

## P6\_TA(2007)0033

### Macro-financial aid for Moldova \*

**European Parliament legislative resolution on the proposal for a Council decision on Providing Community macro-financial assistance to Moldova (COM(2006)0579 – C6-0342/2006 – 2006/0184(CNS))**

#### **(Consultation procedure)**

*The European Parliament,*

- having regard to the Commission proposal to the Council (COM(2006)0579)<sup>1</sup>,
  - having regard to Article 308 of the EC Treaty, pursuant to which the Council consulted Parliament (C6-0342/2006),
  - having regard to Rule 51 of its Rules of Procedure,
  - having regard to the report of the Committee on International Trade and the opinion of the Committee on Budgets (A6-0013/2007),
1. Approves the Commission proposal as amended;
  2. Calls on the Commission to alter its proposal accordingly, pursuant to Article 250(2) of the EC Treaty;
  3. Calls on the Council to notify Parliament if it intends to depart from the text approved by Parliament;
  4. Asks the Council to consult Parliament again if it intends to amend the Commission proposal substantially;
  5. Instructs its President to forward its position to the Council and the Commission.

Text proposed by the Commission

Amendments by Parliament

Amendment 1  
Recital 9 a (new)

***(9a) Transnistria has a significant role in trade, expanded recently by the ban imposed by Russia on wine imports of Moldovan origin which does not apply to wine originating from Transnistria.***

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<sup>1</sup> Not yet published in the OJ.

Amendment 2  
Recital 9 b (new)

***(9b) Transdnistria obtains considerable revenue from trade in terms of customs duties and taxes, which does not constitute revenue for the State budget of Moldova.***

Amendment 3  
Recital 9 c (new)

***(9c) The EU's macro-financial assistance should not merely supplement programmes and resources from the Bretton Woods institutions but ensure the added value of Community involvement.***

Amendment 4  
Recital 9 d (new)

***(9d) The Community should ensure that the EU macro-financial assistance is legally and substantially coherent with the different areas of external action and other relevant Community policies. Such coherence should be ensured in formulating policy, including the Memorandum of Understanding and the Grant Agreement, and in its implementation.***

Amendment 5  
Recital 9 e (new)

***(9e) The Community should ensure that the EU's macro-financial assistance is exceptional and limited in time, complementary to the assistance from the Bretton Woods institutions, bilateral donors and the Paris Club creditors, as well as conditional on meeting clearly identified requirements, including political pre-conditions, and is carefully monitored and evaluated in order to prevent fraud and financial irregularities.***

Amendment 6  
Recital 9 f (new)

***(9f) Russia has explained that the ban on wine imports from Moldova had been imposed because of non-compliance with certain phytosanitary requirements.***

Amendment 7  
Recital 9 g (new)

***(9g) The Community should provide financial assistance to Moldova in order to improve quality and food security in the wine-making sector.***

Amendment 8  
Recital 10

(10) The release of this grant assistance is without prejudice to the powers of the budgetary authority.

(10) The release of this grant assistance is without prejudice to the powers of the budgetary authority. ***This financial assistance should be provided after verifying whether the conditions to be agreed with the authorities of Moldova have been satisfactorily fulfilled. The conditions for the release of the instalments of the exceptional assistance, which should be laid down in a Memorandum of Understanding and a Grant Agreement, should include specific targets to be achieved in the following areas: improved transparency and increased sustainability of public finances; the application of macro-economic and budgetary priorities on the basis of the satisfactory implementation of the economic programme supported by the International Monetary Fund under the Economic Growth and Poverty Reduction Strategy Paper and of the reforms identified under the EU-Moldova European Neighbourhood Policy Action Plan; and full compliance with international democratic and human rights standards, including respect for minorities and the fundamental principles of the rule of law. Real progress in attaining the above targets should provide the basis for the disbursement of the instalments of this assistance.***

Amendment 9  
Article 1, paragraph 1

1. The Community shall make available to Moldova macro-financial assistance in the form of a grant of up to EUR 45 million with a view to supporting Moldova's balance of payments and, in this way, alleviating the financial constraints on the implementation of the government's economic programme.

1. The Community shall make available to Moldova **exceptional** macro-financial assistance in the form of a grant of up to EUR 45 million with a view to supporting Moldova's balance of payments **in the context of a severe deterioration of Moldova's trade and current account balances** and, in this way, alleviating the financial constraints on the implementation of the government's economic programme.

Amendment 10  
Article 1, paragraph 2

2. This Community financial assistance shall be managed by the Commission in consultation with the Economic and Financial Committee and in a manner consistent with the agreements or understandings reached between the International Monetary Fund (IMF) and Moldova.

2. This Community financial assistance shall be managed by the Commission in consultation with the Economic and Financial Committee and in a manner consistent with the agreements or understandings reached between the International Monetary Fund (IMF) and Moldova. **The Commission shall regularly inform the European Parliament of the Economic and Financial Committee proceedings and provide it with the relevant documents.**

Amendment 11  
Article 1, paragraph 3

3. The Community financial assistance shall be made available for two years starting from the first day after the entry into force of this decision. **However, if circumstances so require, the Commission, after consultation of the Economic and Financial Committee, may decide to extend the availability period by a maximum of one year.**

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Amendment 12  
Article 2, paragraph 1

1. The Commission is empowered to agree with the authorities of Moldova, after consultation with the Economic and Financial Committee, the economic policy

1. The Commission is empowered to agree with the authorities of Moldova, after consultation with the Economic and Financial Committee **and the European**

and financial conditions attached to this assistance, to be laid down in a Memorandum of Understanding and a Grant Agreement. These conditions shall be consistent with the agreements or understandings referred to in Article 1(2).

***Parliament***, the economic policy and financial conditions attached to this assistance, to be laid down in a Memorandum of Understanding and a Grant Agreement. These conditions shall be consistent with the agreements or understandings referred to in Article 1(2). ***The Memorandum of Understanding and the Grant Agreement shall be immediately submitted to the Council and the European Parliament. These conditions shall include specific targets in the following areas: improved transparency and increased sustainability of public finances; the application of macro-economic and budgetary priorities on the basis of the satisfactory implementation of the economic programme supported by the IMF under the Economic Growth and Poverty Reduction Strategy Paper and of the reforms identified under the EU-Moldova European Neighbourhood Policy Action Plan; and full compliance with international democratic and human rights standards, including respect for minorities and the fundamental principles of the rule of law. Real progress in attaining the above targets shall provide the basis for the disbursement of the instalments of this assistance. In order to increase transparency and accountability, the conditionalities of the EU's macro-financial assistance shall be made public.***

Amendment 13  
Article 3, paragraph 3

3. The second and any further instalments shall be released on the basis of a satisfactory implementation of the economic programme supported by the IMF under the Poverty Reduction and Growth Facility and of the EU-Moldova European Neighbourhood Policy Action Plan, and any other measures agreed with the Commission as set out in Article 2(1), and not before one quarter after the release of the previous instalment.

3. The second and any further instalments shall be released on the basis of a satisfactory implementation of the economic programme supported by the IMF under the Poverty Reduction and Growth Facility and of the EU-Moldova European Neighbourhood Policy Action Plan, and any other measures agreed with the Commission as set out in Article 2(1), ***in particular the making of satisfactory progress towards attaining the targets set out in the Memorandum of***

***Understanding provided for in Article 2(1), and not before one quarter after the release of the previous instalment.***

Amendment 14  
Article 3, paragraph 4

4. The funds shall be paid to the National Bank of Moldova. The final recipient of the funds will be the Ministry of Finances of Moldova.

4. The funds shall be paid to the National Bank of Moldova ***and recorded under the heading "Exceptional financial assistance from the European Union"***. The final recipient of the funds will be the Ministry of Finances of Moldova.

Amendment 15  
Article 4

The implementation of this assistance shall take place in accordance with the provisions of the Financial Regulation applicable to the General Budget of the European Communities and its implementing rules. In particular, the Memorandum of Understanding and the Grant Agreement to be agreed with the authorities of Moldova shall provide for ***appropriate*** measures by Moldova related to the prevention of and the fight against fraud, corruption and other irregularities linked to this assistance. It shall also provide for controls by the Commission, including the European Anti-Fraud Office (OLAF), with the right to perform on the spot checks and inspections, and for audits by the Court of Auditors, where appropriate, to be carried out on the spot.

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Amendment 16  
Article 5

By 31 August of each year the Commission shall submit to the European Parliament and to the Council a report, including an evaluation on the implementation of this Decision in the previous year.

By 31 August of each year the Commission shall submit to the ***relevant Committees of the*** European Parliament and to the Council a report, including an evaluation on the implementation of this Decision in

the previous year. ***That report shall specify the linkage between the targets set out in Article 2(1), Moldova's ongoing economic and fiscal performance and the Commission's decision to release the instalments of this assistance.***

Amendment 17  
Article 5 a (new)

***Article 5a***

***No later than two years after the expiry of the implementation period of the assistance provided for in this Decision, the Commission shall submit to the European Parliament and the Council an ex-post evaluation report.***