



Coronavirus: Eight macro-financial assistance programmes agreed to support enlargement and neighbourhood partners

Brussels, 11 August 2020

As of today, the Commission, on behalf of the EU, has agreed Memoranda of Understanding (MoU) on macro-financial assistance (MFA) programmes with eight partners. The agreements are part of the [€3 billion MFA package for ten enlargement and neighbourhood partners](#), aimed to help them limit the economic fallout of the coronavirus pandemic.

The ongoing and swift implementation of these programmes is an important demonstration of the EU's solidarity with these countries at a time of unprecedented crisis.

Memoranda of Understanding have already been agreed with Albania, Georgia, Jordan, Kosovo, Moldova, Montenegro, North Macedonia and Ukraine. These documents have also been formally signed with four of them: Kosovo, Moldova, North Macedonia and Ukraine. Negotiations of the MoUs with the remaining two countries – Bosnia and Herzegovina, and Tunisia – are underway.

Valdis **Dombrovskis**, Executive Vice-President for an Economy that works for people, said: *"Supporting our neighbours is essential during this time of crisis to keep the entire region stable. As part of the EU's global response to the coronavirus pandemic, we are working to help our neighbouring countries to cushion the worst of its economic impact. These 'crisis MFA programs' will be provided on favourable terms on the basis of signed Memorandums of Understanding outlining concrete reform commitments. It will help the neighbouring countries to cover their external financing needs in 2020-21, given the difficulties in tackling the economic impact of the pandemic."*

Paolo **Gentiloni**, Commissioner for Economy, said: *"The COVID-19 pandemic knows no borders and its unprecedented economic and social impacts affect countries around the world. Our enlargement and neighbourhood partners are severely affected, and as a Union we have the financial strength to help them limit the economic fallout of the pandemic. The Commission, on behalf of the EU, is working with ten partner countries to support their efforts and implement effective economic policies at a time of unprecedented crisis. Agreement has already been reached with eight partners in a demonstration of the EU's solidarity."*

The MoUs provide for the policy actions to which the beneficiaries commit in order to receive the second tranche of assistance. Agreeing and signing the MoUs is an important step towards the first disbursement under the programmes, which is conditional on fulfilling the political pre-conditions, including the respect of democratic principles, human rights and the rule of law. Beneficiary countries should also benefit from an IMF financial assistance programme.

For **Albania**, the policy conditions for its €180 million MFA programme relate to strengthening public finance and the resilience of the financial sector, improving governance and fighting corruption, and enhancing social protection.

For **Georgia**, the policy conditions for its €150 million MFA programme relate to strengthening public finance management, improving governance, sector reforms, and labour market policies.

For **Jordan**, the policy actions for its €700 million MFA programmes are more comprehensive, as they cover two MFA operations. They cover public finance management, utilities, social and labour market policy, and governance,

For **Kosovo**, the policy conditions for its €100 million MFA programme relate to strengthening public finance and financial stability, addressing youth unemployment and improving good governance, and the fight against corruption.

For **Moldova**, the policy conditions for its €100 million MFA programme relate to strengthening public finance management, good governance and fight against corruption, and improving the business environment.

For **Montenegro**, the policy conditions for its €60 million MFA programme relate to strengthening public finance and the fight against corruption, enhancing financial stability, improving the business

environment, and reforming social protection.

For **North Macedonia**, the policy conditions for its €160 million MFA programme relate to strengthening fiscal governance and transparency, the fight against corruption, enhancing financial sector supervision, improving the business environment, and tackling youth unemployment.

For **Ukraine**, the policy conditions for its €1.2 billion MFA programme are larger and more comprehensive and relate to strengthening public finance management, governance and rule of law, reform of the judiciary, competition in the gas market, improving the business climate and governance of state-owned enterprises.

Background

MFA is part of the EU's wider engagement with neighbouring and enlargement countries and is intended as an exceptional EU crisis response instrument. It is available to enlargement and EU neighbourhood countries experiencing severe balance-of-payments problems. It demonstrates the EU's solidarity with these countries and the support of effective policies at a time of unprecedented crisis.

The Decision on providing macro-financial assistance to ten enlargement and neighbourhood partners in the context of the COVID-19 pandemic was proposed by the Commission on 22 April and adopted by the European Parliament and the Council on 25 May 2020.

In addition to MFA, the EU supports the Neighbourhood and Western Balkans through several other instruments, including humanitarian aid, budget support, thematic programmes, technical assistance, blending facilities and guarantees from the European Fund for Sustainable Development to support investment in sectors most affected by the coronavirus pandemic.

For more information

[Coronavirus: Commission proposes €3 billion macro-financial assistance package to support ten neighbouring countries](#)

[Decision of the European Parliament and of the Council on providing macrofinancial assistance to enlargement and neighbourhood partners in the context of the COVID19 pandemic](#)

More information on past [macro-financial assistance](#) operations

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