



# PHARE *Slovenia*

## 1993 INDICATIVE PROGRAMME SUMMARY

### The Beginning

Slovenia has been a beneficiary of the PHARE programme since September 1992, and as such, has already received technical assistance in a number of projects identified as priorities for the transition to a market economy and for helping the Slovenian economy to surmount the severe effects of the disintegration of the former Yugoslavia.



A Cooperation Agreement was signed on the 5th April 1993. The present Indicative Programme takes into account that areas of assistance may be covered by the specific bilateral cooperation programme being defined by the Slovenian authorities and the Commission in the framework of this Agreement.

### PHARE so Far

A total amount of 9 million ECU has been allocated to Slovenia since 1992 to support the reform process in the fields of enterprise and bank restructuring, privatisation of enterprises, the

restructuring of Science and Technology institutes and the development of telecommunications. At the end of April 1993, seven months after the signature of the Financing Memorandum, 3 m ECU had been contracted out of the total budget of 6.7 m ECU (excluding Tempus), representing 45% of the total 1992 budget for technical assistance.

It is still too early to assess the programme's impact, as it only started some months ago. Nevertheless, in some areas projects are sufficiently advanced to assess result. Consultants are already working with the Agency for Privatisation and are helping both to define privatisation techniques and to manage some enterprises being restructured before privatisation. The SME project has already identified most needs of the SME sector and advisory units are being set up. The Ministry of Finance is supported by PHARE in its reorganisation process and in the establishment of a treasury department. In other areas, work is progressing well and positive results should appear when the projects are more advanced.

### Medium-Term Priorities

The Government has defined five broad areas of priority for technical assistance, in the framework of the reform programme of the Government.

The following table indicates the priority areas for the PHARE programme in 1993:

CORE AREAS	priorities 1993-1994
• Restructuring and privatisation	• Enterprise restructuring • Human resources development
• Private sector development	• Privatisation
• Financial sector	• Bank restructuring • Payment system • Institution building
• Assistance to the public sector	• Feasibility studies prior to public investments • Human resources development • Information Technology development
• Reserve/Miscellaneous	• Reserve

## Planned Activities

### I Restructuring and privatisation

- *Private sector development*

PHARE will continue to provide specific assistance to the institutions in charge of the privatisation process in 1993. Several industrial sectors have been tentatively identified by the government as priorities for restructuring and 3000 enterprises can expect to be privatised.

An important new component is designed to improve the capability of Slovene management consultants, as this new activity is particularly suited to the Slovene economy and has been given a high priority by the government. This will be achieved through a variety of training packages, both formal and practical. This approach will include on-the-job training under the guidance of foreign consultants. The Slovene Management Consultant Association's institutional development will be supported.

- *Financial sector*

The development of the financial sector will be supported by developing the payments system, by offering direct support to banks and by providing assistance in strengthening the institutions, notably on the organisational aspects. Assistance to the fiscal reform process (including training) is also foreseen.

### II Assistance to the Public Sector

PHARE plans to provide a variety of assistance in cooperation with the EBRD and EIB. This will be complementary to their investment in the transport and energy sectors. This is expected to include the preparation of restructuring plans for the railways and energy sectors, as well as further assistance in restructuring the science and technology system. The government's top priorities include the East-West High Speed railway and the Ljubljana junction as well as the restructuring of coal mining in the Zasavje region.

### III Reserve for miscellaneous

A reserve to finance preparatory studies and the general coordination of the above projects is foreseen.

The assistance will be provided in the form of a General Technical Assistance Facility and the level of commitment for each area can already be broadly defined in the following table:

Core Area	Indicative Commitment
restructuring and privatisation	26-30%
financial sector	12-14%
public investment support	24-28%
Tempus	25%
other	5%

However, within each proposed area of activity, the appropriate level of financial commitment for identified projects will be determined by a joint Commission-Slovenian Government assessment.

## 1993 Funding

To support the priorities identified above, the Commission has allocated 10 million ECU to Slovenia under the 1993 PHARE programme.

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