

Macro-financial assistance to enlargement and neighbourhood partners in the coronavirus crisis

On 22 April 2020, the European Commission submitted a proposal for a decision for macro-financial assistance (MFA) to support ten enlargement and neighbourhood partner countries in their efforts to mitigate the economic and social consequences of the coronavirus pandemic, for a total amount of €3 billion. The Parliament is expected to vote on its position on the legislative proposal during the May plenary session.

Background

The proposal comes on top of the '[Team Europe](#)' strategy that provided €20 billion to support partner countries' efforts in tackling the coronavirus pandemic. The [MFA](#) is a very particular instrument, subject to the ordinary legislative procedure under the provisions of [Article 212 of the Treaty on the Functioning of the European Union](#) (TFEU), on financial and technical cooperation measures with third countries. It consists of the provision of conditional help to third countries experiencing a balance of payments crisis and is complementary to International Monetary Fund (IMF) financing.

The planned MFA package would be financed through a borrowing operation that the Commission will conduct on behalf of the EU. The Commission considers that the amounts set aside in the [Guarantee Fund for External Actions of the EU](#) provide an adequate buffer to protect the EU budget against contingent liabilities related to these MFA loans. The Commission assesses that the budgetary impact of the proposed MFA operations can be accommodated within the Commission's proposal for the next Multiannual Financial Framework (MFF); a revised MFF proposal from the Commission, taking into account the impact of the coronavirus crisis, is expected shortly.

European Commission proposal

According to the [proposal](#), the European Union will make MFA available to 10 partner countries to cover their external financing needs in 2020-2021. Based on a preliminary assessment of financing needs, the [amounts](#) of MFA to be made available would be distributed to the beneficiaries as follows: €180 million for Albania; €250 million for Bosnia and Herzegovina; €150 million for Georgia; €200 million for Jordan; €100 million for Kosovo; €100 million for Moldova; €60 million for Montenegro; €160 million for North Macedonia; €600 million for Tunisia and €1.2 billion for Ukraine. The Commission would report annually to the European Parliament and to the Council on the implementation of the decision in the preceding year.

European Parliament position

On 28 April 2020, Parliament's Committee on International Trade (INTA) requested the use of the urgent procedure under [Rule 163](#) of the Rules of Procedure of the European Parliament, which means the proposal will go directly to the May 2020 plenary, without a report or nomination of a rapporteur. The Member States' ambassadors in Coreper approved the proposal without amendment on [5 May 2020](#). Parliament is expected to vote on the proposal at first reading during the May plenary session.

First reading without committee report (Rule 163): [2020/0065\(COD\)](#); Committee responsible: INTA.

For further information see EPRS briefings on [The EU's 2020 budget: Response to the coronavirus pandemic](#) and [The EU's response to coronavirus in its neighbourhood and beyond](#).

