

Procedure file

Basic information	
CNS - Consultation procedure Decision	2001/0250(CNS) Procedure completed
Bosnia and Herzegovina: Community macro-financial assistance Amending Decision 1999/325/EC 1998/0311(CNS)	
Subject 6.20.07 Macro-financial assistance to third countries	
Geographical area Bosnia and Herzegovina	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	BUDG Budgets		12/11/2001
		PSE FÄRM Göran	
	Committee for opinion	Rapporteur for opinion	Appointed
	AFET Foreign Affairs, Human Rights, Common Security, Defense		13/11/2001
	PPE-DE BROK Elmar		
	CONT Budgetary Control	The committee decided not to give an opinion.	
	ITRE Industry, External Trade, Research, Energy	The committee decided not to give an opinion.	
Council of the European Union	Council configuration	Meeting	Date
	General Affairs	2397	10/12/2001
European Commission	Commission DG	Commissioner	
	Economic and Financial Affairs		

Key events			
26/10/2001	Legislative proposal published	COM(2001)0610	Summary
12/11/2001	Committee referral announced in Parliament		
21/11/2001	Vote in committee		Summary
21/11/2001	Committee report tabled for plenary, 1st reading/single reading	A5-0411/2001	
28/11/2001	Debate in Parliament		
29/11/2001	Decision by Parliament	T5-0638/2001	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	2001/0250(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Decision
	Amending Decision 1999/325/EC 1998/0311(CNS)
Legal basis	Rules of Procedure EP 163; EC Treaty (after Amsterdam) EC 308
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/5/15382

Documentation gateway

Legislative proposal	COM(2001)0610 OJ C 051 26.02.2002, p. 0321 E	26/10/2001	EC	Summary
Committee report tabled for plenary, 1st reading/single reading	A5-0411/2001	21/11/2001	EP	
Text adopted by Parliament, 1st reading/single reading	T5-0638/2001 OJ C 153 27.06.2002, p. 0038-0303 E	29/11/2001	EP	Summary

Additional information

European Commission	EUR-Lex
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Final act

Decision 2001/899 OJ L 334 18.12.2001, p. 0028 Summary

Bosnia and Herzegovina: Community macro-financial assistance

PURPOSE : to amend Council Decision 1999/325/EC providing macro-financial assistance to Bosnia and Herzegovina. **CONTENT** : on 10 May 1999, the Council of the European Union decided to provide to Bosnia and Herzegovina (BiH) macro-financial assistance of up to EUR 60 million, comprising a loan facility of up to EUR 20 million and a grant facility of up to EUR 40 million (Decision 1999/325/EC). The objective of this assistance has been to support the balance of payments and help ease the country's external financial constraints, as well as to comfort reform efforts and the implementation of common institutions and policies, consistent with the Dayton peace agreement. The assistance has been conditional upon a satisfactory track record in the adjustment and reform programme of BiH in the framework of an IMF Stand-by Arrangement. After the signature of the Memorandum of Understanding (MoU), the first tranche of the assistance (EUR 25 million) was released in December 1999. Subsequently, there were delays of the BiH authorities in implementing the required policy reforms, which also forced the IMF Stand-by-Arrangement to be extended three times (in May 1999, March 2000 and December 2000). As a result, disbursement of the second tranche (EUR 20 million) was only made in December 2000, when a Supplemental Memorandum of Understanding (SMoU), which outlines the conditions attached to the third tranche of EUR 15 million grant, was also signed. Bosnia and Herzegovina requires continued financial support from the Community and other bilateral and multilateral donors in support of its economic stabilisation and reform efforts. However, the underlying Council decision (1999/325/EC of 10 May 1999) was founded on the expectation that the economic stabilisation and reform programme of the BiH authorities, as agreed under the IMF stand-by-arrangement, would be implemented by the first half of 2000. Accordingly, Article 1(3) of the Council Decision stipulates that the grant component of a maximum of EUR 40 million of this assistance covers the period from 1999 to 2000. Against this background, it now appears necessary to amend the existing legal base, i.e.

Council Decision 1999/325/CE, so as to allow the continued implementation of this assistance, and in particular the remaining grant component of EUR 15 million beyond the year 2000. In line with budgetary requirements, the amended Council decision would stipulate an expiry date of funds by 31 December 2002.?

Bosnia and Herzegovina: Community macro-financial assistance

The committee adopted the report by Göran FÄRM (PES, S) approving the proposal under the consultation procedure, subject to a small number of amendments. It 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. It also pointed out that the grant component was part of the multiannual financial envelope and that any additional funding could therefore only be made available through the transfer procedure. The committee said that the macrofinancial assistance should be dependent on both political and budgetary conditions. An assessment should be made of the degree of sound implementation of the assistance as well as the progress made in the sphere of economic reform and political stabilisation. Moreover, to ensure political coherence, the Commission should consult the Political and Security Committee (PSC) as well as the Economic and Financial Committee and the IMF on the management of the assistance. ?

Bosnia and Herzegovina: Community macro-financial assistance

In adopting the report by Göran FÄRM (PES, S), the European Parliament agrees to provide macro-financial assistance to Bosnia and Herzegovina. (Please refer to the previous text).?

Bosnia and Herzegovina: Community macro-financial assistance

PURPOSE : to provide macro-financial assistance to Bosnia and Herzegovina. COMMUNITY MEASURE : Council Decision 2001/899/EC amending Decision 1999/325/EC providing macro-financial assistance to Bosnia and Herzegovina. CONTENT : on 10 May 1999, the Council of the European Union decided to provide to Bosnia and Herzegovina macro-financial assistance of up to EUR 60 million, comprising a loan facility of up to EUR 20 million and a grant facility of up to EUR 40 million (Decision 1999/325/EC) with a view to supporting the balance of payments and help ease the country's external financial constraints as well as to conform to efforts and the implementation of common institutions and policies, consistent with the Dayton peace agreements. Due to delays in the implementation of the required policy reforms as agreed with the Stand-by arrangement with the International monetary Fund (IMF), so far only a first (EUR 25 million) and a second tranche (EUR 20 million) could be released. A third and final tranche of up to EUR 15 million is still outstanding. It should be added that the existing Decision 1999/325/EC does not permit the commitment of grant funds beyond the year 2000) Therefore this Decision aims to release the third tranche (EUR 15 million) of the loan from now until 31 December 2001 instead of 31 December 2000. ENTRY INTO FORCE : 10.12.2001.?