Macro-financial assistance to Moldova

2010/0162(COD) - 20/10/2010 - Final act

PURPOSE: to make available to Moldova macro-financial assistance in the form of a grant of a maximum amount of EUR 90 million.

LEGISLATIVE ACT: Decision No 938/2010/EU of the European Parliament and of the Council providing macro-financial assistance to the Republic of Moldova.

CONTENT: this Decision provides that the Union shall make available to Moldova macro- financial assistance in the form of a grant of a maximum amount of EUR 90 million with a view to supporting Moldova's economic stabilisation and alleviating its balance of payments and budgetary needs, as identified in the current International Monetary Fund (IMF) programme.

The main provisions are as follows:

IMF agreements: the release of the Union macro-financial assistance shall be managed by the Commission in a manner consistent with the agreements or understandings reached between the IMF and Moldova and with the key principles and objectives of economic reform set out in the EU-Moldova Partnership and Cooperation Agreement and Action Plan. The Commission shall regularly inform the European Parliament and the Economic and Financial Committee of developments in the management of the assistance and provide them with relevant documents

Memorandum of Understanding: the Commission shall be empowered to agree with the Moldovan authorities on the economic policy conditions attached to the Union macro-financial assistance, to be laid down in a Memorandum of Understanding which shall include a timeframe for their fulfilment. The conditions shall be consistent with the agreements or understandings reached between the IMF and Moldova and with the key principles and objectives of economic reform set out in the EU-Moldova Partnership and Cooperation Agreement and Action Plan. These principles and objectives aim at strengthening the efficiency, transparency and accountability of the assistance, including in particular public finance management systems in Moldova. Progress in attaining those objectives shall be regularly monitored by the Commission. The detailed financial terms of the assistance shall be laid down in a Grant Agreement to be agreed between the Commission and the Moldovan authorities.

Verification: the Commission shall verify at regular intervals that Moldova's economic policies are in accordance with the objectives of the Union macro-financial assistance and that the agreed economic policy conditions are being satisfactorily fulfilled. To this end the Commission shall coordinate closely with the IMF and the World Bank, and, when required, with the Economic and Financial Committee.

Availability period: the Union macro-financial assistance shall be made available for two years and six months starting from the first day after the entry into force of the Memorandum of Understanding.

Grant instalments: the Union macro-financial assistance to Moldova shall be made available by the Commission in not less than three grant instalments. The size of each instalment shall be laid down in the Memorandum of Understanding.

Fight against fraud: the Memorandum of Understanding and the Grant Agreement to be agreed with the Moldovan authorities shall provide for specific measures to be implemented by Moldova in relation to the prevention of, and the fight against, fraud, corruption and other irregularities affecting the assistance

Report: the Commission shall submit to the European Parliament and to the Council:

- by 31 August of each year, a report on the implementation of this Decision in the preceding year, including an evaluation thereof. The report shall indicate the connection between the policy conditions as laid down in the Memorandum of Understanding, Moldova’s on-going economic and fiscal performance and the Commission's decisions to release the instalments of the assistance;
- no later than two years after the expiry of the availability period (see above), an ex post evaluation report.

ENTRY INTO FORCE: 22/10/2010.