Basic information

2003/0330(CNS) CNS - Consultation procedure Decision	Procedure completed
Macro-financial assistance to Albania Repealing Decision 1999/282/EC 1998/0273(CNS) **Subject** 6.20.07 Macro-financial assistance to third countries 6.40.03 Relations with South-East Europe and the Balkans **Geographical area** Albania	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ITRE Industry, External Trade, Research, Energy	BERENGUER FUSTER Luis (PSE)	03/02/2004

Committee for opinion	Rapporteur for opinion	Appointed
AFET Foreign Affairs, Human Rights, Common Security, Defense	VALLVÉ Joan (ELDR)	21/01/2004
BUDG Budgets	SEPPÄNEN Esko (GUE/NGL)	21/01/2004

Council of the European Union

Council configuration	Meetings	Date
Justice and Home Affairs (JHA)	2579	2004-04-29

European Commission

Commission DG	Commissioner
Economic and Financial Affairs	

Key events

Date	Event	Reference	Summary
23/12/2003	Legislative proposal published	COM(2003)0834	Summary

09/02/2004	Committee referral announced in Parliament		
29/03/2004	Vote in committee		
29/03/2004	Committee report tabled for plenary, 1st reading/single reading	A5-0225/2004	
31/03/2004	Decision by Parliament	T5-0231/2004	Summary
31/03/2004	Results of vote in Parliament		
29/04/2004	Act adopted by Council after consultation of Parliament		
29/04/2004	End of procedure in Parliament		
06/08/2004	Final act published in Official Journal		

Technical information

Procedure reference	2003/0330(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Decision
Amendments and repeals	Repealing Decision 1999/282/EC 1998/0273(CNS)
Legal basis	EC Treaty (after Amsterdam) EC 308 Rules of Procedure EP 52-p2
Stage reached in procedure	Procedure completed
Committee dossier	ITRE/5/20583

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, 1st reading/single reading		A5-0225/2004	29/03/2004	
Text adopted by Parliament, 1st reading/single reading		T5-0231/2004 OJ C 103 29.04.2004, p. 0448-0548 E	31/03/2004	Summary

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2003)0834	23/12/2003	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Decision 2004/0580
OJ L 261 06.08.2004, p. 0116-0118 Summary

Macro-financial assistance to Albania

2003/0330(CNS) - 29/04/2004 - Final act

PURPOSE: To provide long-term macro-financial assistance to Albania with a view to helping the country meet its external financing needs.

LEGISLATIVE ACT: Council Decision 2004/580 providing macro-financial assistance to Albania and repealing Decision 1999.282/EC

CONTENT: In agreeing this Council Decision the Community has committed itself to making macro-financial assistance available to Albania in the form of a long-term loan and a straight grant. This has been done to allow Albania to meet its external financing needs by reinforcing its reserves and by offering budgetary support. The loan is equivalent to a maximum of EUR 9 million with a maximum maturity of 15 years. The grant on the other hand amounts to EUR 16 million. The Community financial assistance will be managed by the Commission in close consultation with the Economic and Financial Committee and in a manner consistent with agreements reached between the IMF and Albania. Both the loan and the grant components will be made available by the Commission to Albania in at least two instalments.

ENTRY INTO FORCE: 6 August 2004.

Macro-financial assistance to Albania

2003/0330(CNS) - 23/12/2003 - Legislative proposal

PURPOSE : to provide macro-financial to Albania in the form of a Community loan and a Community grant and a repealing Decision 1999/282/EC. After the Kosovo crisis, the Council approved Decision 1999/282/EC giving macro-financial assistance for Albania of up to EUR 20 million in the form of a long-term loan facility. In the light of better-than-expected balance of payments situation, the Albanian authorities did not request the release of this assistance; therefore, the Commission deprogrammed it in 2001. Since 2001, the Community Assistance for Reconstruction, Development and Stabilisation (CARDS) programme has been the main EC financial instrument for co-operation for the Balkan countries, and for Albania in particular. For the period 2001-2004, EUR 181.4 million has been earmarked for Albania. Additionally, EC humanitarian aid to Albanian has been provided through ECHO since 1992 reaching a global amount of EUR 142 million in 2002, and the EIB has signed loans worth EUR 149 million. The IMF has identified for 2004 a residual external financing gap of some US$ 46 million, after taking into account interventions of International Financial Institutions. Subsequently, the Albanian authorities have addressed to the Commission a request for exceptional EC macro-financial assistance. This proposal aims to: - cancel the outdated Council Decision of 1999 and - provide macrofinancial assistance to Albania of up to EUR 25 million, including EUR 16 million grant and EUR 9 million loan. The loan component of this assistance will have a maximum maturity of 15 years. To this end, the Commission is empowered to borrow, on behalf of the Community, the necessary resources that will be placed at the disposal of Albania in the form of a loan. The Commission will verify at regular intervals, in collaboration with the Economic and Financial Committee and in co-ordination with the IMF, that economic policies in Albania are in accordance with the objectives of the assistance and that its economic policy and financial conditions are being fulfilled. Macroeconomic and structural reform objectives will be further developed and detailed in the Memorandum of Understanding with the Albanian government. However, possible sub-objectives related to structural reform include: - restructuring/privatisation of the strategic sectors; - reform of public administration (in particular tax and customs debts); - improvement of legal framework relating to development of private. FINANCIAL IMPLICATIONS : - Grant component of the assistance: Budget line: 01 03 02 02 (draft budget 2004); - Draft Budget 2004 - Commitment appropriations EUR 65 000 000 Payment appropriations 80 000 000. Albania, proposed EC macro-financial assistance Commitment and payment appropriations EUR 16 000 000. - Loan component of the assistance - 01 04 01 07 - "EC guarantee for the borrowing programmes contracted by the Community to provide assistance to the countries of the Western Balkans." Thel loan will be financed by Community borrowings in the international capital markets. For the loan component of the assistance, it is expected that the budget guarantee will not be called. However, the Guarantee Fund for external actions has to be provisioned according to the Fund Regulation, for an amount corresponding to 9% of the amount of the guaranteed loan (EUR 9 million). As a result, a transfer of EUR 0.81 million from the Reserve (budget line 01 04 01 13) to the Guarantee Fund (budget line 01 04 01 14) will be compulsory after the Decision has been adopted. This is consistent with the existing margin in the reserve for loans guarantee (budget line 01 04 01 13) in the draft budget 2004. For the grant element, the credits under budget line 01 03 02 02 will be used subject to compliance with a number of policy conditions to be agreed with the authorities of Albania. The budget entry reflecting the budget guarantee for the loan component of the assistance will be activated only in the case of an effective call on the guarantee.

Macro-financial assistance to Albania

2003/0330(CNS) - 31/03/2004 - Text adopted by Parliament, 1st reading/single reading

In adopting a non-binding resolution on macro-financial assistance in Albania, the European Parliament gave its backing to assistance of EUR 25 million, including a EUR 16 million grant and a EUR 9 million loan. However, MEPs do stress that this kind of assistance, including both the long term

loan and the grant component, is highly exceptional and in no way constitutes a precedent for the future and that the Commission should monitor how this aid will help to reduce the size of the informal economy. Certain technical amendments were included in the text. The Parliament states that : - this financial support, in particular the grant component, will be provided after verifying whether the financial and political conditions laid down can be fulfilled; - the IMF has completed the third review under Albania's PRGF; - it shall be informed of the final text agreed in the Memorandum of Understanding; - the Commission will monitor and assist with improvements in revenue mobilisation through tax policy and administration and the consequent reduction in the size of the grey economy, in that this will contribute significantly to filling the current gap in revenues which external macro-financial assistance, such as this grant and loan, must cover.