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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 2015

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The implementation of macro-financial assistance to third countries in 2015

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 restore macroeconomic and financial stability in candidate and potential candidate countries and in countries in the European Neighbourhood, while encouraging the implementation of macroeconomic adjustment and structural reforms.

MFA is a balance of payments support instrument, which complements and is conditional on the existence of an adjustment and reform programme agreed with the International Monetary Fund (IMF). It takes the form either of 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.

MFA is conditional on the respect for human rights and effective democratic mechanisms by the beneficiary country. It is released in tranches strictly tied to the successful implementation of strong reform measures aimed at returning the beneficiary country's economy to a long-term sustainable path. In this way, MFA complements regular EU cooperation assistance and contributes to the wider goal of preserving stability and promoting prosperity beyond the EU.

2015 was characterised by progress in the implementation of existing MFA operations for Georgia, Jordan, the Kyrgyz Republic and Tunisia, and the continuing difficult political and economic situation in Ukraine, which triggered the approval of a third large-scale MFA operation for this country.

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 on 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

Since 1990, the EU has implemented 26 MFA operations in candidate, potential candidate and neighbourhood countries, accounting for a total amount of over EUR 10 billion. Individual MFA operations have ranged from relatively small ones — the smallest being a EUR 15 million operation implemented in 1996 in Moldova — to large-scale ones such as the most recent EUR 1.8 billion operation in Ukraine.

The number and volume of MFA operations has been affected by global economic and financial developments. From 2011 onwards, financing conditions in global capital markets for emerging economies deteriorated significantly, partly reflecting the flight to safety movements in the wake 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 those 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.

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. Between 2014 and 2015, EUR 3.4 billion, all in the form of loans, were made available to Ukraine under three MFA operations, of which EUR 2.21 billion had been disbursed by December 2015. This represents the largest financial assistance ever granted to a non-EU country in such a short period of time.

While there have been signs of macroeconomic stabilisation in Ukraine since mid-2015, the situation remains vulnerable. It also remains fragile in other eastern neighbours, particularly in Belarus and Moldova, reflecting both domestic factors and the impact of economic developments in Russia.

Similarly, and despite improvements in some countries, regional conflicts and security issues continued to weigh on macroeconomic performance in the southern neighbourhood in 2015. These have led to the adoption of a new MFA proposal for Tunisia and discussions on a follow-up operation also for Jordan, linked again to the impact the Syrian war is having on the country, including through the refugee crisis.

2.2. Enhancing the functioning of the MFA instrument

In order to speed up the slow decision-making process, which was identified by the European Parliament as one of the MFA instrument's main shortcomings, the Commission submitted on 4 July 2011 a proposal for a Framework Regulation laying down general provisions for MFA to third countries[1]. The main objectives of the proposal were to:

i. provide for a swifter and more efficient decision-making process;

ii. create an overarching framework for MFA operations;

iii. align decision-making with that of other external financing instruments.

As a result of extensive discussions with Parliament and the Council, the Commission considered that the nature of its proposal had been changed during the lengthy legislative procedure to an extent that deprived it of its *raison d'être* and therefore decided on 8 May 2013 to withdraw its proposal[2].

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

[2] 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 final.

Following this withdrawal, the Council brought an action for annulment under Article 263 TFEU against the Commission before the Court of Justice on 18 July 2013. The Court of Justice, in its judgment of 14 April 2015, rejected the Council's action, confirming that the withdrawal by the Commission was justified[3]. 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 (OLP).

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. In this context, the co-legislators have made efforts to speed up decision-making under the OLP, in particular for the latest MFA operation in Ukraine, which was adopted within a little more than three months in 2015. Nevertheless, the margin for accelerating the adoption procedure under OLP remains limited, as highlighted by the use of the urgency procedure under Article 213 TFEU for the adoption in 2014 of the second MFA operation for Ukraine.

The Commission will therefore continue to liaise with the co-legislators and explore ways of improving the effectiveness and efficiency of the current decision-making process.

3. MACRO-FINANCIAL ASSISTANCE OPERATIONS IN 2015

3.1. Overview

Progress was achieved on the following MFA decisions in 2015:

- **Georgia**: This is the second of two MFA operations pledged by the EU in 2008 and approved by the co-legislators in August 2013. It consists of EUR 46 million, to be provided half in loans and half in grants. The grant element of the first tranche (EUR 13 million) was disbursed in January 2015 and the loan part (EUR 10 million) in April. Since Georgia carried out the policy measures agreed in the memorandum of understanding signed with the EU, the disbursement of the second tranche (amounting to EUR 23 million) is planned for 2016, provided the IMF programme remains on track.
- **Jordan**: In December 2013, the co-legislators adopted the Commission proposal to provide EUR 180 million in loans to Jordan. The operation was fully disbursed in 2015, in two tranches of EUR 100 million and EUR 80 million respectively. The first tranche was disbursed in February 2015 and the second one in October 2015.
- **Kyrgyz Republic**: This MFA operation, which consists of EUR 15 million in loans and EUR 15 million in grants, is exceptional in that the Kyrgyz Republic lies outside the normal geographical scope of the MFA instrument. Following approval by the co-legislators in October 2013, the first tranche of the assistance

[3] For more details, see: Judgment of the Court (Grand Chamber) of 14 April 2015, in Case C-409/13, Council v Commission, ECLI:EU:C:2015:217.

was released in 2015: the EUR 10 million grant was released in June 2015 and the EUR 5 million loan in October 2015. The grant element of the second tranche was disbursed in February 2016 and the loan element was disbursed in April 2016.

- **Tunisia**: In December 2013, the Commission presented a proposal to provide MFA to Tunisia of up to EUR 250 million in loans. The decision was adopted by the co-legislators in May 2014 and the amount of assistance was increased to EUR 300 million. The first two tranches (EUR 100 million each) were disbursed in May and December 2015 respectively. The disbursement of the third and last tranche is planned for 2016.

For **Ukraine**, a total of EUR 850 million in loans was disbursed under two MFA programmes in 2015. The first one (MFA I), based on the decisions adopted in 2002 and 2010, provided MFA worth a total of EUR 610 million. Of this, EUR 360 million were disbursed in two tranches in May and November 2014 respectively. The disbursement of the third and last tranche (EUR 250 million) took place in April 2015.

In addition, in response to a further deterioration of Ukraine's macroeconomic situation, the Commission proposed in January 2015 a new MFA operation (MFA III) of up to EUR 1.8 billion to alleviate the country's external financing needs and support a comprehensive package of reforms. This additional operation, the third to be implemented in Ukraine since 2014, brought the total EU MFA available to Ukraine to EUR 3.4 billion. Following approval by the co-legislators in April 2015, the first tranche of EUR 600 million was disbursed in July 2015. The disbursement of the second tranche of this operation (also amounting to EUR 600 million), was originally foreseen to take place in 2015. However, this has been delayed, reflecting insufficient progress on a number of reform measures. This tranche and the third one are expected to be made available in the course of 2016, subject to successful implementation of the economic policy and financial conditions agreed with Ukraine and a continuous satisfactory track record of implementing the IMF programme.

3.2. Individual operations in the beneficiary countries in 2015

3.2.1. Georgia

In August 2013, the EU adopted an MFA for Georgia of up to EUR 46 million, half in grants and half in loans, to be provided in two equal tranches. This is the second of two equal MFA operations pledged by the EU at the international donor conference held in Brussels in October 2008, when the Georgian economy was suffering from both the global financial crisis and that year's brief conflict with Russia.

After Georgia concluded a new and disbursing IMF programme in July 2014, negotiations on the MFA were re-activated. The memorandum of understanding, the loan facility agreement and the grant agreement were signed by both parties and, where necessary, ratified by the Georgian Parliament in December 2014.

The first MFA tranche was disbursed in January (EUR 13 million in grants) and April 2015 (EUR 10 million in loans) based on Georgia's good track record with the IMF programme. The second tranche, amounting to EUR 23 million, has been delayed following the postponement of the second review of the IMF programme. The IMF visited Tbilisi in November 2015 to resume negotiations on the second and third review of the programme. However, the discussions have not been conclusive. Meanwhile, the Commission conducted in November 2015 the review of compliance with the specific reform conditions attached to the disbursement of the second tranche of the EU's MFA and concluded that all of them had been met. The Commission should therefore be able to disburse this second and final tranche as soon as the IMF Board concludes the ongoing review of the programme.

The deteriorating external environment since end-2014 sharply reduced Georgian exports and remittances, leading to a deceleration of GDP growth from 4.6 % in 2014 to 2.8 % in 2015. The Georgian lari lost a quarter of its value between November 2014 and December 2015 and external vulnerabilities increased. Despite the slowdown in domestic demand, the large lari depreciation and the falling oil prices, the current account deficit widened to close to 12 % of GDP in 2015, while external debt increased to over 100 % of GDP due to valuation effects. Foreign exchange reserves cover around three months of next year's imports.

Despite the difficult economic situation, the government has led an overall responsible fiscal and tight monetary policy and has allowed the exchange rate to depreciate to help absorb the external shock. The banking system, despite a high rate of dollarisation, remains sound and well capitalised, reflecting also the careful supervision and regulation conducted by the central bank.

3.2.2. Jordan

Following Jordan's official request for MFA in December 2012, the Commission adopted on 29 April 2013 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 memorandum of understanding 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 was meant to complement the funds provided by the IMF under the stand-by arrangement which started in August 2012 and expired three years later. The first tranche of the MFA operation (EUR 100 million) was disbursed on 10 February 2015, while the second (EUR 80 million) was disbursed on 15 October 2015.

The Jordanian economy slowed down to 2.4 % in 2015 on the back of the continuing conflicts in Iraq and Syria, which affected tourism exports and business confidence. As a result, the unemployment rate increased again to 13.8 % in the third quarter of 2015, from 11.9 % in 2014. Helped by sharp declines in fuel and transportation prices, inflation is estimated to have dropped to -0.9 % in 2015.

Despite lower oil prices, fiscal consolidation did not advance in 2015. The slowdown of the economy, combined with shortfalls in sale tax, led to an increase of the primary government deficit (excluding grants and transfers to NEPCO, the electricity company, and WAJ, the Jordanian water authority) to around 5.2 % of GDP in 2015, up from 4.5

% of GDP in 2014. This highlights Jordan's fragile fiscal position as the country continues to be dependent on foreign grants, which amounted to around 1.8 % of GDP in 2015. The current account deficit (excluding grants) is estimated to have shrunk to 11.7 % of GDP for 2015 compared with 12.1 % in 2014 thanks to lower oil prices. In December 2015, international reserves in foreign currency stood at a comfortable level of USD 14.7 billion, equivalent to 6.8 months of next year's imports.

In August 2015, Jordan completed the USD 2 billion (800 % of quota) three-year stand-by arrangement with the IMF. Since then, the Jordanian authorities have been engaged in talks with Fund's staff on a new IMF programme. The new programme, of a longer duration, is expected to be in place in the second semester of 2016.

During the 'Supporting Syria and the Region' London conference on 4 February 2016, the Commission pledged EUR 2.4 billion to support countries affected by the refugee crisis. Given the increasingly difficult regional context and following an official request from the Jordanian authorities in March 2016, a new MFA for Jordan will be put forward in 2016.

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 to support the recovery of the Kyrgyz Republic at an international donor conference in Bishkek in July 2010. This led to a Commission proposal in December 2011 to provide the Kyrgyz Republic with MFA of up to EUR 30 million (EUR 15 million in loans and EUR 15 million in grants). The MFA decision was adopted by the European Parliament and the Council on 22 October 2013. The memorandum of understanding and loan facility agreement were signed in late 2014 and ratified by the Kyrgyz Parliament in February 2015.

This MFA operation was, as noted, exceptional in that the Kyrgyz Republic lies outside the normal geographical scope of the MFA instrument. However, it was 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 first tranche of EUR 15 million was disbursed in two instalments, a EUR 10 million grant in June 2015 and a EUR 5 million loan in October 2015. Following the satisfactory completion of the compliance review for the second tranche, the Commission disbursed the grant element of this tranche (EUR 5 million) to the Kyrgyz authorities on 10 February 2016. The loan element (EUR 10 million) was disbursed on 13 April 2016.

The Kyrgyz economy is holding up relatively well and is exhibiting resilience in the face of the adverse external economic circumstances, particularly in the CIS region. In 2015, GDP growth reached 3.5 %, thanks to the solid performance of the agricultural and the service sectors, while inflation decreased to 3.4 %. The country's balance of payments situation remains vulnerable, reflecting a structurally large current account deficit. The deepening economic crisis in Russia and sluggish performance in other CIS countries are dampening exports and have depressed imports via lower remittances. Thus, the current account deficit remains very large, representing 16 % of GDP in 2015. Total international reserves fell to USD 1.78 billion by the end of 2015, or 3.7 months of forecast imports, down from USD 1.96 billion or 4.4 months at the end of 2014. In December 2015, the

IMF successfully completed the first programme review under the three-year extended credit facility arrangement approved in April 2015. The Board's approval enabled the immediate disbursement of 9.514 million in special drawing rights (USD 13.2 million) to the Kyrgyz Republic.

3.2.4. Tunisia

In June 2013, the IMF Board approved a 24-month stand-by arrangement with Tunisia in the amount of USD 1.75 billion, which was subsequently extended until December 2015. In this context, Tunisia obtained complementary MFA from the EU of EUR 300 million in the form of loans, which was approved in May 2014. EUR 200 million were disbursed in two equal tranches in May and December 2015 respectively. The remaining EUR 100 million are expected to be disbursed in the course of 2016.

In 2015, largely as a result of the negative economic impact of terrorist attacks (particularly on tourism, the transport sector and investment) and of production disruptions due to social unrest, growth projections have been revised markedly down to 0.5 % compared with a forecast of 3 % at the beginning of the year, while the situation is negatively affecting an already vulnerable balance of payments and fiscal position, creating substantial financing needs.

Unemployment remains high at 15 %, particularly among the young and graduates (over 30 %). Inflation averaged around 4.4 % in 2015 and is on a downward trend. On public finances, after achieving a certain degree of fiscal consolidation in 2014, the structural deficit (excluding banking recapitalisation costs) increased in 2015 from 4.2 % of GDP to 4.7 % of GDP, largely driven by expenditure measures taken in the aftermath of the terrorist attacks, and despite expenditure savings generated by the lower than expected oil prices. The debt of the general government has continued to increase, reaching 53 % of GDP in 2015, and is forecast to peak at 61 % of GDP by the end of 2018 before the trend starts to reverse. Also, a substantial increase in public debt amortisations is scheduled to take place in the coming two years.

Tunisia's sovereign ratings have been downgraded several times since 2011, the last time in 2014 (from Ba2 to Ba3 by Moody's and from BB to BB- by Standard & Poor's). Despite the decline in oil prices, weaker domestic economic activity and improved export performance, the negative effects on tourism of the terrorist attacks have contributed to keeping the current account at an unsustainably high level of 8.8 % of GDP in 2015. Reserves are estimated to have been close to USD 7.5 billion end-2015, accounting for barely three months of imports.

In this context, and following the completion of the sixth review of the IMF programme last September, Tunisia requested a successor arrangement with the IMF, which is currently under negotiation and expected to be sent for IMF Board approval by mid-2016. Following a request for additional MFA support submitted by the Tunisian authorities in August 2015, the Commission adopted in February 2016 a proposal for a new MFA operation of up to EUR 500 million in loans.

3.2.5. Ukraine

In response to Ukraine's rapidly deteriorating economic situation and weak balance of payments position, the Commission proposed in January 2015 a new MFA operation of up to EUR 1.8 billion in loans, to be disbursed in three equal tranches of EUR 600 million each. This proposal followed two MFA programmes ('MFA I' and 'MFA II') worth a combined EUR 1.61 billion that were initiated in 2014. The first tranche under the new operation ('MFA III') was disbursed in July 2015. It followed the disbursement of the final remaining tranche of EUR 250 million from MFA I, which was made in April 2015. As a result, a total of EUR 850 million of macro-financial assistance was made available to Ukraine in 2015.

These disbursements became possible after Ukraine entered a new four-year programme with the IMF in March 2015. The release of the second tranche of MFA III was, however, delayed. As noted, this was due to the lack of compliance with some of the agreed policy measures. Subject to successful and timely implementation of the policy measures related to MFA III and continuous progress with the IMF programme, the Commission stands ready to disburse the remaining two tranches of combined EUR 1.2 billion from MFA III in the course of 2016.

In 2015, Ukraine's recession deepened. The decline in real GDP reached 9.9 % in real terms from 6.6 % a year earlier. The drop in output was fuelled by weak consumer confidence and loss of productive capacity as a result of the conflict in the east. As the conflict subsided and substantial international financial support became available, Ukraine's economy witnessed signs of economic stabilisation in the second half of the year.

An acute currency crisis in early 2015, coupled with sharp increases in gas and electricity tariffs, pushed consumer price index inflation up to 48.7 % on average in 2015. The environment of high inflation was supportive of budget revenue growth in nominal terms and, coupled with conservative expenditure policies, contributed to a significant reduction of the consolidated budget deficit to 1.6 % of GDP in 2015. Despite fiscal consolidation, public debt rose by 10 percentage points on the year to 79.4 % of GDP at end-2015 as a result of the ongoing currency depreciation.

Ukraine's external adjustment continued in 2015 and the deficit on the current account went down to 0.2 % of GDP as a result of a sharp import contraction, which outpaced the parallel decline in exports (in both volume and prices). The pace of private capital outflows slowed over the course of the year as macroeconomic stabilisation started taking hold. Meanwhile, official assistance flows have enabled Ukraine to replenish the stock of gross international reserves — to USD 13.3 billion at the end 2015 from USD 7.5 billion a year earlier. As part of the IMF programme, Ukraine reached an agreement with private creditors over the restructuring of about USD 19 billion of debt. Apart from maturity extension, the deal resulted in debt relief of approximately USD 3 billion.

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 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 2015, the Commission launched an operational assessment in Moldova in preparation for a possible new MFA operation. This was concluded in February 2016.

4.2. *Ex post* evaluations

In line with the EU Financial Regulation, the Commission conducts *ex post* evaluations[4] 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;

ii. to assess the added value of the EU action.

An *ex post* evaluation of an MFA operation for Bosnia and Herzegovina started in 2014 and was completed in March 2015. No *ex post* evaluations were launched in 2015.

5. Requests for assistance and future Commission proposals — budgetary situation

The programme of MFA operations for 2016 is as follows:

i. implementation of ongoing MFA operations, as described above. These include disbursement of the last tranches for the operations in Georgia, the Kyrgyz Republic and Tunisia, and of the last two tranches for the third operation in Ukraine;

ii. approval of possible new programmes, based on requests received to date from Tunisia, Jordan, Moldova, Armenia and Egypt.

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

As mentioned above, the existing MFA operations with Georgia, the Kyrgyz Republic and Tunisia as well as the MFA III operation with Ukraine are scheduled to be fully disbursed in 2016. However, full implementation of the Georgia and Tunisia operations depends on compliance with policy conditions set out in the corresponding memoranda of understanding and a satisfactory track record with the implementation of the IMF programme.

In August 2015, the Commission received a request for additional MFA support from the Tunisian authorities, which was reiterated in December 2015. Given the strong impact of the security situation on Tunisia's economy and external financing needs during a period of consolidation of its political transition, the Commission adopted on 12 February 2016 a proposal for a second MFA operation of up to EUR 500 million in loans. Approval by co-legislators is expected to take place by mid-2016.

As a result of the deteriorating economic and financial conditions in Moldova, a request for MFA support was received from the national authorities in August 2015. A possible MFA operation would be conditional on a new IMF programme being agreed. However, persistent political instability has delayed discussions on a new IMF programme and adoption of a Commission proposal for a new MFA operation to Moldova.

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 on 7 March 2014. Nevertheless, vulnerabilities persist, and the Commission continues to closely monitor the economic and financial situation in Armenia, 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.

As previously noted, during the London conference on 4 February 2016, the Commission pledged EUR 2.4 billion to support countries affected by the refugee crisis. In this context, and given the increasingly difficult regional context, the Jordanian authorities expressed interest in a follow-up MFA operation and a formal letter requesting such assistance was received in March 2016.

The table below provides an overview of commitments and payments of MFA grants for 2014, 2015 and (provisionally) 2016. The forecast for 2016 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 3 006 million at year-end 2015. This sum is guaranteed by the EU budget via the Guarantee Fund for external actions[5], which also covers external financing operations by the EIB and Euratom lending. The Guarantee Fund is provisioned from the EU budget at a rate of 9 % of the total outstanding liabilities at the end of each year, although with a two year lag. MFA loan disbursements are expected to reach close to EUR 1.7 billion in 2016, which would correspond to a provisioning of the Guarantee Fund of about EUR 149 million in 2018. These figures do not, however, take account of possible new MFA operations for which the Commission has not yet presented a proposal.

Commitments and payments for MFA grants, disbursements of MFA loans 2014-2016 (EUR)

	2014	**2015**	**2016 (provisional)**
Commitment appropriations for grants in the budget	60 000 000	77 955 000	79 669 000
Operational Assessments, PEFA studies, *Ex post* evaluations	181 874	62 900	400 000
MFA Kyrgyz Republic (decision adopted)	15 000 000		
MFA Georgia (decision adopted)	23 000 000		
Other possible MFA operations			TBD
Commitments, total	**38 181 874**	**62 900**	**400 000**
Uncommitted budget allocations	21 818 126	77 892 100	79 269 000
Payment appropriations for grants in the budget	52 153 011	74 396 314	64 606 100
Operational Assessments, PEFA studies, *Ex post* evaluations	179 806	29 806	62 900
MFA Kyrgyz Republic (decision adopted)		10 000 000	5 000 000
MFA Georgia (decision adopted)		13 000 000	10 000 000
Other possible MFA operations			TBD
Payments, total	**179 806**	**23 029 806**	**15 062 900**
Unused allocations for grant payments	51 973 205	51 366 508	49 543 200
Disbursements of MFA loans			
Ukraine I (decision adopted)	360 000 000	250 000 000	
Ukraine II (decision adopted)	1000 000 000		
Georgia (decision adopted)		10 000 000	13 000 000
Jordan (decision adopted)		180 000 000	
Tunisia (decision adopted)		200 000 000	100 000 000
Kyrgyz Republic (decision adopted)		5 000 000	10 000 000
Ukraine III (decision adopted)		600 000 000	1200 000 000
Tunisia II (proposal adoopted)*			350 000 000
Other possible MFA operations			TBD
Disbursements of MFA loans, total	**1360 000 000**	**1245 000 000**	**1673 000 000**

* Only two out of the three tranches are due to be disbursed in 2016. Disbursement of the final tranche is planned for 2017.

[5] For more information, see the Report from the Commission to the European Parliament and the Council on guarantees covered by the general budget.