



Plenary sitting

A9-0166/2023

28.4.2023

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REPORT

on the proposal for a decision of the European Parliament and of the Council amending Decision (EU) 2022/563 as regards the amount of macro-financial assistance to the Republic of Moldova (COM(2023)0053) – C9-0011/2023 – 2023/0018(COD))

Committee on International Trade

Rapporteur: Markéta Gregorová

Symbols for procedures

- * Consultation procedure
- *** Consent procedure
- ***I Ordinary legislative procedure (first reading)
- ***II Ordinary legislative procedure (second reading)
- ***III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

Amendments to a draft act

Amendments by Parliament set out in two columns

Deletions are indicated in ***bold italics*** in the left-hand column. Replacements are indicated in ***bold italics*** in both columns. New text is indicated in ***bold italics*** in the right-hand column.

The first and second lines of the header of each amendment identify the relevant part of the draft act under consideration. If an amendment pertains to an existing act that the draft act is seeking to amend, the amendment heading includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend.

Amendments by Parliament in the form of a consolidated text

New text is highlighted in ***bold italics***. Deletions are indicated using either the ***■*** symbol or strikeout. Replacements are indicated by highlighting the new text in ***bold italics*** and by deleting or striking out the text that has been replaced.

By way of exception, purely technical changes made by the drafting departments in preparing the final text are not highlighted.

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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

**on the proposal for a decision of the European Parliament and of the Council amending Decision (EU) 2022/563 as regards the amount of macro-financial assistance to the Republic of Moldova
(COM(2023)0053) – C9-0011/2023 – 2023/0018(COD))**

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2023)0053),
 - having regard to Article 294(2) and Article 212 of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C9-0011/2023),
 - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
 - having regard to Rule 59 of its Rules of Procedure,
 - having regard to the opinion of the Committee on Budgets,
 - having regard to the report of the Committee on International Trade (A9-0166/2023),
1. Adopts its position at first reading, taking over the Commission proposal;
 2. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially amends or intends to substantially amend its proposal;
 3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

EXPLANATORY STATEMENT

INTA delegation's recent visit on 21-23 February 2023 to Chisinau brought essential aspects and knowledge to the whole necessary context for Macro-Financial Assistance (MFA) to the Republic of Moldova. Our meetings with the government representatives, parliamentarians, and stakeholders from business and trade unions enabled the whole delegation to establish a larger image of the main elements in justifying this Moldavian request for MFA support.

Russia's invasion of Ukraine had a strong primary and secondary negative impact on the Moldovan economy. As a result, the Moldovan economy contracted, and the uncertain economic climate has negatively affected investment and trade in general. The energy crisis, which intensified in 2022, combined with a fall in household consumption and investments, has put additional pressure on Moldova's public finances. In addition, the sharp rise in energy prices pushes for high inflation. All of those are harmful elements and messages for businesses and investors.

The ongoing MFA operation for Moldova was requested by Moldova on 19 November 2021. The MFA, amounting to EUR 150 million, by a Commission proposal of 24 January 2023, proposes to top up by another additional amount of 145 million. The rapporteur agrees with the objectives and reasoning for this increase and strongly reiterates the necessity in solidarity and fostering support for the Moldovan economy through this amended MFA.

The rapporteur also stresses the need to encourage Moldova for reforms, notably in the justice system, the rule of law and the fight against corruption. Those are essential elements of the conditionality for the requested MFA. Furthermore, given the Republic of Moldova's candidate status to the EU, the reforms and transposition of the EU law in the identified sectors need to be encouraged and also put forward as conditionalities on a political level to the EU assistance.

All changes through the necessary reforms in the justice sector, labour and economy sectors will undoubtedly be beneficial to improve the investment environment and local economy. The rapporteur also draws attention to the fact that the implementation of this proposal is expected to go hand in hand with additional EU budgetary support financed by the Neighbourhood, Development and International Cooperation Instrument. The rapporteur would have wished to increase the grant component of this MFA, however, the maximum amount possible for this year's grants opportunities is with this proposal already exhausted.

It is of utmost importance that the Commission monitors and reassures the European Parliament about the action steps in the implementation of the MoU and the whole assessment process and compliance with the conditionality. But also to continue providing technical support to the government.

The rapporteur supports the proposal of MFA to Moldova and stresses the importance of bringing this support to the economy of the Republic of Moldova.

19.4.2023

OPINION OF THE COMMITTEE ON BUDGETS

for the Committee on International Trade

on the proposal for a decision of the European Parliament and of the Council amending Decision (EU) 2022/563 as regards the amount of macro-financial assistance to the Republic of Moldova

(COM(2023)0053 – C9-0011/2023 – 2023/0018(COD))

Rapporteur for opinion: Siegfried Mureşan

SHORT JUSTIFICATION

The Committee on Budgets welcomes the Commission's proposal of 24 January 2023 to increase ongoing Macro-Financial Assistance (MFA) for the Republic of Moldova by EUR 145 million, of which EUR 100 million in concessional loans and EUR 45 million in grants, to cover parts of its external financing needs in 2023. This new proposal would bring the total amount of ongoing MFA assistance to the country to EUR 295 million. During the delegation of the Committee on Budgets to Moldova from 21 to 23 February 2023, BUDG Members discussed Moldova's budgetary needs, including the MFA, with the Moldovan authorities. Moldova's economy is heavily affected by Russia's war of aggression against Ukraine, as a result of trade disruptions, lost export revenues, soaring food and energy prices as well as high inflation. In this context, the Committee on Budgets recalls that Parliament, in its resolution of 5 May 2022 on the state of play of EU-Moldova cooperation, stressed that a "new MFA proposal was essential" and that it should "mainly be composed of grants, rather than loans". The Committee on Budgets regrets that this is not the case and calls on the Commission to increase the share of grants in future MFA decisions. The Committee on Budgets is also asking the Commission to evaluate whether MFA operations for Moldova should not be part of the Union's diversified funding strategy to reduce overall risks and liabilities for the EU budget, as is the case for Ukraine and to provide a detailed assessment of the MFA grants line (14 20 03 01) and the NDICI provisioning line (14 02 01 70) including the remaining budgetary flexibilities for 2023.

The Committee on Budgets also highlights that Moldova will need further support, and therefore additional financial and technical assistance, including through the IPA III instrument, given that Moldova is now a candidate for accession. It calls on the Commission to present a proposal to revise the IPA III Regulation accordingly as soon as feasible, including a proposal to sufficiently increase the overall IPA III budget. The Committee on

Budgets also stresses the importance of ensuring complementarities between EU programmes and additional resources provided by EU and International Financial Institutions, Member States and other donors.

The Committee on Budgets also notes that the additional MFA assistance is to be released in two disbursements in the third and fourth quarter of 2023, subject to satisfactory progress with the International Monetary Fund programme and the implementation of new policy conditions to be agreed between Moldova and the EU, which will be added to the Existing Memorandum of Understanding.

In addition, the Committee on Budgets calls on the European Commission to disburse, without delay, the rest of the ongoing MFA.

To conclude, the Committee on Budgets calls on the Commission to provide the budgetary authority with the detailed reports on the compliance with the agreed policy conditions to be submitted by the Moldovan authorities ahead of each disbursement, in a spirit of full transparency.

The Committee on Budgets calls on the Committee on International Trade as the committee responsible, to propose that Parliament adopt its position at first reading, taking over the Commission proposal.

PROCEDURE – COMMITTEE ASKED FOR OPINION

Title	Amending Decision (EU) 2022/563 as regards the amount of macro-financial assistance to the Republic of Moldova						
References	COM(2023)0053 – C9-0011/2023 – 2023/0018(COD)						
Committee responsible Date announced in plenary	INTA 13.2.2023						
Opinion by Date announced in plenary	BUDG 16.3.2023						
Rapporteur for the opinion Date appointed	Siegfried Mureşan 9.3.2023						
Discussed in committee	28.3.2023						
Date adopted	17.4.2023						
Result of final vote	<table> <tr> <td>+: </td><td>35</td></tr> <tr> <td>–: </td><td>1</td></tr> <tr> <td>0: </td><td>0</td></tr> </table>	+:	35	–:	1	0:	0
+:	35						
–:	1						
0:	0						
Members present for the final vote	Rasmus Andresen, Pietro Bartolo, Olivier Chastel, David Cormand, Andor Deli, Pascal Durand, José Manuel Fernandes, Eider Gardiazabal Rubial, Matteo Gazzini, Vlad Gheorghe, Valentino Grant, Valérie Hayer, Niclas Herbst, Monika Hohlmeier, Hervé Juvin, Joachim Kuhs, Zbigniew Kuźmiuk, Pierre Larroustou, Camilla Laureti, Janusz Lewandowski, Margarida Marques, Siegfried Mureşan, Victor Negrescu, Andrey Novakov, Bogdan Rzońca, Nicolae Ştefănuţă, Nils Torvalds, Angelika Winzig						
Substitutes present for the final vote	Anna-Michelle Asimakopoulou, Francisco Guerreiro, Fabienne Keller, Jan Olbrycht, Petri Sarvamaa						
Substitutes under Rule 209(7) present for the final vote	Jérémy Decerle, Elena Kountoura, Željana Zovko						

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

35	+
ECR	Zbigniew Kuźmiuk, Bogdan Rzońca
ID	Matteo Gazzini, Valentino Grant
NI	Andor Deli, Hervé Juvin
PPE	Anna-Michelle Asimakopoulou, José Manuel Fernandes, Niclas Herbst, Monika Hohlmeier, Janusz Lewandowski, Siegfried Mureşan, Andrey Novakov, Jan Olbrycht, Petri Sarvamaa, Angelika Winzig, Željana Zovko
Renew	Olivier Chastel, Jérémy Decerle, Vlad Gheorghe, Valérie Hayer, Fabienne Keller, Nils Torvalds
S&D	Pietro Bartolo, Pascal Durand, Eider Gardiazabal Rubial, Pierre Larrousurou, Camilla Laureti, Margarida Marques, Victor Negrescu
The Left	Elena Kountoura
Verts/ALE	Rasmus Andresen, David Cormand, Francisco Guerreiro, Nicolae Ştefănuţă

1	-
ID	Joachim Kuhs

0	0

Key to symbols:

+ : in favour

- : against

0 : abstention

PROCEDURE – COMMITTEE RESPONSIBLE

Title	Amending Decision (EU) 2022/563 as regards the amount of macro-financial assistance to the Republic of Moldova
References	COM(2023)0053 – C9-0011/2023 – 2023/0018(COD)
Date submitted to Parliament	24.1.2023
Committee responsible Date announced in plenary	INTA 13.2.2023
Committees asked for opinions Date announced in plenary	BUDG 16.3.2023
Rapporteurs Date appointed	Markéta Gregorová 1.3.2023
Discussed in committee	1.3.2023 21.3.2023
Date adopted	27.4.2023
Result of final vote	+ : 35 - : 1 0 : 0
Members present for the final vote	Barry Andrews, Tiziana Beghin, Saskia Bricmont, Jordi Cañas, Raphaël Glucksmann, Markéta Gregorová, Christophe Hansen, Heidi Hautala, Karin Karlsbro, Bernd Lange, Margarida Marques, Emmanuel Maurel, Alessandra Mussolini, Carles Puigdemont i Casamajó, Samira Rafaela, Catharina Rinzema, Inma Rodríguez-Piñero, Katarína Roth Neved'álová, Ernő Schaller-Baross, Helmut Scholz, Dominik Tarczyński, Kathleen Van Brempt, Marie-Pierre Vedrenne
Substitutes present for the final vote	Anna Cavazzini, Andrey Kovatchev, Elżbieta Katarzyna Łukacijewska, Liudas Mažylis, Javier Moreno Sánchez
Substitutes under Rule 209(7) present for the final vote	Pablo Arias Echeverría, Jessica Polfjård, Elżbieta Rafalska, Evelyn Regner, Bogdan Rzońca, Christine Schneider, Isabella Tovaglieri, Loránt Vincze
Date tabled	28.4.2023

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

35	+
ECR	Elżbieta Rafalska, Bogdan Rzońca, Dominik Tarczyński
NI	Tiziana Beghin, Carles Puigdemont i Casamajó, Ernő Schaller-Baross
PPE	Pablo Arias Echeverría, Christophe Hansen, Andrey Kovatchev, Elżbieta Katarzyna Łukacijewska, Liudas Mažylis, Alessandra Mussolini, Jessica Polfjärd, Christine Schneider, Loránt Vincze
Renew	Barry Andrews, Jordi Cañas, Karin Karlsbro, Samira Rafaela, Catharina Rinzema, Marie-Pierre Vedrenne
S&D	Raphaël Glucksmann, Bernd Lange, Margarida Marques, Javier Moreno Sánchez, Evelyn Regner, Inma Rodríguez-Piñero, Katarína Roth Neved'alová, Kathleen Van Brempt
The Left	Emmanuel Maurel, Helmut Scholz
Verts/ALE	Saskia Bricmont, Anna Cavazzini, Markéta Gregorová, Heidi Hautala

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ID	Isabella Tovaglieri

0	0

Key to symbols:

+ : in favour

- : against

0 : abstention