

# Procedure file

Basic information		
CNS - Consultation procedure Decision	<a href="#">2001/0213(CNS)</a>	Procedure completed
Supplementary macro-financial assistance to the former Yugoslav Republic of Macedonia		
Amending Decision 1999/733/EC <a href="#">1999/0166(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>BUDG</b> Budgets	PSE <a href="#">FÄRM Göran</a>	01/10/2001
	Former committee responsible		
	<b>BUDG</b> Budgets	PSE <a href="#">FÄRM Göran</a>	01/10/2001
Council of the European Union	Former committee for opinion		
	<b>AFET</b> Foreign Affairs, Human Rights, Common Security, Defense	PSE <a href="#">SWOBODA Hannes</a>	08/10/2001
	<b>ITRE</b> Industry, External Trade, Research, Energy	The committee decided not to give an opinion.	
European Commission	Council configuration	Meeting	Date
	<a href="#">General Affairs</a>	<a href="#">2397</a>	10/12/2001
European Commission	Commission DG	Commissioner	
	<a href="#">Economic and Financial Affairs</a>		

Key events			
15/10/2001	Vote in committee		Summary
15/10/2001	Committee report tabled for plenary, 1st reading/single reading	<a href="#">A5-0353/2001</a>	
19/10/2001	Modified legislative proposal published	COM(2001)0613	Summary
22/10/2001	Committee referral announced in Parliament		
22/10/2001	Decision by Parliament	COM(2001)0519	Summary

22/10/2001	Report referred back to committee		
05/11/2001	Vote in committee		Summary
05/11/2001	Committee report tabled for plenary, 1st reading/single reading	<a href="#">A5-0385/2001</a>	
28/11/2001	Debate in Parliament		
29/11/2001	Decision by Parliament	<a href="#">T5-0637/2001</a>	Summary
10/12/2001	Act adopted by Council after consultation of Parliament		
10/12/2001	End of procedure in Parliament		
18/12/2001	Final act published in Official Journal		

### Technical information

Procedure reference	2001/0213(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Decision
	Amending Decision 1999/733/EC <a href="#">1999/0166(CNS)</a>
Legal basis	EC Treaty (after Amsterdam) EC 308; Rules of Procedure EP 163
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/5/15196; BUDG/5/15332

### Documentation gateway

Legislative proposal	<a href="#">COM(2001)0519</a> <a href="#">OJ C 332 27.11.2001, p. 0299 E</a>	19/09/2001	EC	Summary
Committee report tabled for plenary, 1st reading/single reading	<a href="#">A5-0353/2001</a>	15/10/2001	EP	
Modified legislative proposal	<a href="#">COM(2001)0613</a> OJ C 025 29.01.2002, p. 0471 E	19/10/2001	EC	Summary
Committee report tabled for plenary, 1st reading/single reading	<a href="#">A5-0385/2001</a>	05/11/2001	EP	
Text adopted by Parliament, 1st reading/single reading	<a href="#">T5-0637/2001</a> <a href="#">OJ C 153 27.06.2002, p. 0037-0300 E</a>	29/11/2001	EP	Summary

### Additional information

European Commission	<a href="#">EUR-Lex</a>
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### Final act

<a href="#">Decision 2001/900</a> <a href="#">OJ L 334 18.12.2001, p. 0029</a> Summary
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**PURPOSE:** To extend financial assistance to the Former Yugoslav Republic of Macedonia (fYRoM). **CONTENT:** In the wake of the Kosovo crisis the European Union agreed in 1999 to create a financial assistance package aimed at stabilising the economy of the fYRoM. Supplementary macro-financial assistance of up to EUR 80 million was awarded, which was then sub-divided into the following format: EUR 50 million to be awarded in the form of a loan and EUR 30 million to be awarded in the form of grants. The main objective of this assistance has been to support the balance of payments and help ease the country's external financial constraints. Assistance is conditional upon a satisfactory track record in the adjustment and reform programme of fYRoM in the framework of an IMF stand-by Arrangement. The guidelines for financial assistance are outlined in Council Decision 1999/733/EC. In accordance with the provisions of this Decision the European Community, in the year 2000, distributed the first tranche of EUR 30 million of which EUR 20 million was earmarked as a grant and EUR 10 million earmarked for loans. In light of escalating violence in the fYRoM over the last year however the economic situation has worsened considerably in spite of the economic strengths in this Balkan state for the year 2000. As a result of this crisis government attempts to speed up reform have been hampered. Moreover, Council Decision 1999/733/EC stipulates that the financial package is valid for the 1999 and 2000 period only. However, the adverse circumstances of the past year has meant that the implementation of this provision has been impossible to achieve. Consequently, the Commission is seeking to amend Council Directive 1999/733/EC so as to allow the continued implementation of this assistance and in particular the remaining grant component of EUR 10 million beyond the year 2000. In line with the budgetary requirements, the amended Council Decision would stipulate an expiry date of funds by 31 December 2002.?

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## Supplementary macro-financial assistance to the former Yugoslav Republic of Macedonia

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The committee adopted the report by Göran FÄRM (PES, S) approving the proposal under the consultation procedure subject to a few amendments. While agreeing with the need to provide macrofinancial assistance for FYROM, the committee stressed the exceptional and temporary nature of this particular assistance (combining a grant component with a long-term soft loan), which should not be seen as setting a precedent. The amendments also stated that the Community financial assistance should be managed by the Commission in close consultation with the Political and Security Committee (PSC) as well as with the Economic and Financial Committee and the IMF. The Commission should also consult with the PSC to verify whether FYROM's economic policies were in accordance with the objectives of the macrofinancial assistance and should inform the budgetary authority. The committee argued that the reference to the PSC was necessary in order to ensure political coherence when implementing the assistance, which should not be used to support rearmament of the Macedonian army. ?

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## Supplementary macro-financial assistance to the former Yugoslav Republic of Macedonia

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Since the presentation of the Commission proposal on 19 September 2001 the fYRoM has been in regular negotiations with the IMF concerning an updated macro-economic package. It appears that new external financing needs have emerged. There is a shortfall in the preliminary financing estimates with the initially proposed EUR 80 million package no longer sufficient to provide an appropriate Community support to the country. In accordance with recent developments the Commission is proposing two modifications to the Commission's original proposal. 1. The proposed grant element of the assistance to be increased from an overall amount of EUR 30 million to EUR 48 million. 2. Extending the expiry date to the end of 2003 to allow for tranche payments.?

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## Supplementary macro-financial assistance to the former Yugoslav Republic of Macedonia

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The committee adopted the second report by Göran FÄRM (PES, S) approving the Commission's amended proposal under the consultation procedure subject to the same amendments it had tabled in the first report (see the summary dated 15/10/2001). ?

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## Supplementary macro-financial assistance to the former Yugoslav Republic of Macedonia

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The European Parliament adopted the report by Göran FÄRM (PES, S). (Please refer to the previous text).?

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## Supplementary macro-financial assistance to the former Yugoslav Republic of Macedonia

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**PURPOSE :** to provide supplementary macro-financial assistance to the former Yugoslav Republic of Macedonia. **COMMUNITY MEASURE :** Council Decision 2001/900/EC amending Decision 1999/733/EC providing supplementary macro-financial assistance to the former Yugoslav Republic of Macedonia. **CONTENT :** in November 1999, the Council decided to provide supplementary macro-financial assistance of up to EUR 80 million to the former Yugoslav Republic of Macedonia which was then sub-divided into the following format: EUR 50 million to be awarded in the form of a loan and EUR 30 million to be awarded in the form of grants (Council Decision 1999/733/EC). The implementation of this assistance has been delayed due to differences of opinion between fYRoM and the International Monetary Fund (IMF) relating to a new confirmation agreement. Given that Council Decision 1999/733/EC stipulates that the financial package is valid for the 1999 and 2000 period only, this Decision allows the continued implementation of this assistance up to 31 December 2003 and in particular the remaining grant component of EUR 18 million. The grant component of this assistance shall amount to a maximum of EUR 48 million. **ENTRY INTO FORCE :** 10.12.2001.?