


Procedure file

Basic information		
CNS - Consultation procedure Decision	1998/0311(CNS)	Procedure completed
Bosnia and Herzegovina: Community macro-financial assistance		
Amended by 2001/0250(CNS)		
Subject 6.20.07 Macro-financial assistance to third countries		
Geographical area Bosnia and Herzegovina		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	AFET Foreign Affairs, Security and Defense Policy		05/01/1999
		PPE SCHWAIGER Konrad K.	
	Committee for opinion	Rapporteur for opinion	Appointed
	BUDG Budgets		08/12/1998
		V MÜLLER Edith	
Council of the European Union	RELA External Economic Relations		26/01/1999
		PSE MIRANDA DE LAGE Ana	
	Council configuration Economic and Financial Affairs ECOFIN	Meeting 2175	Date 10/05/1999

Key events			
13/11/1998	Legislative proposal published	COM(1998)0652	Summary
11/01/1999	Committee referral announced in Parliament		
23/02/1999	Vote in committee		Summary
23/02/1999	Committee report tabled for plenary, 1st reading/single reading	A4-0097/1999	
12/03/1999	Debate in Parliament		
12/03/1999	Decision by Parliament	T4-0205/1999	Summary
10/05/1999	Act adopted by Council after consultation of Parliament		
10/05/1999	End of procedure in Parliament		

Technical information	
Procedure reference	1998/0311(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Decision
	Amended by 2001/0250(CNS)
Legal basis	EC Treaty (after Amsterdam) EC 308
Stage reached in procedure	Procedure completed
Committee dossier	AFET/4/10683

Documentation gateway					
Legislative proposal		COM(1998)0652 OJ C 396 19.12.1998, p. 0016	13/11/1998	EC	Summary
Committee report tabled for plenary, 1st reading/single reading		A4-0097/1999 OJ C 175 21.06.1999, p. 0005	23/02/1999	EP	
Text adopted by Parliament, 1st reading/single reading		T4-0205/1999 OJ C 175 21.06.1999, p. 0418-0451	12/03/1999	EP	Summary

Additional information	
European Commission	EUR-Lex

Final act
Decision 1999/325 OJ L 123 13.05.1999, p. 0057 Summary

Bosnia and Herzegovina: Community macro-financial assistance

OBJECTIVE: to provide ECU 60 m in macro-financial assistance to Bosnia and Herzegovina in the form of a long-term loan and a grant.

SUBSTANCE: the proposal concerns the provision of macro-financial assistance to Bosnia in the form of a long-term loan and a grant. The amount of the loan is ECU 30 m, with a maximum maturity of 15 years, and is intended to help ensure the viability of the country's balance of payments and to add to its reserves. The grant, likewise of ECU 30 m, covers the period 1998- 1999. The Commission will be responsible for finding the necessary resources on the financial markets and managing the loan in collaboration with the Monetary Committee and in a manner compatible with any agreement concluded between the International Monetary Fund (IMF) and Bosnia. The implementation of the assistance is conditional on Bosnia's discharging its financial obligations to the Community. The Commission will negotiate with the Bosnian authorities, after consultation with the Monetary Committee, concerning the economic policy conditions to be attached to the Community assistance, and will periodically check, together with the Monetary Committee and the IMF, whether Bosnia's economic policy complies with the objectives set when granting the assistance. The 'loan' and 'grant' components of the assistance will be made available to Bosnia in at least two instalments. The Commission will report to the European Parliament and the Council at least once per annum, assessing the implementation of the proposal.?

Bosnia and Herzegovina: Community macro-financial assistance

The Committee endorsed the Commission proposal to provide Bosnia and Herzegovina with financial support of up to 60m which will cover approximately 50% of the funding gap estimated for 1998. The financial assistance is made up of a loan of up to 30m with a term of 15 years and an additional grant of 30m. Both components are to be made available in two tranches, subject to satisfactory progress in the macro-economic programme agreed with the International Monetary Fund. Rapporteur Konrad Schwaiger (EPP, D) wants this aid to underpin

Bosnia's economic reform programme. The Committee accepted his amendments, a number of which sought to ensure that there were strict budgetary controls over the assistance and requiring regular checks that the Bosnian government and administration are functioning regularly. A further amendment calls on the Commission to report to Parliament before the release of the second tranche of financial assistance.

Bosnia and Herzegovina: Community macro-financial assistance

The Parliament approved the Commission's proposal subject to a number of amendments. Parliament's rapporteur was Mr. Konrad SCHWAIGER (EPP, Germany). One of the amendments dealt with the allocation of the grant component of this assistance which will be allocated by the budgetary authority as a complement to the loan, within the limits of the current financial perspective. Another amendment makes reference to the management by the Commission of the Community financial assistance in accordance with the principles of sound and efficient management and the rules of strict budgetary control. A further amendment requires the Commission to inform the Parliament before releasing the second tranche of the financial assistance.?

Bosnia and Herzegovina: Community macro-financial assistance

PURPOSE: the provision of macro-financial assistance to Bosnia-Herzegovina in the form of a long-term loan and a straight grant.

COMMUNITY MEASURE: Council Decision 1999/325/EC providing macro-financial assistance to Bosnia and Herzegovina. **CONTENT:** The Community shall make available to Bosnia and Herzegovina an exceptional macro-financial assistance in the form of a long-term loan and a straight grant with a view to ensuring a sustainable balance of payments situation and strengthening the country's reserve position. The loan component of this assistance shall amount to a maximum principal of EUR 20 million with a grace period of 10 years and a maximum maturity of 15 years. To this end, the Commission is empowered to borrow, on behalf of the Community, the necessary resources that will be placed at the disposal of Bosnia and Herzegovina in the form of a loan. The grant component of this assistance shall amount to a maximum of EUR 40 million over the 1999 to 2000 period. The Community financial assistance shall be managed by the Commission in close consultation with the Economic and Financial Committee and in a manner consistent with any agreement reached between the IMF and Bosnia and Herzegovina. The implementation of this assistance is conditional upon clearance in full by Bosnia and Herzegovina of outstanding due financial obligations of all public entities towards the Community and the EIB, and upon the acceptance by Bosnia and Herzegovina of responsibility by way of guarantee of those obligations that are not yet due. The loan and grant components of this assistance shall be made available to Bosnia and Herzegovina in at least two successive tranches. At least once a year, the Commission will address to the European Parliament and the Council a report which will include an evaluation of the implementation of this Decision. **ENTRY INTO FORCE:** 10.05.1999.?