Further macro-financial assistance for Georgia

2010/0390(COD) - 11/12/2012 - Text adopted by Parliament, 2nd reading

The European Parliament adopted a legislative resolution on the Council position at first reading with a view to the adoption of a Decision of the European Parliament and of the Council providing further macro-financial assistance to Georgia.

Parliament adopted its position in second reading by 598 votes to 49, with 23 abstentions, under the ordinary legislative procedure. The amendments adopted in plenary are the result of a compromise negotiated between the European Parliament and the Council. The amend the Council's position as follows:

- **Implementing powers:** the Commission shall, **in accordance with the advisory procedure** provided for in Regulation (EU) No 182/2011 of the European Parliament and of the Council laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers, adopt a **Memorandum of Understanding** containing the economic policy and financial conditions to which the Union's macro-financial assistance is subject, including a time-frame for meeting those conditions. The economic policy and financial conditions set out in the Memorandum of Understanding shall be consistent with the agreements or understandings covered in the decision Those conditions shall aim, in particular, at strengthening the efficiency, transparency and accountability of the Union's macro-financial assistance, including public finance management systems in Georgia. Progress in attaining those objectives shall be regularly monitored by the Commission.
- **Lending operations:** the borrowing and lending operations relating to the loan component of the Union's macro-financial assistance shall be carried out in euro using the same value date and shall not involve the Union in the transformation of maturities, in any exchange or interest rate risks, or in any other commercial risk. The Commission shall take the necessary steps, **if Georgia so requests**, to ensure that an early repayment clause is included in the loan terms and conditions and that it is matched by a corresponding clause in the terms and conditions of the Commission's borrowing operations.

It should be noted that a proposal to reject Council's position tabled by the EFD group was rejected in plenary by 591 votes to 53, with 29 abstentions.