Basic information

2016/0039(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Decision	Procedure completed
Further macro-financial assistance to Tunisia See also 2013/0416(COD) **Subject** 6.20.07 Macro-financial assistance to third countries	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
INTA International Trade	DE SARNEZ Marielle (ALDE)	15/03/2016
	Shadow rapporteur CICU Salvatore (PPE) MAUREL Emmanuel (S&D) LOONES Sander (ECR) LE HYARIC Patrick (GUE/NGL) JADOT Yannick (Verts/ALE) CASTALDO Fabio Massimo (EFDD) FERRAND Edouard (ENF)	

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

European Commission

Commission DG	Commissioner
Economic and Financial Affairs	MOSCOVICI Pierre

Key events

Date	Event	Reference	Summary
12/02/2016	Legislative proposal published	COM(2016)0067	Summary
25/02/2016	Committee referral announced in Parliament, 1st reading		
24/05/2016	Vote in committee, 1st reading		
26/05/2016	Committee report tabled for plenary, 1st reading	A8-0187/2016	Summary
08/06/2016	Decision by Parliament, 1st reading	T8-0264/2016	Summary
08/06/2016	Results of vote in Parliament		
08/06/2016	Debate in Parliament		
01/07/2016	Act adopted by Council after Parliament's 1st reading		
06/07/2016	Final act signed		
06/07/2016	End of procedure in Parliament		
09/07/2016	Final act published in Official Journal		

Technical information

Procedure reference	2016/0039(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Decision
Amendments and repeals	See also 2013/0416(COD)
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/8/05757

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE580.440	29/03/2016	
Amendments tabled in committee		PE582.162	27/04/2016	
Committee report tabled for plenary, 1st reading/single reading		A8-0187/2016	26/05/2016	Summary
Text adopted by Parliament, 1st reading/single reading		T8-0264/2016	08/06/2016	Summary

Council of the EU

Document type	Reference	Date	Summary
Draft final act	00009/2016/LEX	06/07/2016	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2016)0067	12/02/2016	Summary
Document attached to the procedure	SWD(2016)0030	12/02/2016	
Follow-up document	SWD(2022)0300	27/09/2022	
Follow-up document	SWD(2022)0301	27/09/2022	

National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	ES_PARLIAMENT	COM(2016)0067	25/04/2016	
Contribution	IT_SENATE	COM(2016)0067	26/04/2016	

Additional information

Source	Document	Date
European Parliament	Briefing	
European Commission	EUR-Lex	

Final act

Decision 2016/1112
OJ L 186 09.07.2016, p. 0001 Summary

Further macro-financial assistance to Tunisia

2016/0039(COD) - 26/05/2016 - Committee report tabled for plenary, 1st reading/single reading

The Committee on International Trade adopted the report by Marielle DE SARNEZ (EPP, FR) on the proposal for a decision of the European Parliament and of the Council providing further macro-financial assistance to Tunisia.

The committee recomended that the European Parliament should adopt its position at first reading taking over the Commission proposal.

To recall, the proposal seeks to provide further macro-financial assistance to Tunisia which is currently going through very great difficulties.

Despite all these challenges, Tunisia continues to make very significant progress, firmly establishing democratic transition in the country, carrying out the reforms needed to modernise its economy and bolstering its relations with its partners, in particular the European Union, with which it is currently negotiating a free-trade agreement. This is why Members support the proposal for a second MFA programme for Tunisia, totalling EUR 500 million, which will be granted in the form of medium-term financial-market loans on advantageous conditions. This assistance programme will back up the efforts made by Tunisia to improve its budgetary position and balance of payments and bring about a climate more conducive to investment. Members fully endorse this proposal.

Further macro-financial assistance to Tunisia

2016/0039(COD) - 06/07/2016 - Final act

PURPOSE: to provide macro-financial assistance to Tunisia in order to support economic stabilisation of the country and its structural reform agenda, and thus to contribute to its external financing needs.

LEGISLATIVE ACT: Decision (EU) 2016/1112 of the European Parliament and of the Council providing further macro-financial assistance to Tunisia.

CONTENT: by this Decision, the Union makes **macro-financial assistance of a maximum amount of EUR 500 million available to Tunisia**, with a view to supporting Tunisia's economic stabilisation and a substantive reform agenda. The assistance shall contribute to covering Tunisia's balance of payments needs as identified in the International Monetary Fund (IMF) programme.

Tunisia is a country covered by the European Neighbourhood Policy (ENP) and it should be considered to be eligible to receive macro-financial assistance from the Union. Since 2011, the Union has expressed its unequivocal commitment to supporting Tunisia in its economic and political reform process. It has increased its financial support to Tunisia, strengthening its cooperation in many fields, including the civil society the electoral system, security, regional development and social and economic reforms.

In 2015, the Tunisia's economy has been significantly affected by several terrorist attacks that have targeted key economic industries like tourism and transport as well as aiming to disrupt the consolidation of its political transition. Those attacks have had a negative impact on the economic recovery Tunisia was beginning to experience.

Together with persistent regional instability (including the reactivation of the Libyan conflict), and the still weak European and global economic environment, those events have exacerbated Tunisia's already weak balance of payments and fiscal positions. This has resulted in significant external and budgetary financial gaps.

In this challenging context, the Union has reaffirmed its commitment to supporting Tunisia in its economic and political reform process.

Loans: the Union's macro-financial assistance shall be made available **for a period of two and a half years.** It shall be made available in **three loan instalments**. The loans shall have a maximum average maturity of **15 years**.

Economic policy and financial conditions focusing on structural reforms and sound public finances, to which the Union's macro-financial assistance is to be subject, will be laid down in a **Memorandum of Understanding** to be concluded between the Commission and the Tunisian authorities. The detailed financial terms of the Union's macro-financial assistance shall be laid down in a Loan Agreement.

Conditions: a pre-condition for granting assistance shall be that Tunisia respects effective democratic mechanisms, and guarantees **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 in Tunisia and should promote structural reforms aimed at supporting sustainable and inclusive growth, employment creation and fiscal consolidation.

The Commission and the European External Action Service shall **monitor the fulfilment** of the pre-condition throughout the life cycle of the Union's macro-financial assistance.

In order to ensure that the European Parliament and the Council 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.

ENTRY INTO FORCE: 12.7.2016.

Further macro-financial assistance to Tunisia

2016/0039(COD) - 08/06/2016 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 561 votes to 76, with 42 abstentions, a legislative resolution on the proposal for a decision of the European Parliament and of the Council providing further macro-financial assistance to Tunisia.

Parliament adopted its position at first reading **taking over the Commission proposal**.

To recall, the text seeks to propose further macro-financial assistance of **EUR 500 million** to Tunisia in the form of a loan.

This assistance programme aims to support reforms undertaken by Tunisia to overcome its difficult economic and balance of payments situation and to create a more favourable climate to promote investment.

Further macro-financial assistance to Tunisia

2016/0039(COD) - 12/02/2016 - Legislative proposal

PURPOSE: to providing further macro-financial assistance to Tunisia in order to strengthen its economy and implement a structural reform programme.

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

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: Tunisia was the first Mediterranean country to sign an Association Agreement with the EU on 17 July 1995, which came into force on 1 March 1998.

Tunisia is a country covered by the **European Neighbourhood Policy** (ENP) and it should be considered to be eligible to receive macro-financial assistance from the Union.

In parallel to this political transition process, the Tunisian economy has suffered from continuous domestic unrest, regional instability (including the impact of the Libyan conflicts) and a weak international environment (particularly in the Union, Tunisia's main trading partner). These unfavourable developments substantially weakened its growth performance, as well as its fiscal and balance of payments positions.

Since 2011, the **Union has expressed its unequivocal commitment to supporting Tunisia in its economic and political reform process**. It has increased its financial support to Tunisia, strengthening its cooperation in many fields, including the civil society the electoral system, security, regional development and social and economic reforms. And it has offered the possibility of concluding a Deep and Comprehensive Free Trade Area agreement, the negotiations of which were launched in October 2014.

Tunisia reached in mid-April 2013 an agreement with the International Monetary Fund (IMF) on a 24-month Stand-By Arrangement (SBA) in the amount of USD 1.75 billion, which was approved by the IMF Board on June 2013, and which was subsequently extended until December 2015. It also requested in August 2013 complementary Macro-Financial Assistance (MFA) from the EU. In response, the European Commission proposed **a MFA of EUR 250 million in December 2013 in the form of loans** (MFA-I), which the co-legislators raised to EUR 300 million and approved in May 2014 (Decision No 534/2014/EU). This amount is being successfully implemented.

Following the completion of the 6th review of the IMF programme last September, Tunisia requested a successor arrangement with the IMF, probably of a 4-year duration. The new IMF programme is still under negotiation but expected to be sent for IMF Board approval in the spring of 2016.

In 2015, the Tunisia's economy has been significantly affected by several terrorist attacks that have targeted key economic industries like tourism and transport as well as aiming to disrupt the consolidation of its political transition. In this context, **Tunisia requested a second MFA operation from the EU in the amount of EUR 500 million, which would accompany the successor IMF programme.**

CONTENT: the proposal seeks to make MFA available to Tunisia for a total maximum amount of EUR 500 million, provided in the form of a medium term loan. The assistance will contribute to cover Tunisia's residual external financing needs in 2016-17, as identified by the Commission based on the estimates of the IMF.

The assistance, to be disbursed in **three instalments** (EUR 200 million, EUR 150 million and EUR 150 million, respectively), should help the country overcome its difficult economic and balance of payments situation it is experiencing, which has been exacerbated by the terrorist attacks it suffered in 2015 and by persistent domestic and regional unrest. It will also promote structural reforms aimed at raising sustainable economic growth and improving public finance management.

The assistance will be **managed by the Commission**. The disbursements would be conditional on successful programme reviews under the new IMF's financial arrangement. Specific provisions on the prevention of fraud and other irregularities, consistent with the Financial Regulation, are applicable.

The Commission will **target structural reforms** aimed at improving the overall macroeconomic management and the conditions for sustainable growth (e. g. targeting the transparency and efficiency of public finance management; fiscal reforms; reforms to strengthen the social safety net; labour market reforms; and reforms to improve the regulatory framework for trade and investment).

In addition, the Commission and the Tunisian authorities would agree on specific **structural reform measures** in a Memorandum of Understanding.

BUDGETARY IMPLICATIONS: the planned assistance would be provided in the form of a loan and should be financed through a borrowing operation that the Commission will conduct on behalf of the EU. The budgetary costs of the assistance will correspond to the **provisioning, at a rate of 9%, of the amounts disbursed in the guarantee fund for external lending of the EU**, from budget line 01 03 06 ("the provisioning of the Guarantee Fund").

Assuming that the first and second loan disbursements will be made in 2016 for a total amount of EUR 350 million and the third loan disbursement in 2017 for the amount of EUR 150 million, and according to the rules governing the guarantee fund mechanism, the provisioning will take place in the 2018-2019 budgets.

The implications on expenditure (including human resources and administrative costs) are estimated at EUR 45.295 million for 2016-2019.