Macro-financial assistance to Moldova

2023/0018(COD) - 09/05/2023 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 561 votes to 43, with 20 abstentions, a legislative resolution on the proposal for a decision of the European Parliament and of the Council amending Decision (EU) 2022/563 as regards the amount of macro-financial assistance to the Republic of Moldova.

The European Parliament adopted its position at first reading in accordance with the ordinary legislative procedure by taking over the Commission proposal.

Russia's invasion of Ukraine had a strong primary and secondary negative impact on the Moldovan economy. As a result, the Moldovan economy contracted, and the uncertain economic climate has negatively affected investment and trade in general. The energy crisis, which intensified in 2022, combined with a fall in household consumption and investments, has put additional pressure on Moldova's public finances. In addition, the sharp rise in energy prices pushes for high inflation.

Given that Moldova's balance of payments for 2023 continues to show a significant residual external financing need, which exceeds the resources provided by the IMF and other multilateral institutions, the Commission's proposal suggests increasing the current macro-financial assistance (MFA) of EUR 150 million by an **additional EUR 145 million**.

With this proposed increase of EUR 145 million, the Union will make available to Moldova macro-financial assistance of up to **EUR 295 million**, with a view to supporting Moldova's economic stabilisation and a substantial reform agenda. Of this maximum amount, up to EUR 220 million will be provided in the form of loans and up to EUR 75 million in the form of grants. The assistance will contribute to covering Moldova's balance of payments needs as identified in the IMF programme.

The Commission will make available the EU macro-financial assistance in five instalments, each comprising of a loan and a grant element.