1. At the outset, it seems somehow odd that a country with an annual net per capita income above US$9,000 year, and well integrated into western financial markets is eligible for IBRD assistance. Under these circumstances, the World Bank aid must be very selective and must focus on those areas in which the Bank Group has a comparative advantage.

2. Due to the large number of bilateral donors involved in this country and the extensive action of EBRD, identifying areas of interest for the Bank could be a pretty difficult task. For this reason, in our opinion the Bank actions must be temporary and only until the country's graduation, which will hopefully take place towards the end of the century.

3. Bank lending in Slovenia must be very restrictive and as stated in the document, mainly for the enviromental and financial sectors and in other areas that could crowd the private sector. The Bank's primary assistance must be through non-lending services in those areas agreed to with the Government and in coordination with other donors like the EU phare program. We think that the sectors identified by the government to obtain the World Bank funding are very adequate due to the Banks international experience. .... Special emphasis must be given to EDI's assistance. As it is mentioned in the CAS, one of the greater problems faced by the country in implementing the reforms to accession in the EU is the perception of some groups concerning the cost of these reforms in areas of special sensitivity like the agricultural sector or those living on a pension. EDI's experience in disseminating the benefit of reforms in the long run would be of the
utmost importance. We also appreciate the Government's involvement in partially financing the cost of non-lending services.

4. Together with non-lending services, the bulk of the Bank's assistance must be through IFC; namely, attracting capital and providing technical assistance to reform the capital market, the financial sectors and to encourage privatization. IFC's and MIGA's involvement in encouraging the participation of the private sector in infrastructure is also vital. Finally, FIAS' active participation in assisting Slovenia is greatly needed, not only to create a framework for foreign investment, but in disseminating, in conjunction with EDI, the role of this investment.