

# **Aid for Bosnia and Herzegovina, Croatia, the Federal Republic of Yugoslavia and the former Yugoslav Republic of Macedonia**

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At the General Affairs Council of 10 June 1996 the Council reached agreement on a new version of the proposal on reconstruction in the former Yugoslavia on which the European Parliament had been asked to give its opinion, making significant modifications to the Commission's initial text. The modifications made by the Council deal in particular with the following points: - inclusion of a financial reference amount in the body of the text (ECU 400 million from 1996 to 1999); - modification of the democratic basis of the regulation: the aid is based on respect for democratic principles and the rule of law and for human rights and fundamental freedoms. Furthermore, the specific conditions laid down by the Council on 30 October 1995 for the implementation of cooperation with former Yugoslavia are also an essential part of the agreement. The paragraphs relating in particular to the granting of autonomy to Kosovo and collaboration with the international war crimes tribunal have been removed; - additional areas for cooperation include regional cooperation and good neighbourliness projects; - among the expenditure eligible for aid, addition of interest rate subsidies for loans granted by the EIB Community co-financing for investment projects may possibly include EIB loans (up to 80%); - the acquisition of real estate is excluded from Community financing; - the Commission will implement expenditure for aid in accordance with the Financial Regulation applicable to the EC budget, but with effect from 1 January 1998 it must also comply with the rules set out in the annex to the regulation which govern the award of contracts by means of invitations to tender, in particular for actions involving capital investments (infrastructures, private sector, etc.). This annex can be amended by a qualified majority, on a proposal from the Commission; - with regard to commitology, the advisory committee proposed by the Commission is replaced by a management committee (primacy of the Member States). At the same time, for modifications of decisions on which the Commission is not required to inform the committee, only the decisions relating to an initial sum not exceeding ECU 4 million can be modified by the Commission without consultation of the committee and under the same conditions as in the initial proposal. The committee may also be required to assess the actions undertaken.