Ukraine: further Community macro-financial assistance

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The Committee will be recommending to the plenary in February the approval of the Commission·s proposal for a Council Decision providing supplementary macrofinancial assistance to the Ukraine, with the purpose of redressing its balance-of-payments (consultation procedure). The committee adopted unanimously the report by Ms MANN (PSE,D), who believes that the Commission·s proposal should be supported despite all the misgivings concerning the current economic situation. "Over and above purely economic considerations, the preservation of political and economic stability in the Ukraine is of paramount concern to the EU", emphasizes Ms MANN in her explanatory statement. According to the proposed decision, the EU will provide the Ukraine with a third balance-of-payments loan of up to ECU 150 million, intended to supplement the first two medium-term loans of ECU 85 million and ECU 200 million made available to the Ukraine in 1995 and 1996 respectively. The loan, which will run for up to 10 years, is to be disbursed in at least two instalments and its repayment will be secured by a guarantee from the EU budget. The usual criteria of macroeconomic stabilisation and continued structural adjustment attached to loans granted by the international financial institutions will apply. The Committee endorsed unanimously an amendment tabled by the Committee on Budgtes, emphasizing the commitments entered by the Ukrainian authorities, the Group of Seven (G7) and the EU under the Memorandum of Understanding signed on 21 December 1995 concerning the closure of the Chernobyl nuclear power plant by the year 2000. At the same time the committee rejected the linkage, proposed in a further amendment by the Committee on Budgets, between disbursement of each instalment of the loan and the progress made in implementing the programme for closure of Chernobyl.