

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

2020/0065(COD) - 27/05/2020 - Final act

PURPOSE: to approve of EUR 3 billion of macro-financial assistance (MFA) to ten enlargement and neighbourhood partner countries to cope with the economic consequences of the COVID-19 pandemic.

LEGISLATIVE ACT: Decision (EU) 2020/701 of the European Parliament and of the Council on providing macrofinancial assistance to enlargement and neighbourhood partners in the context of the COVID19 pandemic.

CONTENT: the Decision aims to provide EUR 3 billion in loans for macro-financial assistance (MFA) to ten enlargement and neighbourhood partner countries to help them limit the economic impact of the COVID-19 outbreak.

The financial assistance shall be granted in the form of loans on favourable terms and shall be distributed as follows:

- Albania: EUR 180 million,
- Bosnia and Herzegovina: EUR 250 million,
- Georgia: EUR 150 million,
- Jordan: EUR 200 million,
- Kosovo: EUR 100 million,
- Moldova: EUR 100 million,
- Montenegro: EUR 60 million,
- Republic of North Macedonia: EUR 160 million,
- Tunisia: EUR 600 million,
- Ukraine: EUR 1 200 million.

Combined with the support provided by the International Monetary Fund (IMF), this financing shall help to strengthen macroeconomic stability and create flexibility to allocate resources to protect citizens and mitigate the adverse socio-economic effects of the coronavirus pandemic.

The granting of EU MFA will be subject to the precondition that the partner respects effective democratic mechanisms based on parliamentary pluralism, the rule of law and the existence of guarantees regarding respect for human rights. The Commission and the EEAS shall monitor compliance with this condition throughout the duration of EU MFA.

The full amount of the Union's macrofinancial assistance shall be provided to each partner in the form of loans with a maximum average maturity of 15 years. It shall be subject to economic policy conditions to be laid down in a Memorandum of Understanding. These conditions must be compatible with the agreements or conventions concluded between the International Monetary Fund (IMF) and the partner, including macroeconomic adjustment and structural reform programmes implemented by the partner with IMF support.

The MFA shall be made available for a period of twelve months, starting the day after the entry into force of the Memorandum of Understanding. Loan contracts shall ensure that the partner regularly checks that the funds from the general budget of the Union are properly used, guarantee the protection of the Union's financial interests, authorise the Commission to carry out checks and the Court of Auditors to carry out audits.

Each year, the Commission shall report to the European Parliament and the Council on the implementation of the Decision during the previous year.

ENTRY INTO FORCE: 28.5.2020.