Basic information

2023/0034(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Decision	Procedure completed
Macro-financial assistance to North Macedonia **Subject** 6.20.07 Macro-financial assistance to third countries 6.40.03 Relations with South-East Europe and the Balkans **Geographical area** Republic of North Macedonia	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
INTA International Trade	WINZIG Angelika (EPP)	01/03/2023
	Shadow rapporteur ROTH NEVEĎALOVÁ Katarína (S&D) KARLSBRO Karin (Renew) GREGOROVÁ Markéta (Greens/EFA) BOURGEOIS Geert (ECR) MAUREL Emmanuel (The Left)	

Committee for opinion	Rapporteur for opinion	Appointed
AFET Foreign Affairs	The committee decided not to give an opinion.	
BUDG Budgets	VAN OVERTVELDT Johan (ECR)	01/03/2023

Council of the European Union

European Commission

Commission DG	Commissioner
Economic and Financial Affairs	GENTILONI Paolo

Key events

Date	Event	Reference	Summary
06/02/2023	Legislative proposal published	COM(2023)0074	Summary
13/03/2023	Committee referral announced in Parliament, 1st reading		
25/05/2023	Vote in committee, 1st reading		
30/05/2023	Committee report tabled for plenary, 1st reading	A9-0203/2023	Summary
13/06/2023	Decision by Parliament, 1st reading	T9-0221/2023	Summary
13/06/2023	Results of vote in Parliament		
10/07/2023	Act adopted by Council after Parliament's 1st reading		
12/07/2023	Final act signed		
17/07/2023	Final act published in Official Journal		

Technical information

Procedure reference	2023/0034(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/9/11245

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE745.207	31/03/2023	
Specific opinion	BUDG	PE745.422	26/04/2023	
Amendments tabled in committee		PE746.971	03/05/2023	
Committee report tabled for plenary, 1st reading/single reading		A9-0203/2023	30/05/2023	Summary
Text adopted by Parliament, 1st reading/single reading		T9-0221/2023	13/06/2023	Summary

Council of the EU

Document type	Reference	Date	Summary

Draft final act	00023/2023/LEX	12/07/2023	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2023)0074	06/02/2023	Summary
Document attached to the procedure	SWD(2023)0042	06/02/2023	

National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	ES_PARLIAMENT	COM(2023)0074	27/04/2023	

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Decision 2023/1461
OJ L 180 17.07.2023, p. 0001

Macro-financial assistance to North Macedonia

2023/0034(COD) - 06/02/2023 - Legislative proposal

PURPOSE: to provide EUR 100 million in macro-financial assistance to the Republic of North Macedonia.

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: relations between the European Union and North Macedonia ('North Macedonia') continue to develop within the framework of the EU Stabilisation Agreement and the EU accession negotiations launched in July 2022. North Macedonia's economy has been significantly affected by the 2020 recession caused by the COVID-19 pandemic, as well as by the recent energy crisis.

In view of the worsening economic situation and outlook, North Macedonia first requested complementary macro-financial assistance from the Union in April 2022. The Commission put the request on hold, however, because the economy of North Macedonia was still proving quite resilient at that time and there were some other financing options available to meet 2022 external financing needs. The government of North Macedonia renewed its request for macro-financial assistance in October 2022.

The government of North Macedonia has demonstrated a strong commitment to further reforms, focusing on the key policy areas identified in the Joint Ministerial Conclusions of May 2022 and including areas of the fundamentals such as the judiciary, the fight against corruption and organised crime, good governance and the rule of law.

CONTENT: the Commission proposes to provide up to **EUR 100 million** in Macro-financial Assistance (MFA) to North Macedonia. The proposed MFA would help North Macedonia to cover part of the country's residual external financing needs in 2023, which are estimated at EUR 800 million under the IMF's baseline scenario. The operation would reduce the economy's short-term balance of payments and fiscal vulnerabilities and demonstrate the EU' s support for the country when addressing this challenging situation.

The disbursement would take place in two instalments. The release of each instalment would be conditional on progress being made with the implementation of a number of policy measures to be agreed between the Commission and the authorities and listed in a Memorandum of Understanding (MoU) as well as on a satisfactory track record implementing the IMF programme. The MoU is likely to focus on policy reforms addressing fiscal governance, tax policy, the management of public investment, public-private partnerships, business environment, transparency in state aid, energy efficiency, judiciary reform, and the fight against corruption. The policy measures will aim to address some of the most important weaknesses of the economy of North Macedonia and its economic governance system.

Budgetary implications

The proposed micro-financial operation of up to EUR 100 million for North Macedonia is planned to be disbursed in **two equal tranches** to be released between 2023 and 2024. The required provisioning of the loan of EUR 100 million at a rate of 9% of the External Action Guarantee will be programmed under the IPA for a total amount of EUR 9 million (budget line 15.020203 IPA III – Provisioning of the Common Provisioning Fund (External Action Guarantee – MFA).).

Macro-financial assistance to North Macedonia

2023/0034(COD) - 30/05/2023 - Committee report tabled for plenary, 1st reading/single reading

The Committee on International Trade adopted the report by Angelika WINZIG (EPP, AT) on the proposal for a decision of the European Parliament and of the Council providing macro-financial assistance (MFA) to the Republic of Northern Macedonia.

The committee recommended that the European Parliament adopt its position at first reading by adopting the Commission's proposal.

Following a partial recovery from the pandemic-induced recession, Northern Macedonia has been severely hit by the fallout from Russia's war of aggression against Ukraine.

The Commission's proposal is to grant Northern Macedonia an MFA loan of up to EUR 100 million. The envisaged MFA would help North Macedonia to cover part of the country's residual external financing needs in 2023, which are estimated at EUR 800 million according to the IMF's baseline scenario. The operation would reduce the short-term balance of payments and budgetary vulnerabilities of the economy and demonstrate the EU's support to the country in coping with this difficult situation. It would also be a strong sign of solidarity with the country on the road to accession.

Under the Commission's proposal, the disbursement would take place in two instalments. The release of each instalment would be conditional on progress being made with the implementation of a number of policy measures to be agreed between the Commission and the authorities and listed in a Memorandum of Understanding (MoU) as well as on a satisfactory track record implementing the IMF programme.

The MoU is likely to focus on policy reforms addressing fiscal governance, tax policy, the management of public investment, public-private partnerships, improvement of business environment, transparency in state aid, energy efficiency, judiciary reform, and the fight against corruption.

Macro-financial assistance to North Macedonia

2023/0034(COD) - 13/06/2023 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 536 votes to 38, with 23 abstentions, a legislative resolution on the proposal for a decision of the European Parliament and of the Council providing macro-financial assistance to the Republic of Northern Macedonia.

Parliament adopted its position at first reading by taking over the Commission's proposal.

The Commission's proposal is to grant **macro-financial assistance (MFA) of up to EUR 100 million** in the form of loans to Northern Macedonia. The EU MFA will support economic stabilisation and the implementation of the structural reform programme in Northern Macedonia, complementing the resources made available under the financial agreement with the IMF.

A precondition for granting the Union's macro-financial assistance should be that North Macedonia respect effective democratic mechanisms, including a multi-party parliamentary system, and the rule of law, and guarantee 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, as well as of the governance and supervision of the financial sector, in North Macedonia and should promote structural reforms that aim to support sustainable and inclusive growth, decent employment creation and fiscal consolidation.

Under the Commission's proposal, the disbursement would take place in two instalments. The release of each instalment would be conditional on progress being made with the implementation of a number of policy measures to be agreed between the Commission and the authorities and listed in a Memorandum of Understanding (MoU) as well as on a satisfactory track record implementing the IMF programme.

The MoU is likely to focus on policy reforms addressing fiscal governance, tax policy, the management of public investment, public-private partnerships, improvement of business environment, transparency in state aid, energy efficiency, judiciary reform, and the fight against corruption.