


Procedure file

Basic information		
CNS - Consultation procedure Decision	1999/0165(CNS)	Procedure completed
Bulgaria: Community supplementary macrofinancial assistance		
Subject 6.20.07 Macro-financial assistance to third countries		
Geographical area Bulgaria		

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

Key events			
28/07/1999	Legislative proposal published	COM(1999)0403	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	A5-0017/1999	
05/10/1999	Debate in Parliament		
06/10/1999	Decision by Parliament	T5-0045/1999	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	1999/0165(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Decision
Legal basis	EC Treaty (after Amsterdam) EC 308
Stage reached in procedure	Procedure completed
Committee dossier	ITRE/5/12053

Documentation gateway					
Legislative proposal		COM(1999)0403 OJ C 307 26.10.1999, p. 0046 E	28/07/1999	EC	Summary
Committee report tabled for plenary, 1st reading/single reading		A5-0017/1999 OJ C 107 13.04.2000, p. 0005	28/09/1999	EP	
Text adopted by Parliament, 1st reading/single reading		T5-0045/1999 OJ C 107 13.04.2000, p. 0030-0070	06/10/1999	EP	Summary

Additional information	
European Commission	EUR-Lex

Final act
Decision 1999/731 OJ L 294 16.11.1999, p. 0027 Summary

Bulgaria: Community supplementary macrofinancial assistance

PURPOSE: to provide further macro-financial assistance to Bulgaria. **CONTENT:** The Commission is proposing that the Community would make available to Bulgaria a balance of payments loan of up to 100 million euros with a maximum duration of 10 years. The proposed duration of the loan is identical to that of the previous loan to Bulgaria and consistent with the medium and long-term balance of payments outlook for the country, which is expected to face substantial financing needs for the years to come. The assistance would be granted in the context of the present extended arrangement and would complement resources made available by the International Financial Institutions and bilateral donors. The assistance would be released in two tranches subject to a satisfactory track record of the country's economic programme agreed with the IMF and progress with respect to structural reforms (including observance of a number of performance criteria). The Economic and Financial Committee would be consulted prior to each disbursement. As in the case of similar operations in favour of other partner countries, the Community would provide the funds through market borrowing with a guarantee by the general budget. Bulgaria 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 assistance of up to 100 million euros to Bulgaria would imply a 14 million euros provisioning of the Fund. At least once a year, the Commission shall address to the European parliament and to the Council a report which will include an evaluation of the implementation of this Decision.?

Bulgaria: Community supplementary macrofinancial assistance

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 Bulgaria, 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. The Commission is proposing that the Community make available to Bulgaria balance-of-payments loans of up to 100 million euros, with a

maximum duration of 10 years. The assistance would complement resources made available by the international financial institutions and bilateral donors. The assistance would be released in two instalments subject to satisfactory progress with respect to structural reforms and the country's economic programmes, that have been agreed with the IMF.

Bulgaria: Community supplementary macrofinancial assistance

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

Bulgaria: Community supplementary macrofinancial assistance

PURPOSE : to make available to Bulgaria a long-term loan facility of a maximum principal amount of EUR 100 million. COMMUNITY MEASURE : Council Decision 1999/731/EC concerning macro-financial assistance to Bulgaria. CONTENT : the decision aims to provide supplementary assistance to Bulgaria in the form of a long-term loan of EUR 100 million with a maximum maturity of 10 years, with a view to ensuring a sustainable balance of payments situation, to reinforce the reserve position of this country and to implement structural reforms in Bulgaria. The loan is granted in the framework of the agreement concluded with the IMF and supplements the resources made available to the country by the international financial institutions and the bilateral donors. This loan will be placed at the disposal of Bulgaria in two installments, on condition of a satisfactory application of the economic programme agreed by the IMF and sufficient progress in the field of structural reforms. The Economic and Financial Committee will be consulted before each payment. The Commission will procure the funds by borrowing on the international capital markets with the guarantee of the general budget. It will then retrocede the amounts to Bulgaria. The lending and borrowing operations will be perfectly synchronised and will not pose any commercial risk to 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.?