

# EUROPEAN PARLIAMENT

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**A5-0356/2003**

20 October 2003

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## **REPORT**

on the proposal for a Council decision on additional macro-financial assistance to Serbia and Montenegro amending Decision 2002/882/EC providing further macro financial assistance to the Federal Republic of Yugoslavia (COM(2003) 506 – C5-0428/2003 – 2003/0190(CNS))

Committee on Industry, External Trade, Research and Energy

Rapporteur: Bastiaan Belder

### ***Symbols for procedures***

- \* Consultation procedure  
*majority of the votes cast*
- \*\*I Cooperation procedure (first reading)  
*majority of the votes cast*
- \*\*II Cooperation procedure (second reading)  
*majority of the votes cast, to approve the common position  
majority of Parliament's component Members, to reject or amend  
the common position*
- \*\*\* Assent procedure  
*majority of Parliament's component Members except in cases  
covered by Articles 105, 107, 161 and 300 of the EC Treaty and  
Article 7 of the EU Treaty*
- \*\*\*I Codecision procedure (first reading)  
*majority of the votes cast*
- \*\*\*II Codecision procedure (second reading)  
*majority of the votes cast, to approve the common position  
majority of Parliament's component Members, to reject or amend  
the common position*
- \*\*\*III Codecision procedure (third reading)  
*majority of the votes cast, to approve the joint text*

(The type of procedure depends on the legal basis proposed by the Commission)

### ***Amendments to a legislative text***

In amendments by Parliament, amended text is highlighted in ***bold italics***. Highlighting in *normal italics* is an indication for the relevant departments showing parts of the legislative text for which a correction is proposed, to assist preparation of the final text (for instance, obvious errors or omissions in a given language version). These suggested corrections are subject to the agreement of the departments concerned.

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## PROCEDURAL PAGE

By letter of 8 September 2003 the Council consulted Parliament, pursuant to Article 308 of the EC Treaty, on the proposal for a Council decision on additional macro-financial assistance to Serbia and Montenegro amending Decision 2002/882/EC providing further macro financial assistance to the Federal Republic of Yugoslavia (COM(2003) 506 – 2003/0190(CNS)).

At the sitting of 22 September 2003 the President of Parliament announced that he had referred the proposal to the Committee on Industry, External Trade, Research and Energy as the committee responsible and the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy and to the Committee on Budgets for their opinions (C5-0428/2003).

The Committee on Industry, External Trade, Research and Energy appointed Bastiaan Belder rapporteur at its meeting of 22 September 2003.

The committee considered the Commission proposal and draft report at its meetings of 7 and 20 October 2003.

At the last meeting it adopted the draft legislative resolution by 25 votes to 2 with no abstention.

The following were present for the vote: Luis Berenguer Fuster (chairman), Peter Michael Mombaur (vice-chairman), Jaime Valdivielso de Cué (vice-chairman), Bastiaan Belder (rapporteur), Per-Arne Arvidsson (for Sir Robert Atkins), María del Pilar Ayuso González (for Alejo Vidal-Quadras Roca), Ward Beysen (for Marco Cappato), Giles Bryan Chichester, Marie-Hélène Descamps (for Elizabeth Montfort), Concepció Ferrer, Werner Langen, Hans Karlsson, Eryl Margaret McNally, Erika Mann, Hans-Peter Martin (for Norbert Glante), Ana Clara Maria Miranda de Lage, Bill Newton Dunn (for Nicholas Clegg), Reino Paasilinna, Paolo Pastorelli, Elly Plooi-j-van Gorsel, John Purvis, Christian Foldberg Røvsing, Paul Rübig, Esko Olavi Seppänen, Claude Turmes, W.G. van Velzen and Myrsini Zorba.

The opinion of the Committee on Budgets is attached. The Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy decided on 9 September 2003 not to deliver an opinion.

The report was tabled on 20 October 2003.

## DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

**on the proposal for a Council decision on additional macro-financial assistance to Serbia and Montenegro amending Decision 2002/882/EC providing further macro financial assistance to the Federal Republic of Yugoslavia (COM(2003) 506 – C5-0428/2003 – 2003/0190(CNS))**

### **(Consultation procedure)**

*The European Parliament,*

- having regard to the Commission proposal to the Council (COM(2003) 506)<sup>1</sup>,
  - having regard to Article 308 of the EC Treaty, pursuant to which the Council consulted Parliament (C5-0428/2003),
  - having regard to Rule 67 of its Rules of Procedure,
  - having regard to the report of the Committee on Industry, External Trade, Research and Energy and the opinion of the Committee on Budgets (A5-0356/2003),
1. Approves the Commission proposal as amended;
  2. Calls on the Commission to alter its proposal accordingly, pursuant to Article 250(2) of the EC Treaty;
  3. Calls on the Council to notify Parliament if it intends to depart from the text approved by Parliament;
  4. Asks the Council to consult Parliament again if it intends to amend the Commission proposal substantially;
  5. Instructs its President to forward its position to the Council and Commission.

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Text proposed by the Commission

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Amendments by Parliament

Amendment 1

Recital 6a (new)

***The grant component of this assistance is without prejudice to the powers of the Budgetary Authority and its implementation will be subject to the availability of appropriations under the corresponding***

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<sup>1</sup> OJ C ... / Not yet published in OJ..

***budget heading.***

*Justification*

*The Ministers (Ecofin in this case) should be made aware that this assistance should only be implemented if it will not be to the detriment of the allocations foreseen for other countries in the region.*

Amendment 2

Recital 6b (new)

***The Commission, having consulted the IMF, should confirm that the increase of macro-financial assistance to Serbia and Montenegro would not be to the detriment of foreseen macro-financial assistance for other countries covered by the same budget heading.***

*Justification*

*The Ministers (Ecofin in this case) should be made aware that this assistance should only be implemented if it will not be to the detriment of any allocations foreseen for other countries in the region.*

20 October 2003

## **OPINION OF THE COMMITTEE ON BUDGETS**

for the Committee on Industry, External Trade, Research and Energy

on the proposal for a Council decision on additional macro-financial assistance to Serbia and Montenegro amending Decision 2002/882/EC providing further macro financial assistance to the Federal Republic of Yugoslavia  
(COM(2003) 506 – C5-0428/2003 – 2003/0190(CNS))

Draftsman: Esko Olavi Seppänen

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### **PROCEDURE**

The Committee on Budgets appointed Esko Olavi Seppänen draftsman at its meeting of 7 October 2003.

It considered the draft opinion at its meeting of 20 October 2003.

At the last meeting it adopted the following amendments by unanimously.

The following were present for the vote: Terence Wynn (chairman, Reimer Böge (vice-chairman), Anne Elisabet Jensen(vice-chairwoman), Esko Olavi Seppänen (draftsman), Kathalijne Maria Buitenweg, Den Dover, James E.M. Elles, Markus Ferber, Salvador Garriga Polledo, Neena Gill, Catherine Guy-Quint, Jutta D. Haug, María Esther Herranz García, Wilfried Kuckelkorn, Jan Mulder, Juan Andrés Naranjo Escobar, Joaquim Píscarreta, Per Stenmarck, Ralf Walter, Johan Van Hecke.

## SHORT JUSTIFICATION

The proposal is for a Council Decision for additional macro-financial assistance for Serbia & Montenegro.

The Council Decision (legal base) suggested would cover assistance up to € 200 million (€ 120 million in grants and € 80 million in loans), instead of the € 130 million (€ 75 million grants and € 55 million loans) which is currently covered.

Out of this increase, € 45 million would be in the form of grants and € 25 million would be loans.

From a budgetary perspective, the grant component of € 45 million would be financed from budget line B7-548. The € 80 million on this line are included in the global CARDS envelope.

B7-5 4 8     Macroeconomic assistance for the countries of the western Balkans not concerned by a preaccession strategy

Appropriations 2003		Appropriations 2002		Outturn 2001	
Commitments	Payments	Commitments	Payments	Commitments	Payments
80 000 000	80 000 000	100 000 000	110 000 000	120 000 000-	75 045 856,50

From this line, € 15 million has already been committed for Bosnia-Herzegovina (covered legally by a different Council Decision) so, presently, there is € 65 million left.

With the current proposal, an additional grant of € 45 million would be committed, thus leaving a balance of 20 million remaining on the line ( $80-15-45 = 20$ ).

It should be noted that the existing € 75 million in grants, covered by the current decision, was all committed from the 2002 budget (although, in part, payments will still need to be made from this year's budget).

The Commission has confirmed that its proposal will not be to the prejudice of any other region (since funds are available under the macro-financial assistance budget line inside the Balkans chapter and under the CARDS envelope), nor any country (since there are no country pre-allocations within this line).

Nevertheless, since some time has passed since the proposal was presented, the Commission should once more confirm that there are no other needs expected in the course of this year that would exceed the 20 million in commitments which would be left on this line. For example, needs in Bosnia & Herzegovina? According to the information received so far, about 16-17 million is being planned for other decisions in the year so the appropriations on the line should be enough and no transfers would be necessary. From a budgetary point of view, therefore, the draftsman is of the opinion that the assistance could go ahead.

For the loan component of this proposal, the provisions relating to the Guarantee Fund and the guarantees section of the budget apply. If the loan(s) (with a maximum maturity of 15 years) were not to be repaid after that time, the budget guarantee would have to be called on.

## AMENDMENTS

The Committee on Budgets calls on the Committee on Industry, External Trade, Research and Energy, as the committee responsible, to incorporate the following amendments in its report:

Text proposed by the Commission

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Amendments by Parliament

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### Amendment 1 Recital 6

(6) An increase in Community macro-financial assistance to Serbia and Montenegro is an appropriate measure to help, with other donors, ease the country's financial constraints.

(6) An increase in Community macro-financial assistance to Serbia and Montenegro is an appropriate measure to help, with other donors ***participating in similar measure***, ease the country's financial constraints.

### *Justification*

*It should be made clear that a substantial increase in assistance from the EU should be matched by the other major donors, including the US.*

### Amendment 2 Recital 6a (new)

***The grant component of this assistance is without prejudice to the powers of the Budgetary Authority and its implementation will be subject to the availability of appropriations under the corresponding budget heading.***

### *Justification*

*The Ministers (Ecofin in this case) should be made aware that this assistance should only be implemented if it will not be to the detriment of the allocations foreseen for other countries in the region*

### Amendment 3 Recital 6b (new)

***The Commission, having consulted the***

***IMF, should confirm that the increase of macro-financial assistance to Serbia and Montenegro would not be to the detriment of foreseen macro-financial assistance for other countries covered by the same budget heading.***

*Justification*

*The Ministers (Ecofin in this case) should be made aware that this assistance should only be implemented if it will not be to the detriment of any allocations foreseen for other countries in the region*

Amendment 4  
SOLE ARTICLE, PARAGRAPH 3  
Article 1 (3) (Decision 2002/882/EC)

"3. The grant component of this assistance shall amount to a maximum of € 120 million".

"3. The grant component of this assistance shall amount to a maximum of €120 million ***and shall be without prejudice to the powers of the Budgetary Authority.***

*Justification*

*The implementation of this assistance is subject to the availability of appropriations under the corresponding budget headings and the procedures in force concerning the implementation of the budget.*