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REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL

on the implementation of macro-financial assistance to third countries in 2014

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The implementation of macro-financial assistance to third countries in 2014

1. INTRODUCTION

Macro-financial assistance, or MFA, is an EU financial instrument designed to address exceptional external financing needs of countries that are geographically, economically and politically close to the EU. Its objective is to strengthen macroeconomic and financial stability in candidate and potential candidate countries and in countries in the European Neighbourhood, while encouraging the implementation of appropriate structural reforms. It complements and is conditional on the existence of an adjustment and reform programme agreed with the International Monetary Fund (IMF). MFA is a balance of payments support instrument. It takes the form of either loans, for which the Commission borrows the necessary funds in capital markets and on-lends them to the beneficiary country, or, under certain circumstances, grants financed by the EU budget.

2014 was characterised by progress in the implementation of several previously delayed MFA operations (for Georgia, Jordan, the Kyrgyz Republic and Tunisia) and the rapid deterioration of the political and economic situation in Ukraine, which triggered a number of large-scale MFA operations.

This annual report is prepared in accordance with the Commission's information obligations as laid down in the various Council and joint European Parliament and Council decisions regarding MFA operations. It is accompanied by a Commission staff working document providing more detailed information on, and analysis of, the macroeconomic context and implementation of individual MFA operations.

2. BACKGROUND

2.1. Developments over the last few years

The global economic and financial crisis of 2008-09, which profoundly affected the emerging economies of the European Union's neighbourhood, resulted in a surge of requests for EU financial support, including in the form of MFA. At the end of 2009, the Council of Ministers adopted four MFA programmes to provide support to Armenia, Bosnia and Herzegovina, Georgia and Serbia. Also in 2009, the previously approved MFA operation for Kosovo[1] was extended by one year. In 2010, two more programmes, in favour of Ukraine and Moldova, were decided, this time — following the entry into force of the Lisbon Treaty — by the EU's co-legislators, the Council and the Parliament.

[1] This designation is without prejudice to positions on status, and in line with UN Security Council Resolution 1244 and the International Court of Justice Opinion on the Kosovo Declaration of Independence.

The operations for Georgia and Kosovo were finalised in 2010. In 2011, 2012 and 2013, the Commission completed the implementation of MFA programmes for Armenia, Bosnia and Herzegovina, Moldova and Serbia.

The overall economic situation in 2010 and early 2011 improved significantly and somewhat eased the pressure on the balance of payments position of MFA-eligible countries. This resulted in a decline in the number of new MFA operations proposed or approved: just two operations were proposed by the Commission (for Georgia and for the Kyrgyz Republic, both in 2011). The marked decline in the approval of new MFA operations also reflected delays in the legislative process, resulting from a disagreement between the co-legislators on how to apply the new comitology regulation to MFA decisions. That issue was only resolved in 2013[2].

From the second half of 2011, financing conditions in global capital markets deteriorated significantly, partly reflecting the effects of the euro area's sovereign debt crisis. In addition, the Arab Spring and the resulting political and economic upheavals in the Arab Mediterranean partner countries put heightened pressure on these countries' budgets and external financial positions. These developments led to an increased demand for MFA in 2012 and 2013, with requests for support from Egypt, Jordan and Tunisia. Decisions to provide MFA to Jordan and Tunisia were adopted by the co-legislators in December 2013 and May 2014, while the Commission proposal for a decision to provide MFA to Egypt was put on hold pending the conclusion between Egypt and the IMF of a disbursing IMF programme and in response also to political developments in that country.

In 2014, the conflict in eastern Ukraine and the marked deterioration of the country's economic and financial situation triggered MFA support at an unprecedented level, all in the form of loans. Disbursements under two decisions adopted in 2002 and 2010 started, following the Ukrainian Parliament's ratification of the relevant MFA documents. In addition, the Council approved a new MFA operation for Ukraine in April 2014 under the urgency procedure (Article 213 TFEU) and this was fully disbursed in 2014.

2.2. MFA Framework Regulation

As early as 2003, the European Parliament identified the lengthy decision-making process as one of the main shortcomings of the MFA instrument. Under the system in place at the time, decisions on individual MFA operations were taken on a case-by-case basis by the Council, after consultation of Parliament. Since the entry into force of the Treaty of Lisbon on 1 December 2009, legislative decisions on individual MFA operations have been taken by Parliament and the Council under the ordinary legislative procedure (co-decision), resulting in an even lengthier decision-making process. However, as highlighted by the financial and sovereign debt crisis, dealing effectively

[2] For more details, see the Reports from the Commission to the European Parliament and the Council on the implementation of macro-financial assistance to third countries in 2012 (COM(2013) 426) and 2013 (COM(2014) 372).

with macroeconomic and financial emergency situations requires a crisis response instrument that can be deployed quickly and efficiently.

Responding to the need to speed up decision-making and streamline the MFA instrument, on 4 July 2011 the Commission submitted a proposal for a Framework Regulation laying down general provisions for MFA to third countries[3]. The main objectives of the proposal were: (i) to make MFA more effective, through a swifter and more efficient decision-making process; (ii) to align that process with that for other financing instruments, mainly those relating to external relations; and (iii) to formalise, clarify and simplify the rules governing MFA.

The proposal was extensively discussed with Parliament and the Council. The Commission considered that the nature of its proposal had been changed during the lengthy legislative procedure and that, if adopted, the MFA Framework Regulation would constitute a serious breach of the inter-institutional balance, in particular by affecting the Commission's right of legislative initiative[4]. The Commission therefore decided on 8 May 2013 to withdraw its proposal.

After the Commission withdrew its proposal, on 18 July 2013, the Council brought an action for annulment against the Commission withdrawal before the Court of Justice under Article 263 TFEU[5]. The Court of Justice, in its judgment of 14 April 2015, rejected the Council's action and judged that the withdrawal by the Commission was justified. The Court also confirmed that the Commission acted appropriately in withdrawing its proposal given that the amendments proposed by the co-legislators would have fundamentally distorted the proposal, preventing it from attaining its main objectives. As a result, legislative decisions on individual MFA operations continue to be adopted by Parliament and the Council on a case-by-case basis under the ordinary legislative procedure[6].

Recent experience, in particular the need to swiftly launch new MFA operations in Ukraine in 2014 and 2015, has again underlined the need to ensure that MFA, as an emergency instrument, can be mobilised rapidly in reaction to crisis situations. The Commission will therefore continue to look at ways of improving the effectiveness and efficiency of the decision-making process.

[3] COM(2011) 396 final, 4.7.2011.

[4] For more details, see the Report from the Commission to the European Parliament and the Council on the implementation of macro-financial assistance to third countries in 2013 (COM(2014) 372).

[5] Case C-409/13.

[6] In the context of the adoption of Decision No 778/2013/EU providing further macro-financial assistance to Georgia, the European Parliament and the Council adopted a Joint Declaration reflecting the compromises reached between the two co-legislators during the negotiations on the Framework Regulation and the conciliation procedure for the decision on Georgia (OJ L 218, 14.8.2013, p. 18). The Declaration is a political agreement without legally binding effect.

3. MACRO-FINANCIAL ASSISTANCE OPERATIONS IN 2014

3.1. Overview

Progress was achieved on the following MFA decisions in 2014:

- In August 2013, the co-legislators adopted the Commission’s 2011 proposal to provide MFA to Georgia for a total of EUR 23 million in loans and EUR 23 million in grants. The MFA documents were signed in 2014. The grant element of the first tranche (EUR 13 million) was disbursed in January 2015 and the loan part (EUR 10 million) in April. The disbursement of the second tranche (amounting to EUR 23 million) is planned for summer 2015, provided the IMF programme remains on track and Georgia carries out the policy measures agreed in the Memorandum of Understanding (MoU).
- In April 2013, the Commission proposed a new decision to provide EUR 180 million in loans to Jordan; this was adopted in December 2013. The MoU and the Loan Facility Agreement were signed by the Jordanian authorities and the EU in March 2014. The first tranche (EUR 100 million) was disbursed in February 2015. The second tranche is also expected to be disbursed in 2015.
- The Commission’s 2011 proposal to provide an exceptional MFA to the Kyrgyz Republic for EUR 15 million in loans and EUR 15 million in grants was adopted in October 2013. The MFA documents were signed in 2014 and ratified by the Kyrgyz Parliament in February 2015. Disbursement of both the first and second tranches is planned in 2015.
- In December 2013, the Commission presented a new proposal to provide MFA to Tunisia for up to EUR 250 million in loans. The decision was adopted by the co-legislators in May 2014 and the signed MoU and Loan Facility Agreement were ratified by the Tunisian Parliament in March 2015. During the legislative procedure, the amount of assistance was increased to EUR 300 million. The assistance is due to be implemented in 2015 and 2016 and the first tranche (EUR 100 million) is expected to be disbursed in May.

For Ukraine, a total of EUR 1.36 billion in loans was disbursed under two MFA programmes in 2014. The first (MFA I), based on the decisions adopted in 2002 and 2010, provided MFA worth a total of EUR 610 million. The first tranche of EUR 100 million was disbursed in May 2014, shortly after the IMF approved a new two-year Stand-By Arrangement for Ukraine. The second tranche of EUR 260 million was disbursed in November 2014, while the third one (EUR 250 million) was disbursed in April 2015. In April 2014, the Council approved a second MFA programme for Ukraine worth EUR 1 billion in loans (MFA II) under the urgency procedure (Article 213 TFEU). The full amount was disbursed in two tranches of EUR 500 million each in June and December 2014. On 8 January 2015, the Commission proposed a third MFA programme for up to EUR 1.8 billion in loans, which was adopted by Parliament and Council on 15 April 2015. Together the three MFA operations to Ukraine amount to EUR 3.41 billion, which represents the largest EU financial assistance provided to a third country in such a short time.

3.2. Individual operations in the beneficiary countries in 2014

3.2.1. Georgia

In 2013, a decision was adopted on an MFA programme for Georgia with a total value of EUR 46 million. The MFA, which is to be provided half in loans and half in grants, will be disbursed in two tranches. After Georgia concluded a new disbursing programme with the IMF in July 2014, the negotiations on the MFA were reactivated (they had been on hold since 2011 because Georgia had not drawn on the existing IMF programme). The MFA documents were signed and, where necessary, ratified by the Georgian Parliament in December 2014. The grant part of the first tranche (EUR 13 million) was disbursed in January 2015 and the loan part (EUR 10 million) in April 2015. The disbursement of the second MFA tranche (a total of EUR 23 million) is planned in the second half of 2015, subject to Georgia keeping its IMF programme on track and carrying out the measures agreed in the MoU.

While GDP growth in Georgia picked up from 3.2% in 2013 to 4.7% in 2014, reflecting buoyant consumption and a rebound in private investment, the macroeconomic situation remains vulnerable. In line with growth, inflation accelerated to 3.1% in 2014 despite the mitigating effect of falling oil prices. Following the adverse exchange rate developments since November 2014 in Russia and other countries in the Commonwealth of Independent States (CIS), the lari depreciated sharply against the dollar, fuelling inflation expectations. In response, the central bank increased its key policy rate to 4.5% in February 2015. As the government has been embracing a more socially inclusive economic model since 2013, including by adopting a universal healthcare system, pressures on the budget increased and the fiscal deficit reached 2.9% of GDP in 2014, up from 2.6% in 2013. External pressures intensified again in 2014. The current account deficit reached 9.6% of GDP, up from 5.9% in 2013, as imports increased on the back of economic growth, and exports and remittances suffered from the unfavourable external environment. Progress on structural reforms was satisfactory in 2014, with a further widening of universal healthcare coverage and notable improvements in competition, fiscal transparency and banking supervision. In December 2014, the IMF Board completed the first programme review of a three-year Stand-By Arrangement for USD 154 million that had been agreed in July 2014.

3.2.2. Jordan

Following Jordan’s official request for MFA in December 2012, on 29 April 2013 the Commission adopted a proposal for a decision to provide MFA of up to EUR 180 million in the form of a medium-term loan. The decision was adopted by Parliament and the Council on 11 December 2013. In early 2014, negotiations were concluded on the MoU setting out the economic policy measures to be taken by the Jordanian authorities, and on the Loan Facility Agreement. The two documents were signed in March 2014. The MFA to Jordan is meant to complement the funds provided by the IMF under the ongoing Stand-By Arrangement. The first tranche (EUR 100 million) was disbursed in February 2015, while the second is expected to be released in the fall of 2015.

Despite Jordan’s exposure to heightened regional instability (including the continuing Syrian conflict and terrorist activity in the Sinai Peninsula, which continued to affect the supply of gas from Egypt), its economy expanded in 2014. Real GDP growth reached

3.1 %, as compared with 2.8 % in 2013, driven by the recovery in mining, construction, utilities and tourism, as well as by a strong inflow of foreign grants. Inflation was contained at low levels, allowing a more accommodative monetary policy stance in 2014. The fiscal deficit (taking account of foreign grants and transfers to the national electricity company, NEPCO) decreased slightly from 11.5 % of GDP in 2013 to 10 % in 2014, thanks to higher tax receipts and strong foreign grant inflows. The balance of payments improved on the back of substantial inflows of official grants and capital, notably from Gulf Cooperation Council (GCC) countries. Total foreign grants are estimated to have risen to 7 % of GDP in 2014, up from 2.7 % in 2013. Progress on structural reforms has been mixed, with the adoption of a revised income tax law, in particular, having been significantly delayed. The fifth review of the IMF programme was successfully completed in November 2014. This allowed a disbursement of USD 129 million, bringing total disbursements since the start of the programme to about USD 1.4 billion (of a total of USD 2 billion).

3.2.3. Kyrgyz Republic

In the wake of ethnic and political violence resulting in a sharp drop in economic activity and a sizeable external financing gap, the EU pledged at an international donor conference in Bishkek in July 2010 to support the recovery of the Kyrgyz Republic. This led to the Commission’s adoption in December 2011 of a proposal for a decision to provide MFA of up to EUR 30 million (EUR 15 million in loans and EUR 15 million in grants). This MFA operation was exceptional, in that the Kyrgyz Republic lies outside the normal geographical scope of the MFA instrument, but justified by the strength of pro-democratic political and economic reform momentum in the country and the fact that it is part of a region of particular economic and political importance for the EU. The MFA decision was adopted in October 2013. MFA documents were signed in late 2014 and ratified by the Kyrgyz Parliament in February 2015. Disbursements of both the first and second tranches are planned for 2015.

After a strong year in 2013, when GDP grew by 10.5 % as a result of a rebound in gold production, the Kyrgyz economy slowed significantly in 2014, with GDP growth estimated at 3.6 %. This was due to a slowdown in foreign trade, reduced remittances (linked to the recession in Russia and the economic slowdown in other main trading partners, in particular CIS countries) and reduced gold production. The local currency depreciated by 16.3 % against the US dollar in 2014 and annual inflation reached 10.9 % in February 2015. With the central bank intervening in the foreign exchange market to fend off depreciation pressures, its reserves decreased by 17.1 % between July 2014 and January 2015. The fiscal deficit is estimated at 3.7 % of GDP in 2014, and public debt at 54.1 % of GDP. The current account deficit remained large in 2014, at 13.7 % of GDP. The balance of payments remains, therefore, vulnerable. In this context, the Kyrgyz authorities requested a successor arrangement to the IMF. Negotiations were succesfullly completed in early 2015 and a new three-year programme under the Extended Credit Facility was approved by the IMF Board in April 2015. Although the 2013-17 National Sustainable Development Strategy is being implemented, progress in the financial sector is lagging behind. The Banking Code, which would strengthen banking regulations and the powers and independence of the central bank, is still awaiting parliamentary approval.

3.2.4. Tunisia

In June 2013, the IMF Board approved a new 24-month Stand-By Arrangement with Tunisia for USD 1.75 billion. In this context, in August 2013 the Tunisian Government requested MFA from the EU for EUR 500 million. In response, in December 2013 the Commission submitted a proposal to provide MFA of up to EUR 250 million, in the form of a loan to be disbursed in three equal tranches. During discussions in Parliament and Council, the amount of the assistance was increased to EUR 300 million. The decision on this MFA operation was adopted by the co-legislators in May 2014. The MoU and Loan Financing Agreement were agreed on and signed between July and September 2014, and were ratified by the Tunisian Parliament in March 2015. The disbursement of the first tranche is now expected for May 2015, while disbursement of the second and third tranches remains conditional on the IMF programme remaining on track and the Tunisian authorities complying with the MFA conditions set out in the MoU.

Real GDP growth remained subdued at 2.3% in 2014, compared to 2.4% in 2013. Political uncertainty and security tensions continued to weigh on economic activity. Inflation averaged 5.5% in 2014 and is on a downward trend. The fiscal and external imbalances remain substantial, generating significant financing needs. The fiscal deficit for 2014 will be lower than the IMF programme target (4.8% of GDP, as compared with the original forecast of 6.7% of GDP), but this is mainly due to underspending in the investment budget and the deferral of certain expenditures to 2015 and not to optimal cuts in the recurrent expenditures budget. On the external side, the current account deficit remained large in 2014 at 8.9% of GDP, as compared with 8.3% of GDP in 2013. Reserves were close to USD 7.8 billion at year-end 2014, which represents barely three months of imports, in contrast with the initial target of USD 9 billion under the IMF programme. In December 2014, the IMF completed the fifth programme review of the ongoing Stand-By Arrangement. The IMF acknowledged that all performance criteria had been met and that a significant number of structural reforms had advanced, despite an adverse economic, social and security environment.

3.2.5. Ukraine

In light of Ukraine’s rapidly deteriorating economic situation in early 2014 and the significant weakening of its balance of payments, in April 2014 the Council adopted a new MFA operation for the country under the urgency procedure (Article 213 TFEU). The programme consisted of a loan of up to EUR 1 billion, to be disbursed in two tranches of EUR 500 million each. This arrangement (MFA II) was in addition to another MFA facility (MFA I), established under two decisions (adopted in 2002 and 2010) and worth up to EUR 610 million in loans, to be disbursed in three tranches. As a result, a total of EUR 1.61 billion of MFA has been made available for Ukraine[7]. The disbursements under the two programmes became possible after the IMF Board approved

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[7] The two MFA programmes represent an important element of the Commission’s Support Package for Ukraine of more than EUR 11 billion that was announced on 5 March 2014 (http://europa.eu/rapid/press-release_MEMO-14-159_en.htm). In addition to MFA, the package included support through other financial instruments such as development assistance in the form of grants and financing from the European Investment Bank and the European Bank for Reconstruction and Development.

a new two-year Stand-By Arrangement in April 2014. Ukraine received EUR 1.36 billion of MFA financing in 2014, including the full amount of EUR 1 billion under the MFA II decision. The final tranche of MFA I of EUR 250 million was disbursed in April 2015.

Following two years of stagnation, in 2014 Ukraine's economy entered a deep recession due to a confidence crisis resulting from an armed conflict in the eastern part of the country. This crisis led to a sharp currency depreciation, as well as lower investment and consumption activity. The conflict-driven loss of productive capacity in the east of the country, which is Ukraine's industrial hub, further contributed to a contraction of the GDP by 6.8% in real terms in 2014. The weaker currency, coupled with significant increases in administered prices, resulted in a strong acceleration of consumer price index (CPI) inflation. At the same time, despite various corrective measures (on both the revenue and the expenditure side), the overall fiscal deficit worsened to an estimated 10.3 % of GDP in 2014, while public debt increased sharply to an estimated 70.2 % of GDP at year-end 2014. On the external side, an adjustment of the current account deficit (from 8.7 % in 2013 to 4.0 % in 2014), driven by reduced imports, was accompanied by sizeable private-sector financial outflows and payments for gas arrears. As a result, Ukraine's gross international reserves fell by nearly 60 % (EUR 10 billion) over 2014 to only EUR 6.2 billion at the end of the year. The recession and currency depreciation resulting from the crisis in confidence have acted as a drag on the banking sector, leading to large deposit outflows, significant operational losses and a growing proportion of non-performing loans. In an attempt to stabilise the sector, the central bank launched a clean-up of unviable banks and initiated a comprehensive recapitalisation exercise for the sector. Reform was also undertaken in the energy sector and in public finance management, underpinned by support programmes with international creditors, including the EU.

Against the background of a further weakening of economic activity and the worsening of the balance of payments, the international community, led by the IMF, put together a new package of financial support for Ukraine. In this context, the country requested a new MFA programme in September 2014 and reiterated its request in December 2014. In view of high additional external financing needs, and in order to support the Ukrainian authorities' ambitious reform programme, on 8 January 2015 the Commission submitted a proposal for a new MFA programme of up to EUR 1.8 billion in loans (MFA III). The decision for this new MFA programme was adopted by the co-legislators in April 2015. It is expected to be disbursed in three equal tranches over 2015-16. On 11 March 2015, the IMF Board approved a new four-year arrangement under the Extended Fund Facility for Ukraine (Special Drawing Rights of 12.348 billion, around USD 17.5 billion). This replaced the two-year Stand-By Arrangement agreed in April 2014.

4. ENSURING THE PROPER USE OF MFA FUNDS: OPERATIONAL ASSESSMENTS AND *EX POST* EVALUATIONS

4.1. Operational assessments

In line with the requirements of the EU Financial Regulation, the Commission carries out operational assessments with the help of external consultants to obtain reasonable assurance on the functioning of administrative procedures and financial circuits in beneficiary countries.

Operational assessments focus on public finance management systems, in particular on the procedures and the organisation of finance ministries and central banks and, more specifically, on the management of accounts receiving EU funds. In addition, special attention is given to how external audit institutions function, their independence, their work programmes and the effectiveness of their controls. Public procurement procedures at central level are also examined. In 2014, the Commission conducted one operational assessment in Ukraine, in preparation for the new MFA operation approved that year.

4.2. *Ex post* evaluations

In line with the EU Financial Regulation, the Commission conducts *ex post* evaluations[8] to assess the impact of MFA programmes. The main objectives are: (i) to analyse the impact on the economy of the beneficiary country and in particular on the sustainability of its external position; and (ii) to assess the added value of the EU intervention. An *ex post* evaluation of an MFA operation for Bosnia and Herzegovina started in 2014; it was completed in March 2015.

5. REQUESTS FOR ASSISTANCE AND FUTURE COMMISSION PROPOSALS — BUDGETARY SITUATION

The programme of MFA operations for 2015 is as follows:

(i) implementation of five decisions already approved, for MFA operations in Georgia, Jordan, the Kyrgyz Republic, Tunisia and Ukraine (last tranche of MFA I);

(ii) implementation of the new MFA III decision for Ukraine adopted in April 2015; and

(iii) approval of possible new programmes, based on requests received to date from Armenia and Egypt and new requests that may be received (notably one expected request from Moldova).

As mentioned above, the MFA operations with Georgia, Jordan and the Kyrgyz Republic as well as the MFA I operation with Ukraine are scheduled to be fully disbursed in 2015, while the programme with Tunisia and the MFA III operation with Ukraine would be disbursed over 2015-16. However, full implementation of these operations remains subject to compliance with policy conditions set out in the corresponding MoUs.

In February 2014, the Commission received a new request for MFA support from Armenia. However, Armenia's balance-of-payments situation was not deemed sufficiently critical to warrant a Commission proposal for MFA, despite the approval of a new financing arrangement with the IMF (under the Extended Fund Facility, amounting to USD 125 million) on 7 March 2014. The Commission is monitoring the economic and

[8] All *ex post* evaluations are available on the DG ECFIN website: http://ec.europa.eu/dgs/economy_finance/evaluation/completed/index_en.htm.

financial situation in Armenia closely, particularly in the context of the more challenging external economic environment the country has been facing since late 2014.

In November 2012, Egypt renewed its MFA request for a total of EUR 500 million. The Commission considered submitting a proposal, possibly consisting of a loan of EUR 450 million coupled with a grant of EUR 50 million. In addition, an operational assessment analysing the financial circuits and controls of Egypt's public finance management system was carried out in June 2013. However, the MFA proposal was put on hold pending the conclusion between Egypt and the IMF of a disbursing IMF programme and in response to the political developments in the country from July 2013 onwards.

The Commission expects to receive an official request for MFA from Moldova in 2015 given the deterioration in its economic situation and ongoing discussions with the IMF on a possible new programme.

The table below provides an overview of commitments and payments of MFA grants for 2013, 2014 and (indicatively) 2015. The forecast for 2015 is very preliminary and includes only those MFA operations for which a decision has been proposed by the Commission or already been approved by the co-legislators.

The total amount of outstanding MFA loans was EUR 1 842 million at year-end 2014. This sum is guaranteed by the EU budget via the Guarantee Fund for external actions,[9] which also covers Euratom loans and European Investment Bank (EIB) loans to third countries. The Guarantee Fund is maintained at 9% of the amount of MFA, Euratom and EIB loans to third countries. It is provisioned from the EU budget. MFA loan disbursements are expected to reach close to EUR 1.9 billion in 2015, which would correspond to a provisioning of the Guarantee Fund of about EUR 168 million. These figures do not, however, take account of possible new MFA operations for which the Commission has not yet presented a proposal.

[9] For more information, please see the Report from the Commission to the European Parliament and the Council on guarantees covered by the general budget (COM(2014) 540).

Commitments and payments for MFA grants, disbursements of MFA loans 2013-2015 (EUR)			
	2013	2014	2015 (indicative)*
Commitment appropriations for grants in the budget	94 550 000	60 000 000	77 955 000
Operational assessments, *Ex post* evaluations, Public Expenditure and Financial Accountability (PEFA) studies	173 856	181 874	250 000
MFA Kyrgyz Republic (decision adopted)		15 000 000	
MFA Georgia (decision adopted)		23 000 000	
Other possible MFA operations (Moldova, Egypt, Armenia...)			TBD
Commitments, total	**173 856**	**38 181 874**	
Uncommitted budget allocations	94 376 144	21 818 126	
Payment appropriations for grants in the budget	56 339 890	52 153 011	74 218 061
Operational assessments, *Ex post* evaluations, Public Expenditure and Financial Accountability (PEFA) studies	529 345	179 806	
MFA Kyrgyz Republic (decision adopted)			15 000 000
MFA Georgia (decision adopted)			23 000 000
Other possible MFA operations (Moldova, Egypt, Armenia...)			TBD
Payments, total	**529 345**	**179 806**	
Unused allocations for grant payments	55 810 545	51 973 205	
Disbursements of MFA loans			
Bosnia and Herzegovina (decision adopted)	100 000 000		
Ukraine I (decision adopted)		360 000 000	250 000 000
Ukraine II (decision adopted)		1000 000 000	
Georgia (decision adopted)			23 000 000
Jordan (decision adopted)			180 000 000
Tunisia (decision adopted)**			200 000 000
Kyrgyz Republic (decision adopted)			15 000 000
Ukraine III (proposal adopted)**			1200 000 000
Other possible MFA operations (Moldova, Egypt, Armenia...)			
Disbursements of MFA loans, total	**100 000 000**	**1360 000 000**	**1868 000 000**

* except for the figures for budgetary appropriations, which correspond the budget that has been adopted for 2015

** Only two out of the three tranches are expected to be disbursed in 2015. Disbursement of the final tranche is planned for 2016.