

Macro-Financial Assistance to enlargement and neighbourhood partners in the context of the COVID-19 pandemic crisis

2020/0065(COD) - 13/05/2020 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 547 votes to 93, with 47 abstentions, a legislative resolution on the proposal for a decision of the European Parliament and of the Council on providing Macro-Financial Assistance to enlargement and neighbourhood partners in the context of the COVID-19 outbreak.

Parliament adopted its position at first reading under the ordinary legislative procedure. As an agreement was reached between Parliament and Council, Parliament's position corresponds to the final legislative act.

The aim of the proposed decision is to provide **EUR 3 billion** of macro-financial assistance (MFA) in the form of loans to 10 enlargement and neighbourhood partner countries - Albania, Bosnia and Herzegovina, Georgia, Jordan, Kosovo, Moldova, Montenegro, Northern Macedonia, Tunisia, Ukraine - to help them mitigate the economic impact of the COVID-19 outbreak.

Combined with the support provided by the International Monetary Fund (IMF), this financing shall help to cover part of the partners' external financing needs in 2020 and 2021 following a significant deterioration in their balance of payments caused by the ongoing COVID-19 crisis situation.

The granting of EU MFA shall be subject to the precondition that the partner respects effective democratic mechanisms based on a multi-party parliamentary system, the rule of law and the existence of human rights guarantees.

The EU's MFA shall be subject to economic policy conditions to be laid down in a Memorandum of Understanding. These conditions must be consistent with the agreements or conventions concluded between the International Monetary Fund (IMF) and the partner, including the macroeconomic adjustment and structural reform programmes implemented by the partner with the support of the IMF.

The Commission shall report yearly to the European Parliament and to the Council on the implementation of this Decision in the preceding year.