Implementing the macrofinancial assistance to the third countries

2002/2265(INI) - 03/06/2003 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution based on its own-initiative report drafted by Bastiaan BELDER (EDD, NL) on the implementation of macro-financial assistance to third countries. (Please see the summary dated 22/05/03). After more than twelve years of implementing macro-financial assistance to third countries in an ad hoc manner, without a solid legal base, nor a well-defined framework, the time had arrived to review its present status with the aim of proposing modifications to this Community instrument in an enlarged European Union. The European Parliament believed that MFA and other EC instruments, operational in the recipient country, should contribute to the economic and political stability in the country concerned. Since it is supplementary to resources of the IMF and other multilateral donors, the objective of the MFA instrument is to offer assistance to countries in crisis, which are in close proximity to the EU. The MFA should be considered as complementary to EC instruments for structural aid and prevention of economic, financial and socially driven crises. It must not degenerate into remuneration of poor policy pursued by the recipient country. Parliament asked the Commission to submit a proposal taking into account the contents of this resolution. This proposal should have a dual legal base meeting two criteria: - MFA should be considered as assistance to third countries confronted by a crisis originating in economic, financial or social situations; - the decision-making procedure should be based on codecision; This legal instrument on MFA should be in force only for a transitional period until the entry into force of the Constitutional Treaty. Parliament endorsed the Council's conclusions of 8 October 2002 on MFA, and felt that these conclusions could be stated as criteria for granting MFA to third countries, with certain modifications, which it discussed in the resolution. Moving on, Parliament felt that a reduction of the provisioning rate from 9% to 8% would not undermine the shielding capacity of the Guarantee Fund. It would increase the lending capacity without having to change the ceiling of the financial perspective. Parliament called on the Commission for appropriate proposals on revising the parameters of the Fund. Only an amount of EUR 170.4 million was used to provision the Guarantee Fund in 2002. Consequently, EUR 42.51 million remained unused. Parliament regretted that the EIB scaled down programming for 2002, which further delayed the implementation of some facilities into the future.