Algeria: further macro-financial Community assistance

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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).