Macro-financial assistance to Georgia

2009/0147(CNS) - 30/11/2009 - Final act

PURPOSE: to provide macro-financial assistance to Georgia for a total amount of €46 million.

LEGISLATIVE ACT: Council Decision 2009/889/EC providing macro-financial assistance to Georgia.

CONTENT: the Community shall make available to Georgia financial assistance amounting to a maximum of **€46 million in grants** with a view to supporting Georgia's efforts of post-war economic recovery, which is also affected by the international financial crisis, alleviating the financial constraints on the implementation of the government's economic reform programme. This assistance, intended to be allocated to the financing of the deficit of the state budget, is part of a comprehensive Community package of up to EUR 500 million put in place in support of Georgia's recovery in the aftermath of the August 2008 armed conflict with Russia.

This assistance will be exceptional and will be conditional, in particular on progress in the implementation of the current IMF programme and on the successful fulfilment of economic policy conditions that will be attached to this assistance. The Community financial assistance shall be made available for a limited period of two years (starting from the first day after the entry into force of the Memorandum of Understanding).

Management of assistance: the release of the Community financial assistance shall be managed by the Commission, in close cooperation with the Economic and Financial Committee. The Commission shall verify at regular intervals that the agreed economic policy conditions are being satisfactorily fulfilled. Assistance shall be made available by the Commission to Georgia in two instalments. The Commission shall decide on the release of the instalments subject to a satisfactory implementation of the economic programme supported by the IMF and of any other conditions agreed between Georgia and the Community.

Specific provisions on the prevention of fraud and other irregularities, consistent with the Financial Regulation, will be duly taken into account.

Report: by 31 August of each year the Commission shall submit to the European Parliament and to the Council a report, including an evaluation of the implementation of this Decision in the preceding year.

ENTRY INTO FORCE: 05/12/2009.