Macro-financial assistance to Albania

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The Committee will be recommending to the plenary during its February session in Strasbourg, in line with rapporteur Ms Leonie G.L. van BLADEL (UPE,NL), the approval, subject to certain amendments (tabled by the rapporteur, Mr van DAM (I-EDN,NL), as well as by the Foreign Affairs and Budget Committees), of the proposal for a Council Decision on providing macro-financial assistance to Albania (consultation procedure). As the rapporteur points out in her explanatory statement, external financing is the major problem faced by the Albanian economy today, due to the country·s balance of payments deficit and the region·s instability. The proposal for a Council decision provides macro-financial assistance in the form of a long-term loan of a maximum of 20 million euro with a maximum term of 15 years. Of the USD 35 million needed in the first year after the aid provided by the IMF, the World Bank and other international donors, the EU has so far undertaken to provide 24.5 million euro from the 1998 budget, under Phare Special Assistance and the Community Food Security programme. In addition, it is proposed to grant Albania the loan under consideration to support the country·s balance of payments. The amendments endorsed by the committee on external economic relations, concern the following points: 1) it is emphasized in the recitals that, in addition to supporting the process of institutional and structural reform in Albania, the assistance should also have the effect of improving the country·s social and political situation; 2) it is proposed that the Phare Committee should be involved in the management of the assistance, on the same basis as the Monetary Committee; 3) it is requested from the Commission to inform the European Parliament: (I) on the economic and institutional policy conditions attached to the loan and agreed with the Albanian authorities, (ii) prior to the disbursement of the second instalment of the macro-financial assistance.