Moldova: supplementary Community macro-financial assistance

1999/0213(CNS) - 22/10/1999 - Legislative proposal

PURPOSE : to make available supplementary macro-financial assistance to Moldova. CONTENT : this proposal aims to provide a supplementary macro- financial assistance to Moldova of the amount of EUR 15 million with a grace period of 5 years and a maximum maturity of 10 years, with a view to ensuring a sustainable balance of payments situation, strengthening the country's reserves position and assisting the implementation of the necessary structural reforms. This is the third micro-financial loan agreed to by the Community to Moldova to support the successive programmes of the IMF. The assistance will be granted in the context of the agreement which is in the course of being approved by the IMF and would complement resources made available by the IMF and other bilateral donors. The assistance will bemade available to Moldova in a single tranche, on the basis of a satisfactory track record on the implementation of an upper credit tranche agreement agreed with the IMF and progress with respect to the implementation of structural reforms. The Commission will procure the funds by borrowing on the international capital markets with the guarantee of the general budget. It will then retrocede the sums to Moldova. The lending and borrowing operations will be perfectly synchronised and will not pose any commercial risk to the Community. In accordance with the Guarantee Fund Mechanism, the budgetary implications of this proposal to make assistance of up to EUR 15 million to Moldova would require an EUR 2,1 million provisioning of the Fund. At least once a year, the Commission shall forward to the European Parliament and the Council a report, which will include an evaluation of the implementation of this proposal.