Further macro-financial assistance to Georgia

2017/0242(COD) - 22/02/2018 - Committee report tabled for plenary, 1st reading/single reading

The Committee on International Trade adopted the report by Hannu TAKKULA (ALDE, FI) on the proposal for a decision of the European Parliament and of the Council providing further macro-financial assistance to Georgia.

As a reminder, the Commission proposes to make macro-financial assistance available to Georgia for a maximum amount of **EUR 45 million** - of which EUR 35 million in the form of loans and EUR 10 million in the form of grants - to help the country to cover part of its external financing needs over the period 2017-2020.

The proposal provides that the provision of macro-financial assistance by the Union should:

- be subject to a **pre-condition** that the beneficiary country respects effective democratic mechanisms, including a multi-party parliamentary system and the rule of law and that it guarantees respect for human rights;
- have as specific objectives increased efficiency, transparency and accountability of the public finance management systems in Georgia, and promote structural reforms aimed at supporting sustainable and inclusive growth, employment creation and fiscal consolidation.

The committee recommended that the European Parliament’s position adopted at first reading under the ordinary legislative procedure should amend the Commission proposal so as to make it clear that the Union’s macro-financial assistance should also include **measures to support the implementation of the Association Agreement, including the Deep and Comprehensive Free Trade Agreement**. To ensure that specific objectives can be properly assessed, they need to be set out in a verifiable and measurable manner.

If the precondition and the objectives are not met or if the aims and principles of the Association Agreement are generally disregarded, the Commission should temporarily suspend or cancel the disbursement of the Union’s macro-financial assistance.