Macro-financial assistance to Yugoslavia

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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 wanted the proposal to state explicitly that assistance would be provided to the Federal Republic of Yugoslavia insofar as the country made progress towards becoming a well-functioning constitutional state, including cooperation with the International Tribunal in The Hague. It also 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, and pointed out that the grant component was part of the multiannual financial envelope. 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.