


Procedure file

Basic information		
CNS - Consultation procedure Decision	1997/0312(CNS)	Procedure completed
Ukraine: further Community macro-financial assistance		
Subject 6.20.07 Macro-financial assistance to third countries		
Geographical area Ukraine		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	RELA External Economic Relations		02/12/1997
		PSE MANN Erika	
Council of the European Union	Committee for opinion	Rapporteur for opinion	Appointed
	AFET Foreign Affairs, Security and Defense Policy	The committee decided not to give an opinion.	
	BUDG Budgets		
	Council configuration	Meeting	Date
	Agriculture and Fisheries	2124	15/10/1998

Key events			
12/11/1997	Legislative proposal published	COM(1997)0588	Summary
21/11/1997	Committee referral announced in Parliament		
22/01/1998	Vote in committee		Summary
22/01/1998	Committee report tabled for plenary, 1st reading/single reading	A4-0025/1998	
16/02/1998	Debate in Parliament		
17/02/1998	Decision by Parliament	T4-0062/1998	Summary
15/10/1998	Act adopted by Council after consultation of Parliament		
15/10/1998	End of procedure in Parliament		
22/10/1998	Final act published in Official Journal		

Technical information	
Procedure reference	1997/0312(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	International agreement
Legislative instrument	Decision
Legal basis	EC before Amsterdam E 235; Rules of Procedure EP 163
Stage reached in procedure	Procedure completed
Committee dossier	RELA/4/09531

Documentation gateway					
Legislative proposal		COM(1997)0588 OJ C 386 20.12.1997, p. 0010	12/11/1997	EC	Summary
Committee report tabled for plenary, 1st reading/single reading		A4-0025/1998 OJ C 056 23.02.1998, p. 0004	22/01/1998	EP	
Text adopted by Parliament, 1st reading/single reading		T4-0062/1998 OJ C 080 16.03.1998, p. 0016-0029	17/02/1998	EP	Summary

Additional information	
European Commission	EUR-Lex

Final act
Decision 1998/592 OJ L 284 22.10.1998, p. 0045 Summary

Ukraine: further Community macro-financial assistance

OBJECTIVE: to provide macro-financial assistance amounting to ECU 150 million for Ukraine, in the form of a long-term loan. SUBSTANCE: the Community is granting macro-financial assistance to Ukraine amounting to a maximum of ECU 150 million, in the form of a long-term loan with a maximum duration of 10 years. The loan will help ensure a sustainable balance of payments, strengthen the country's reserve position and facilitate the implementation of structural reforms. The Commission will be authorized to find the necessary resources on the financial markets and to manage the loan in consultation with the Monetary Committee, in a manner consistent with any agreement reached between the International Monetary Fund (IMF) and Ukraine. Having consulted the Monetary Committee, it is negotiating with the Ukrainian authorities concerning the economic policy conditions attached to the loan and will verify at regular intervals that this policy is in accordance with the objectives and conditions of the loan. The loan will be made available to Ukraine in at least two instalments: - the first instalment will be subject to satisfactory progress in implementing the macroeconomic programme agreed between the IMF and Ukraine, - the second (and any subsequent) instalments will be released no earlier than three months after the release of the previous instalment, subject to continuing satisfactory progress in the implementation of the IMF-Ukraine agreements. One a year, the Commission will provide the European Parliament and Council with a report including an evaluation of implementation of the proposal. ?

Ukraine: further Community macro-financial assistance

The Committee will be recommending to the plenary in February the approval of the Commission's proposal for a Council Decision providing supplementary macrofinancial assistance to the Ukraine, with the purpose of redressing its balance-of-payments (consultation procedure). The committee adopted unanimously the report by Ms MANN (PSE,D), who believes that the Commission's proposal should be supported despite all the misgivings concerning the current economic situation. "Over and above purely economic considerations, the preservation of political and economic stability in the Ukraine is of paramount concern to the EU", emphasizes Ms MANN in her explanatory statement. According to the proposed decision, the EU will provide the Ukraine with a third balance-of-payments loan of up to ECU 150 million, intended to supplement the first two medium-term loans of ECU 85 million and ECU 200 million made available to the Ukraine in 1995 and 1996 respectively. The loan, which will run for up to 10 years, is to be disbursed in at least two instalments and its repayment will be secured by a guarantee from the EU budget. The usual criteria of macroeconomic stabilisation and continued structural adjustment attached to loans granted by the international financial institutions will apply. The Committee endorsed unanimously an amendment tabled by the Committee on Budgets, emphasizing the commitments entered by the Ukrainian authorities, the Group of Seven (G7) and the EU under the Memorandum of Understanding signed on 21 December 1995 concerning the closure of the Chernobyl nuclear power plant by the year 2000. At the same time

the committee rejected the linkage, proposed in a further amendment by the Committee on Budgets, between disbursement of each instalment of the loan and the progress made in implementing the programme for closure of Chernobyl.?

Ukraine: further Community macro-financial assistance

Adopting the report by Mrs Erika Mann (PSE, D), Parliament approved the Commission proposal to grant additional macro-financial assistance to Ukraine. It pointed out, however, that the Ukrainian authorities, the Group of Seven and the EU were committed to the closure of Chernobyl by 2000. Parliament did not insist on linking the granting of European aid to progress in implementing the closure of the nuclear power plant. ?

Ukraine: further Community macro-financial assistance

PURPOSE: to provide the Ukraine with macro-financial aid in the form of a ECU 150 million long-term loan. COMMUNITY MEASURE: Council Decision 98/592/EC providing supplementary macro-financial assistance for Ukraine. CONTENT: The Community grants the Ukraine a long-term loan facility of a maximum amount of ECU 150 million and a maximum maturity of 10 years with a view to ensuring a sustainable balance-of-payments situation, strengthening the country's reserve position and helping the implementation of structural reforms. Recalling that the aim of this loan is to help ease the Ukraine's external financial constraints, the decision insists that the Ukraine, the Group of Seven and the European Union honour their commitments to achieve the closure of the Chernobyl nuclear power plant by the year 2000. The decision empowers the Commission to borrow the necessary resources for the loan and, in collaboration with the Monetary Committee, manage it in a manner consistent with any agreement reached between the IMF and Ukraine, agree with the Ukrainian authorities the economic policy conditions attached to it and periodically assess whether these conditions are being fulfilled. The loan is to be made available to the Ukraine in at least two instalments: - the first will be released on the basis of a satisfactory track record of Ukraine's macro-economic programme agreed with the IMF. - the later instalment(s) will be released no less than 3 months after the first and on the basis of a satisfactory continuation of the IMF-Ukraine agreement mentioned above. The Commission is required to provide the European Parliament and the Council with a report at least once a year including an evaluation of the implementation of the Decision. ENTRY INTO FORCE: 15/10/1998?