OPINION

of the Committee on Foreign Affairs

for the Committee on International Trade

on the proposal for a regulation of the European Parliament and of the Council laying down general provisions for Macro-Financial Assistance to third countries
(COM(2011)0396 – C7-0187/2011 – 2011/0176(COD))

Rapporteur: Inese Vaidere
PA_Legam
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 regulation
Recital 1

*Text proposed by the Commission*

(1) The European Union is a major provider of economic, financial and technical assistance to third countries. Union macro-financial assistance (hereinafter "macro-financial assistance") has proved an efficient instrument for economic stabilisation and a driver for structural reforms in the beneficiary countries. In accordance with its overall policy vis-à-vis candidate, potential candidate, and neighbourhood countries, the Union should be in a position to provide macro-financial assistance to those countries with the aim of developing a zone of shared stability, security, and prosperity.

*Amendment*

(1) The European Union is a major provider of economic, financial and technical assistance to third countries. Union macro-financial assistance (hereinafter "macro-financial assistance") has proved an efficient instrument for economic stabilisation and a driver for structural reforms in the beneficiary countries. In accordance with its overall policy vis-à-vis candidate, potential candidate, and neighbourhood countries, the Union should be in a position to provide macro-financial assistance to those countries with the aim of developing a zone of shared stability, security, and prosperity, *always with the consent of both parties.*

Amendment 2

Proposal for a regulation
Recital 3

*Text proposed by the Commission*

(3) A framework for delivering macro-financial assistance to *third* countries with which the Union has important political, economic and commercial ties should make the assistance more effective. In

*Amendment*

(3) A framework for delivering macro-financial assistance to *candidate, potential candidate and neighbourhood* countries, *and third countries in exceptional and duly justified cases*, should make the
particular, it should be possible to provide macro-financial assistance to third countries to encourage them to adopt economic policy measures likely to solve a balance of payments crisis.

**Amendment 3**

**Proposal for a regulation**

**Recital 9**

*Text proposed by the Commission*

(9) The Commission should ensure that macro-financial assistance is in line with the key principles, objectives and measures taken within the different areas of external action and other relevant Union policies.

*Amendment*

(9) The Commission, *in close cooperation with the EEAS*, should ensure that macro-financial assistance is in line with the key principles, objectives and measures taken within the different areas of external action and other relevant Union policies, whereby the Union should not seek to impose these but agree on them with the countries receiving assistance.

**Amendment 4**

**Proposal for a regulation**

**Recital 9 a (new)**

*Text proposed by the Commission*

(9a) Macro-financial assistance is also a tool of Union foreign policy and should serve to enhance the visibility and influence of the Union beyond its borders. The close involvement of the EEAS for the purpose of coordination and the consistency of the Union’s external policy should be ensured throughout the whole macro-financial assistance operation.
Amendment 5
Proposal for a regulation
Recital 10 a (new)

Text proposed by the Commission

(10a) A third country that plays a determining role in regional stability and is of strategic importance for the Union can be considered eligible for macro financial assistance in exceptional and duly justified cases, under the condition that it is politically, economically or geographically close to the Union. The decision to grant macro financial assistance to such country should be conferred on the Commission as a delegated act.

Amendment 6
Proposal for a regulation
Recital 10 b (new)

Text proposed by the Commission

(10b) To allow for flexibility in the use of macro-financial assistance as part of the Union's external action, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of determining the eligibility of these third countries that are neither candidate, nor potential candidate, nor neighbourhood countries. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level. The Commission, when preparing and drawing up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and to the Council.
Amendment 7
Proposal for a regulation
Article 5 – paragraph 1

Text proposed by the Commission

1. The amount of the assistance shall be based on the residual external financing needs of the beneficiary country. These shall be established by the Commission in cooperation with international financial institutions, based on a comprehensive and well documented quantitative assessment. In particular, the Commission will draw on the latest balance of payments projections for the country in question produced by the IMF and take into account the expected financial contributions from multilateral donors.

Amendment

1. The amount of the assistance shall be based on the residual external financing needs of the beneficiary country. These shall be established by the Commission in cooperation with international financial institutions and the EEAS, based on a comprehensive and well documented quantitative assessment. In particular, the Commission will draw on the latest balance of payments projections for the country in question produced by the IMF and take into account the expected financial contributions from multilateral donors.

Amendment 8
Proposal for a regulation
Article 5 – paragraph 3

Text proposed by the Commission

3. In case the financing needs of the beneficiary country decline fundamentally during the period of disbursement of the macro-financial assistance, the Commission, acting in accordance with Article 14 (2), may decide to reduce the amount of funds made available in the context of the assistance, suspend or cancel the assistance.

Amendment

3. In case the financing needs of the beneficiary country decline fundamentally during the period of disbursement of the macro-financial assistance, the Commission shall re-assess the economic and financial situation in the beneficiary country and, based on that assessment and acting in accordance with Article 14 (2), may decide to reduce the amount of funds made available in the context of the assistance, suspend or cancel the assistance.
Amendment 9

Proposal for a regulation
Article 6 – paragraph 1

Text proposed by the Commission

1. A pre-condition for granting macro-financial assistance shall be that the recipient country respects effective democratic mechanisms, including multi-party parliamentary systems, the rule of law and respect for human rights.

Amendment

1. A pre-condition for granting macro-financial assistance shall be that the recipient country respects effective democratic mechanisms, including multi-party parliamentary systems, the rule of law and respect for human rights. This assessment shall be entrusted to the EEAS in cooperation with the Commission and shall take into consideration the resolutions and reports adopted by the European Parliament concerning beneficiary countries. The assessment can identify policy recommendations as regards the strengthening of democratic institutions, human rights, transparency and fight against corruption. With a view to protecting the Union’s democratic values and interests and reinforcing beneficiary countries’ respect to fundamental rights, the Memorandum of Understanding shall include country specific measures that are consistent with the Union’s external policies aimed at strengthening the rule of law, human and labour rights, transparency and combating corruption.

Amendment 10

Proposal for a regulation
Article 6 – paragraph 3

Text proposed by the Commission

3. The disbursement of the assistance shall be conditional on a satisfactory track record of an IMF programme. It shall also be conditional on the implementation, within a specific time frame, of a series of clearly defined economic policy measures.

Amendment

3. The disbursement of the assistance shall be conditional on a satisfactory track record of an IMF programme and of respect for the Genval political and value-based principles. It shall also be conditional on the implementation, within
focusing on structural reforms, to be agreed between the Commission and the beneficiary country and to be laid down in a Memorandum of Understanding.

Amendment 11

Proposal for a regulation
Article 7 – paragraph 2

Text proposed by the Commission

2. If the conditions referred to in Article 1, Article 2, Article 4 and Article 6 are met, macro-financial assistance shall be granted by the Commission acting in accordance with Article 14(2)

Amendment

2. If the conditions referred to in Article 1, Article 2, Article 4 and Article 6 are met, macro-financial assistance shall be granted by the Commission, in close cooperation with the EEAS, acting in accordance with Article 14(2).

Amendment 12

Proposal for a regulation
Article 7 – paragraph 4

Text proposed by the Commission

4. Following the approval of the decision granting macro-financial assistance, the Commission, acting in accordance with Article 14(3), shall agree the policy measures referred to in Article 6(3), (4), (5) and (6) with the beneficiary country.

Amendment

4. Following the approval of the decision granting macro-financial assistance, the Commission, in close cooperation with the EEAS, acting in accordance with Article 14(3), shall agree the policy measures referred to in Article 6 (1), (3), (4), (5) and (6) with the beneficiary country.

Amendment 13

Proposal for a regulation
Article 7 – paragraph 6
Text proposed by the Commission  

6. The Commission shall inform the European Parliament and the Council of developments in country-specific assistance and provide them with the relevant documents.

Amendment

6. The Commission and the EEAS shall inform regularly and/or upon request the European Parliament and the Council of developments in country-specific assistance and shall ensure a simultaneous and timely transmission of the relevant documents.

Amendment 14

Proposal for a regulation  
Article 9 – paragraph 1

Text proposed by the Commission

1. Macro-financial assistance shall be disbursed to the central bank of the beneficiary country.

Amendment

1. Macro-financial assistance shall be disbursed only to the central bank of the beneficiary country.

Amendment 15

Proposal for a regulation  
Article 9 – paragraph 2

Text proposed by the Commission

2. The assistance shall be disbursed in successive instalments, conditional upon the fulfilment of the conditions referred to in Article 6(2) and 6(3).

Amendment

2. The assistance shall be disbursed in successive instalments, conditional upon the fulfilment of the conditions referred to in Article 6(1), (2) and (3).

Amendment 16

Proposal for a regulation  
Article 9 – paragraph 3

Text proposed by the Commission

3. The Commission shall verify at regular intervals that the conditions referred to in Article 6(2) and 6(3) continue to be met.

Amendment

3. The Commission shall verify at regular intervals that the conditions referred to in Article 6(2) and (3) continue to be met. The EEAS shall verify at regular
intervals, and without delay in the case of unforeseen developments, that the conditions referred to in Article 6(1) continue to be met, and inform the Commission accordingly.

Amendment 17
Proposal for a regulation
Article 9 – paragraph 4

Text proposed by the Commission

4. In case the conditions referred to in Article 6(2) and 6(3) are not met, the Commission can temporarily suspend, reduce or cancel the disbursement of the assistance.

Amendment

4. In case the conditions referred to in Article 6(1), (2) and (3) are not met, the Commission, in close cooperation with the EEAS, can temporarily suspend, reduce or cancel the disbursement of the assistance.

Amendment 18
Proposal for a regulation
Article 9 – paragraph 4 a (new)

Text proposed by the Commission

4a. In these instances, and in case the suspension of the operation is lifted after consultation of the EEAS, the Commission shall inform the European Parliament and the Council of the reasons thereof.

Amendment

4a. In these instances, and in case the suspension of the operation is lifted after consultation of the EEAS, the Commission shall inform the European Parliament and the Council of the reasons thereof.

Amendment 19
Proposal for a regulation
Article 11 – paragraph 1

Text proposed by the Commission

1. Beneficiary countries shall regularly check that financing provided from the budget of the Union has been properly used, take appropriate measures to prevent irregularities and fraud, and, if necessary,

Amendment

1. Beneficiary countries shall ensure that financing provided from the budget of the Union has been properly used, take appropriate measures to prevent irregularities and fraud, and, if necessary,
take legal action to recover any funds provided under this Regulation that have been misappropriated.

take legal action to recover any funds provided under this Regulation that have been misappropriated.

Amendment 20

Proposal for a regulation
Article 11 – paragraph 5

*Text proposed by the Commission*

5. Where it has been established that, in relation to the management of assistance under this Regulation, a beneficiary country has engaged in any act of fraud or corruption or any other illegal activity detrimental to the financial interests of the Union, the Commission shall be entitled to the full repayment of the grant and/or the early repayment of the loan.

*Amendment*

5. Where it has been established that, in relation to the management of assistance under this Regulation, a beneficiary country has engaged in any act of fraud or corruption or any other illegal activity detrimental to the financial interests of the Union, the Commission shall be entitled to the full repayment of the grant and/or the early repayment of the loan. **The Memorandum of Understanding shall include provisions on mechanisms allowing for the seizure of the assets wrongfully misappropriated.**

Amendment 21

Proposal for a regulation
Article 11 a (new)

*Text proposed by the Commission*

*Amendment*

**Article 11a**

*Decision on eligibility of third countries and exercise of the delegation*

1. In case of a determining role in regional stability and of strategic importance for the Union, and under the condition that it is politically, economically or geographically close to the Union, a third country may, in exceptional and duly justified cases, be considered eligible to benefit from a macro-financial assistance operation.
2. The Commission shall be empowered to adopt delegated acts in order to supplement, when necessary, this Regulation with eligible countries that meet the criteria of paragraph 1. The power to adopt delegated acts is subject to the conditions laid down in this Article.

3. The power to adopt delegated acts referred to in paragraph 2 shall be conferred on the Commission for a period of applicability of this Regulation.

4. The delegation of power may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

6. A delegated act adopted pursuant to this article shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or the Council.
Amendment 22

Proposal for a regulation
Article 13 – paragraph 1

Text proposed by the Commission

1. The Commission shall examine the progress made on implementing the measures taken under this Regulation and shall submit annually a report on the implementation of macro-financial assistance to the European Parliament and the Council.

Amendment

1. The Commission, in close cooperation with the EEAS, shall examine the progress made on implementing the measures taken under this Regulation and shall submit annually a report on the implementation of macro-financial assistance to the European Parliament and the Council.

Amendment 23

Proposal for a regulation
Article 13 – paragraph 2

Text proposed by the Commission

2. The annual report shall assess the economic situation and prospects of the beneficiary countries, as well as the progress made with the implementation of the policy measures referred to in Article 6(3).

Amendment

2. The annual report shall assess the economic situation and prospects of the beneficiary countries, as well as the progress made with the implementation of the policy measures referred to in Article 6(1) and (3).

Amendment 24

Proposal for a regulation
Article 14 - paragraph 1

Text proposed by the Commission

Committee

1. The Commission shall be assisted by a Committee.

Amendment

Committee

1. The Commission shall be assisted by a Committee. The EEAS shall be invited to its meetings and entitled to participate in its work.
Amendment 25

Proposal for a regulation
Article 14 a (new)

Text proposed by the Commission

Amendment

Article 14a

Review

1. No later than .....*, a report shall be prepared by the Commission, in close cooperation with the EEAS, on the implementation of this Regulation and the achievement of its objectives. The report shall review, inter alia, the implementation of Articles 3 and 6.

2. This report shall be submitted to the European Parliament and to the Council, and shall be accompanied, if appropriate, by a legislative proposal introducing the necessary amendments to this Regulation.

* OJ: four years after the date of entry into force of this Regulation.

Amendment 26

Proposal for a regulation
Article 15

Text proposed by the Commission

This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union and shall expire on 31 December 2013.

Amendment

This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.
## PROCEDURE

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<th>Title</th>
<th>General provisions for macro-financial assistance to third countries</th>
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<td>Date announced in plenary</td>
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<tr>
<td>Rapporteur(s)</td>
<td>Inese Vaidere</td>
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<td>Date appointed</td>
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<td>Date adopted</td>
<td>24.4.2012</td>
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<td>Result of final vote</td>
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<td>Substitute(s) present for the final vote</td>
<td>Laima Liucija Andrikienė, Andrew Duff, Tanja Fajon, Kinga Gál, Elisabeth Jeggle, Antonio López-Istúriz White, Carmen Romero López, Marietje Schaake, Indrek Tarand, Alejo Vidal-Quadras, Renate Weber</td>
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