

DEPUTY DIRECTOR
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Director's Office

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To: DAC Delegates and Observers

Slovenia Mid-term Review, 23 October 2020, Ljubljana – Paris

Dear Colleagues,

Over 21-23 October, I conducted the mid-term review of Slovenia virtually, together with Anita King of DCD. I would like to thank Ambassador Tone Kajzer, State Secretary, Ministry of Foreign Affairs; Ambassador Anita Pipan, Acting Director-General, Directorate for Multilateral Affairs and Development Co-operation; Ms. Nataša Adlešič Barba, Head of Department for Development Co-operation and Humanitarian Aid; and all Ministry staff for the very constructive meetings and close co-operation in the lead up to the review.

During the review, we had rich discussions with senior officials from the Slovenian Ministry for Foreign Affairs (MFA); Ministry of Finance; Ministry of Defence; Ministry of the Environment and Spatial Planning; Ministry of Labour, Family, Social Affairs and Equal Opportunities; the Government Office for Development and European Cohesion Policy; the Chair of the Expert Council for Development Co-operation; representatives from Slovenia's four main implementing partners; and SLOGA Platform, representing Slovenian non-governmental organisations (NGOs).

The mid-term review focused on implementation of the Development Assistance Committee (DAC)'s 2017 peer review recommendations in the context of developments that have taken place since then. In particular, the National Assembly adopted updates to the legal framework guiding Slovenia's development co-operation and humanitarian assistance in 2017 and 2018, and a new Strategy for Development Co-operation and Humanitarian Aid 2018-30 was approved by the Government in 2018. While the COVID-19 pandemic presents challenges, including budgetary pressures, the MFA was able to re-allocate 20% of its bilateral official development assistance (ODA) budget towards supporting partner countries in addressing the impacts of the pandemic. Staff in the MFA have also shown a strong commitment to further strengthening the effectiveness of Slovenia's development co-operation systems in these challenging times.

I was pleased to note that Slovenia has already taken steps to address 9 out of 14 of the DAC's 2017 recommendations, in particular those related to:

- Enhancing the impact of Slovenia's bilateral co-operation, by focusing on fewer geographic and thematic areas
- Removing legal barriers to working in partnership with other donors and actors
- Strengthening staff and partner understanding of the importance of gender equality and environmental protection as cross-cutting issues
- Linking results to the Sustainable Development Goals (SDGs) and focusing more on the outputs and outcomes of Slovenia's development co-operation.

Updating Slovenia's legal framework and whole-of-government approach to development co-operation

Recent changes to the legal framework guiding Slovenia's development co-operation and humanitarian assistance are addressing several of the barriers identified in the 2017 peer review and 2011-12 DAC special review. The new International Development Cooperation and Humanitarian Aid Act, adopted by the National Assembly in April 2018, introduces and defines

the concept of strategic partnerships and simplifies administrative procedures for partnering with other actors. A subsequent Decree, adopted in November 2018, introduced a standard, public methodology for selecting projects; standardised the way in which the work programmes of Slovenia's four foundations are agreed; and prohibits the financing of projects that promote the use of fossil fuels. These reforms are helping to make procedures more efficient and transparent.

The new Act and Decree have also sought to strengthen the MFA's role as national co-ordinator for development co-operation. We heard that there is a good level of co-ordination across ministries at the working level, and that the MFA takes its role as national co-ordinator seriously, playing an active and constructive role. Yet there is scope for more strategic direction at the political level to ensure Slovenia's efforts to support developing countries are pulling in the same direction. An important aspect of the MFA's role is to develop the four-year framework programme, the most recent of which covered the period 2016-19. The 2017 peer review recommended that Slovenia use the next framework programme to provide a more coherent and comprehensive whole-of-government approach. To do so, the review recommended that Slovenia capture more information on its development co-operation efforts and use the process of developing the programme to engage in strategic dialogue with other parts of government undertaking development co-operation activities. While the COVID-19 pandemic has further delayed work on a new programme for 2020-23, its development offers an opportunity for the MFA to strengthen its co-ordination role.

Policy Coherence for Development

I was pleased to hear that several actions have been taken or are planned to help foster understanding across the government of the possible impacts of Slovenia's domestic policies and regulations on developing countries. These include plans to establish Policy Coherence for Development (PCD) contact points responsible for monitoring these potential impacts in all ministries; and a revised mandate for the cross-government Permanent Co-ordination Group (formerly the inter-ministerial working body), requiring that the Group monitor policy coherence issues across government. In addition, the new Strategy (2018-30) requires that a plan be developed by 2021 on how to address European Union (EU) priorities for PCD, and that monitoring the transboundary impacts of domestic and EU-wide policies and regulations be incorporated into national systems for monitoring policy coherence for sustainable development (PCSD). I was pleased to note that Slovenia's Second Voluntary National Review, presented recently to the United Nations, outlines Slovenia's role as a responsible global citizen and links this to several SDGs.

Building on these positive steps, I encouraged Slovenia to identify a few specific policy areas from within EU priorities where it could make a difference, and to look at how it might build alliances to progress these issues including at the EU level. Slovenia's Presidency of the EU Council in the second half of 2021 presents an opportunity to build coalitions and drive the agenda on coherence issues that are important for developing countries.

Slovenia's comparative advantage and poverty focus

Since the peer review, Slovenia has taken several steps towards focusing its development co-operation on a smaller number of thematic and geographic priorities, in line with its comparative advantage, notably, rule of law and good governance in the Western Balkans. Slovenia has reduced the number of programme partner countries from four to two in the new Strategy and included thematic targets for country programmable aid. Slovenia has also increased the share of bilateral ODA allocated to its top 10 partner countries, from 50% in 2015 to almost 70% in 2018. The MFA is taking steps to fund fewer projects of higher value, shifting from one-year project cycles to two-year cycles for Slovenia's public foundations, and from two-year project cycles to three-year cycles for NGOs. Given the potentially broad scope of projects and sectors that can fall under the four SDGs identified as thematic priorities in the Strategy – SDGs 8 (inclusive economic growth), 12 (sustainable consumption), 13 (climate action) and 16 (peace, justice and strong institutions) – and the relatively small size and increasing pressure on Slovenia's bilateral budget, it will be important for Slovenia to sustain these efforts, ensuring the projects it funds add up to more than the sum of their parts, to achieve a more focused and relevant bilateral programme.

We noted less progress with implementing the recommendation to focus more deliberately on poverty reduction, including by being more specific about what this means in partner countries in the Western Balkans. Slovenia states that it aims to target sectors and projects that address poverty by default, for example, projects related to water and waste water management and by targeting poorer regions. Yet, in our discussions, we heard that it is left to implementing partners to define why regions or groups are prioritised and that there is limited dialogue with NGOs on poverty when agreeing on projects, with no requirement for poverty focused context analysis. More clearly articulating how Slovenia's development co-operation programme defines and seeks to eradicate poverty may help ensure projects and funding are meeting Slovenia's stated objectives. This could usefully

be complemented by operational guidance that requires analysis and results data focused on poverty. Together, these efforts may also help Slovenia when it seeks to describe the logic and relevance of its development co-operation activities and ODA allocations to the public.

Mainstreaming gender and environment

I was pleased to see the significant efforts Slovenia has made to fulfil the 2017 peer review recommendation on strengthening understanding, including among partners, of the importance of mainstreaming gender equality and environmental protection as cross-cutting issues. This includes more clearly defining cross-cutting issues in the new Strategy and devising a new methodology for the selection of projects that captures these issues. Across the board, partners that we spoke with reflected on the positive impact of these efforts. The new Strategy also foresees the adoption of specific guidelines on gender and environment, drafts of which are currently being discussed with stakeholders prior to adoption. It will be important now to ensure that implementation of the guidelines contributes to improved analysis and results. I also encouraged Slovenia to raise awareness of the DAC Recommendation on Ending Sexual Exploitation, Abuse and Harassment across stakeholders involved in development co-operation, and to put in place policies and practices for its implementation.

Bringing a stronger focus on partnerships

I welcomed the progress Slovenia has made to strengthen its approach to partnering. Removing legal barriers to working in partnership with other donors, by expanding the definition of development co-operation activities in the new Act and Decree, is a welcome step, and it will be important over the coming years to see how this is put into action.

The peer review also suggested that, as Slovenia's ODA grows, a more strategic approach to partnering with multilateral organisations will be needed. Continuing to be clear about which multilateral organisations Slovenia is engaging with, how this aligns with its bilateral programme, and what results are expected to be achieved will be important. Including Slovenia's engagement with multilateral organisations in the next framework programme should help in this regard.

We heard about Slovenia's progress in its goal to establish "strategic partnerships", including by defining these new partnerships in its legal framework. So far Slovenia has formed strategic partnerships in the areas of evaluation by partnering with a consulting firm, and humanitarian assistance by stepping-up existing partnerships with NGOs and the International Committee of the Red Cross. Slovenia is looking to build on this approach in other areas. While Slovenia's four implementing foundations engage in active and regular dialogue among their institutions, there may be opportunities for the MFA to engage in more structured dialogue with these key partners, as well as with civil society. We also heard that the last time the Minister convened the Expert Council on Development Co-operation was in February 2019, almost two years ago. The membership of the Expert Council is broad, including civil society, academia and foundations, and this presents a missed opportunity to engage key stakeholders in dialogue. With regard to Slovenia's work in fragile contexts, the peer review also encouraged Slovenia to draw on existing networks to build up its knowledge and expertise. I encouraged Slovenia to find ways to share its own experiences with other DAC members, such as through the International Network on Conflict and Fragility (INCAF).

Slovenia is seeking to work more with the private sector in its development co-operation. In the MFA's 2020-22 call for proposals for NGO projects, NGOs were invited to partner with private sector companies that had previously expressed interest to the MFA. In looking to work more with the private sector, I was encouraged to hear that Slovenia is taking steps to learn from the experiences of other DAC members, such as Norway, and that the MFA has developed draft guidelines for engaging with the private sector to raise awareness and to set basic norms, principles and safeguards. I encouraged Slovenia to finalise the guidelines and to consider how they will be implemented, reflected on and where necessary strengthened over the next 2-3 years.

Strengthening Slovenia's results and learning culture

Slovenia is working to strengthen its approach to managing for results, including by shifting from inputs to outputs and outcomes. In the new Strategy, Slovenia has linked results to the SDGs, and is working to strengthen the inclusion of results information in the annual development co-operation report produced by the MFA. With regard to evaluation, I welcomed the MFA's efforts to systematically circulate recommendations, to discuss and formulate management responses, and to publish evaluation reports online. We nevertheless heard ongoing challenges in terms of building an evaluation culture and ensuring adequate resources to support an independent evaluation function. To help encourage greater use of learning to inform policy direction and improvement, Slovenia might explore additional ways of fostering the use of knowledge across its system. For example, the MFA

could consider the learning needs of different units and identify sources of knowledge to meet these needs. Drawing on potentially untapped knowledge across its system and among existing partners may also prove useful.

Building and protecting the human resources necessary to deliver Slovenia's goals

Recent efforts by the MFA to identify the skills and profiles needed to deliver on Slovenia's development co-operation Strategy and goals is a strong signal that ongoing capacity constraints within the MFA, and in particular the Department for Development Cooperation and Humanitarian Assistance, are recognised. Current and anticipated staffing pressures, including high staff turnover and fluctuating numbers of staff, is a risk. Finding ways to build and retain development expertise and capacities within the MFA, for instance by establishing a number of specialist roles and protecting these from rotation, will be important to protect the quality of Slovenia's development co-operation.

Revisiting the Action Plan to meet Slovenia's ODA commitments

In line with its EU commitments, Slovenia has a target to strive to allocate 0.33% of gross national income (GNI) as ODA by 2030. As of 2019, Slovenia's ODA/GNI ratio stood at 0.16%, the same level as in 2017. A draft Action Plan, required by the September 2017 National Assembly Resolution, set a provisional roadmap for gradually increasing Slovenia's ODA/GNI ratio to 0.26% by 2030. This draft Action Plan was discussed with the Expert Council on Development Co-operation in February 2019. However, we heard that further discussion on the Plan was halted and it remains unclear when discussion will resume. Based on current ODA levels, reaching 0.26% ODA/GNI by 2030 will require significant increases in Slovenia's ODA allocations over the next ten years. To ensure Slovenia holds true to its commitments among its peers and as a member of the DAC, I strongly encouraged Slovenia to revisit and finalise its ODA Action Plan. With weaker growth forecasted due to the impacts of COVID-19, Slovenia is also encouraged to maintain at minimum the current volume of its ODA in the coming period.

Humanitarian aid

I was pleased to see the progress Slovenia is making to address the 2017 peer review recommendation to increase the effectiveness of its humanitarian aid. Actions taken by Slovenia include a proposed increase to the emergency response budget and ongoing efforts to ensure greater complementarity between its humanitarian aid and development assistance.

Conclusion

Overall, I was encouraged by the progress made by Slovenia to address the DAC's 2017 recommendations. I was impressed by the strong commitment signalled by recent efforts to streamline administrative processes with a view towards making Slovenia's development co-operation more efficient and effective. The next peer review will be timely as several new strategies and guidelines will have been implemented. The peer review will also allow more in-depth assessment of progress on how Slovenia manages for results and links this to the SDGs, and to explore the outcomes of new partnerships. I look forward to seeing Slovenia's continued progress.

Yours sincerely,



Mayumi Endoh

CC: Ms. Susanna Moorehead, DAC Chair
Mr. Jorge Moreira da Silva, DCD
Mr. Rahul Malhotra, DCD
Ms. Anita King, DCD