


# Procedure file

Basic information		
CNS - Consultation procedure Decision	<a href="#">1999/0166(CNS)</a>	Procedure completed
Former Yugoslav Republic of Macedonia FYROM: Community supplementary macro-financial assistance		
Amended by <a href="#">2001/0213(CNS)</a>		
Subject 6.20.07 Macro-financial assistance to third countries		
Geographical area Former Yugoslav Republic of Macedonia		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>ITRE</b> Industry, External Trade, Research, Energy		21/09/1999
		PSE <a href="#">MARTIN Hans-Peter</a>	
Council of the European Union	Committee for opinion	Rapporteur for opinion	Appointed
	<b>AFET</b> Foreign Affairs, Human Rights, Common Security, Defense	The committee decided not to give an opinion.	
	<b>BUDG</b> Budgets		
	Council configuration	Meeting	Date
	<a href="#">Economic and Financial Affairs ECOFIN</a>	<a href="#">2212</a>	08/11/1999

Key events			
28/07/1999	Legislative proposal published	<a href="#">COM(1999)0404</a>	Summary
13/09/1999	Committee referral announced in Parliament		
28/09/1999	Vote in committee		Summary
28/09/1999	Committee report tabled for plenary, 1st reading/single reading	<a href="#">A5-0018/1999</a>	
05/10/1999	Debate in Parliament		
06/10/1999	Decision by Parliament	<a href="#">T5-0046/1999</a>	Summary
08/11/1999	Act adopted by Council after consultation of Parliament		
08/11/1999	End of procedure in Parliament		
16/11/1999	Final act published in Official Journal		

Technical information	
Procedure reference	1999/0166(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Decision
	Amended by <a href="#">2001/0213(CNS)</a>
Legal basis	EC Treaty (after Amsterdam) EC 308
Stage reached in procedure	Procedure completed
Committee dossier	ITRE/5/12049

Documentation gateway					
Legislative proposal		<a href="#">COM(1999)0404</a> <a href="#">OJ C 307 26.10.1999, p. 0043 E</a>	28/07/1999	EC	Summary
Committee report tabled for plenary, 1st reading/single reading		<a href="#">A5-0018/1999</a> <a href="#">OJ C 107 13.04.2000, p. 0005</a>	28/09/1999	EP	
Text adopted by Parliament, 1st reading/single reading		<a href="#">T5-0046/1999</a> <a href="#">OJ C 107 13.04.2000, p. 0030-0072</a>	06/10/1999	EP	Summary

Additional information	
European Commission	<a href="#">EUR-Lex</a>

Final act
<a href="#">Decision 1999/733</a> <a href="#">OJ L 294 16.11.1999, p. 0031</a> Summary

## Former Yugoslav Republic of Macedonia FYROM: Community supplementary macro-financial assistance

**PURPOSE:** to provide supplementary macro-financial assistance to the former Yugoslav Republic of Macedonia. **CONTENT:** The authorities of the former Yugoslav Republic of Macedonia (FYROM) wrote to the Commission on 1 May 1999 to request new complementary macro-financial assistance from the European Community. On 5 May 1999, on the occasion of the emergency joint G-24/Consultative Group meeting on the FYROM, the Community pledged 25 million euros of exceptional budgetary support to help the country to cope with the costs related to the inflow of refugees from Kosovo and indicated its willingness to also consider further macro-financial assistance. In this proposal, Commission is proposing that the Community would make available to Macedonia a new EC macro-financial assistance of up to 80 million euros in support of the stand-by programme. This would come in addition to the 25 million euros of EC budgetary assistance, which despite its allocated character eases balance of payments needs. The disbursement of the assistance would be implemented in two tranches and would, as usual, be subject to the appropriate macroeconomic and structural adjustment conditionality, including, in this case, an appropriate phasing out of the most distortionary measures introduced recently in the area of external trade and payments. In the light of the specific nature of the current circumstances being faced by the FYROM's fiscal and balance of payments situation, and taking into account the country's development and debt levels, the proposed Community macro-financial support foresees a grant element of up to 30 million euros. However, given the existing budgetary constraints, this could only be envisaged in the context of an appropriate adjustment of the financial means available under Category 4 of the Financial Perspective, which would be necessary to cope with the present situation in the Balkans. The loan element of this financial support would be modelled on the standard forms and conditions normally applying to macro-financial lending to third countries. The Community would provide the funds through market borrowing with a guarantee by the general budget. The FYROM would subsequently borrow from the Community. The borrowing and lending operations would be perfectly matched and without any commercial risk for the Community. In accordance with the Guarantee Fund mechanism, the budgetary implications of a decision to make available a loan of up to 50 million euros to the FYROM would imply a 7 million euro provisioning of the Fund. At least once a year, the Commission will provide a report to the European Parliament and the Council which will include an evaluation of the implementation of this Decision.?

## Former Yugoslav Republic of Macedonia FYROM: Community supplementary macro-financial assistance

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The committee recommended, in line with the rapporteur Mr Hans-Peter MARTIN (PES,A), the approval of a Commission proposal for a Council Decision providing supplementary macro-financial assistance to the former Yugoslav Republic of Macedonia (FYROM), with the purpose of redressing its balance-of-payments. The committee approved at the same time a series of amendments submitted mostly by the rapporteur and designed to: 1) underline the social aspects (job creation, improving living conditions) of the reform process which the financial assistance is supposed to support, 2) include striving for the proper functioning of the administration and the economy and meeting the basic social needs of the population among the aims of the balance-of-payments assistance, 3) ensure that the Commission will inform the European Parliament before the second instalment of the assistance is released, 4) ensure that the Commission's annual evaluation of the implementation of the present Decision will be submitted no later than 15 September, so that Parliament is able to draw the necessary conclusions at the first reading of the EU budget. According to the proposed Decision, the EU will provide FYROM with financial assistance in the form of a long-term loan and straight grants. The loan component of this assistance will amount to a maximum of 50 million euros, with a grace period of 10 years and a maximum maturity of 15 years. The grant component will amount to a maximum of 30 million euros for the 1999-2000 period. Both components will be made available to the country in at least two instalments. Concerning the grant component of the assistance, the committee wants to ensure that it will be made available in addition to the appropriations provided for in Category 4 of the financial perspective (external actions), in order to prevent an adverse effect on other budget lines.

## Former Yugoslav Republic of Macedonia FYROM: Community supplementary macro-financial assistance

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The European Parliament approved the Commission's proposal subject to some amendments. These were designed to ensure that there is proper monitoring and that the funds are spent in accordance with the principle of sound and efficient management, proper reporting for Parliament, and that the FYROM uses the funding to improve social and economic conditions for the people. Parliament's Rapporteur was Mr. Hans-Peter Martin (A, PES).?

## Former Yugoslav Republic of Macedonia FYROM: Community supplementary macro-financial assistance

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**PURPOSE** : to make available to the former Yugoslav Republic of Macedonia (FYROM) a long-term loan facility of a maximum principal amount of EUR 50 million and a grant of EUR 30 million. **COMMUNITY MEASURE** : Council Decision 1999/733/EC concerning macro-financial assistance to the former Yugoslav Republic of Macedonia. **CONTENT** : the decision aims to provide supplementary assistance to the former Yugoslav Republic of Macedonia under the form of: 1) a long-term loan of the amount of EUR 50 million; 2) a grant amounting to EUR 30 million; with a view to ensuring a sustainable balance of payments situation and to help ease the country's external financial constraints caused by the conflict in Kosovo. The loan is awarded for a maximum duration of 15 years with a delay of grace of 10 years and will be agreed in the current enlarged framework concluded with the IMF by complementing the resources placed at the disposition of the country by the international financial institutions and bilateral donors. The grant component of this assistance will be drawn from the Community budget and will cover the period 1999-2000. The inclusion of a grant component in this assistance is without prejudice to the powers of the budgetary authority. This assistance (loan and the grant) will be placed at the disposal of this country in two installments, on the condition of a satisfactory application of the economic programme agreed with the IMF and the accomplishment of progress in the field of structural reforms. The Economic and Financial Committee will be consulted before each payment. As regards the loan, the Commission will procure the funds by borrowing from the international capital markets with the guarantee of the general budget. It will then retrocede the amounts to the FYROM. The lending and borrowing operations will be perfectly synchronised and will not pose any commercial risk for the Community. At least once a year (in principle before 15 September), the Commission shall forward to the European Parliament and the Council a report, which will include an evaluation of the implementation of this Decision. **ENTRY INTO FORCE** : 08.11.1999.?