

# Commission approves disbursement of €100 million in assistance to Tunisia

This represents the third and last tranche of the €300 million Macro-Financial Assistance (MFA-I) programme to Tunisia, adopted in [May 2014](#).

The MFA-I programme is part of the EU's comprehensive efforts to help Tunisia respond to the severe economic difficulties it is facing and the persistent political instability in the region. The operation has supported Tunisia's process of economic recovery both by providing concessional funding, and by encouraging the implementation of a number of important policy measures agreed in a Memorandum of Understanding between the EU and Tunisia.

**Pierre Moscovici**, Commissioner for Economic and Financial Affairs, Taxation and Customs, said: *"This disbursement, on the back of agreement on a new programme, reaffirms the EU's continued commitment to support Tunisia in its efforts to further its economic and political transition. Notwithstanding an unstable regional context, Tunisia has demonstrated its determination to consolidate a fully-fledged democratic system, and to achieve prosperity for all its citizens. The EU firmly stands with Tunisia and its people."*

This first macro-financial assistance operation to Tunisia will be followed by a [second MFA programme](#) (MFA-II) in the amount of €500 million, also in the form of loans. The new operation was proposed following the terrorist attacks of 2015, which contributed to halting Tunisia's economic recovery. This had a significant impact on the country's balance of payments position and financing needs. The programme was agreed by the Council and the European Parliament on 6 July 2016.

The disbursement of MFA-II funds will again be tied to the implementation of a number of policy conditions mutually agreed upon. The Memorandum of Understanding, which lays down these conditions, was signed in Brussels in April 2017. The pending ratification of the Memorandum by the Tunisian Parliament will pave the way for disbursement under the second operation.

The EU's strategy of assistance to Tunisia also includes budget support programmes under the European Neighbourhood Instrument (ENI), of which Tunisia is a major recipient among the Southern Neighbourhood countries, as well as substantial loans from the European Investment Bank.

## **Background**

### **Macro-Financial Assistance**

Macro-Financial Assistance is an exceptional EU crisis response instrument available to the EU's neighbouring partner countries. This instrument is complementary to assistance provided by the IMF. MFA loans are financed through EU borrowing on capital markets. The funds are then on-lent with similar financial terms to the beneficiary countries.

The MFA-I for Tunisia was proposed by the European Commission on 5 December 2013 and adopted by the European Parliament and the Council on 15 May 2014. A second MFA operation for Tunisia (MFA II) was adopted by the co-legislators on 6 July 2016.

## **EU-Tunisia relations**

Since the revolution of 2011, the EU has continuously and increasingly supported Tunisia in its transition to democracy. EU support to Tunisia has intensified since 2011, and in light of the persistently unstable regional context the country is facing.

During the Association Council meeting on 11 May, the Minister of Foreign Affairs of Malta George Vella, on behalf of High Representative – Vice President Federica Mogherini, reiterated the importance of the cooperation with Tunisia, a Privileged Partner of the EU. The Joint Communication of the EU High Representative and the European Commission of 29 September 2016 on *'Strengthening EU support for Tunisia'*, as well as the Council Conclusions of 17 October 2016, confirm the commitment of the EU and its Member States to that effect.

The two MFA operations [supplement](#) the grant funding provided by the EU to Tunisia under the European Neighbourhood Policy and its financial instrument, the European Neighbourhood Instrument. EU grant assistance to Tunisia since the 2011 revolution has so far amounted to over € 1 billion.

The EU's relations with Tunisia also go beyond financial assistance and development funding, through initiatives such as [Creative Europe](#), which aims to supporting cultural diversity and the competitiveness of cultural industries both in European and in the European Neighbourhood.

## **Further information**

More information on [past MFA operations](#)

Detailed information on MFA [for Tunisia](#)