



Building More Competitive Regions in Slovenia

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Building more competitive regions in Slovenia

- One of two OECD reports launched today
- Funded by the European Union (TSI)
- Drafted in co-operation with MCRD
- Culmination of an 18-month project
- Available to the public 21 January 2026



OECD Multi-level Governance Studies

Building More Competitive Regions in Slovenia





Report contents

- Chapter 1: Assessment and recommendations
- Chapter 2: Regional development challenges
- Chapter 3: Multi-level governance
- Chapter 4: Action plan



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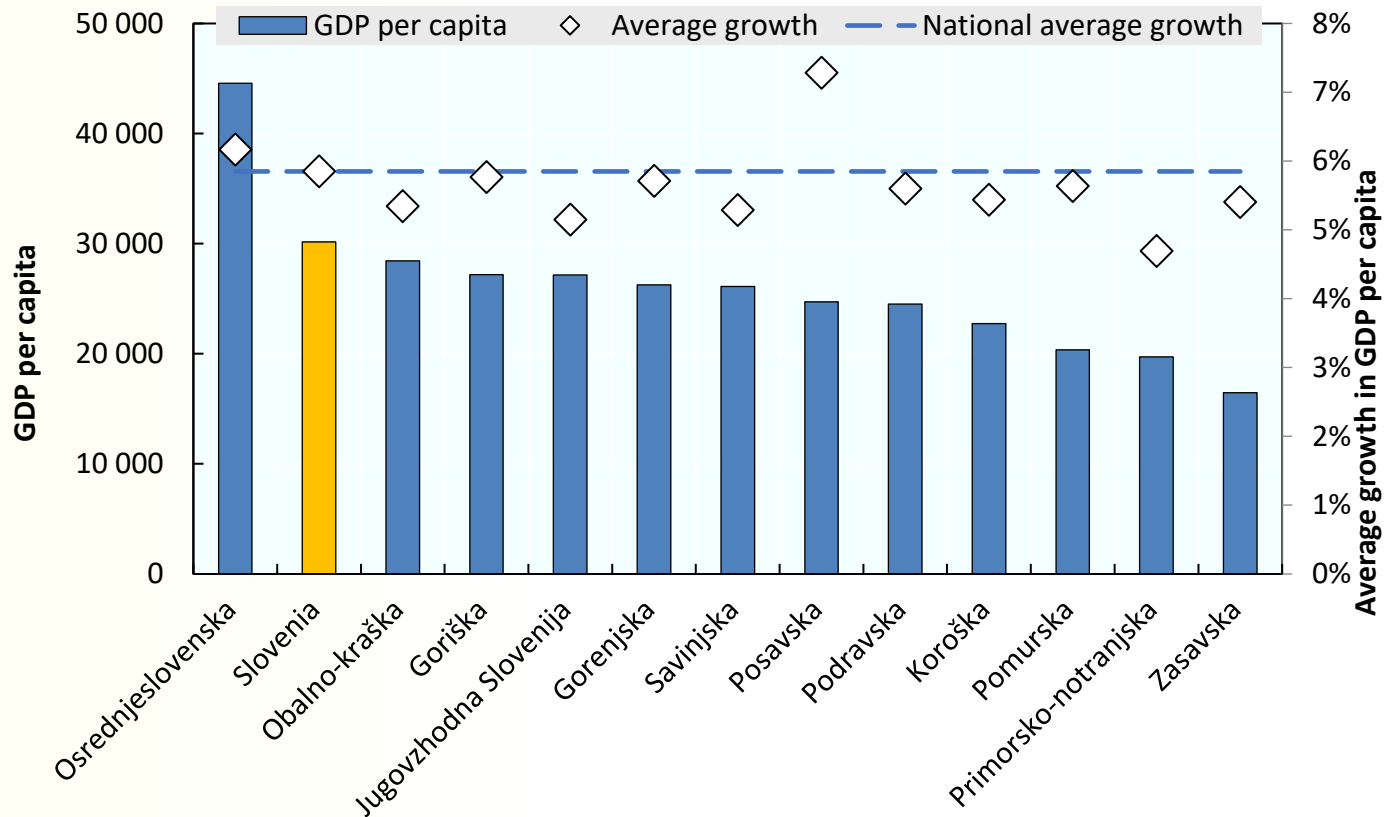
Regional development challenges – key findings

Over the past decade

- National GDP growth (2.9%) outpaced the OECD average (2.3%)
- Unemployment fell significantly in all regions (average of 6.6 pp)
- 10 out of 12 regions grew slower than the national average GDP per capita
- Labour migration increased, between regions and internationally



GDP per capita levels and average growth rates, 2014-2023





Regional development challenges - key findings

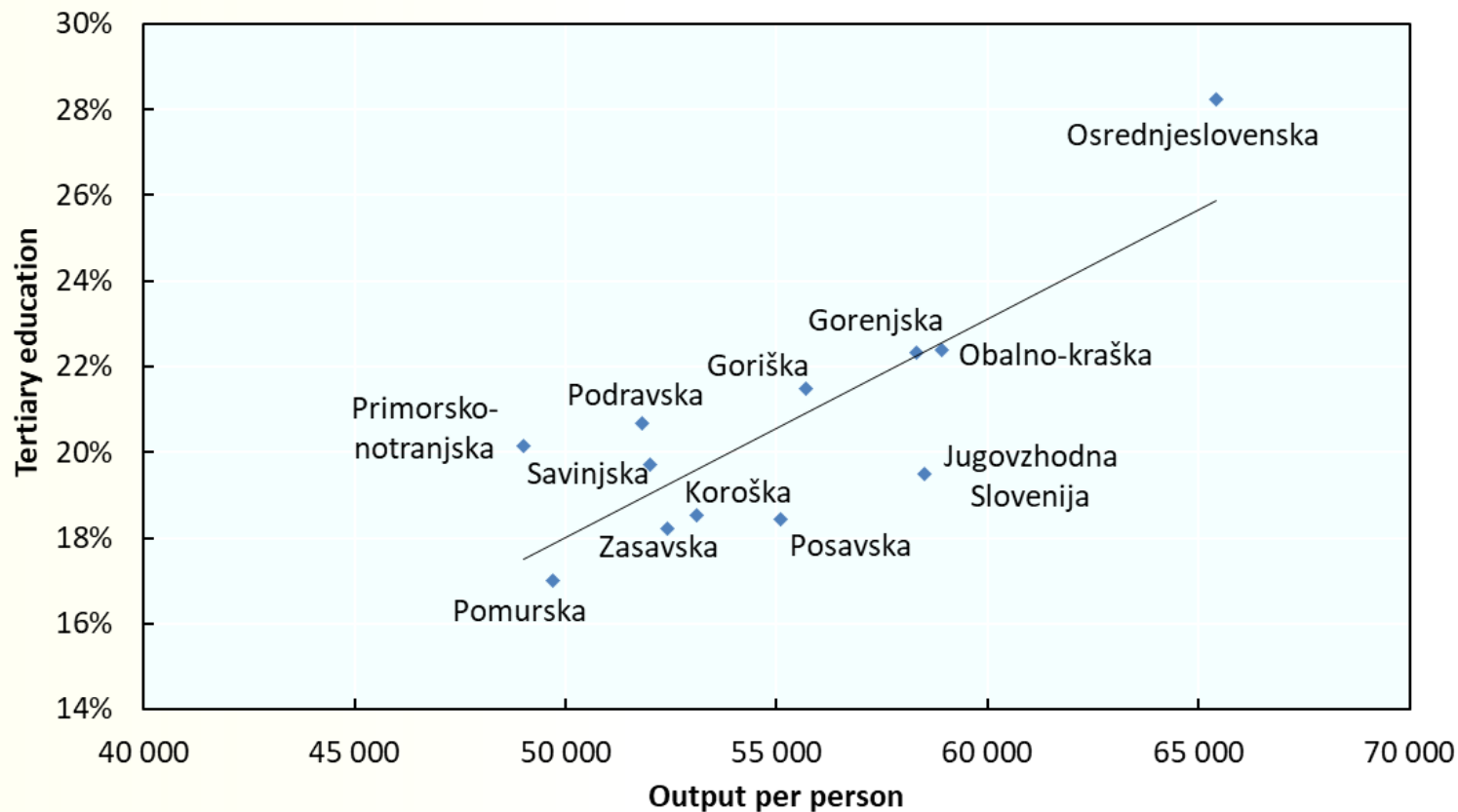
Factors contributing to regional divergence

- Osrednjeslovenska receives 58.4% of R&D and 58.9% of FDI
- Slovenia's land area (2nd smallest in the OECD)
- Geography of demographic and net-zero transition costs
- Uneven rates of educational attainment





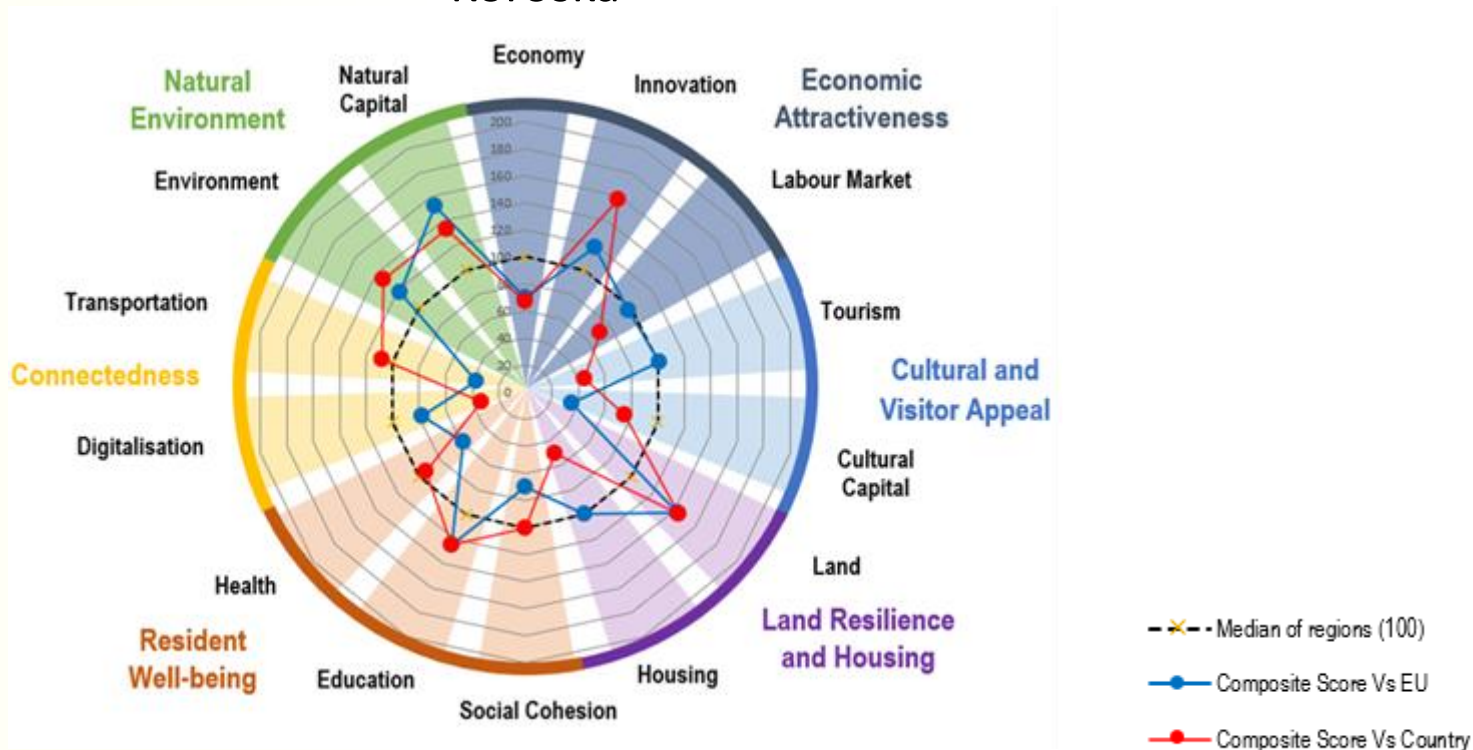
Tertiary education (%) and output per person (EUR), 2023





Regional attractiveness compasses

Koroška





Multi-level governance challenges: key findings

Major challenges in Slovenia

- Limited vertical and horizontal co-ordination
- Fragmentation of Slovenia's municipal tier
- Low subnational public investment (37.3% of total public investment compared to OECD average of 55.1%)
- RDA dependence on EU project-based funding
- Inconsistent monitoring, evaluation and reporting processes



Multi-level governance – co-ordination

Factors affecting co-ordination of regional development policy

- Unclear mandate for cross-sectoral leadership of regional policy
- Narrow, vertical channels of communication
- Large number of municipalities relative to population
- Complexity of EU funding processes and priorities



Multi-level governance - capacity

Factors affecting sub-national capacity to support regional development

- Need for additional monitoring and evaluation skills and experience
- Limited guidance from national level to support evaluation
- Insufficient data and evidence to enable rigorous project selection
- Constrained resources of RDAs



Recommendations

- 8 policy recommendations to address regional development challenges (see notes)
- 13 policy recommendations to improve multi-level governance
- Action plan focuses on 4 priority recommendations



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Action plan – co-ordination

Recommendation	Actions	Institution responsible	Institutions supporting	Time required (years)
Establish a high-level political body responsible for guiding and co-ordinating regional development priorities and resources across government	Establish a high-level council of regional development to be chaired and led by the Prime Minister's office	Prime Minister's Office		1-2
	Consider delegation of authority for day-to-day cross-sector co-ordination of regional development to a ministry or state secretaries	National government	Prime Minister's Office	3-7
	Reinforce multi-level, multi-stakeholder co-ordination and dialogue to support implementation of the national regional development strategy at a regional and local level	National government	Prime Minister's Office, National government ministries, RDAs, municipal associations	3-7



Objectives of the report

Short term: Support creation of the national regional development strategy

Medium term: Build awareness of Slovenia's regional development and multi-level governance challenges

Long term: Accelerate policy reforms that improve regional governance and reduce regional disparities



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An aerial photograph showing a large-scale coal mining operation. In the center, a series of parallel tracks or conveyor belts run horizontally across a dark, excavated landscape. To the right of these tracks, there are several small, dark-roofed buildings, likely part of the mine's infrastructure. The right side of the image is dominated by a dense, lush green forest. A road or path runs vertically along the edge of the forest. The bottom left corner of the image is overlaid with a large, solid red triangle that points towards the center, containing white text.

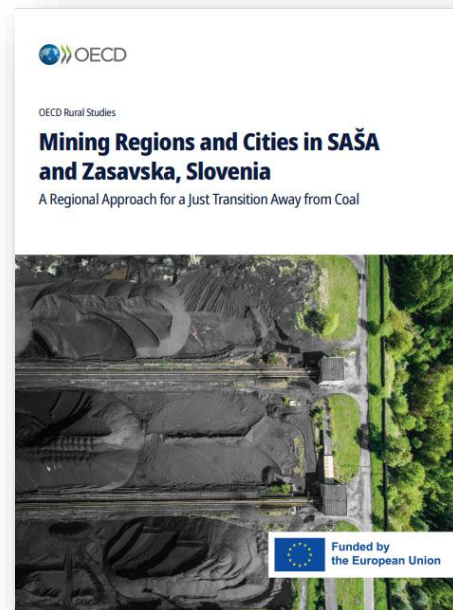
Mining Regions and Cities in SAŠA and Zasavska, Slovenia

A Regional Approach for a Just
Transition Away from Coal



A regional approach for a Just Transition in SAŠA and Zasavska

- *18 months*
- *2 missions*
- *3 workshops*
- *Local, regional and national consultation*



The report sets out 7 recommendations with 27 actions across 4 thematic areas to support an inclusive and implementation-focused transition in SAŠA and Zasavska.



Project overview

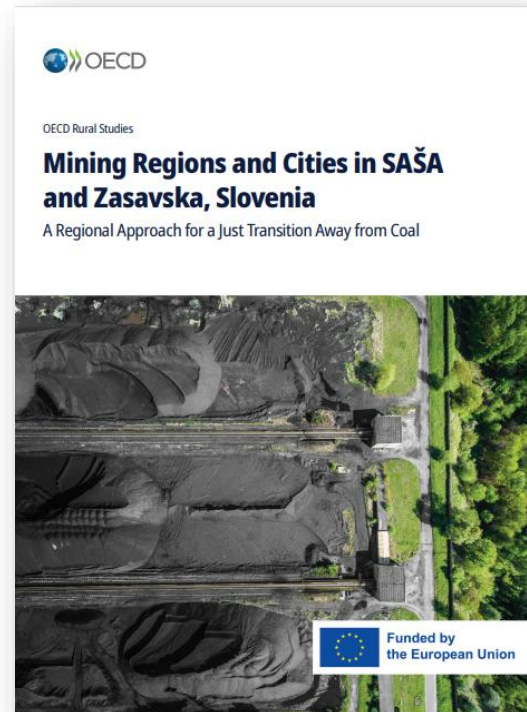
- ❖ Aug 2024: project commenced
- ❖ April 2025: diagnostic report
- ❖ June 2025: capacity building workshops
- ❖ Sep 2025: draft report shared for feedback
- ❖ Oct 2025: action plan workshop
- ❖ Nov 2025: final action plan consultation
- ❖ Jan 2026: launch event and project close





Content of the report to support Slovenia navigate the transition away from coal

- ❖ **Chapter 1** - Assessment and Recommendations
- ❖ **Chapter 2** - The economic, social and environmental performance of SAŠA and Zasavska
- ❖ **Chapter 3** - A policy framework for a just transition in Slovenia
- ❖ **Chapter 4** - Just transition in coal regions: Policy tools and implementation strategies for Zasavska and SAŠA
- ❖ **Chapter 5** - Action Plan





Slovenia has a strong policy framework

- **Slovenia has committed to exiting coal by 2033.**
- **With a strong policy framework** that includes the Integrated National Energy and Climate Plan, the National Strategy for the Phase-out from Coal and the Act on Transitional Financing of an Accelerated and Equitable Withdrawal from Coal also shapes the energy transition
- **Two legislative acts** on the developmental restructuring of the SAŠA coal region and the closure of the Velenje coal mine
- **and the Territorial Just Transition Plans.** These instruments enable access to around EUR 258 million from the EU Just Transition Fund for 2021–2027, with eligibility until 2029.





Content of the report to support Slovenia navigate the transition away from coal

Zasavska (post-coal adjustment)

- **Coal-mine closures** started in 1994 and coal-based energy production ended in 2014.
- **GDP per capita (2023):** EUR 16 456; unemployment: 4.7% (high in national comparison).
- **The region has faced long adjustment since closure**, with socio-economic metrics below national averages, while some recent indicators point to stabilisation.

SAŠA (pre-closure preparation)

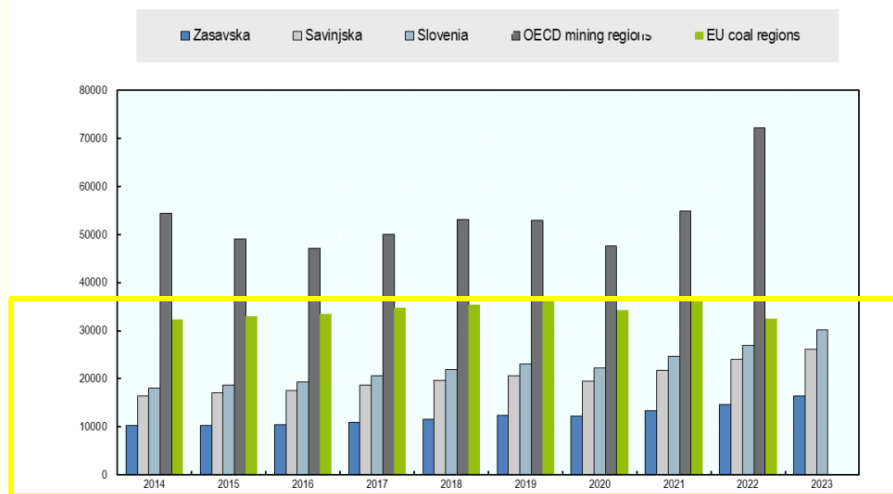
- **SAŠA still hosts an active coal mine (Velenje) and thermal power plant (TEŠ)**, with planned closure by 2033.
- **Direct employment: 2 177 workers (coal mine and TEŠ)**; additional estimated 1 500 indirect jobs through supply chains.
- **For economic benchmarking, the report uses Savinjska as a proxy:** GDP per capita (2023) EUR 26 110; unemployment around 4%.

Zasavska provides lessons from a completed coal exit and long adjustment; SAŠA has a remaining operating period to diversify and plan while managing forthcoming social impacts.



Key findings – Economic performance

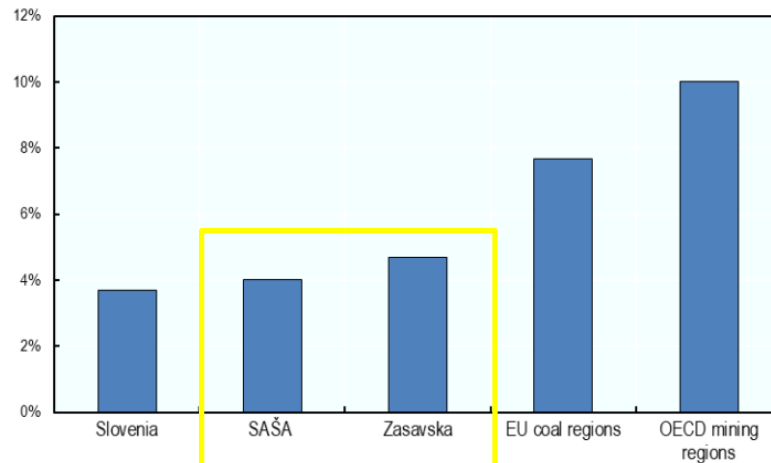
GDP per capita, 2014-2023



Note: OECD mining regions benchmark includes non-coal mining areas, representing places with high production value materials other than coal.

Source: (SiStat, 2023^[33]).

Unemployment rate, 2024



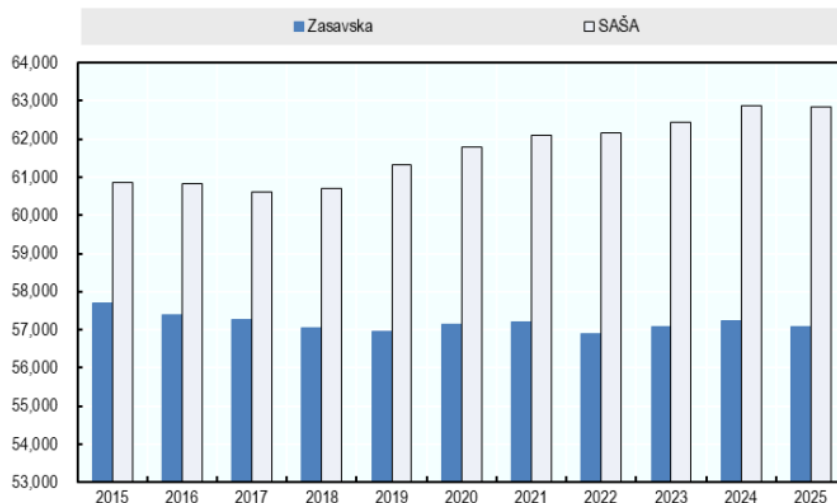
Source: Source: (SiStat, 2024^[36]); (SiStat, 2024^[37]).



Social performance

SAŠA and Zasavska demographic performance is stabilising

Figure 2.11. Absolute population of Zasavska and SAŠA, 2015-2025



Source: (SiStat, 2025^[45]).

➤ **Zasavska:**

- first positive annual population growth since 2000 recorded in 2020 (after long decline).
- tertiary attainment 18% (2024) vs 22% nationally. Zasavska: depression prevalence 6.2% vs 7.5% nationally.

➤ **SAŠA:**

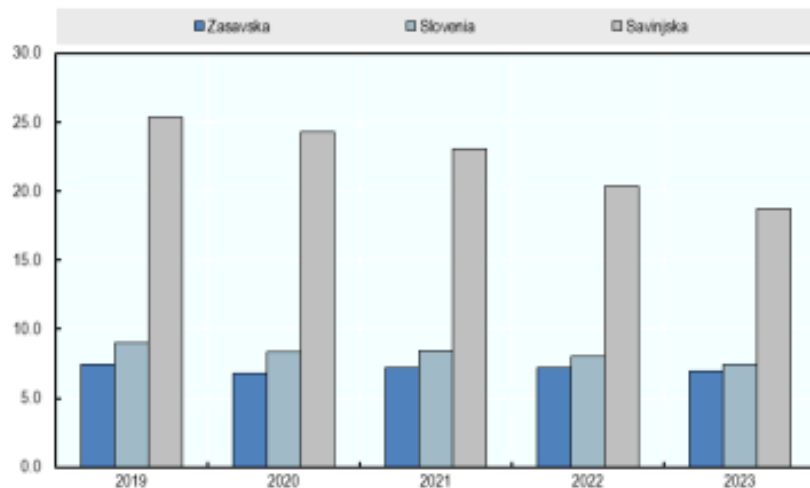
- population change +3.3% (2015–2025); net migration 7.8 per 1 000 (2023).
- tertiary graduates 8.2 per 1 000 people (2024) (Zasavska 6.8).



Environmental performance

Zasavska has succeed to reduce it's GHGs emissions while Savinjska is experiencing a sharp decline

Figure 2.23. GHG emissions per capita, 2019-2023 (tCO₂-e per person)



Source: (OECD, 2023^[56]).

- **Zasavska:** GHG emissions per capita SAŠA proxy emissions per capita are ~x2.7 Zasavska.
- Drought exposure 97.2% of land impacted (2022); landslides flagged.
- **SAŠA:** subsidence up to 12 metres, expected to continue 15-20 years after mine closure; severe floods in 2023 with infrastructure and sector impacts.



Undergoing efforts for the transition...

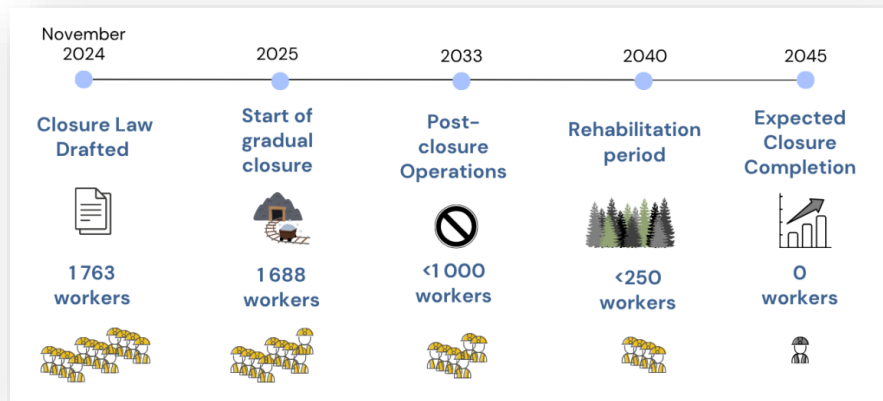
Policy, Legal & Financial Framework

❖ National Plans

is established by the **National Energy and Climate Plan** and the **National Strategy for Phasing Out Coal**.

❖ Regional Legislative Acts

SAŠA subregion: Dual approach via the **Act on Gradual Closure of Velenje Mine** and the **Act on Development Restructuring SAŠA subregion**.





..supported by the EU

European Union Support and National efforts for the transition

- ❖ **The transition is supported through the Just Transition Mechanism**, with EUR 258.7 million in EU Just Transition Fund resources.
- ❖ **Complemented by national and private-sector co-financing** (EUR 21.2 million public; estimated EUR 24.5 million private).
- ❖ **Slovenia** has allocated 70% of JTF funds to SAŠA and 30% to Zasavska → **JTF eligibility** runs until end-2029.



Zasavska provides lessons from a completed coal exit and long adjustment; SAŠA has a remaining operating period to diversify and plan while managing forthcoming social impacts.



Regional assets

Institutional support

- ❖ Several ministries involved in the governance of the transition
- ❖ Just Transition Centers (JTCs): Operational "one-stop shops" in both regions guiding applicants.
- ❖ Regional Development Agencies RDA/DA: RDA Zasavje and DA SAŠA providing long-term strategic management.

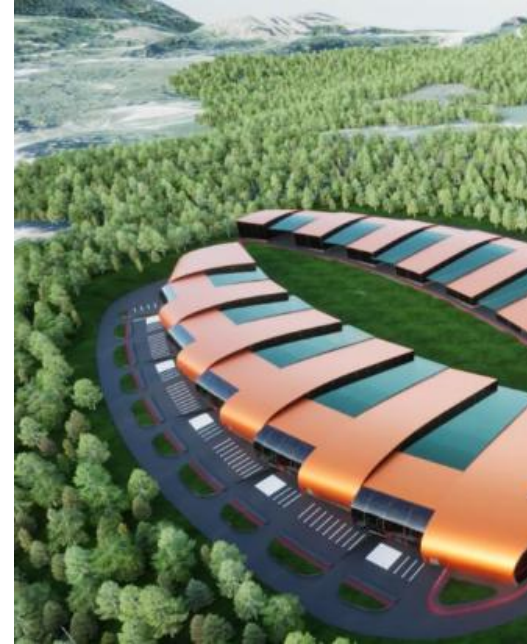
Innovation Ecosystems & R&D

❖ Zasavje Region

- High-Tech Hubs: DUBT (Carbon-Free Tech R&D) and Katapult (World-class robotics & hardware accelerator).
- Green Infrastructure: Expansion of Prapretno Solar Park and development of new business zones (Kisovec, Lakonca).

❖ SAŠA subregion

- Tech & Redevelopment: Velenje Tech Park (Startups) and Center for the Future (Repurposing the Old Power Plant).
- Energy Transition: Decarbonization of District Heating and strategic development of the Hydrogen Valley.





Key challenges for a just transition

- ❖ **Economic "Lock-in":** Difficulty in diversifying the economy due to the dominance of large energy companies (especially in SAŠA).
- ❖ **Administrative Bottlenecks:** Lengthy permitting procedures and complex State Aid rules slow down project implementation.
- ❖ **Project Pipeline Maturity:** A lack of "investment-ready" projects; many ideas exist but lack the technical/financial details to win funding.
- ❖ **Demographic & Skills Gap:** Brain drain of young talent and a mismatch between current mining skills and future green industry needs.
- ❖ **Governance Sustainability:** Uncertainty regarding the funding and mandate of the JTCs beyond the current programming period (2027/2029).



Areas for recommendations

Anchoring the transition in a shared long-term vision

1. Strengthening the vision and strategic coherence

2. Project prioritisation and quality

Strengthening governance mechanisms for effective transition delivery

3. Governance and co-ordination

4. Monitoring, branding and investment attraction

Strengthening conditions for regional growth and local long-term development

5. Innovation and SME integration

6. Workforce and social inclusion

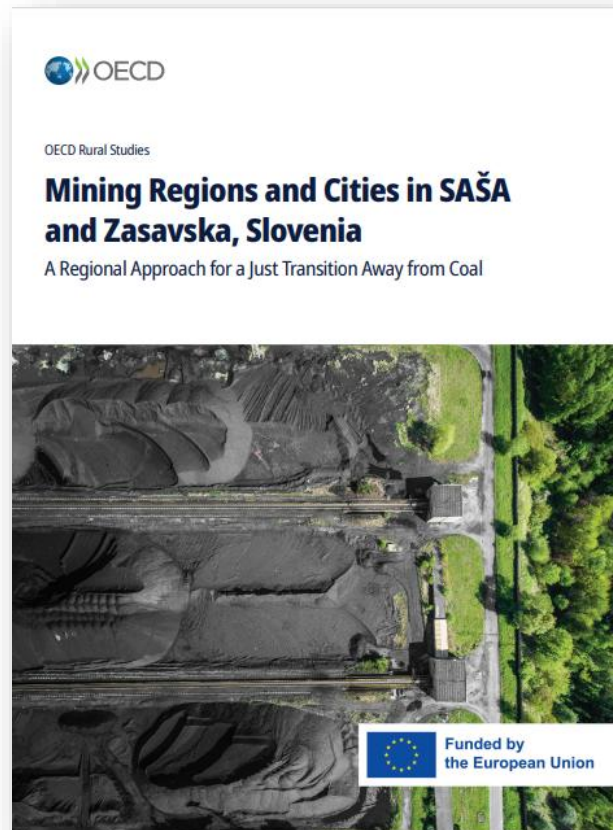
Improving enabling factors for project competitiveness and regional liveability

7. Land, energy, infrastructure



Recommendations and action plan

- This report sets out **7 recommendations with 27 actions**
- Action plan contains **8 specific actions** that focuses on **4 priority recommendations**



Thank you



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