

INTEGRITY PACTS EU'S IMPACT CASE 07

SLOVENIA – ENERGY RENOVATION OF HOSPITALS

PAYMENTS & CONTRACT ENFORCEMENT

CONTRACTING PROJECT INFORMATION

Country	Slovenia
Project	Energy renovation of hospitals (SI)
Project description	Renovation of the energy systems of the Trbovlje and Novo Mesto General Hospitals to reduce energy consumption and improve energy efficiency.
IP signature date	24/11/2016
Contracting authority	Ministrstvo za zdravje (Ministry of Health)
Managing authority	Služba Vlade RS za razvoj in evropsko kohezijsko politiko (Office for Development and European Cohesion Policy)
Monitoring organisation	Društvo Integriteta (Transparency International Slovenia)
Procedures monitored	2
Contracts awarded	2
Current stage	Completed
Impact categories	<ul style="list-style-type: none"> (1) Promote better value for money (2) Enhance transparency and accountability (3) Foster project timeliness (4) Increase access and participation of citizens (5) Encourage competition and fairness (6) Support institutional changes

IMPACT CASE

Slovenia's Ministry of Health has set in motion a project to renovate the energy systems of the hospitals it manages across the country. The renovations are part of the green transition and aim to reduce energy consumption, costs, and CO2 emissions. Such measures are an integral part of the EU's plans to lower energy consumption and are on the rise in renovations of government-managed facilities – such as schools and hospitals.

In the past years, some of these projects have been financed with EU funds, as is the case for the renovation of two general hospitals in Slovenia, Trbovlje and Novo Mesto. With the European Commission further supporting a [renovation wave with the recovery funds and through the European Green Deal](#), examples of civic monitoring in this field are essential to protecting these funds from mismanagement, fraud, and corruption.

In Slovenia, Transparency International Slovenia signed an Integrity Pact with the Ministry of Health. Acting as an independent monitor, it provided recommendations and support throughout the process to award and implement the contracts to renovate the two hospitals, starting with a review of tender plans. The independent monitor of an Integrity Pact normally reviews the tender documentation and suggests adjustments to improve its quality and grant transparency in the process.

In some cases, however, issues with the contract only emerge once the implementation starts. This was the case of the Trbovlje hospital renovation. The contract had specific conditions to disburse payments progressively, as the works were being carried out. These had been reviewed by the monitor, who found them to be in line with the established regulation and the nature of the project.

However, during the implementation, some doubts emerged.

The contractor calculated and requested a payment for materials and equipment already acquired for the renovation but not yet installed. According to the contract, the calculation could not cover those costs yet.

The Ministry of Health spotted the mistake and, aiming to prevent any escalation of the issue with the company providing the service, requested an opinion of TI Slovenia to confirm an adequate interpretation of the payment rules.

The monitor revised the case, and after considering the provisions in the contract and the conditions established for the payments, it agreed with the Ministry of Health's position and shared its opinion. The **payment was then officially postponed until the materials and equipment were installed**, and the contractor did not challenge the decision. Payment followed once the materials were used in the renovation works and the equipment installed according to the project plans.

To prevent any similar situation in the future, the Ministry of Health continued to pay attention to this matter and put a system in place in which the oversight engineer confirmed the materials were in line with the contract specifications and adequately installed before any payment.

Thanks to the Integrity Pact implemented on the energy renovation project in Slovenia, the contracting authority was able to receive second opinion on their interpretation of the law and strengthen its position in relation to the contractor. This in turn **enhanced transparency and accountability** and **fostered project timeliness**.

This impact case was developed in the framework of the project [Integrity Pacts – Civil Control Mechanism for Safeguarding EU Funds](#), Phase 2 funded by the European Commission. It brought together government agencies, civil society and the private sector in 11 EU countries, to ensure that 18 public contracts were designed, awarded and implemented to the highest possible standards of transparency and accountability. **Last case update:** 9 July 2021.