Further macro-financial assistance to Jordan

2016/0197(COD) - 24/11/2016 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 540 votes to 29, with 52 abstentions, a legislative resolution on the proposal for a decision of the European Parliament and of the Council providing further macro financial assistance to the Hashemite Kingdom of Jordan.

Parliament's position, adopted at first reading following the ordinary legislative procedure, provides that the Union should make macro financial assistance of a maximum amount of **EUR 200 million available to Jordan** with a view to supporting Jordan's economic stabilisation and a substantive reform agenda. The assistance shall contribute to covering Jordan's balance of payments needs as identified in the International Monetary Fund programme.

The full amount of the Union's macro-financial assistance shall be provided to Jordan in the **form of loans** . The Commission shall be empowered, on behalf of the Union, to borrow the necessary funds on the capital markets or from financial institutions and to on-lend them to Jordan. The loans shall have a **maximum average maturity of 15 years**.

A pre-condition for granting the Union's macro-financial assistance shall be that Jordan **respects effective democratic mechanisms**, including a multi-party parliamentary system, and the rule of law, and guarantees respect for human rights.

The Commission shall agree with the Jordanian authorities on clearly defined **economic policy and financial conditions**, focusing on structural reforms and sound public finances, to which the Union's macro-financial assistance is to be subject, to be laid down in a Memorandum of Understanding, which shall include a **timeframe for the fulfilment of those conditions**.

A joint statement by the European Parliament, the Council and the Commission is annexed to the legislative resolution. This statement stated that in light of the fiscal challenges and extraordinary circumstances Jordan faces as a result of hosting more than 1.3 million Syrians, **the Commission will in 2017, if appropriate, submit a new proposal for extending and increasing MFA to Jordan**, upon the successful conclusion of the second MFA.