COUNCIL DECISION

of 7 December 2004

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

(2004/862/EC)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 308 thereof,

Having regard to the proposal of the Commission [1],

Having regard to the opinion of the European Parliament [2],

Whereas:

(1) Council Decision 2002/882/EC of 5 November 2002 providing further macro-financial assistance to the Federal Republic of Yugoslavia [3] aims at ensuring a sustainable balance of payments situation and strengthening the country's reserve position.

(2) 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.

(3) The authorities of Serbia and Montenegro are committed to economic reform and stabilisation under the present IMF programme as evidenced by encouraging signs of a revitalisation of structural reforms.

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

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

(6) The Treaty does not provide, for the adoption of this Decision, powers other than those of Article 308.

(7) After consulting the Economic and Financial Committee,

HAS DECIDED AS FOLLOWS:

Sole Article

The second subparagraph of Article 6 of Decision 2002/882/EC is replaced by the following:

'It shall apply as of 8 November 2004 and until 30 June 2006.'

Done at Brussels, 7 December 2004.

For the Council
The President
G. ZALM

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[1] OJ C 290, 27.11.2004, p. 6.
[2] Opinion delivered on 28 October 2004 (not yet published in the Official Journal).
[3] OJ L 308, 9.11.2002, p. 25. Decision amended by Decision 2003/825/EC (OJ L 311, 27.11.2003, p. 28).