Bulgaria: Community macrofinancial assistance

1997/0143(CNS) - 22/05/1997 - Legislative proposal

OBJECTIVE: To grant macrofinancial assistance to Bulgaria of ECU 250 m in the form of a long-term loan. SUBSTANCE: The Community is to grant macrofinancial assistance to Bulgaria of a maximum amount of ECU 250 m in the form of a long-term loan and for a maximum period of ten years, with a view to ensuring a sustainable balance-of-payment situation and strengthening its reserves. The Commission is empowered to borrow the necessary resources on the financial markets and to manage the loan in consultation with the Monetary Committee and in a manner consistent with any agreement reached between the International Monetary Fund and Bulgaria. It is to negotiate with the Bulgarian authorities, after consultation with the Monetary Committee, the economic policy conditions attached to the loan and is to verify at regular intervals, in collaboration with the Monetary Committee and the International Monetary Fund, that this policy is in accordance with the objectives of the loan. The loan is to be made available in two instalments: - the first to be released on the basis of the completion of the first review of the 'stand-by arrangement', subject to fulfilment of all the conditions associated with the loan, - the second to be released on the basis of a satisfactory continuation of the 'stand-by arrangement' and not before one quarter after the release of the first instalment. The Commission is to submit a report to Parliament and the Council at least once a year with an evaluation of the implementation of this decision.