Algeria: further macro-financial Community assistance

1994/0218(CNS) - 04/10/1994 - Legislative proposal

This proposal for a decision aimed to grant a medium-term loan of ECU 200 million to Algeria for a maximum period of 7 years with a view to ensuring a sustainable balance of payments situation and strengthening the reserve position. The Commission would be empowered to find the necessary resources on the financial markets and to manage the loan in close consultation with the Monetary Committee and in a manner consistent with any agreement reached between the IMF and Algeria. The Commission would also negotiate with the Algerian authorities the economic policy conditions attached to the loan and would verify at regular intervals that this policy was in accordance with any agreement between the IMF and Algeria. The loan would be made available to Algeria in two instalments: the first would be released when the IMF-Algeria standby arrangement was approved by the IMF; the second would be released at least two quarters after the release of the first instalment and subject to Algeria applying the standby agreement satisfactorily.