Macro-financial assistance to North Macedonia

2023/0034(COD) - 13/06/2023 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 536 votes to 38, with 23 abstentions, a legislative resolution on the proposal for a decision of the European Parliament and of the Council providing macro-financial assistance to the Republic of Northern Macedonia.

Parliament adopted its position at first reading by taking over the Commission's proposal.

The Commission's proposal is to grant **macro-financial assistance (MFA) of up to EUR 100 million** in the form of loans to Northern Macedonia. The EU MFA will support economic stabilisation and the implementation of the structural reform programme in Northern Macedonia, complementing the resources made available under the financial agreement with the IMF.

A precondition for granting the Union’s macro-financial assistance should be that North Macedonia respect effective democratic mechanisms, including a multi-party parliamentary system, and the rule of law, and guarantee respect for human rights. In addition, the specific objectives of the Union’s macro-financial assistance should strengthen the efficiency, transparency and accountability of the public finance management systems, as well as of the governance and supervision of the financial sector, in North Macedonia and should promote structural reforms that aim to support sustainable and inclusive growth, decent employment creation and fiscal consolidation.

Under the Commission's proposal, the disbursement would take place in two instalments. The release of each instalment would be conditional on progress being made with the implementation of a number of policy measures to be agreed between the Commission and the authorities and listed in a Memorandum of Understanding (MoU) as well as on a satisfactory track record implementing the IMF programme.

The MoU is likely to focus on policy reforms addressing fiscal governance, tax policy, the management of public investment, public-private partnerships, improvement of business environment, transparency in state aid, energy efficiency, judiciary reform, and the fight against corruption.