

A SYSTEM OF MEASURING THE EFFICIENCY OF STATE AIDS IN SLOVENIA

Lea J. Lekočević, Head of Department

Bernarda Suša

INTRODUCTION

Establishment of a system

Case study

Collection and monitoring of data

WHY US ?

Monitoring of State Aid Act (Official Gazette of the Republic of Slovenia, No. 1/00, 30/01)
Recommendations of the European Commission

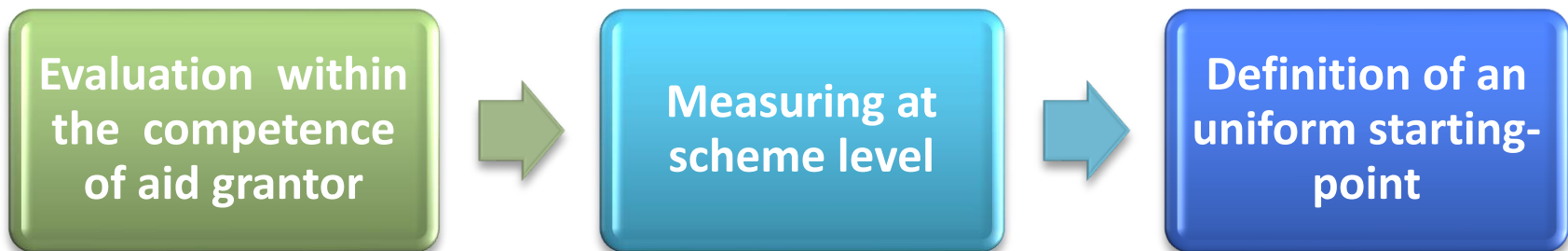
Instruction for Measuring the Efficiency of Granted State Aid

Instruction was adopted by the **Government of the RS** early 2004

Instruction provides **basis and procedures**

Report on the assessment of efficiency shall be **submitted** by 30 April for a past year

BASIC PREMISES



CONTENT OF THE INSTRUCTION

According to the Instruction, the following has to be set out:

1. objectives of the state aid, evaluated by years,
2. time frame of duration of state aid,
3. occurrence of expected effects (when can they be expected),
4. indicators intended for measuring the efficiency of state aid granted.

INDICATORS

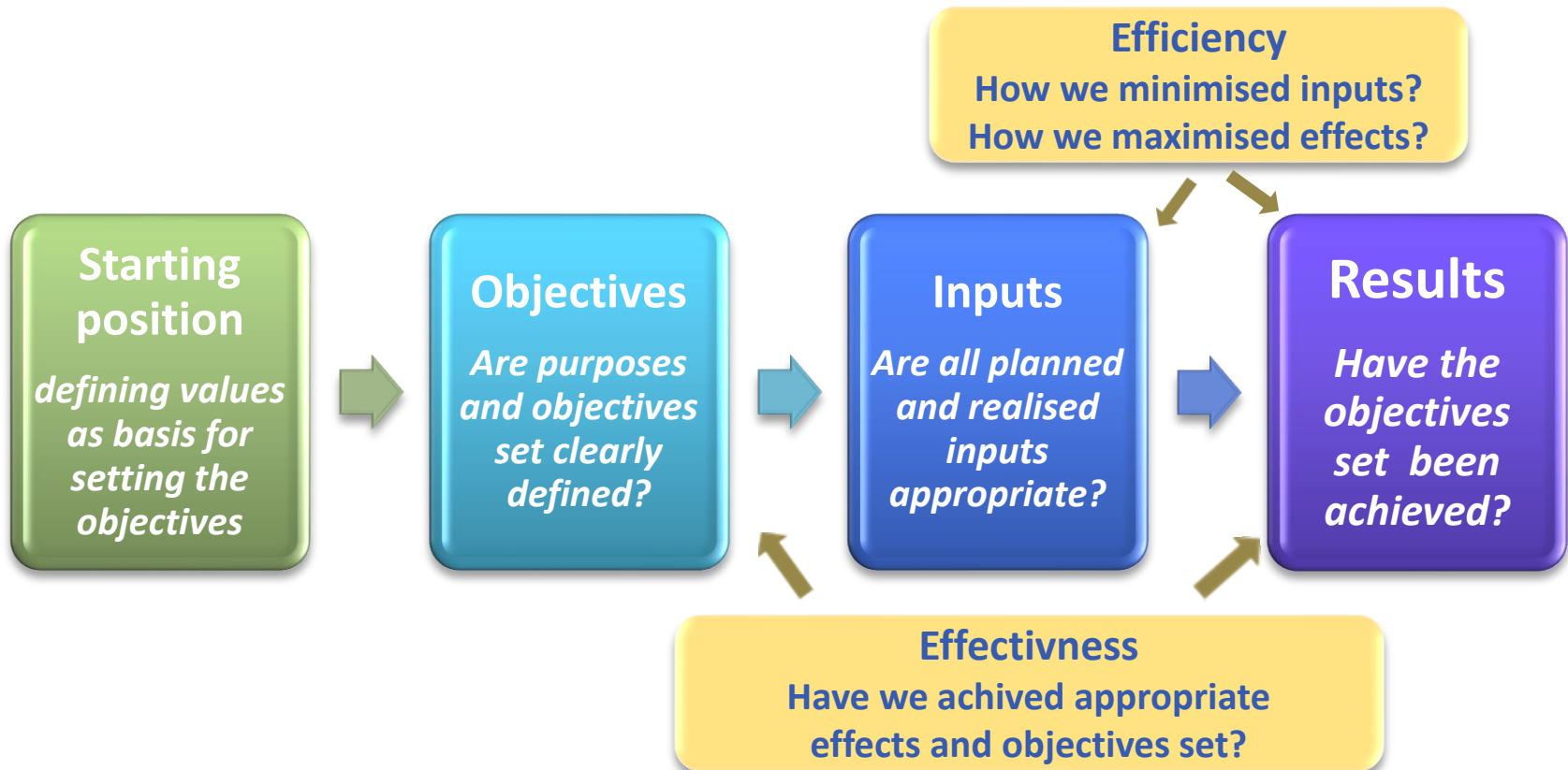
Indicators shall comply with the indicators of programs and subprogrammes of the National Development Programme.

RESULTS

Results shall be available in tabular (graphic) form and reasoned with an in-depth analysis.

OBJECTIVES OF THE PRESENTED SYSTEM

- ✓ objectives of the scheme, to be attained by state aid, should be clearly defined
- ✓ efficiency and effectiveness of the measures shall be promptly identified and monitored by grantors of aid
- ✓ costs of measuring the efficiency
- ✓ evaluation shall serve as a basis for policy-making in the respective field



CASE STUDY - EMPLOYMENT

The scheme ***Programs of Employment*** implements 4 measures that have common objectives. One of the measures is **Employ.me**.

The beneficiaries of the aid are companies from the market sector, selected by tender, which have to employ unemployed persons (disable persons) for full-time for at least one year.

Table of planned effects

	Short descriptions, indicators or values
Description of the objectives	Employment of disadvantaged unemployed -ven people
Socio-economic and financial plan	91,5 mio. EUR budget of scheme 4.000 eur/ person employed for one year 8.000,00 eur/ person employed for 2 years
The socio-economic and financial plan by year	- In the year 2009: 19,0 mio. EUR - In the year 2010: 39,5 mio. EUR - In the year 2011: 33,0 mio. EUR
Definition of an uniform starting point (the initial value, which is be measured by indicators)	30% retained employment after one year, or from the expiry of the contract obligations of an employer
Source of data	The report of the Employment Service Slovenia
Short term evaluation of the effectiveness	On an annual basis
Long term evaluation of the effectiveness	/
The first expected effects (date, quarter, year)	In the year 2011

EMPLOYMENT

YEAR	Situation	PLAN				RESULT		
	Disadvantaged Unemployed people 1.january	The planned number of new employees	Planned amount	Average newly eemployed person / year	The objective after 1 year (after the expiry of the contract)	Rrealized employment	Allocated resources	% retained employment after one year
2009	52198	3	12.000,00	4.000,00	Retained 30% new employees	3	12.000,00	/
2010	70790	3100	12.400.000,00	4.000,00	Retained 30% new employee	3013	11.984.190,39	30%
2011	85533	2000	8.000.000,00	4.000,00	Retained 30% new employee	33	132.000,00	Not yet av.

Description of results

Due to the economic crises in the last three years the number of unemployed disadvantage persons grow rapidly. At the end of 2011 there were already 88.558 unemployed people.

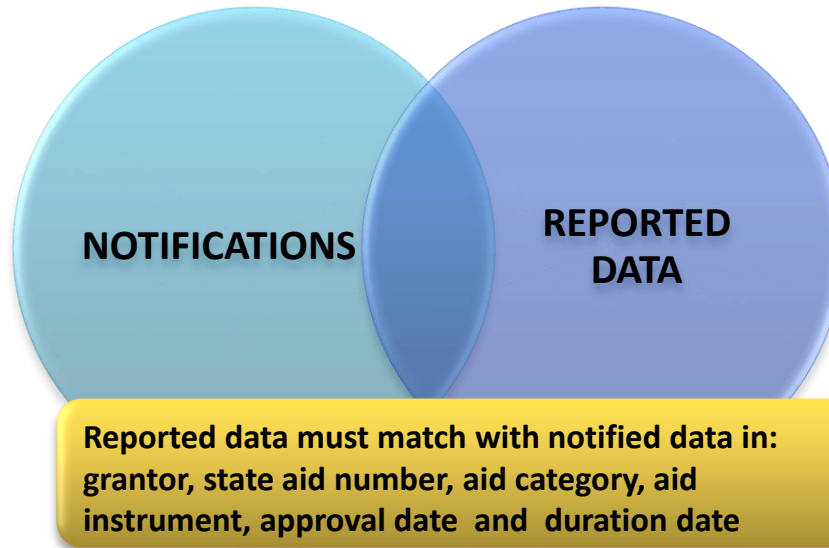
In 2011, it turned out that despite the financial crisis, the amount of subsidy for new employment is not stimulating enough.

At the same time the employer is difficult to meet the criterion of a net increase in the number of employees.

Action

The Ministry responded in 2 ways:

1. Complement the scheme and raise the subsidy to EUR 7,500.00 for new employment for one year
2. Due to the low amounts of aid to each recipient, a large proportion of aid was redirected to the de minimis aid. In this way they can help enterprises at least to maintain the number of employees or that have received aid for persons who were in the process of losing their job, or for those who do not meet the criteria of GBER



NOTIFICATIONS

We have database of all valid state aids

- ✓ State aids (notified to the EC)
- ✓ Block exemptions
- ✓ “De minimis” aids

Basic data on valid state aids have been:

no. of notification (national and of the EC), aid grantor, aid category, instrument, planned amounts by years, duration of aid, legal basis, eligible costs.

Aid grantors are obliged to fill in the forms for notification of all types of state aids. Forms can be found at our web site.

For block exemptions and “de minimis” aids binding opinions shall be issued before granting the aid.

List of all valid state aids is published at the web site.

REPORTED DATA

We have reported data relate by the individual recipient for all existing schemes (SA, BA, DM).

Reporting data have been collected via previously prepared forms published on the Internet (Excel) or directly inserted into the database.

Data on state aids have been collected in accordance with the provisions of Decree on the communication of data and reporting on awarded state aids and aids according to the "de minimis" principle (Official Gazette of the Republic of Slovenia, no. 61/04)

RELATIONSHIP OF DATABASES

Given that data are collected very detailed and are related to various state registers (business register of companies, agricultural holdings -farms, government institutions, etc.) we offer global quality data of state aid for various analyzes at the national, regional or local level.

For a wider analysis - in the macroeconomic area, the interested public is able to obtain data on granted state aid in different ways.

With other state institutions they can prepare detailed macroeconomic analysis.

