Bosnia and Herzegovina: Community macro-financial assistance

1998/0311(CNS) - 13/11/1998 - Legislative proposal

OBJECTIVE: to provide ECU 60 m in macro-financial assistance to Bosnia and Herzegovina in the form of a long-term loan and a grant. SUBSTANCE: the proposal concerns the provision of macro-financial assistance to Bosnia in the form of a long-term loan and a grant. The amount of the loan is ECU 30 m, with a maximum maturity of 15 years, and is intended to help ensure the viability of the country's balance of payments and to add to its reserves. The grant, likewise of ECU 30 m, covers the period 1998- 1999. The Commission will be responsible for finding the necessary resources on the financial markets and managing the loan in collaboration with the Monetary Committee and in a manner compatible with any agreement concluded between the International Monetary Fund (IMF) and Bosnia. The implementation of the assistance is conditional on Bosnia's discharging its financial obligations to the Community. The Commission will negotiate with the Bosnian authorities, after consultation with the Monetary Committee, concerning the economic policy conditions to be attached to the Community assistance, and will periodically check, together with the Monetary Committee and the IMF, whether Bosnia's economic policy complies with the objectives set when granting the assistance. The 'loan' and 'grant' components of the assistance will be made available to Bosnia in at least two instalments. The Commission will report to the European Parliament and the Council at least once per annum, assessing the implementation of the proposal.