

Exceptional Community financial assistance to Kosovo

2006/0068(CNS) - 12/10/2006 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted the resolution drafted by Erika **MANN** (PES, DE) and several amendments to the proposal, the principal ones being the following:

- this exceptional financial assistance in the form of a grant is intended to meet Kosovo's projected external financing requirements in 2006 and 2007, in line with Kosovo's Medium-Term Expenditure Framework for 2006-2008;

- in order to facilitate dialogue with the European Parliament, the Commission shall regularly inform the European Parliament of the Economic and financial Committee's proceedings and provide it with the relevant documents;

- the conditions attached to the assistance will include specific targets to be achieved in the following areas: improved transparency and increased sustainability of public finances, primarily concerning the consistency of the Kosovo Consolidated Budget with the Medium-Term Expenditure Framework and the Kosovo Development Strategy and Plan; the application of macro-economic and budgetary priorities on the basis of the Memorandum of Economic and Financial Policies agreed with the IMF on 2 November 2005; enhanced fiscal discipline and control of public expenditure, with a particular view to the detection, treatment and follow-up of suspected fraud and other irregularities concerning national and international funds, and full compliance with international democratic and human rights standards, including respect for minorities and the fundamental principles of the rule of law;

- the second and any further instalments will be released on the basis of a satisfactory compliance with the above conditions;

- independent auditors must be able to carry out audits on the spot;

- at least once a year, and before 15 September, the Commission shall submit to the relevant committees in the European Parliament and to the Council a report, including an evaluation of the implementation of the Decision in the previous year. This report shall specify the linkage between the targets set out, Kosovo's ongoing economic and fiscal performance and the Commission's decision to release tranches of the assistance.