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REPORT FROM THE COMMISSION TO THE COUNCIL AND THE EUROPEAN PARLIAMENT

on the implementation of macro-financial assistance to third countries in 2010

{SEC(2011) 873 final}
{SEC(2011) 874 final}

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[1] UNSCR 1244

1. INTRODUCTION

The report provides a general overview of the implementation of the instrument of EU macro-financial assistance (MFA) to third countries in 2010. It describes the overall context in which MFA operations were approved and implemented, includes information on the most recent operations in the countries neighbouring the EU and presents general statistics on the various MFA operations carried over the last ten years.

The year 2010 was one of the most active years in the operation of the MFA instrument since the beginning of the decade, reflecting the impact of the global economic crisis and of the slow exit from the crisis for the EU's neighbourhood. It was also the first year of operation of MFA in the new legal environment created by the entry into force of the Lisbon Treaty.

The report also briefly discusses the main objectives of the proposal, currently under preparation, of a Framework Regulation for MFA, a proposal that is expected to be submitted to the Parliament and the Council this year. It also explains the methodology that the Commission uses for deciding between the use of loans and grants in the individual MFA operations that it proposes.

The report also contains a section on the operational assessments, Public Expenditure and Financial Accountability (PEFA) studies and ex-post evaluations conducted in countries receiving MFA. The Commission has, since 2004, carried out operational assessments of the financial circuits and procedures related to MFA in each of the recipient countries, in response to the recommendation of the Court of Auditors. The Financial Regulation also requires the Commission to conduct ex-post external evaluations of its programmes. In 2010, the Commission conducted, with the support of consultants, three follow-up operational assessments and one PEFA study in countries of operation. As no MFA operations had been completed in 2009, no ex-post evaluations were initiated in 2010.

Finally, the report provides information on new requests for MFA and possible new Commission MFA proposals in the pipeline.

This report is prepared in accordance with the Council and joint Council and Parliament decisions regarding MFA operations. It follows the reports presented in the previous years. It is accompanied by two Commission Staff Working Documents, one (SEC(2011)873 final) providing more detailed information and analysis of the macroeconomic context and implementation of individual MFA operations and one (SEC(2011) 874 final) explaining in more detail the methodology used by the Commission to decide between the use of loans and grants in MFA operations.

Background

1.1. Dealing with the lingering consequences of the global recession

The global economic and financial crisis of 2008-2009, which affected profoundly the emerging economies of the European Union's neighbourhood, resulted in a sharp increase of international donor support to the area, in particular from the IMF. It also resulted in a surge in requests for financial support from the EU, including in the form of MFA. A number of these requests translated in actual support programmes designed to help countries deal with the negative implications of the global crisis. Four such programmes in favour of Bosnia and Herzegovina, Serbia, Armenia and Georgia were decided by the EU Council of Ministers at the end of 2009. In 2010, two more programmes, in favour of Ukraine and the Republic of Moldova, were decided by the EU legislators – this time jointly by the Council and the Parliament – in response to the requests submitted in 2009.

In 2010, the global economic and financial crisis receded. The advanced economies, including those of the European Union, started growing again, which translated into higher demand for the exports of their trading partners, including the countries of the EU's neighbourhood. Thus, growth in the countries of the Western Balkans and of the Eastern Neighbourhood resumed, sometimes in an impressive way. Yet, despite the start of the recovery, the effects of the global crisis and of the resulting shocks on the economies of the region, including the weak external financial positions, have not disappeared. Thus, the scope remains for donor support to many countries of the Eastern Europe and the Western Balkans.

In 2009 and 2010 the countries of the EU's Mediterranean Neighbourhood had shown more resilience to the crisis than Western Balkan and Eastern ENP partners. The ongoing political turmoil in the South Mediterranean could change this in 2011.

1.2. Establishing new rules for macro-financial assistance operations

1.2.1. MFA Framework Regulation

As early as 2003, the European Parliament identified the lengthy decision-making process – decisions on individual MFA operations were taken on a case-by-case basis by the Council, after consultation of the Parliament – as one of the main shortcomings of MFA. Also, the Parliament stressed the need for a transparent legal basis for the instrument of MFA as a whole. Since the entry into force of the Lisbon Treaty, legislative decisions on individual MFA operations are taken by the Parliament and the Council under the ordinary legislative procedure (co-decision). This can further lengthen the decision-making process. The Lisbon Treaty has therefore added an element of urgency to the need to streamline the procedure for adopting MFA decisions. In addition, as highlighted by the global financial crisis, dealing effectively with macroeconomic and financial emergency situations requires a crisis response instrument that can be deployed quickly and efficiently.

Responding to these developments, the preparation of a legislative proposal of a MFA Framework Regulation was included in the Commission Work Programme. This proposal is expected to be submitted to the Parliament and the Council shortly.

Under the proposed future Framework Regulation, the decision-making procedure for MFA would become similar to that of other external financing instruments, whereby the Commission has competence for adopting decisions to grant MFA to eligible third countries under the supervision of a committee of Member State representatives. This approach should streamline the decision-making for individual MFA operations so that the instrument can better help beneficiary countries to adopt, in due time, programmes that include an appropriate mix of adjustment measures and external financial support.

The Regulation under preparation also consolidates in a formal legal instrument the rules guiding MFA operations, defined until now in Council conclusions (the so-called Genval criteria). The forthcoming Commission proposal essentially confirms these criteria, while updating and clarifying some of them.

1.2.2. Criteria on the use of loans and grants in MFA operations

Another aspect of the Commission's methodological work on the MFA instrument in 2010 was the review of the broad criteria for the choice of the appropriate form of support, i.e. medium- to long-term loans, grants, or a combination of both, in individual MFA operations. Building on the practices developed over the years, the Commission refined and clarified its methodological approach. Starting from the premise that MFA should, by default, take the form of loans, the approach provides guidance on which countries could be considered for MFA grants. It is based on objective indicators concerning the level of development and the debt sustainability of beneficiary countries, consistent with the practice applied by the international financial institutions (IFIs).

2. MACRO-FINANCIAL ASSISTANCE OPERATIONS IN 2010

2.1. Overview

In 2010, the Commission completed the implementation of three MFA programmes: two programmes decided back in 2006 and 2007 for, respectively, Kosovo and Lebanon and one of the four programmes approved by the Council on 30 November 2009, the one for Georgia. The Kosovo and Lebanon operations were implemented only in par: the second instalments of the assistance were not disbursed. The MFA operation for Georgia was implemented in full, and the Commission prepared a follow-up programme. Under the other three operations decided in November 2009, in favour of Bosnia and Herzegovina, Serbia and Armenia, no disbursements took place in 2010 and in early 2011, reflecting delays in agreeing the economic conditions of the programmes and in completing the necessary administrative and legal procedures in the beneficiary countries.

Also, in 2010 two first legislative decisions on MFA under the Lisbon Treaty were adopted by the co-legislators: programmes for Ukraine (EUR 500 million, in loans) and for the Republic of Moldova (EUR 90 million, in grants). The release of the first instalment under the operation for the Republic of Moldova took place already in 2010. The new loan for Ukraine, if implemented in full, will be the largest ever MFA operation.[2]

Given the size of the two MFA operations adopted, the year 2010 was a peak year in terms of MFA commitments (see Table 1 and Charts 1a and 1b). The total amount of funds committed under the programmes approved since the start of the latest economic

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[2] The EUR 500 million available under the July 2010 decision for Ukraine will be combined with EUR 110 million that remained undisbursed from the 2002 MFA decision for this country, implying an operation of a maximum amount of EU 610 million. This will imply the second largest MFA programme ever decided. The largest MFA operation – a loan facility of EUR 870 million for Hungary decided in 1990 – was suspended after the release of the first instalment of EUR 260 million.

crisis exceeded EUR 1 billion, which is more than the combined amount under all MFA programmes approved between 2001 and 2008. Also, in these two years, the total amount of MFA loans approved exceeded by far the total amount of MFA grants. Finally, the two new operations have also re-balanced the geographical repartition of MFA commitments in favour of the EU's Eastern Neighbourhood, at the expense of the Western Balkans.

The other important development of 2010 is a recovery in terms of disbursements, to over EUR 100 million (see Table 2 and Charts 2a and 2b). The annual amount of MFA payments made in 2010 was the highest annual amount since 2003.

2.2. Individual operations in the beneficiary countries in 2010

2.2.1. Western Balkans

2.2.1.1. Bosnia and Herzegovina

In July 2009 the IMF had concluded with the authorities a EUR 1.1 billion Stand-By Arrangement (SBA) in support of an economic programme aimed at correcting the external and fiscal imbalances resulting from the global crisis. On 30 November 2009, the EU decided to complement the SBA with a MFA of up to EUR 100 million, in loans (Council decision 2009/891/EC).

In 2010, the economy of Bosnia and Herzegovina was moderately recovering from the recession experienced in 2009. The recovery was driven by exports, reflecting the strong economic growth of some of the country's main trading partners. The export growth resulted in the narrowing of the current account deficit and in a build up of a more comfortable level of foreign reserves, leading to a decrease of Bosnia and Herzegovina's external financing needs throughout 2010 (as estimated by the IMF). Against this background, after the successful conclusion of the second and third reviews of the IMF programme in October (the programme remained on-track in 2010), the central bank did not draw funds available under the third tranche, reflecting its comfortable level of foreign exchange reserves. In early 2010, the Commission negotiated a Memorandum of Understanding (MoU) and the Loan Agreement (LA) with the authorities laying down the economic policy conditionality of the assistance. Following a delayed agreement on this MoU by the state and the two entities, the MoU and the LA were signed in November 2010, after the general elections. The ratification of the LA was, however, further delayed until 2011, awaiting the newly elected parliaments to become functional. Disbursements are expected to take place in the course of 2011.

2.2.1.2. Kosovo[3]

The economy of Kosovo continued growing in 2010 after expanding already in 2009 by 2.9%, mainly driven by public expenditure. There are increasing risks to the growth outlook as the fiscal expansion that has been underpinning it is reaching its limits.

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[3] UNSCR 1244

The exceptional financial assistance in favour of Kosovo in the form of EUR 50 million budget support grants dating back to 2006 (Decision 2006/880/EC of 30 November 2006) was initially to expire in December 2009. In December 2009, the Commission decided to extend the availability period of the programme by one additional year, until 11 December 2010. In July 2010, Kosovo's government reached an agreement with the IMF on an economic programme supported by an 18-month Stand-By Arrangement. This was the last pending condition for the release of the first instalment under the EU MFA programme. Thus the Commission disbursed in September 2010 the first EUR 30 million grant tranche. Following the dissolution of the Kosovo Parliament in November, the IMF could not complete the first review of the SBA programme before the end of 2010. The Commission was therefore not in a position to assess whether the agreement with the IMF remained on track, which was a key condition for the release of the outstanding second tranche of EUR 20 million. The availability of the assistance expired in December 2010 and could not be renewed.

2.2.1.3. Serbia

Following a 3.5% drop of output in real terms in 2009, the Serbian economy began to recover in 2010. The economic upturn in 2010 (+1.8%) was largely driven by foreign demand while domestic consumption and investment remained constrained. As an economic recovery was gradually underway in Serbia's main trading partners, and the dinar continued to depreciate, export activity boomed. The IMF programme worth EUR 3 billion which ran between May 2009 and April 2011 remained on track and the IMF Board successfully completed all seven reviews of the programme. In view of the improved balance of payments situation, the Serbian central bank drew upon only half of the available SBA funds.

Following the approval by the Council of a MFA loan facility of up to EUR 200 million at the end of 2009 (Council Decision 2009/892/EC of 30 November 2009), the Commission and the Serbian authorities signed in July 2010 a MoU which set out the conditionality of this assistance. The Loan Agreement was signed in December. In view of the reduction of the planned drawings by the Serbian authorities of IMF resources, the Commission informed the Economic and Financial Committee in July 2010 that it was planning to scale down the EU assistance and to disburse only its first tranche (EUR 100 million). The Committee endorsed the Commission's approach. Following the ratification of the MFA LA in March 2011, the Commission is preparing the release of this tranche, expected to take place in summer 2011.

2.2.2. Eastern Neighbourhood Countries

2.2.2.1. Armenia

In 2010, the Armenian economy recovered somewhat from the sharp downturn of 14.2% in 2009; yet, the pace of recovery remained modest, with real GDP growing by 2.6%. Also, the recovery in both the current account and foreign investments remained muted. Thus the external financing needs remain substantial and support by the international community remains necessary to re-create conditions for sustained growth. It is in this context that the Armenian government continued the implementation of the economic stabilisation and reform programme supported by the international donor community.

Armenia's agreement with the IMF dates back to March 2009, when the IMF Board approved a 28-month SBA of USD 820 million. In June 2010, the SBA was replaced by a new three-year programme under the Extended Fund Facility (EFF) and the concessional Extended Credit Facility (ECF). Taking into account the disbursements made under the SBA, total access of Armenia to IMF resources in 2009-2013 is estimated to around USD 950 million. On 30 November 2009, the EU Council adopted a Decision on the provision of MFA to Armenia amounting to EUR 100 million, including EUR 35 million in grants and EUR 65 million in loans (Council Decision 2009/890/EC). With a view to implementing this decision, the Commission and the authorities of Armenia agreed in December 2010 on the MoU and the related legal documents (Loan and Grant Agreements), which were signed in February 2011. The disbursements under the MFA programme are scheduled to take place in 2011.

2.2.2.2. Georgia

In 2010, the EU completed the implementation of the MFA programme for Georgia approved by the Council in November 2009 (Council Decision 2009/889/EC of 30 November 2009). The assistance of EUR 46 million, provided in the form of grants, was part of a pledge of two possible EU funded MFA operations of the same amount made by the Commission at the International Donors' Conference of October 2008. The aim of these operations was to help Georgia overcome the impact of the double shock caused by the 2008 military conflict with Russia (and related trade blockade) and the global financial crisis. Since September 2008, Georgia has been successfully implementing an economic programme agreed with the IMF and supported by IMF funding.

Following the disbursement of the first tranche of the 2009 assistance programme in December 2009 and January 2010, the second tranche of EUR 23 million was disbursed in August 2010. The release of the tranche was made possible by the successful implementation by the Georgian authorities of the structural reform policies, in particular in the area of public finance management, agreed in 2009 to serve as conditions for the release of the assistance.

At the same time, the Commission started the preparation of the second MFA operation. This second MFA pledged in 2008 was conditional on the continued existence of external financing needs over and above those covered by the IMF arrangement. Based on a thorough assessment of Georgia' financing needs, and building on the successful completion of the previous MFA operation, the Commission adopted in January 2011 a proposal for the activation of the second part of the MFA pledged in 2008. The Commission's proposal foresees a combination of grants (for half of the total amount of assistance) and loans. The new programme will support the continuation of reforms in some of the the key areas of structural reform, including public finance management. The joint European Parliament and Council Decision is expected in summer 2011.

2.2.2.3. The Republic of Moldova

The Commission had started preparing a MFA programme for the Republic of Moldova already in 2009, when a new pro-reform coalition formed a government and developed a new ambitious reform agenda. This work, conducted in close coordination with the IFIs, continued in the beginning of 2010, after the approval by the IMF Executive Board in

January 2010 of a three-year ECF-EFF financing arrangement, and resulted in the submission to the European Parliament and the Council of a proposal for a MFA amounting to EUR 90 million, in grants, to be disbursed in three tranches in 2010 and 2011. The Commission's proposal was finally approved by the co-legislators on 20 October 2010 (Decision 938/2010/EU). Following the adoption of the MFA legislative decision, the Commission and the authorities finalised the negotiations on the economic policy conditions of the assistance. The agreement on the MoU allowed the Commission to disburse already in December 2010 the first tranche of EU MFA, of EUR 40 million.

In 2010, the Moldovan economy started to recover, after the contraction of 2009. Yet, Moldova's external accounts remain weak, which implies that international donor support remains an important factor in maintaining macro-economic stability and supporting the government's reform agenda. EU MFA will complement financial resources, totalling around USD 1.4 billion, provided by the IMF, the World Bank, other multilateral creditors and official bilateral donors, and the EU, in the form of EIB loans and sectoral budget support.

2.2.2.4. Ukraine

Ukraine’s economy entered a phase of recovery in 2010 with a return to economic growth, lower domestic inflation, a stabilisation of the hryvnia, a replenishment of official foreign exchange reserves and a narrowing of the public deficit. However, the rebound in investment remained timid, while the current account has swung back into deficit, raising some doubts about the medium-term sustainability of the recovery and prolonging the country’s dependency on official external financial support. Against this backdrop, the EU’s co-legislators adopted a Decision in July 2010 to provide EUR 500 million of MFA to Ukraine (Decision 388/2010/EU of 7 July 2010). This was the first MFA operation approved after the entry into force of the Lisbon Treaty according to new rules (co-decision of the Council and Parliament). This EU MFA supplements the SDR 10 billion being made available by the IMF in the context of the SBA approved on 29 July 2010 (in replacement of an earlier SBA approved in November 2008).

In 2010, the European Commission launched negotiations with the Ukrainian authorities on the policy conditions associated with a MFA loan package of up to EUR 610 million, combining the amounts available under the MFA Decision of 2010 and that of 2002 (Council Decision 2002/639/EC of 12 July 2002). However, progress with the negotiation of these policy conditions (which are expected to include measures in the areas of public finance management, tax and customs administration, energy and financial sector regulations) have been slow, delaying the implementation of this operation.

2.2.3. Mediterranean Neighbourhood Countries

2.2.3.1. Lebanon

The MFA programme for Lebanon, consisting of a grant of EUR 30 million and a loan of EUR 50 million, was approved in 2007 (Council Decision 2007/860/EC of 10 December 2007). The first tranche under this programme, corresponding to half of the amount of both the grant and loan components, was disbursed in December 2008 (the grant part) and June 2009 (the loan part). The disbursement of the second tranche could not take place before the original date of expiry of the programme (21 December 2009), owing to the failure of the authorities to meet the conditions agreed with the Commission in the MoU. The lack of progress in implementing the structural reforms reflected the lack of political consensus within the fragile coalition government and the near-paralysis of legislative activity for most of 2008 and 2009, despite the parliamentary elections of June 2009.

At the end of 2009, the Commission proposed to extend the availability period for the release of the second tranche until 21 December 2010, through an addendum to the MoU. This addendum was, however, never ratified by the Lebanese authorities. Also, very little progress was made in 2010 in implementing the structural reforms, several of which constituted conditions for the release of the second instalment under the EU MFA. Thus, the MFA to Lebanon expired in December 2010. The expiration of the programme without being implemented in full reflects also the lack of a successor IMF financial arrangement to the Fund's Emergency Post-Conflict Assistance (EPCA) II programme, which expired in June 2009, as well as the improvement of Lebanon’s balance of payments position. Indeed, the Lebanese economy showed great resilience to the global financial crisis despite the politically uncertain environment, with buoyant economic activity and an improved external financial position.

3. ENSURING A PROPER USE OF MFA FUNDS: OPERATIONAL ASSESSMENTS, PEFA AND EX-POST EVALUATIONS

3.1. Operational assessments

In line with the requirements of the Financial Regulation related to the EU budget to perform inspections before disbursing funds to recipient countries, the Commission, with the help of external consultants, carries out operational assessments (OAs) to obtain reasonable assurances on the functioning of administrative procedures and financial circuits of the recipient countries.

The OAs focus on the procedures and the organisation of the ministries of finance and central banks and, more specifically, on the management of accounts receiving EU funds. In addtion, special attention is given to how external audit institutions work, their independence, their work programmes and the effectiveness of their controls. In the most recent OAs an analysis of existing procedures in the procurement agencies was also undertaken.

In 2010, the Commission conducted OAs in Armenia, the Republic of Moldova and Georgia. The main conclusions of these OAs are reported in the Commission Staff Working Document (SEC (2011) 873 final).

3.2. Public Expenditure and Financial Accountability assessments

The Commission is seeking complementarity with the other diagnostic tools in the area of public finance management in countries benefitting from donor support. In this context, the Public Expenditure and Financial Accountability (PEFA) programme founded in 2001 as a multi-donor partnership involving, inter alia, the European Commission, the World Bank and the IMF is a particularly suitable framework.

In recent years, PEFA studies have been completed for a number of countries receiving or potentially eligible to MFA: Armenia (2008), Belarus (2009), Georgia (2008), Kosovo (2009), the Kyrgyz Republic (2009), the Republic of Moldova (2008), Morocco (2009) and Serbia (2010). The Commission co-authored, together with the World Bank, the PEFA studies of Georgia and Morocco and contributed directly to several other studies. In 2010, the Commission conducted a PEFA assessment of Lebanon but the study has not yet been finalised. At present, the Commission is preparing, together with the World Bank, two PEFA studies, updating earlier PEFA assessments of Ukraine (conducted in 2007) and the Republic of Moldova.

The finding of these PEFA studies will complement the latest OAs of the financial procedures in these two countries. They will be very useful in supporting the ongoing MFA operations, notably the monitoring/design of conditions on PFM.

3.3. Ex-post evaluations

To assess the impact of MFA and in line with the Financial Regulation, the Commission conducts ex-post evaluations of the MFA programmes. The conclusions of the evaluations are being taken into account in strengthening MFA management practices. They were also used in the design of the Framework Regulation for MFA, under preparation.

In 2010, no new ex-post evaluations were launched as no MFA operations were completed in 2009. Two evaluations initiated in 2009 were completed in 2010: the evaluations of the MFA programmes for Georgia and the Republic of Moldova implemented, respectively, in 2006-2008 and 2007-2008. The results of these evaluations were presented in the 2009 Annual Report on the implementation of MFA to third countries.

Following the completion in August 2010 of the implementation of the MFA programme for Georgia and the expiry in December 2010 of the MFA programmes for Kosovo and Lebanon, the Commission is planning to launch in the course of 2011 ex-post evaluations of these three operations.

4. REQUESTS FOR ASSISTANCE AND FUTURE COMMISSION PROPOSALS

The MFA operations under implementation in 2011 comprise the programmes approved in the period 2009-2010 in favour of Bosnia and Herzegovina, Serbia, Armenia, the Republic of Moldova and Ukraine. The implementation of all these programmes, with the exception of the one for Ukraine, is expected to be completed in 2011. Also, the new programme for Georgia, currently under consideration by the co-legislators, is expected to be approved shortly. This operation is also planned to be completed in 2011.

The current pipeline of MFA operations planned or foreseen in 2011-2012 includes also a possible programme for Kosovo. After the expiration of the previous programme, a new

MFA operation would correspond to the conditional pledge made by the EU at the June 2008 donor conference on Kosovo, for an amount of up to EUR 100 million, in grants.

The Commission received in 2010 a request for assistance from the new authorities of the Kyrgyz Republic. An initial request submitted in the first half of 2009 by the previous administration was declared ineligible given that substantial financing committed by Russia had resulted in the elimination of a residual financing gap. This new request followed the 2010 political events in the country. The Commission is currently re-assessing the economic situation and financing needs of the Kyrgyz Republic, in close contact with the IMF and in the context of a large mobilisation of official donors.

Other possible new MFA programmes could come from the activation of the requests submitted by Iceland and Belarus in 2009. An MFA operation in Iceland appears at this stage unlikely due to the much improved external outlook. Moreover, the IMF programme expires in August 2011 and the authorities do not intend to request a disbursing successor programme. While the balance of payments position of Belarus has deteriorated significantly since the beginning of 2011, the EU's response to a possible request from Belarus, if and when the IMF negotiates with the country's authorities a new financing arrangement (the previous SBA expired in early 2010), will depend critically on Belarus' capacity to meet the political pre-conditions for MFA, notably the need to guarantee democratic institutions and the protection of human rights. These pre-conditions are currently not met.

In addition, follow-up operations to the existing programmes (and in the context of the existing medium-term financing arrangements with the IMF expiring in 2013) could be anticipated for Armenia and the Republic of Moldova.

In view of the likely short-term financing needs in some of the Southern Neighbourhood countries undergoing political changes (e.g. Egypt and Tunisia), there is also a strong possibility that the EU will be called to provide financial support, including in the form of MFA, for some of the most affected countries. The prospect of activating the instrument of MFA for some of the Mediterranean countries was explicitly confirmed in the joint Communication by the Commission and the High Representative of the EU for Foreign Affairs and Security Policy "A Partnership for Democracy and Shared Prosperity with the Southern Mediterranean" adopted on 8 March 2011. As noted in this Communication, and as it is the case for all MFA operations, two pre-conditions would have to be satisfied for the EU to be able to consider such assistance in the region: the existence of IMF arrangement and the confirmation by the Commission, in liaison with the IMF, of the existence of residual balance of payments financing needs. In the case of Egypt, the authorities are negotiating a programme with the IMF and sent, on 9 June 2011, a formal request for complementary MFA to the Commission. The Commission is in the process of estimating, in liaison with the IMF, Egypt's residual external financing needs with a view to the possible adoption of a proposal for a MFA to this country.

Table 1: MFA amounts authorised by year during 2001-2010 in EUR million

	2001	2002*	2003	2004	2005	2006	2007	2008	2009	2010	Total
By region											
Western Balkans	393	190	70	25		50			300		1028
NIS		18				33,5	45		146	590	832,5
Mediterranean							80				80
Total amounts authorised[1]	**393**	**208**	**70**	**25**	**0**	**83,5**	**125**	**0**	**446**	**590**	**1940,5**
Loans	225	78	25	9		0	50	0	365	500	1252
Grants	168	130	45	16		83,5	75	0	81	90	688,5

* Net amount for Ukraine taking into account new loan of EUR 110 million together with simultaneous cancellationof EUR 92 million out of the EUR 150 million decided in 1998 and grant for Moldova of EUR 15 million and simultaneous cancellation of the EUR 15 million loan decided in 2000

[1] More detailed information is available in the statistical data of the working document

Chart 1a: MFA amounts authorised by year during 2001-2010 in EUR million

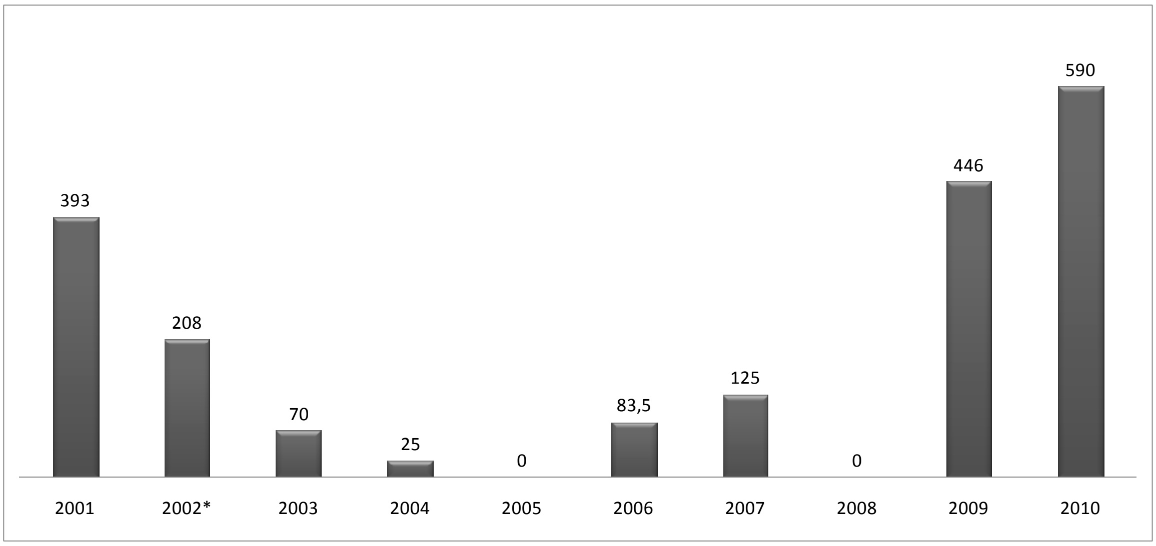

Chart 1b: MFA amounts authorised by regions in 2001-2010

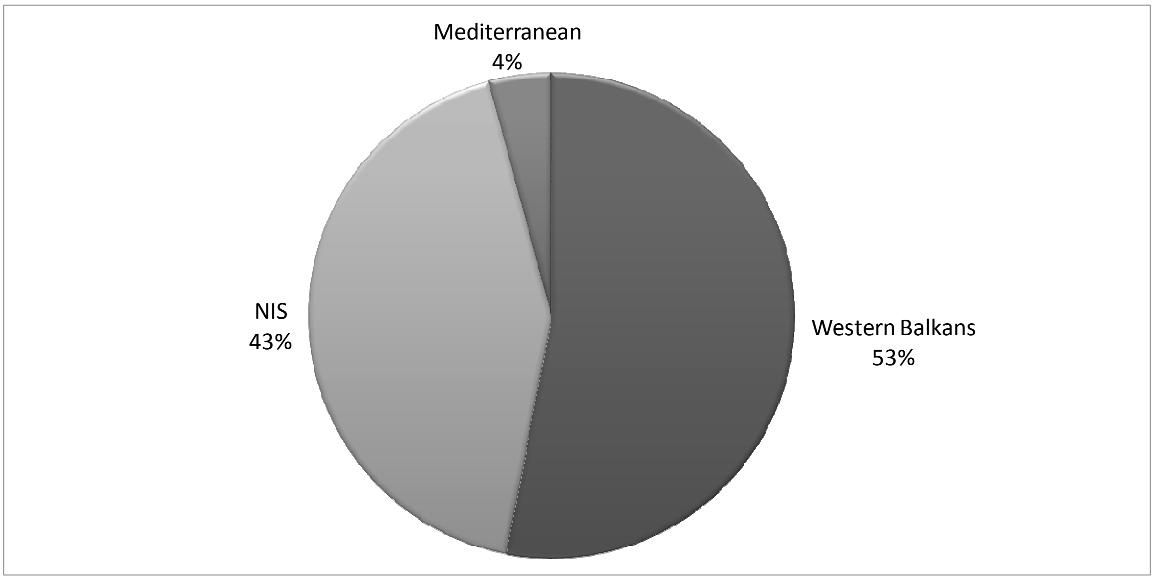

Table 2: MFA amounts disbursed by year during 2001-2010 in EUR million

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total
By region											
Central European Candidate Countries			50								50
Western Balkans	312	130	146	20	58	32				30	728
NIS	80	11	7	12	8,5	29	20	25	15,3	70,7	279
Mediterranean								15	25		40
Total amounts disbursed[1]	**392**	**141**	**203**	**32**	**66,5**	**61**	**20**	**40**	**40,3**	**100,7**	**1.097**
Loans	287	0	118	10	15	19	0	0	25	0	474
Grants	105	141	85	22	51,5	42	20	40	15,3	100,7	623

[1] More detailed information is available in the statistical data of the working document

Chart 2a: MFA amounts disbursed by year during 2001-2010 in EUR million

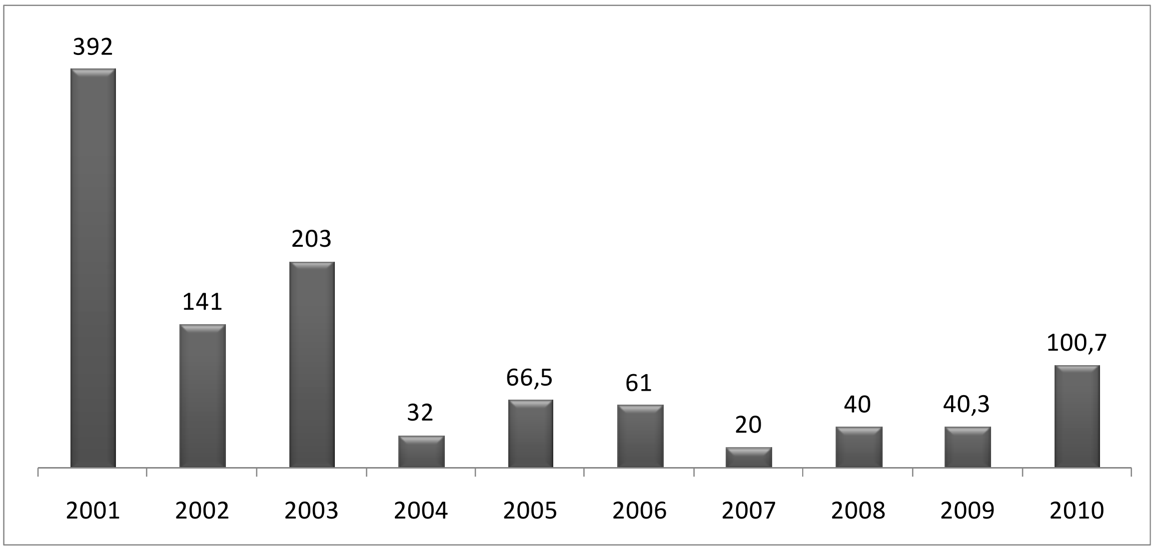

Chart 2b: MFA amounts disbursed by regions in 2001-2010