Basic information

2010/0162(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Decision	Procedure completed
Macro-financial assistance to Moldova **Subject** 6.20.07 Macro-financial assistance to third countries 6.40.15 European neighbourhood policy **Geographical area** Moldova	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
INTA International Trade	WINKLER Iuliu (PPE)	28/04/2010
	Shadow rapporteur CUTAȘ George Sabin (S&D) ZAHRADIL Jan (ECR) SCHOLZ Helmut (GUE/NGL)	

Committee for opinion	Rapporteur for opinion	Appointed
AFET Foreign Affairs	The committee decided not to give an opinion.	
BUDG Budgets	The committee decided not to give an opinion.	

Council of the European Union

Council configuration	Meetings	Date
Competitiveness (Internal Market, Industry, Research and Space)	3035	2010-10-11

European Commission

Commission DG	Commissioner
Economic and Financial Affairs	REHN Olli

Key events

Date	Event	Reference	Summary
09/06/2010	Legislative proposal published	COM(2010)0302	Summary
15/06/2010	Committee referral announced in Parliament, 1st reading		
30/08/2010	Vote in committee, 1st reading		Summary
01/09/2010	Committee report tabled for plenary, 1st reading	A7-0242/2010	
07/09/2010	Decision by Parliament, 1st reading	T7-0293/2010	Summary
07/09/2010	Results of vote in Parliament		
11/10/2010	Act adopted by Council after Parliament's 1st reading		
20/10/2010	Final act signed		
20/10/2010	End of procedure in Parliament		
21/10/2010	Final act published in Official Journal		

Technical information

Procedure reference	2010/0162(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Decision
Legal basis	Treaty on the Functioning of the European Union TFEU 212
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	INTA/7/02758

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE443.011	16/06/2010	
Committee report tabled for plenary, 1st reading/single reading		A7-0242/2010	01/09/2010	
Text adopted by Parliament, 1st reading/single reading		T7-0293/2010	07/09/2010	Summary

Council of the EU

Document type	Reference	Date	Summary
Draft final act	00044/2010/LEX	20/10/2010	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2010)0302	09/06/2010	Summary
Document attached to the procedure	SEC(2010)0706	09/06/2010	Summary
Commission response to text adopted in plenary	SP(2010)7193	13/10/2010	

National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	IT_SENATE	COM(2010)0302	19/07/2010	
Contribution	PT_PARLIAMENT	COM(2010)0302	22/07/2010	

Additional information

Source	Document	Date
National parliaments	IPEX	
European Commission	EUR-Lex	

Final act

Decision 2010/0938
OJ L 277 21.10.2010, p. 0001 Summary

Macro-financial assistance to Moldova

2010/0162(COD) - 20/10/2010 - Final act

PURPOSE: to make available to Moldova macro-financial assistance in the form of a grant of a maximum amount of EUR 90 million.

LEGISLATIVE ACT: Decision No 938/2010/EU of the European Parliament and of the Council providing macro-financial assistance to the Republic of Moldova.

CONTENT: this Decision provides that the Union shall make available to Moldova macro- financial assistance in the form of a grant of a maximum amount of EUR 90 million with a view to supporting Moldova's economic stabilisation and alleviating its balance of payments and budgetary needs, as identified in the current International Monetary Fund (IMF) programme.

The main provisions are as follows:

IMF agreements: the release of the Union macro-financial assistance shall be managed by the Commission in a manner consistent with the agreements or understandings reached between the IMF and Moldova and with the key principles and objectives of economic reform set out in the EU-Moldova Partnership and Cooperation Agreement and Action Plan. The Commission shall regularly inform the European Parliament and the Economic and Financial Committee of developments in the management of the assistance and provide them with relevant documents

Memorandum of Understanding: the Commission shall be empowered to agree with the Moldovan authorities on the economic policy conditions attached to the Union macro-financial assistance, to be laid down in a Memorandum of Understanding which shall include a timeframe for their fulfilment. The conditions shall be consistent with the agreements or understandings reached between the IMF and Moldova and with the key principles and objectives of economic reform set out in the EU-Moldova Partnership and Cooperation Agreement and Action Plan. These principles and objectives aim at strengthening the efficiency, transparency and accountability of the assistance, including in particular public finance management

systems in Moldova. Progress in attaining those objectives shall be regularly monitored by the Commission. The detailed financial terms of the assistance shall be laid down in a Grant Agreement to be agreed between the Commission and the Moldovan authorities.

Verification: the Commission shall verify at regular intervals that Moldova's economic policies are in accordance with the objectives of the Union macro-financial assistance and that the agreed economic policy conditions are being satisfactorily fulfilled. To this end the Commission shall coordinate closely with the IMF and the World Bank, and, when required, with the Economic and Financial Committee.

Availability period: the Union macro-financial assistance shall be made available for two years and six months starting from the first day after the entry into force of the Memorandum of Understanding.

Grant instalments: the Union macro-financial assistance to Moldova shall be made available by the Commission in not less than three grant instalments. The size of each instalment shall be laid down in the Memorandum of Understanding.

Fight against fraud: the Memorandum of Understanding and the Grant Agreement to be agreed with the Moldovan authorities shall provide for specific measures to be implemented by Moldova in relation to the prevention of, and the fight against, fraud, corruption and other irregularities affecting the assistance

Report: the Commission shall submit to the European Parliament and to the Council:

- by 31 August of each year, a report on the implementation of this Decision in the preceding year, including an evaluation thereof. The report shall indicate the connection between the policy conditions as laid down in the Memorandum of Understanding, Moldova's on-going economic and fiscal performance and the Commission's decisions to release the instalments of the assistance;
- no later than two years after the expiry of the availability period (see above), an ex post evaluation report.

ENTRY INTO FORCE: 22/10/2010.

Macro-financial assistance to Moldova

2010/0162(COD) - 09/06/2010 - Legislative proposal

PURPOSE: to provide to the Republic of Moldova macro-financial assistance (MFA) in the form of a grant of up to EUR 90 million.

PROPOSED ACT: Decision of the European Parliament and of the Council.

BACKGROUND: Moldova is one of the countries in the European Union's eastern neighbourhood most heavily affected by the global crisis. Despite high average economic growth rates in the years leading up to the crisis, Moldova's income level per capita remains by far the lowest in the region. The policy response to the economic crisis was delayed first by the preparation for parliamentary elections in Spring 2009 and later by internal political tensions over the election results. The repeat elections that had to be organised in the Autumn of 2009 brought a coalition government into power on a reform agenda that seeks closer approximation to the EU and aims at turning around the previous growth model which relies heavily on the inflow of remittances. These political developments have created a new momentum in the scaling up of bilateral relations with the EU, culminating in the opening of formal negotiations on a new Association Agreement on 12 January 2010.

In parallel, the new Prime Minister formally requested EU financial support, which is the subject of this proposal.

IMPACT ASSESSMENT: macro-financial assistance will have an immediate impact on the balance of payments and the State budget of the Republic of Moldova and will in this way contribute to the alleviation of financial constraints on the implementation of the authorities' economic programme. Macro-financial assistance will further support the general objectives of the stabilisation programme agreed with the IMF. European Union assistance will also support the authorities' efforts to implement short-and medium-term policies identified in the EU-Republic of Moldova Action Plan agreed in the context of the European Neighbourhood Policy.

LEGAL BASIS: Article 212 of the Treaty on the Functioning of the European Union (TFEU).

CONTENT: the Commission proposes to provide to the Republic of Moldova macro-financial assistance (MFA) in the form of a grant of up to EUR 90 million. The proposed assistance is intended to contribute to covering Moldova's general balance-of-payments needs and the financing needs of the State budget identified by the International Monetary Fund (IMF). It will support the authorities' stabilisation programme with a view to ensuring sustainable fiscal and external accounts, and will thus help the country address the consequences of the global financial crisis.

The proposed European Union macro-financial assistance will complement support from the IMF foreseen under the financing arrangement agreed by the IMF board on 29 January 2010. EU MFA is aimed at contributing to covering the country's external financing needs in 2010 and 2011.

The proposed assistance will also strengthen the reform momentum in Moldova in supporting the government's economic programme and its efforts towards integration with the EU. It will also contribute to the implementation of the European Union's cooperation strategy towards Moldova and, more generally, towards the countries of the Eastern Partnership.

EU MFA will be exceptional and limited in time, and will be conditional on progress in the implementation of the current IMF programme and on the successful fulfilment of economic policy conditions that will be attached to this assistance.

Management of assistance: the assistance will be made available in three or four instalments: in principle, two instalments in 2010 and one or two instalments in 2011. The assistance will be managed by the Commission. The Commission will agree with the authorities the specific economic policy and financial conditions attached to the payment of each instalment. Specific provisions on the prevention of fraud and other irregularities, consistent with the Financial Regulation, will be included as necessary.

Provisions are also provided as regards the definition of technical conditions as well as monitoring and evaluation.

BUDGETARY IMPLICATION:the assistance will be financed from commitment appropriations in 2010 and 2011 under budget line 01 03 02 (Macroeconomic assistance); the payments will also take place in 2010 and 2011.

Macro-financial assistance to Moldova

2010/0162(COD) - 07/09/2010 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 590 votes to 26 with 29 abstentions a legislative resolution setting out its position at first reading under the ordinary legislative procedure (formerly known as the codecision procedure) on the proposal for a decision of the European Parliament and of the Council providing macro-financial assistance to the Republic of Moldova. The main amendments are as follows:

Keeping Parliament informed: the Union macro-financial assistance should be managed by the Commission. In order to ensure that the European Parliament and the Economic and Financial Committee are able to follow the implementation of this Decision, the Commission should regularly inform them of developments relating to the assistance and provide them with relevant documents.

Timeframe: the Memorandum of Understanding must include a timeframe for the fulfilment of economic policy conditions attached to the Union's macro-financial assistance. On the issue of the economic policy conditions, the Commission must coordinate closely with the IMF and the World Bank, and, when required, with the Economic and Financial Committee.

Implementing powers: Parliament includes specific provisions as regards comitology.

Macro-financial assistance to Moldova

2010/0162(COD) - 09/06/2010 - Document attached to the procedure

This Commission Staff Working Document accompanies the Proposal for a decision of the European Parliament and of the Council providing macro-financial assistance to the Republic of Moldova.

It outlines in particular the elements which justify the release of EU assistance as well as the political, economic and structural analysis of Moldova.

The document also presents an overview of the reforms underway or scheduled in Moldova.

Lastly, the document clarifies the criteria on which EU assistance will be associated and the evaluations in the monitoring of its implementation.