Macro-financial assistance to Serbia

2009/0145(CNS) - 30/11/2009 - Final act

PURPOSE: to make available to Serbia macro-financial assistance in the form of a loan facility with a maximum principal amount of €200 million.

LEGISLATIVE ACT: Council Decision 2009/892/EC providing macro-financial assistance to Serbia.

CONTENT: following a further deterioration of the economic situation in Serbia, the Community shall make available to this country macro-financial assistance in the form of a loan facility with a maximum principal amount of **€200 million and a maximum average maturity of 15 years** with a view to supporting Serbia's economic stabilisation and alleviating its balance of payments and budgetary needs as identified in the current IMF programme.

Moreover, an agreement was reached between Serbia and the IMF in March 2009 to turn the Stand-By Arrangement into a €3 billion disbursing programme, which was approved on 15 May 2009 by the IMF Board. This assistance will be exceptional and will be conditional, in particular on progress in the implementation of the current IMF programme and on the successful fulfilment of economic policy conditions that will be attached to this assistance. The Community financial assistance shall be made available for a limited period of two years (starting from the first day after the entry into force of the Memorandum of Understanding).

Management of assistance: the release of the Community financial assistance shall be managed by the Commission, in close cooperation with the Economic and Financial Committee. To this end, the Commission is empowered to borrow €200 million on behalf of the Community. The Community financial assistance shall be made available by the Commission to Serbia in two instalments.

Specific provisions: the Commission shall take the necessary steps, if Serbia so requests, to ensure that an early repayment clause is included in the loan terms and conditions and matched by a corresponding clause in the terms and conditions of the borrowing operations. At Serbia's request, and where circumstances permit an improvement of the interest rate of the loan, the Commission may refinance all or part of its initial borrowings or restructure the corresponding financial conditions. All costs incurred by the Community which are related to the borrowing and lending operations under this Decision shall be borne by Serbia.

Specific provisions on the prevention of fraud and other irregularities, consistent with the Financial Regulation, will be duly taken into account.

Report: by 31 August of each year the Commission shall submit to the European Parliament and to the Council a report, including an evaluation of the implementation of this Decision in the preceding year.

ENTRY INTO FORCE: 05/12/2009.