

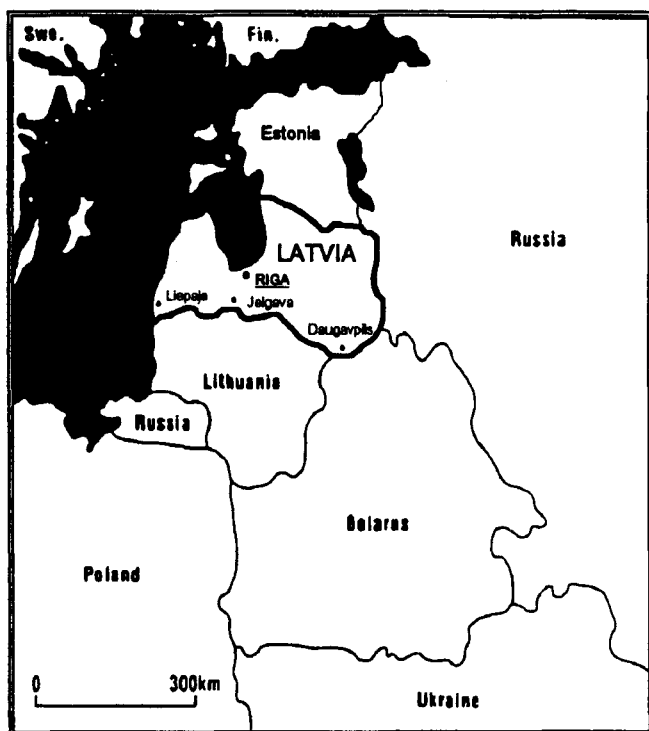


PHARE *Latvia*

1993 INDICATIVE PROGRAMME SUMMARY

Past EC Assistance

Following the recognition of the Baltic Republics' independence by the EC on 27 August 1991, a first interim programme of technical assistance for Latvia of 5 million ECU was provided under the then TAUSSR programme (now TACIS). In addition, 0.6 million ECU were provided from multidisciplinary funds. The PHARE regulation was subsequently extended to the Baltic Republics in time for their inclusion in the 1992 programming round, under which Latvia was granted an amount of 15 million ECU. Since November 1991, a total of 20.6 million ECU has thus been committed to national programmes for Latvia.



The 1991 Programme concentrated on core infrastructure in *transport* (2 million ECU), *energy* (1.25 million ECU) and *agriculture* (1.25 million ECU). Long-term technical assistance has been provided to each of the relevant Ministries to assist them in efficiently mobilising EC and other foreign assistance. Technical assistance worth 0.5 million ECU has also been provided to the division in charge of aid coordination within the Latvian Government.

The 1992 Programme, provided through a multi-sectoral General Technical Assistance Facility, was designed to build on the earlier assistance for infrastructure development and to support core economic reforms, notably in the fields of *privatisation* and *SME development* (4.5 million ECU) and *banking and financial sector reforms* (3 million ECU). *Telecommunications*, through support for the preparation of a partial privatisation of the state company, and *environment* were other sectors included in the programme. Significant assistance was also provided for a *social safety net* (1.3 million ECU) while the Latvian TEMPUS Programme was allocated an amount of 1.5 million ECU.

As of January 1993, 70% of commitments under the 1991 programme had been contracted. The corresponding ratio for the 1992 programme, which was signed in October 1992, is 26%.

Priorities Selected

For 1993-1994 the general objectives for PHARE assistance will be to:

- help the government to stabilise the economy;
- support policy definition and implementation of sustainable reform strategies in key sectors; and
- develop and strengthen the institutional and human resources needed to carry forward the reforms.

The criteria guiding the selection of activities in 1993-1994 are as follows:

- high priority in the Government's reform programme;
- the effectiveness of previous PHARE assistance in relevant sectors, including performance on programme implementation, and building on past efforts where justified by satisfactory progress in meeting programme objectives;
- maintaining a balance between economic and social priorities; and
- insuring complementarity with PHARE regional assistance programmes and with flows of assistance from other donors.

Planned Activities: 1993 to 1994

Bearing in mind the objectives agreed, the following priority areas for PHARE assistance during 1993-1994 have been set by the Governments and the Commission:

- *enterprise and banking reform*: privatisation and enterprise restructuring; private sector and SME development; banking sector development;
- *social policy*: labour market development; health and social security systems; higher education reform (including TEMPUS);
- *economic restructuring* in the areas of agriculture; energy; transport and telecommunications; environmental protection;
- *public administration*: civil service reform; equipment supply for Government departments and agencies as appropriate.

1993 Funding

To support the priorities defined, the Community will make available 18 million ECU for commitment to Latvian programmes in 1993.

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 Dial: 32 (2) 299.13.56, 299.14.00, 299.14.44, 299.16.00
 or fax us on: 32 (2) 299.17.77
 or write to: PHARE information Office, AN 88 1/26,
 Commission of the European Communities, 200 rue de la Loi,
 B - 1049 Brussels

