# Moldova: supplementary-financial assistance

2002/0236(CNS) - 02/10/2002 - Legislative proposal

PURPOSE : to grant a loan to Moldova of EUR 15 million. CONTENT : the Commission proposes to cancel the existing decision on macrofinancial assistance to Moldova in the form of a loan of up to EUR 15 million (Council Decision 2000/452/EC) and to replace it with a straight grant of an equivalent maximum amount. The Commission considers that the proposed assistance is an appropriate reference amount for the Community's support to the balance of payments of Moldova. The proposed assistance amount is consistent with Moldova's residual financing needs, taking also into account the financial outflow resulting from the settlement of Moldova's debt re-payments to the Community (EUR 46 million between 2002 and 2006). This support would help the consolidation of the country's official reserves position and sustain the reform efforts of the authorities. It would also contribute, together with assistance from IFI's and other bilateral donors to the appropriate coverage of the country's external financing needs. The assistance will be managed by the Commission in close consultation with the Economic and Financial Committee and in a manner consistent with any agreement reached between the IMF and Moldova. This new macro-financial assistance will be disbursed in at least two tranches under similar conditions to those foreseen for the disbursement of the loan and will be complementary to financing provided by the IFIs. An annual report to the European Parliament and to the Council is foreseen in the proposed Council decision, which will include an evaluation of the implementation of this operation.