



**COUNCIL OF  
THE EUROPEAN UNION**

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**INFORMATION NOTE**

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from: General Secretariat  
to: Permanent Representatives Committee / Council  
Subject: Proposal for a decision of the European Parliament and of the Council providing macro-financial assistance to the Kyrgyz Republic  
- Outcome of the European Parliament's first reading  
(Strasbourg, 10 to 13 December 2012)

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**I. INTRODUCTION**

The Rapporteur, Mr. Vital MOREIRA (S&D, PT), presented a report consisting of one amendment to the proposal for a decision of the European Parliament and of the Council providing macro-financial assistance to the Kyrgyz Republic, on behalf of the Committee on International Trade (INTA). No further amendments were tabled.

**II. DEBATE**

The Rapporteur opened the debate, which took place on 10 December 2012, and:

- Called for support to the Committee in the negotiations with the Council on the outstanding issue of comitology. There was no disagreement on the substance of the proposal.

- Stated that in the Committee a large majority was of the view that if comitology were to be used (in itself debatable), the advisory procedure, as proposed by the Commission, should be chosen as in the previous cases of Moldova and Ukraine and not the examination procedure that would give Member States veto power.
- Recalled that the Council had changed its position, in previous cases accepting the advisory procedure, but now regarding the examination procedure as the general rule.
- Explained the two questions that faced the Parliament: the degree of Member State control and, linked to that, whether the Parliament should accept enhanced control by Member States where the Parliament did not have - and did not want to have - any control.
- Called upon the Parliament to maintain a firm stance in order to maintain the balance of powers and not to sacrifice the interests of the Kyrgyz Republic and Georgia for the interests of the Council.

Commissioner Karel DE GUCHT:

- Described Micro Financial Assistance (MFA) as a crucial instrument in the EU's relations with neighbouring and candidate countries, complementing IMF action in stabilising countries close to the EU. In this context, he recalled that the rules allow for a broad understanding of which countries could qualify for assistance.
- Urged the Parliament to support assistance to the Kyrgyz Republic in order to help fragile countries on their path to democracy, to contribute to maintaining economic stability and preventing reoccurrence of violence, and to support a country that acts on human rights and democratic principles, however imperfectly.
- Deplored the fact that MFA has been blocked for two years over the comitology issue, underlining that it was crucial to find a solution on the issue. As for Georgia, the long delays put the EU in a difficult position, reducing its credibility vis-à-vis external partners. Furthermore, there is a risk that forthcoming MFA proposals will be blocked, with a consequent negative impact on relations with countries such as Egypt, Jordan and Armenia.
- Urged the Parliament and the Council to continue their dialogue. It was not justifiable that assistance to the Kyrgyz Republic should fall victim to this dispute. It was important to put the Lisbon Treaty into practice, thereby observing not only the letter but also the spirit.

Speaking on behalf of the EPP political group, Mr. Paolo BARTOLOZZI (EPP, IT):

- Stated that, since the inter ethnic crisis some years ago, the situation in the country had stabilised. Following constitutional reforms and elections, the country had embarked on necessary reforms to bring about democratic stability.
- Recalled the EU's commitment to support reforms and that assistance was key to helping the country in its democratic, social and economic reforms.
- Therefore hoped that the outstanding legal dispute could be settled as quickly as possible. The delays in providing assistance not only had a direct impact on the Kyrgyz Republic but also a negative impact on the EU's image with the risk of its authority being called into question.

Speaking on behalf of the S&D political group, Mr. George Sabin CUTAŞ (S&D, RO):

- Welcomed the proposal on 30 mio. EUR assistance. The aid should support continued progress on democratic reforms.
- Believed that, regardless of the solution to be found on the legal dispute, European democracy could and should play a more prominent role in promoting democracy in Central Asia.

Speaking on behalf of the ALDE political group, Mr. Metin KAZAK (ALDE, BG):

- Stated that the pro-democratic efforts of the Kyrgyz Republic had turned it into a key partner for the EU. The EU was one of its main donors.
- Voiced concern about the flaws in financial management and the human rights situation after the flaring up of interethnic tension. However, the Kyrgyz Republic was taking steps to address the problems. If successful, this would send a message to the region that EU was ready to support countries that were clearly set on a path democratisation. If not, the Commission should not hesitate to suspend payments and apply the less for less principle.
- Stated in his capacity as rapporteur for the MFA framework regulation that, on the key issue of comitology the three institutions needed to set an example of using common sense in order to reach a reasonable compromise to implement the Lisbon Treaty.

Speaking on behalf of the Greens/EFA political group, Ms. Nicole KIIL-NIELSEN (Greens/EFA, FR):

- Recalled that the situation in the country had deteriorated. The imprisonment, torture and judgement against human rights defenders belonging to the Uzbek minority symbolised the failure of national reconciliation. In this context, it was noted that the HR/VP had visited the country without addressing the situation.
- Argued that Europe could not continue turning a blind eye while the situation was deteriorating. Her political group would vote against the assistance. Assistance should be made conditional on tangible progress in justice reform and the fight against corruption.

Speaking on behalf of the EFD political group, Mr. Jaroslav PASKA (EFD, SK):

- Stated that, if the IMF forecast that the proposed assistance would allow the country to overcome a short critical period were to be fulfilled, the assistance would have meet its reasonable objective.
- Nevertheless, urged that, in the long term, the Commission should consistently monitor whether the provided assistance brings the expected effect.

Speaking on behalf of the Non-Attached Members of the Parliament, Ms. Laurence J.A.J. STASSEN (NI, NL), asked why with the EU undergoing a financial crisis, the EU should continue to send cheques to faraway countries. The support constituted gifts to countries where organised crime and corruption are widespread. The Kyrgyz Republic is not even part of the EU's neighbourhood. Human rights are violated and it is one of the most corrupt countries in the world.

Other speakers (Ms. Elisabeth JEGGLE (EPP, DE), Mr. Niccolò RINALDI (ALDE, IT) and Mr. Alojz PETERLE (EPP, SL) supported the proposal for assistance as a means to underpin a fragile democracy, but they also called for developments in the country to be monitored, in particular as concerns human rights.

### III. VOTE

When the European Parliament voted on 11 December 2012, the plenary adopted the amendment to the proposal for a draft Decision.

The text of the amendment adopted and the European Parliament's legislative resolution are annexed to this note.

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## Macro-financial assistance to the Kyrgyz Republic \*\*\*I

**European Parliament legislative resolution of 11 December 2012 on the proposal for a decision of the European Parliament and of the Council providing macro-financial assistance to the Kyrgyz Republic (COM(2011)0925 – C7-0521/2011 – 2011/0458(COD))**

**(Ordinary legislative procedure: first reading)**

*The European Parliament,*

- having regard to the Commission proposal to Parliament and the Council (COM(2011)0925),
  - having regard to Article 294(2) and Article 209 of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C7-0521/2011),
  - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
  - having regard to Rule 55 of its Rules of Procedure,
  - having regard to the report of the Committee on International Trade (A7-0208/2012),
1. Adopts its position at first reading hereinafter set out;
  2. Calls on the Commission to refer the matter to Parliament again if it intends to amend its proposal substantially or replace it with another text;
  3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

### **Amendment 1**

#### **Proposal for a decision Recital 18**

*Text proposed by the Commission*

(18) Economic policy conditions, to be laid down in a Memorandum of Understanding, will be attached to the Union's macro-financial assistance. In order to ensure uniform conditions of implementation and for reasons of efficiency, the Commission should be empowered to negotiate such conditions with the Kyrgyz authorities under the supervision of the Committee of the Member States foreseen by Regulation (EU) No 182/2011. ***The fact that the***

*Amendment*

(18) Economic policy conditions, to be laid down in a Memorandum of Understanding, will be attached to the Union's macro-financial assistance. In order to ensure uniform conditions of implementation and for reasons of efficiency, the Commission should be empowered to negotiate such conditions with the Kyrgyz authorities under the supervision of the Committee of the Member States foreseen by Regulation

*assistance is of a limited maximum amount provides for the due justification required by the second sentence of Article 2(3) of Regulation (EU) No 182/2011 to subject the adoption of the Memorandum of Understanding to the advisory procedure.*

(EU) No 182/2011.