Macro-financial assistance to Serbia and Montenegro and further macro-financial assistance to Yugoslavia

2004/0204(CNS) - 07/12/2004 - Final act

PURPOSE: to revise the expiry date for the release of the third tranche of funding under Council Decision 2002/882/EC.

LEGISLATIVE ACT: Council Decision 2004/0862/EC on macro-financial assistance to Serbia and Montenegro and amending Decision 2002/882/EC providing further macro-financial assistance to the Federal Republic of Yugoslavia.

CONTENT: Council Decision 2002/882/EC providing further macro-financial assistance to the Federal Republic of Yugoslavia aims at ensuring a sustainable balance of payments situation and strengthening the country's reserve position. Two tranches under this assistance totalling EUR 105 million have been disbursed in 2002 and 2003. Due to the delays in the implementation of agreed structural measures, the implementation of the third tranche (EUR 25 million) is still outstanding. Terms and policy conditions for the additional amount of EUR 70 million decided in 2003 remain to be negotiated and agreed.

The country continues to require external financial support in addition to what can be provided by international financial institutions.

Therefore, Decision 2002/882/EC should be amended to permit the commitments and the payments of grant funds and loan disbursements beyond 9 November 2004.

This is the aim of the present Decision. It appears appropriate for the Community to modify the expiry date by amending Council Decision 2002/882/EC. The expiry date is extended to 30 June 2006. This would allow for a smooth and full implementation of this assistance, including of the topping up of up to EUR 70 million, based on appropriate conditionality to be fulfilled by the authorities of Serbia and Montenegro before the subsequent release of tranches.

ENTRY INTO FORCE : 07/12/2004.