municipal revenues. In 2015, municipal tax revenues amounted to 58.76% of total municipal revenues, coming in majority from personal income tax and property tax.⁵³ Revenues from other taxes are very small, e.g. inheritance and gift taxes ensure only 0.36% of all tax revenues. Finally, in 2017, tax revenues accounted for 71% of total municipal revenues.

153. Municipalities are entitled to 70% of 54% of personal income tax collected by the government, while 30% are allocated as the solidarity compensation. In case 70% (of 54% of income tax) is less than calculated appropriate expenditure, the municipality receives the difference from the solidarity compensation. If 70% (of 54% income tax) represents more or the same amount as the amount of calculated appropriate compensation, the municipalities do not receive any additional funding from the solidarity compensation.

154. The tax on property is double-faced. On the one hand, the property tax is settled by the state while the tax rate can be changed by a municipal decision. On the other hand, the compensation for the use of building land is the only real municipal own tax source as all the tax base, the tax rate and possible exemptions are defined by municipality.⁵⁴

155. Among the municipal tax revenues only taxes on immovable property can be treated as municipal own taxes in the meaning of Article 9.3. of the Charter. Other own sources of financing of municipalities are specified in Article 7 of the currently applicable ZFO-1: "*Sources of financing shall also comprise revenues from self-imposed contributions, dues, fines, concession fees, payments for local public services, etc., if so provided by the Act governing individual fees or by a regulation issued on its basis*". For example, in 2015, municipal non-tax revenues amounted to 14.21% of total municipal revenues, where majority comes from rents and leases.⁵⁵ For comparison, in 2013, municipal non-tax revenues amounted to 14.53%⁵⁶ of total municipal revenues. During the consultation procedure, the Ministry of Finance informed the rapporteurs that this share increased to 16.83 % in 2016 and 17.15 % in 2017.

156. Municipalities also receive transfers. The main categories of transfers come from the state budget, from other institutions and the EU funds. In 2015, municipal transfers reached 24.59% out of total municipal revenues, the majority of which coming from the EU funds.⁵⁷ The transfers comprised 13.79% out of total municipal revenues in 2013. According to the information of the Association of Municipalities and Towns of Slovenia provided during the consultation procedure, in 2016 the transfers from the State and EU dropped to 8,54% and in 2017 to 7,97%.⁵⁸ This information slightly differs from the data provided by the Ministry of Finance during the consultation procedure about the share of 8.88 % and 8.25 % in 2016 and 2017 respectively.

157. The Government claims that personal income tax fulfils the conditions to be treated as "own resource" of municipalities in terms of the Charter. Such a position of the Government is based upon the decision of the Constitutional Court No. U-I-150/15 (10 November 2016). In that particular decision the Constitutional Court explained that own resources of municipalities are in direct relationship with the municipality. Thus, municipalities are to be recognised as direct beneficiaries of a personal income tax, even though the tax technically is collected by the state. In fact, similar situation with personal income tax is observed in Latvia where technically personal income tax is collected by the state, but this tax comprises substantial part of municipal income.

158. In its decision of 10 June 2015 (U-I-164/13), the Constitutional Court argued that the system of financing municipalities in the phase defining the lump sum allocation entails the determination of an aggregated amount of public funds intended for financing the tasks of municipalities determined by laws and of amount of funds for the appropriate expenditure of individual municipalities.

⁵³ Data of the Ministry of Finance of the Republic of Slovenia, 2017.

⁵⁴ Rakar I., Klun.M. Unable to pay: local authorities in financial difficulty. 2016.

⁵⁵ Data of the Ministry of Finance of the Republic of Slovenia, 2017.

⁵⁶ Ibid.

⁵⁷ Ibid.

⁵⁸ http://www.mf.gov.si/si/delovna_podrocja/lokalne_skupnosti/statistika/podatki_obcin_o_realiziranih_prihodkih_in_drugih_prejemkih_ter_odhodkih_in_drugih_izdatkih_splosnega_dela_proracuna_ter_o_realiziranih_odhodkih_in_drugih_izdatkih_posebnega_dela_proracuna/

159. The revenue from the state or the lump sum (e.g. per capita amount required to finance the municipalities' statutory functions) is calculated according to the formula where several indicators are taken into account: number of inhabitants (with permanent residence), size of municipality, length of municipal roads and public paths, ratio of inhabitants under 6 years, ratio of inhabitants between 6 to 15 years, ratio of inhabitants older than 65, as well as ratio of inhabitants older than 75 years. Although these criteria are rather broad, they separate the criteria relating to the number of children of kindergarten age (up to 6 years) and the number of children of school age (7 - 18) as well as they separate elderly inhabitants in two groups up to 65 and up to 75. Thus, the criteria for calculating the lump sum include demographic challenges and aging society.

160. Thus, in the opinion of the rapporteurs, so-called appropriate expenditure representing the sum of resources each municipality should be assured by law, and the provision of calculated revenues needed for funding reflect the global respect of the principle of commensurability. For calculating the appropriate expenditure (or lump sum), the average costs of the statutory tasks are estimated each year for all municipalities. The calculation is based on mathematical formula including real costs of municipalities for four previous years, and on objective criteria, set by law (e.g. number and age structure of the population etc. see *para 159*). The Ministry of Finance provides calculations and it is expected that calculations are submitted to municipalities before starting the preparation of the annual budget.

161. During the consultation procedure the Association of Municipalities and Towns of Slovenia argued that the formula on appropriate expenditure did not reflect the real cost from the municipalities, linked for instance to the provision of the winter service, or the social status of the inhabitants and that despite the mathematical formula of the appropriate expenditure the municipalities have to negotiate the final lump sum which makes their financial stability of municipalities dependant on the government. The SOS also underlined that local authorities face the situation of increasing expenses of the provision of services, for instance in pre-school education, without relevant increase in their incomes.

162. The associations of municipalities claimed that so called "lump-sum" in relation to 2011 has decreased. Thus, lump sum in amount of 554.50 EUR was calculated in 2011, 536.00 EUR – in 2013, 522.00 EUR – assigned in 2015 (in 2015 and 2016 there was no agreement reached), 533.50 EUR – in 2017. During the consultation procedure, the Ministry of Finances underlined that in 2018 the amount is 551.00 € and in 2019 – 558.00 €.

163. In the opinion of the Association of Municipalities and Towns of Slovenia expressed during the consultation procedure the lump-sum according to the Law on Local Self-Government should have amounted in 2011 to 570.70 EUR, 601.58 EUR in 2012, 645.98 EUR in 2013, 669.90 EUR in 2014, 662.68 EUR in 2015 and 652.60 EUR in 2016.⁵⁹ Therefore, the Association expressed concerns in respect of the financial autonomy of Slovenian municipalities in view of rising calculated costs and decreasing lump sums.

164. Some interlocutors have claimed that in certain cases the Government does not grant specific, earmarked or any additional funding or other resources for performing the transferred tasks.

165. At the same time, the Ministry of Finance has also provided analysis of municipal tasks from the budgetary perspective by separating tasks that a municipality has to perform from the tasks that can be performed by a municipality, as well as by other stakeholders. After having heard the arguments from both sides, the rapporteurs conclude, that there is a room for debates between the government and municipalities to reach a common understanding of the notion 'tasks' and a mutually acceptable financing model.

166. The institutional dialogue on financial matters where associations of local municipalities and the government signs an agreement can be considered as an instrument for ensuring commensurability.

167. According to the Fiscal Rule Act (2015), local municipalities are a part of the general government sector. Each year the Ministry of Finance prepares fiscal framework for the coming three years as a part of European Semester in order to balance public expenditures.

168. To conclude, total revenues of local government budgets in Slovenia, in 2017, were EUR 1,975.13 million, and, in 2015 - EUR 2,226.37 million. In the period 2009-2015 the total revenues

⁵⁹ Information provided by SOS.

of local municipalities were above 2,000 million, while in 2016 and 2017 it fell below.⁶⁰ In general, local governments across Europe faced decreasing revenues and expenditures as a direct consequence of the economic crisis already within few sequencing years after 2009. For Slovenia, revenues of local municipalities were rather stable even after the economic meltdown of 2009.

169. The situation regarding the expenditures can be described as rather stable. In 2008, the total expenditure amounted to EUR 2,047.95 million and in 2009, EUR 2,192.46 million, but in 2014 – EUR 2,285.68 million, while in 2016-EUR 1,851.87 million. The Ministry of finances further informed that the expenditure amounted to EUR 1,950.13 million in 2017. In the period of 2008-2014 (including) municipalities tended to spend more than received as revenues. Since 2015, total expenditures of municipalities are lower than revenues, thus having surplus instead of deficit.⁶¹

170. In terms of GDP, the municipal expenditures are above 5% since 2013, achieving even 6.12% in 2014.⁶²

171. The financial data available to the rapporteurs point out that local authorities have been affected by the negative consequences of the economic crisis later than the central government. According to the data provided by the Ministry of Finance local authorities faced a decrease of actual revenues also affecting expenditures only in 2016.

172. Investment capacity of municipalities differs. So, in 2016, around 75% of municipalities invested over 20% of their budget, and half of these municipalities were capable to invest over 30%. In addition, 22 municipalities allocated between 40% and 60% of the municipal budget for investments.⁶³ In general, subnational or municipal share of public investments was around 52% in 2014.⁶⁴ During the consultation procedure the Association of Municipalities and Towns of Slovenia informed the delegation that in 2016 the investment capacity fell to 24%.

173. On 17 April 2018 the Local Self-Government Act was amended (the amending act ZLS-S). The amendments include the idea to introduce a participatory budgeting as a form of public participation in decision making on local expenditures.⁶⁵ In Slovenia all new draft laws shall include impact assessment of the cost of their implementation for municipal budgets. This is also aimed at providing more understanding among stakeholders on financing of local self-government. However, the delegation has heard from several local interlocutors that some bills on new tasks have been passed without adequate assessment of the financial impact of their implementation on local authorities or the costs have been underestimated.

174. The rapporteurs conclude that article 9, paragraphs 1 to 4 and 7 of the Charter are globally respected in Slovenia. However, if the cost of the provision of services that local authorities have to provide continues to rise and their revenues will not increase respectively there will be a significant risk of non-compliance with paragraphs 1, 2 and 4 of Article 9 of the Charter.

4.8.2 Article 9.5

175. The Local Self-Government Act explicitly states that “*The state shall ensure additional funds for municipalities which cannot adequately finance local affairs of public importance from their own resources. The amount of and method of ensuring additional funds shall be determined by law*”.⁶⁶ Thus, the legislation contains the regulation related to Article 9.5. of the Charter intended to protect financially weaker local authorities.

176. The Slovenian approach to protect financially weaker local municipalities is based on the assumption that the financial equalisation transfers are delivered to local governments as a general grant.

177. The calculation of an equalisation grant to municipalities is based on the average costs for appropriate expenditures and own revenues. If revenues do not cover the level of appropriate expenditure, then the municipality has the right to a financial equalisation grant.

60 According to the information provided by the Ministry of Finance.

61 Ibid.

62 According to the information provided by the Ministry of Finance.

63 Data provided by the National Assembly.

64 OECD. Multi-level governance framework. Slovenia. 2015.

65 Data provided by the National Assembly.

66 Article 52.

178. The Constitutional Court found that re-allocation of surplus between municipalities when one municipality has revenues below the calculated so-called appropriate expenditure, while other municipality has revenues above the appropriate expenditure is not inconsistent with the financial autonomy of municipalities. Therefore, these funds shall be regarded as municipal own resources, not grants.⁶⁷

179. However, besides the financial equalisation, the financially weaker municipalities are entitled to special grants to cover investment needs or co-financing needs (e.g., for financing joint municipal administration functions). Thus, local municipalities receive co-financing from the EU funds transferred from the state authority to municipalities.

180. To conclude, the delegation is of the opinion that Article 9, paragraph 5 of the Charter is respected in Slovenia.

4.8.3 Article 9.6

181. The Local Self-Government Law stipulates that the Government should sign an agreement with local government associations on the amount of the average per capita appropriate expenditure before the budget proposal for the next fiscal year is submitted to the Parliament. Since this arrangement came into force in 2007, the Government reached an agreement with local government associations for the year 2009, 2010 and 2011, 2013 and 2014 for the amount of the average per capita expenditure. This achievement was seen as an important step towards building institutional dialogue.

182. The Financing of Municipalities Act introduced an institutional dialogue between the government and associations of municipalities. The institutional dialogue includes such topics as determining average costs for mandatory tasks and calculating lump sum. The methodology for calculating lump sum is also a crucial part of the institutional dialogue.

183. In view of the governmental intention to introduce additional austerity measures on local finance in 2015, there was no agreement reached between municipal associations and the Government. The main issues of disagreement were the decrease in the average per capita appropriate expenditure, the decrease of the co-financing of local investments and additional measures introduced which decreased a share of personal income tax to some municipalities. The association of municipalities had sued the state for the non-compliance to agree on lump sum with the associations. In 2016, municipalities also rejected to accept the lower per capita along with other austerity measures imposed on local finance as, in their view, the costs of statutory tasks increased while own incomes of local authorities remained limited and they were not fully compensated for the execution of constantly growing tasks.

184. In the light of the precedent, the delegation believes that the government in principle complies with Article 9.6 of the Charter.

4.8.4 Article 9.8

185. Borrowing rights of municipalities are regulated by the Financing of Municipalities Act ZFO-1. According to Article 10.b of this Act, the municipalities are allowed to incur debts if current year debt servicing is lower than 8% of previous year budget realized revenue. In addition, the current year debt servicing can be up to 10% in the case of incurring debts for EU investments.

186. The data of the Ministry of Finance reflects that amount of borrowing differs over the last ten years. The local municipalities has borrowed 126,3 million EUR and repaid debt in amount of 23,3 million EUR in 2008. A year later, in 2009, amount borrowed by the municipalities has increased to 198,9 million EUR. After 2009, there is tendency of decreasing borrowing that stopped in 2013 when local municipalities had borrowed 133,1 million EUR and payed back 74,3 million EUR. In the following years, borrowing is decreasing again. Finally, some kind of equilibrium between borrowing and amortisation of debts has been achieved in 2017 – the local municipalities borrowed 83.4 million EUR and amortised 87.7 million EUR of debts.⁶⁸

⁶⁷ Constitutional Court decisions No. U-I-150/15 of 10. 11. 2016 and No. U-I-24/07 of 4. 10. 2007).

⁶⁸ According to the data provided by the Ministry of Finance.

187. Investment projects to improve the public infrastructure seem to be the main driver for borrowing of local municipalities. However, municipalities are allowed to incur long-term debts only for investments included in the adopted municipal budget approved by the municipal council and having the prior consent of the Minister of Finance. These measures are aimed to balance public and in particular municipal finance.

188. As it was pointed out by the National Assembly, the municipal debts are not in alarming conditions since two thirds of municipalities have been able to reduce their debts, and at the end of 2016, 16 municipalities were debt-free. At the same time, only few municipalities have faced difficulties to service debt due to unlawful borrowing.

189. Accordingly, Slovenian local self-government complies with Article 9.8. of the Charter.

4.9 Article 10: Local authorities' right to associate

Article 10 – Local authorities' right to associate

- 1 Local authorities shall be entitled, in exercising their powers, to co-operate and, within the framework of the law, to form consortia with other local authorities in order to carry out tasks of common interest.
- 2 The entitlement of local authorities to belong to an association for the protection and promotion of their common interests and to belong to an international association of local authorities shall be recognised in each State.
- 3 Local authorities shall be entitled, under such conditions as may be provided for by the law, to co-operate with their counterparts in other States.

4.9.1 Article 10.1

190. The principle of voluntary municipal cooperation is included in the Slovenian legislation (Articles 49a, 61, 86a of the Local Self-Government Act).

191. There are several forms of inter-municipal cooperation:

- joint municipal administration;
- joint managing authority of public enterprises, public funds and public agencies;
- joint interest associations of municipalities or unions of municipalities;
- associations of municipalities.

192. At the end of 2017, there were 53 joint municipal administrations with 202 municipalities involved. For joint performance of local tasks, municipalities in joint municipal administration shall be provided with additional funds to perform tasks such as – municipal inspection supervision, legal services, internal audits, budget accounting, environmental protection, spatial planning. The Government provides co-financing for joint municipal administrations. During the consultation procedure, the Ministry of Public Administration provided the data according to which the co-financing constantly increased:

2012	4,198 mio EUR
2013	4,426 mio EUR
2014	4,778 mio EUR
2015	4,830 mio EUR
2016	4,863 mio EUR
2017	5,376 mio EUR
2018	5,576 mio EUR

193. The Ministry of Public Administration also informed the delegation that through amending the Financing of Municipalities Act (Official Gazette of the Republic of Slovenia, No. 71/17), which entered into force on 1 January 2018, the conditions for the co-financing of joint municipal administrations have been changed and the municipalities dispose of a two-year transition period for adaptation.

194. Joint managing authority of public institutions of public enterprises, public funds and public agencies is a way to ensure efficient provision of public services. Usually such joint bodies perform tasks on behalf of municipalities that have established them. To ensure equal representation of

municipalities, they have equal founding shares in joint bodies and each municipality or mayor has one vote in the joint body.

195. Amendments to the Local Self-Government Act were submitted by the Government in December 2017 to the National Assembly and the amending act ZLS-S was adopted on 17 April 2018. This includes simplifying the establishment of an association of municipalities as an institutional form of inter-municipal cooperation, to which municipalities can delegate the implementation of tasks within their competence, including part of their regulatory powers.⁶⁹

196. Unions of municipalities are a form of inter-municipal cooperation aimed to implement public services requiring large-scale infrastructural investment and demanding maintenance. These forms of cooperation enable municipalities to pool resources, build new infrastructure and jointly decide on development issues.

197. Consequently, Article 10.1. of the Charter is fully complied with.

4.9.2 Article 10.2

198. The Local Self-Government Act establishes local authorities' rights to form associations in order to exercise common interests and to defend the position of self-governing local communities.

199. Article 86a of the Local Self-Government Act provides that "*an association shall be deemed representative if it is joined by at least 30 percent of municipalities or, in case of urban municipalities, by at least a half of urban municipalities*".

200. The key national associations in Slovenia representing interests of local municipalities are – the Association of Municipalities and Towns of Slovenia (SOS) and the Association of Municipalities of Slovenia (ZOS).

201. The Association of Municipalities and Towns of Slovenia is the largest association of municipalities comprising 175 member municipalities (out of 212 municipalities). In order to coordinate the work regarding matters relevant to the local municipalities there are 19 different commissions and 4 working groups tailored to coordinate legal acts.⁷⁰ The association provides different services for its member, inter alia: represents common interest, drafts the common development projects; provides education for members, negotiates with the Ministry of Finance, informs members of latest development and issues related to municipal functioning.

202. Another association – the Association of Municipalities of Slovenia (ZOS) has current membership of 115 municipalities, mainly small ones.⁷¹ It represents the interests of Slovenian municipalities at the national and international level, as well as at related institutions and organisations both at home and abroad. This association offers such service as the Joint Internal Audit Service of the Association of Municipalities of Slovenia which performs annual internal audit of the municipalities. In 2018, 33 municipalities were included in the Joint Internal Audit Service.

203. Finally, the Association of Urban Municipalities of Slovenia (ZMOS) consists of eleven largest cities and urban centres of Slovenia.⁷² The two largest cities are Ljubljana and Maribor, with a combined population of over half a million people. Koper is the only commercial port of Slovenia. The remaining cities are; Ptuj, Celje, Kranj, Novo mesto, Nova Gorica, Murska Sobota, Slovenj Gradec and Velenje.

204. Municipal associations are representatives of the interests of local self-government in relation to the state. Before submitting the state budget to the National Assembly, the Government shall sign an agreement with the representative associations of municipalities determining the average costs for financing the mandatory tasks and the new statutory tasks of the municipalities that will start in the financial year.

205. Consequently, Article 10.2. of the Charter is complied with in Slovenia.

⁶⁹ Data provided by the National Assembly.

⁷⁰ <https://skupnostobcin.si/english/>

⁷¹ <http://www.zdruzenjeobcin.si/o-zos/>

⁷² https://www.sbra.be/sites/default/files/association_of_urban_municipalities_of_slovenia.pdf <http://www.zmos.si/index.php>

4.9.3 Article 10.3

206. As indicated in the introduction, Slovenia ratified the European Outline Convention on Transfrontier Co-operation between Territorial Communities or Authorities, the Addition protocol to the European Outline Convention on Transfrontier Co-operation between Territorial Communities or Authorities, of November 9, 1995 and its Protocols No 2 and No 3. This, in the light of Article 10.3 of the Charter, there is a required legal and political basis for municipalities to develop cross-border cooperation in Slovenia. The situation is rather positive, and representatives of associations did not mention any concerns to the rapporteurs in this respect.

207. Many municipalities have established various partnerships, agreements and twinning with local government units in other countries for exchanging best practice, mutual learning and carrying out joint cooperation projects. A great deal of this trans-national cooperation takes place with local entities based in the neighbouring countries (e.g. Austria, Italy).

208. To conclude, the rapporteurs consider that Article 10.3 of the Charter is complied with.

4.10 Article 11: Legal protection of local self-government

Article 11 – Legal protection of local self-government

Local authorities shall have the right of recourse to a judicial remedy in order to secure free exercise of their powers and respect for such principles of local self-government as are enshrined in the constitution or domestic legislation.

209. Slovenian local authorities are legal entities, and therefore they are entitled with the right to address courts in order to defend their rights and interests. Local authorities can refer issues to the Constitutional Court and to the Administrative Court, particularly in cases of conflicts regarding the central government decisions.

210. Among the different cases in which the Constitutional Court has analysed the applicability of the Charter stand the following ones:

- Decision No. U-I-150/15, dated 10 November 2016, on municipal solidarity balancing funds;
- Decision No. U-I-164/13, dated 10 June 2015, on tasks of municipalities the costs of which are taken into account when establishing the appropriate expenditure of a municipality;
- Decision No. U-I-37/10, dated 18 April 2013, on special protection areas (Natura 2000 areas);
- Decision No. U-I-88/10, dated 22 November 2012, on public services provided by local self-government;
- Decision No. U-I-239/10, dated 23 June 2011, on dual office holding for municipal mayors employed on non-professional base;
- Decision No. U-I-230/10, dated 23 June 2011, on position of the mayor in joint bodies established for public utility service delivery;
- Decision No. U-I-312/08, dated 20 May 2010, on original tasks of municipalities.

211. It is also noteworthy that the representative associations of local communities in Slovenia have the right to initiate the review of the constitutionality or legality of regulations or general acts before the Constitutional Court, provided that the rights of local communities are threatened.

212. In the light of the precedent, the rapporteurs conclude that the system of legal protection of local self-government in Slovenia fully meets the requirements of Article 11 of the Charter.

5. OTHER MATTERS RELATED TO THE FUNCTIONING OF LOCAL AND REGIONAL SELF-GOVERNMENT

Regionalisation

213. The implementation of the regional reform has remained an unresolved issue on the governmental agenda for a long time. Due to various reasons, self-governing regions have not been introduced in Slovenia.

214. The Congress Recommendation 308(2011) stated that *“the Slovenian Government has committed itself to the creation of regions, by amending the constitutional provisions on regional self-government which is a significant step towards that goal.”* At the same time, the Congress concluded that political consensus regarding number of regions has not been achieved and therefore the regionalisation process has been frozen.

215. As mentioned earlier, the Constitution was amended in 2006 by adding an article on the regions and the main principles of their establishment. Nevertheless, due to the lack of political consensus and disagreement over the size and number of regions, as well as low societal support for regionalisation, the process has been at a standstill for many years. Thus, new attempts to proceed with regionalisation after the national election in 2018 might be an alternative to revitalise the issue.

216. In the view of the rapporteurs, the previous observations of the Congress on regionalisation expressed in Recommendation 308(2011) remain relevant and the regionalisation might compensate for the fragmentation of municipalities.

217. Decentralisation of the central government powers and financial resources to next level of governance (i.e. regions) is a pre-condition for successful operation of regions. Meanwhile, some functions could be uploaded from local to regional level. SOS supports the establishment of a second level of local self-government with a clearly defined competences, resources and role in regional development to manage country's balanced development. As SOS stated, the new unit of territorial self-government will provide such benefits as implementation of the principle of subsidiarity, decentralisation of the state functions, more efficient use of EU funding and cross-border cooperation.

218. According to SOS, statistical regions are recognised as an attempt to overcome obstacles in the area of regional development. However, statistical regions cannot substitute regions with defined competences, resources and powers. Although, the regional spatial plan provides the basis to design a regional development programme which in turn, is aimed to promote a coherent regional development. It is expected that the regional spatial plan for each development region shall be adopted no later than 1 January 2023.⁷³

Other issues

219. Previous Congress Recommendation 308(2011) suggested disseminating the good practice concerning the integration of Roma into local communities to improve their participation in local political life.

220. Two traditional minorities – the Italian and Hungarian national communities and a Roma community – are protected by the Constitution and international treaties. In the municipalities with mix ethnicities, the Italian or Hungarian is an official language as well. The Local Elections Act guarantees minority representation in local municipal councils. According to the international treaties and domestic legislation, minorities' rights are guaranteed, inter alia, the right to preserve their national identity, the right to education in their own language, the right to establish a self-governing community, the right to be represented in the bodies of local municipality and in the National Assembly.

221. Meanwhile, it emerged from the interviews that there are some challenges faced by the municipalities with mix ethnicities in relation to bearing the additional costs to ensure bilingual operation of municipality. The delegation has heard that these costs are not covered by the government in full amount, even though the Decree on co-financing of municipalities in the ethnically mixed areas is in force. During the consultation procedure, the Ministry of Public Administration argued that according to the legislation (Financing of Municipalities Act, Act on Self-governing National Communities and the above mentioned Decree) these costs are shared between municipalities and

⁷³ According to the information provided by the National Assembly

the state, and the total sum that nine municipalities are entitled to, is defined by the Financing of Municipalities Act (Article 20). It underlined that the new Decree, adopted in May 2018, defines the criteria by which the amount of money per municipality is calculated.

222. The delegation has also been informed that the management of Roma settlements may be challenging for some local municipalities since many settlements of Roma communities are illegally located on other owner's lands or at the places not suitable for construction. To solve the issues of public utility and spatial problems linked to such settlements, the municipalities concerned need additional financial resources in comparison with communities not facing such issues.

223. The rapporteurs also got acquainted with some good practice of Slovenian Ombudsman aimed at strengthening the cooperation with municipalities and assisting them in tackling human right issues at local level. Thus, Ombudsman plans visits outside the capital to ensure accessibility for all individuals.⁷⁴ During these visits, the Ombudsman meets representatives of the municipal council and discusses problematic issues, notably with those municipalities that lack the necessary level of expertise to cover all competences entrusted to them. Such meetings outside Ljubljana, allows for immediate intervention with local municipality if the problem has been identified. Ombudsman's meetings outside are structured in the three parts: private discussions with individuals, interviews with mayors and press conference.⁷⁵

224. According to the Ombudsman office, the application of property law, housing, public roads and land ownership; spatial planning, environmental issues and inappropriate behaviour of public officials are among main challenges for local level.

6. CONCLUSIONS AND RECOMMENDATIONS

225. During the last decade, Slovenia has invested tremendous efforts to ensure continuous development of local democracy in which the Charter plays a vital role. In the view of the rapporteurs, given the Slovenian experience coping up with public financial problems as a result of world economic crisis, the present situation of local self-government in Slovenia can be assessed as globally satisfactory.

226. The governmental commitment to proceed with modernisation of local self-government expressed in "Strategy on development of local self-government in the Republic of Slovenia" is an important step towards strengthening local democracy and ensuring cohesive development of the country. It is important however that the Strategy is implemented with the support of local authorities and the associations.

227. The principle of local self-government is recognised both by the Constitution and the domestic legislation. Slovenian local authorities enjoy adequate level of autonomy to independently regulate and manage local matters of importance to their communities. The State intervention in local affairs is limited by the law and generally meets the requirements of the Charter.

228. There are many instruments of direct public participation in local decision-making, even though, as reported to the delegation, the residents prefer the most classic forms of communication, that is – to meet and to speak in person with the representatives of municipalities.

229. The Slovenian Constitutional Court plays an exemplary role in making use of the Charter by interpreting its provisions in its case-law. The decisions of the Constitutional Court refer to the Charter to uphold the principle of local self-government and they substantially improve the understanding of all stakeholders of competences devoted to local authorities. Thus, Slovenian local authorities enjoy legal protection which is in line with the requirements of the Charter.

230. Bearing in mind that local democracy is a phenomenon reflecting political, administrative and financial dimensions, the rapporteurs can conclude that Slovenia generally complies with the provisions of the European Charter of Local Self Government. Nevertheless, there are some areas where improvement could be made for better functioning of local democracy. The main part of Recommendation 308(2011), adopted on the basis of the previous monitoring report on Slovenia remains relevant.

⁷⁴ Annual Report of the Human Rights Ombudsman of the Republic of Slovenia for 2016.

⁷⁵ Ibid.

231. In particular, the rapporteurs noted the tendencies of over-regulation of certain tasks of local authorities, notably as regards construction control and municipal police. The representatives of local authorities and their associations underlined that municipalities had to deal with the increasing costs needed for the fulfilment of legal obligations. Therefore, it would be advisable that the central government in consultation with local authorities rationalise existing legal regulations of certain tasks and responsibilities at local level. This would also help to decrease a financial burden and increase the efficiency of the implementation of local policies by local authorities under their own responsibility.

232. In the view of the rapporteurs, only property tax can be considered as a fully municipal tax according to the spirit of the Charter. The rapporteurs would therefore encourage the government and local municipalities to continue discussing the principles of municipal financing and to increase local fiscal autonomy based on the accumulated experience of coping up with the negative effects of the economic crises.

233. The delegation believes that the institutional dialogue between the government and associations of local authorities to discuss financing matters is a good platform for consultations. However, the municipalities should be more effectively consulted in practice, in due time and in an appropriate manner at every stage of planning and decision-making processes to ensure a real possibility to exercise influence in all matters directly concerning them.

234. In view of the global tendencies to merge local authorities for a better service delivery and balancing tasks and funding, the rapporteurs would suggest that the central government further promote both consolidation of local authorities into larger units and inter-municipal co-operation with additional financial incentives and administrative support.

235. Despite the fact that regionalisation is enshrined in the Constitution, the rapporteurs have observed that at the moment, the practical establishment of regions is not a political or public priority. Understanding the complexity of factors affecting the regionalisation, the rapporteurs would like to encourage Slovenian authorities to continue debates to reach a compromise on the number, role and functions of regions, so that an intermediate level of governance could be practically established.

Appendix 1 – Programme Congress monitoring delegation visit to Slovenia

CONGRESS MONITORING VISIT TO SLOVENIA Ljubljana, Koper, Ankaran (20 - 22 February 2018)

PROGRAMME

Congress delegation:

Rapporteurs:

Mr Henrik Brade JOHANSEN	Rapporteur on local democracy Chamber of local authorities, ILDG ⁷⁶ Member of the Monitoring Committee of the Congress City Councillor of Lyngby-Taarbaek (Denmark)
Ms Gaye DOGANOGLU	Rapporteur on local democracy Chamber of local authorities, EPP/CCE ⁷⁷ Member of the Monitoring Committee of the Congress Member of the Municipal Council of Konyaalti (Turkey)

Congress secretariat:

Ms Svitlana PEREVERTEN	Co-Secretary to the Monitoring Committee
------------------------	--

Expert:

Ms Iveta REINHOLDE	Member of the Group of Independent Experts on the European Charter of Local Self-Government (Latvia)
--------------------	--

Interpreters:

Ms Veronika PUŠNIK
Ms Marta BIBER

The working languages, for which interpretation is provided during the meetings, will be Slovenian and English

⁷⁶ ILDG: Independent and Liberal Democrat Group in the Congress
⁷⁷ EPP/CCE: European People's Party Group in the Congress

**Tuesday, 20 February 2018
Ljubljana**

**Members of the Slovenian National delegation to the Congress,
Representatives of the Association of Municipalities and Towns of
Slovenia, Representatives of the Association of Municipalities of
Slovenia, Independent Experts**

- **Slovenian national delegation to the Congress:**
 - **Ms Bernardka KRNC**, Head of Delegation, Mayor of Smarjeske Toplice
 - **Ms Breda PEČAN**, Deputy Head of Delegation, Councillor, Izola municipality
- **Association of Municipalities of Slovenia (ZOS):**
 - **Mr Robert SMRDELJ**, President, Mayor of the Pivka municipality
- **Association of Municipalities and Towns of Slovenia (SOS):**
 - **Ms Jasmina VIDMAR**, Secretary General

CITY OF LJUBLJANA (City Council):

- **Mr Zoran JANKOVIĆ**, Mayor of Ljubljana
- **Mr Dejan CRNEK**, Deputy Mayor
- **Mr Vojko GRÜNFELD**, Head of the Office for local self-government, City Administration
- **Ms Polona ZUPAN KLOPČIČ**, Office for the organisation of work of the City Council
- **Ms Nataša KOPRIVŠEK**, Head of Internal Audit Office
- **Ms Mojca SLOVENC**, Head of the Section for citizens' initiatives

NATIONAL ASSEMBLY:

- **Dr. Milan BRGLEZ**, President of the National Assembly
- **Mag. Katarina RATOŠA**, Head of Office of the President of the National Assembly
- **Ms Ana KOMAC**, Secretary of the Committee on the Interior, Public Administration and Local Self-Government

NATIONAL COUNCIL:

- **Mr Alojz KOVŠČA**, President of the National Council
- **Mr Milan OZIMIČ**, President of the Interest group of local interests in the National Council
- **Mr Dušan STRNAD**, President of the Commission for local self-government and regional development in the National Council
- **Ms Meta ŠTEMBAL**, Secretary of the Commission for local self-government and regional development
- **Ms Aldijana AHMETOVIČ**, legal adviser

**Wednesday, 21 February 2018
Ljubljana**

MINISTRY OF PUBLIC ADMINISTRATION:

- **Dr. Nejc BREZOVAR**, State Secretary
- **Mr Jurij MEZEK**, Local Self-Government Service
- **Mr Franc ŽOHAR**, Local Self-Government Service
- **Ms Klaudija KORAŽIJA**, Minister's Office, international co-operation

MINISTRY OF FINANCE:

- **Ms Saša JAZBEC**, State Secretary

COURT OF AUDIT:

- **Ms Mojca PLANINŠEK**, Second Deputy President
- **Mr Luka RAMOVŽ**, Senior Auditor
- **Ms Dijana MOŽINA ZUPANC**, Head of President's Office

CONSTITUTIONAL COURT:

- **Assist. Prof. Dr. Jadranka SOVDAT**, President of the Constitutional Court
- **Dr. Rajko KNEZ**, Judge
- **Dr. Sebastian NERAD**, Secretary General

HUMAN RIGHTS OMBUDSMAN:

- **Ms Vlasta NUSSDORFER**, Human rights Ombudsman
- **Mr Miha HORVAT**, Deputy Ombudsman
- **Dr. Kornelija MARZEL**, Deputy Ombudsman

**Thursday, 22 February 2018
Koper, Ankaran**

CITY MUNICIPALITY OF KOPER:

- **Mr Boris POPOVIČ**, Mayor
- **Ms Sabina MOZETIČ**, Director of Municipal Administration
- **Dr. Vilma MILUNOVIČ**, Head of the Finance Department

MUNICIPALITY OF ANKARAN:

- **Mr Jani KRSTIČ**, Adviser for legal consultancy and local self-government, Municipal administration
- **Ms Linda ROTTER**, Head of the Mayor's Cabinet