

# Procedure file

Basic information		
CNS - Consultation procedure Decision	1994/0218(CNS)	Procedure completed
Algeria: further macro-financial Community assistance		
Subject 6.20.07 Macro-financial assistance to third countries		
Geographical area Algeria		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>BUDG</b> Budgets		04/11/1994
		PPE <a href="#">PRONK Bartho</a>	
	Committee for opinion	Rapporteur for opinion	Appointed
	<b>AFET</b> Foreign Affairs, Security and Defense Policy		
	<b>ECON</b> Economic and Monetary Affairs, Industrial Policy		
Council of the European Union	<b>JURI</b> Legal Affairs, Citizens' Rights		26/07/1994
		PSE <a href="#">GEBHARDT Evelyne</a>	
	<b>DEVE</b> Development and Cooperation		28/11/1994
		RDE <a href="#">ANDREWS Niall</a>	
	Council configuration	Meeting	Date
	Health	<a href="#">1823</a>	22/12/1994
	<a href="#">Economic and Financial Affairs ECOFIN</a>	<a href="#">1812</a>	05/12/1994

Key events			
04/10/1994	Legislative proposal published	COM(1994)0409	Summary
28/10/1994	Committee referral announced in Parliament		
06/12/1994	Vote in committee		Summary
06/12/1994	Committee report tabled for plenary, 1st reading/single reading	<a href="#">A4-0103/1994</a>	
13/12/1994	Debate in Parliament		
15/12/1994	Decision by Parliament	T4-0195/1994	Summary

22/12/1994	Act adopted by Council after consultation of Parliament		
22/12/1994	End of procedure in Parliament		
31/12/1994	Final act published in Official Journal		

#### Technical information

Procedure reference	1994/0218(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Decision
Legal basis	EC before Amsterdam E 235
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/4/06093

#### Documentation gateway

Legislative proposal	<a href="#">COM(1994)0409</a> <a href="#">OJ C 299 27.10.1994, p. 0016</a>	04/10/1994	EC	Summary
Committee report tabled for plenary, 1st reading/single reading	<a href="#">A4-0103/1994</a> <a href="#">OJ C 018 23.01.1995, p. 0005</a>	06/12/1994	EP	
Text adopted by Parliament, 1st reading/single reading	T4-0195/1994 <a href="#">OJ C 018 23.01.1995, p. 0137-0155</a>	15/12/1994	EP	Summary

#### Additional information

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

<a href="#">Decision 1994/938</a> <a href="#">OJ L 366 31.12.1994, p. 0028</a> Summary
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## Algeria: further macro-financial Community assistance

This proposal for a decision aimed to grant a medium-term loan of ECU 200 million to Algeria for a maximum period of 7 years with a view to ensuring a sustainable balance of payments situation and strengthening the reserve position. The Commission would be empowered to find the necessary resources on the financial markets and to manage the loan in close consultation with the Monetary Committee and in a manner consistent with any agreement reached between the IMF and Algeria. The Commission would also negotiate with the Algerian authorities the economic policy conditions attached to the loan and would verify at regular intervals that this policy was in accordance with any agreement between the IMF and Algeria. The loan would be made available to Algeria in two instalments: the first would be released when the IMF-Algeria standby arrangement was approved by the IMF; the second would be released at least two quarters after the release of the first instalment and subject to Algeria applying the standby agreement satisfactorily. ?

## Algeria: further macro-financial Community assistance

In 1991, Algeria was granted macro-financial support from the Community totalling ECU 400 million and the first tranche (ECU 250 million) was allocated in 1992. This aid came within the framework of a global action to provide Algeria with financial support and involved the IMF. In April 1994, the Algerian authorities reached an agreement with the IMF on a new programme of economic stabilisation and reform. In the context of this new programme, the Algerians called for the second tranche of the loan (ECU 150 million) to be released in 1991 and for further Community aid amounting to ECU 200 million, to which the Council agreed in principle. The committee set out its opinion on the proposal for a Council decision to allocate this additional macro-financial aid of ECU 200 million. Through the amendments it adopted, it supported the granting of a medium-term loan to ensure a sustainable balance of payments situation in the country but also to restore democracy and find a

solution to social problems. It pointed out that the Commission was responsible for the provisioning of the Guarantee Fund and asked that the second instalment be released after consultation of the European Parliament. Through other amendments, it stated that this expenditure was non-compulsory and also proposed amending the legal basis (Article 130 and 189c instead of Article 235 as proposed by the Commission). ?

## Algeria: further macro-financial Community assistance

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Parliament approved the Commission proposal subject to eight amendments. These amendments aimed to: - amend the legal basis by replacing Article 235 with Articles 130u, 130w and 189c of the Treaty; The Commission did not accept this amendment. - expressly mention that respect for human rights and the furtherance of democracy were the criteria for cooperation with any third countries; - point out that the aid in question should be seen as support for the Algerian people who had suffered serious violations of human rights; - stress that the macro-financial aid would contribute to the re-establishment of democracy and to solving Algeria's social problems; - include consultation of the European Parliament among the conditions required for releasing the second instalment of the loan; - stipulate that the Commission should ensure that, in accordance with the Regulation on the setting up of the Guarantee Fund, provisioning of the Fund was carried out in accordance with the amounts disbursed; The Commission would accept this amendment with a new wording. - classify the expenditure as non-compulsory; The Commission would accept this amendment if it was included in the form of a recital. ?

## Algeria: further macro-financial Community assistance

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This proposal for a decision was adopted by the Council of Ministers. A medium-term loan facility of a maximum amount of ECU 200 million was thus granted to Algeria with a maximum maturity of seven years, with a view to ensuring a sustainable balance of payments situation and strengthening the reserve position. The Commission would be empowered to find the necessary resources on the financial markets and to manage the loan in close consultation with the Monetary Committee and in a manner consistent with any agreement reached between the IMF and Algeria. The Commission would also negotiate with the Algerian authorities the economic policy conditions attached to the loan and would verify at regular intervals that this policy was in accordance with any agreement between the IMF and Algeria. The loan would be made available to Algeria in two instalments: the first would be released when Algeria's application of the standby arrangement agreed with the IMF was approved; the second would be released at least one quarter after the release of the first instalment and subject to Algeria applying the standby agreement satisfactorily. ?