



EUROPEAN PARLIAMENT

2009 - 2014

---

*Committee on Foreign Affairs*

---

**2009/0162(COD)**

22.2.2010

## **DRAFT OPINION**

of the Committee on Foreign Affairs

for the Committee on International Trade

on the proposal for a decision of the European Parliament and of the Council  
providing macro-financial assistance to Ukraine  
(COM(2009)0580 – C7-0277/2009 – 2009/0162(COD))

Rapporteur: Ryszard Antoni Legutko

PA\_Legam

## SHORT JUSTIFICATION

Ukraine, a key partner of the EU in its Eastern neighbourhood, has been severely hit by the global economic crisis.

Your draftsman proposes to agree with the provision of macro-financial assistance as proposed by the Commission (up to EUR 500 million in the form of a loan intended to contribute to covering Ukraine's general balance-of-payments needs and the external financing needs of the State budget, as identified by the International Monetary Fund, (IMF)), as it is important to help Ukraine strengthen its long-term macro-financial stability.

In consideration of the fact, however, having seen that the Commission draft refers on several occasions to conditions agreed between Ukraine and the IMF, your draftsman proposes to amend the draft decision, so as to make sure that assistance provided out of EU budget is in line - besides being consistent with the IMF programme - with key principles and objectives of the EU policy towards Ukraine. Also, the assistance of the EU should, based on positive conditionality, trigger further necessary structural reforms in Ukraine, which are crucial for Ukraine's integration into the European Union.

## AMENDMENTS

The Committee on Foreign Affairs calls on the Committee on International Trade, as the committee responsible, to incorporate the following amendments in its report:

### Amendment 1

#### Proposal for a decision

##### Recital 1

*Text proposed by the Commission*

(1) Relations between Ukraine and the European Union are developing within the framework of the European Neighbourhood Policy. In 2005, the Community -and Ukraine agreed on a European Neighbourhood Policy Action Plan identifying medium-term priorities in EU-Ukraine relations. Since 2007, the Community - and Ukraine have been negotiating an Association Agreement that is expected to replace the existing Partnership and Cooperation Agreement. The framework of EU-Ukraine relations is further enhanced by the newly launched Eastern Partnership.

*Amendment*

(1) Relations between Ukraine and the European Union are developing within the framework of the European Neighbourhood Policy. In 2005, the Community and Ukraine agreed on a European Neighbourhood Policy Action Plan identifying medium-term priorities in EU-Ukraine relations, ***replaced by the EU-Ukraine Association Agenda of November 2009***. Since 2007, the Community and Ukraine have been negotiating an Association Agreement that is expected to replace the existing Partnership and Cooperation Agreement. The framework of EU-Ukraine relations is further enhanced

by the newly launched Eastern Partnership.

Or. en

## **Amendment 2**

### **Proposal for a decision Recital 6 a (new)**

*Text proposed by the Commission*

*Amendment*

***(6a) The EU macro-financial assistance can only contribute to economic stabilisation if the main political forces in Ukraine ensure political stability and establish a broad consensus on a rigorous implementation of the necessary structural reforms.***

Or. en

## **Amendment 3**

### **Proposal for a decision Recital 7 a (new)**

*Text proposed by the Commission*

*Amendment*

***(7a) The conditions underlying the provision of the macro-financial assistance should reflect key principles and objectives of EU policy towards Ukraine.***

Or. en

## Amendment 4

### Proposal for a decision Recital 10

*Text proposed by the Commission*

(10) This assistance should be managed by the Commission, in consultation with the Economic and Financial Committee.

*Amendment*

(10) This assistance should be managed by the Commission, in consultation with **the European Parliament and** the Economic and Financial Committee.

Or. en

## Amendment 5

### Proposal for a decision Article 1 – paragraph 3

*Text proposed by the Commission*

3. The release of the *Community* financial assistance shall be managed by the Commission in a manner consistent with the agreements or understandings reached between the IMF and Ukraine.

*Amendment*

3. The release of the *Union's* financial assistance shall be managed by the Commission in a manner consistent with the agreements or understandings reached between the IMF and Ukraine **and with key principles and objectives of economic reform set out in the EU-Ukraine Association Agenda.**

Or. en

## Amendment 6

### Proposal for a decision Article 2 – paragraph 1

*Text proposed by the Commission*

1. The Commission is empowered to agree with the authorities of Ukraine, after consulting the Economic and Financial Committee, the economic policy conditions attached to the *Community* macro-financial assistance, to be laid down in a

*Amendment*

1. The Commission is empowered to agree with the authorities of Ukraine, after consulting the Economic and Financial Committee, the economic policy conditions attached to the *Union's* macro-financial assistance, to be laid down in a

Memorandum of Understanding. The conditions shall be consistent with the agreements or understandings reached between the IMF and Ukraine. The detailed financial terms of the assistance shall be laid down in a Loan Agreement to be agreed between the Commission and the authorities of Ukraine.

Memorandum of Understanding **which includes a timeframe for their fulfilment.** The conditions shall be consistent with the agreements or understandings reached between the IMF and Ukraine **and with key principles and objectives of economic reform set out in the EU-Ukraine Association Agenda.** The detailed financial terms of the assistance shall be laid down in a Loan Agreement to be agreed between the Commission and the authorities of Ukraine.

Or. en

## Amendment 7

### Proposal for a decision Article 2 – paragraph 2

*Text proposed by the Commission*

2. During the implementation of the *Community* financial assistance, the Commission shall monitor the soundness of Ukraine's financial arrangements, administrative procedures, **and** the internal and external control mechanisms which are relevant to such assistance.

*Amendment*

2. During the implementation of the *Union's* financial assistance, the Commission shall monitor the soundness of Ukraine's financial arrangements, administrative procedures, the internal and external control mechanisms which are relevant to such assistance **and the fulfilment of the timeframe agreed upon.**

Or. en

## Amendment 8

### Proposal for a decision Article 4 – paragraph 5

*Text proposed by the Commission*

5. The Economic and Financial Committee shall be kept informed of developments in the operations referred to in paragraphs 2 and 3.

*Amendment*

5. The **European Parliament and the** Economic and Financial Committee shall be kept informed of developments in the operations referred to in paragraphs 2 and

3.

Or. en