Further macro-financial assistance for Georgia

2010/0390(COD) - 11/05/2012 - Commission communication on Council's position

In its communication on the position of the Council at first reading on the adoption of a Decision of the European Parliament and of the Council providing further macro-financial assistance to Georgia, the Commission calls for a compromise from the European Parliament and the Council on this text.

European Parliament amendments: the European Parliament's adopted a legislative resolution with amendments which were fully accepted by the Commission and incorporated in the text. These amendments primarily aimed at reflecting the entry into force of the new comitology regulation in March 2011. The Commission acknowledges that amendments to the initial proposal were needed due to the new comitology regulation, and **supports the European Parliament's view that the adoption of the Memorandum of Understanding (MoU) for the MFA programme should be governed by the advisory procedure**, rather than the examination procedure as suggested by the Council.

Council position: on 15 December 2011, COREPER reached a qualified majority agreement to adopt a common position, which in**sists on the use of the examination procedure for the adoption of the MFA Memorandum of Understanding**. This was confirmed by the political agreement adopted by the Council on 23 January 2012.

During the previous discussions at the Financial Counsellors Working Party, **the Commission argued in favour of the use of the advisory procedure** for the adoption of the MoU, and

supported the Presidency's proposed compromise solution. This solution would have established the examination procedure as a rule, but would have allowed for the advisory procedure, in this case on the basis of Article 2.3, second sentence, of the comitology regulation, which foresees that, under duly justified cases, the advisory procedure may apply for the adoption of implementing acts in cases where the examination procedure is in principle applicable.

The proposed compromise text argued that since the proposed MFA was (i) a follow-up to the operation approved in 2009 and (ii) had only a modest maximum amount (of EUR 46 million), there was a case for applying the advisory procedure. However, the Presidency could not build a consensus and its compromise solution was not adopted.

The Commission is concerned about the delays that a second reading will imply for the proposed assistance: it is important that the proposed MFA for Georgia is approved as quickly as possible. Approximately a year elapsed since the Commission adopted the proposal in January of 2011 and the Commission considers it regrettable that this delay is taking place despite the fact that the two co-legislators agree on the substance of the proposal, which, as noted, stems from a pledge made in 2008.

The Commission believes that it is **crucial to find a quick solution on whether an advisory or examination procedure should be applied for the MoU adoption**. It should also be noted that if the case of the proposal for Georgia is not solved, this issue would risk blocking any forthcoming MFA proposal, a scenario that must be avoided, not least since the worsening global financial environment and the economic and financial impact of the Arab Spring in the EU's Southern Neighbourhood may result in new requests for complementary MFA support from the EU.

Agreement at the stage of the Council's position: since the adoption by the European Parliament of its position at first reading, the interinstitutional discussions between the Council and the Parliament have not been successful and that. Informal meetings have not resulted in a compromise on this issue. In

conclusion, the Commission favours the application of the advisory procedure for the adoption of the MoU. It does therefore not agree with the common position of the Council as adopted on 10 May 2012. However, as indicated above, the Commission believes that it is **crucial to find a quick solution and stands ready to contribute to finding an early compromise on this issue between the two co-legislators.**