Further macro-financial assistance to Jordan

2016/0197(COD) - 14/12/2016 - Final act

PURPOSE: to provide a further EUR 200 million in macro-financial assistance to Jordan in order to assist in balancing its payments.

LEGISLATIVE ACT: Decision (EU) 2016/2371 of the European Parliament and of the Council providing further macro-financial assistance to the Hashemite Kingdom of Jordan.

CONTENT: under this Decision, the Union made **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.

Granting assistance: the assistance shall contribute to **covering Jordan's balance of payments needs** and to support economic stabilisation, in conjunction with the IMF programme. The Union's macro-financial assistance would support the economic stabilisation and the structural reform agenda of Jordan, supplementing resources made available under the IMF's financial arrangement.

The Union's macro-financial assistance shall be made available for a period of **2.5 years**. It shall be disbursed in two loan instalments, with a **maximum loan maturity of 15 years**.

The Commission shall regularly inform the European Parliament and the Council of developments regarding the Union's macro-financial assistance.

Conditions: 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. These conditions shall be laid down in a **Memorandum of Understanding**, which shall include a timeframe for the fulfilment of those conditions.

The conditions shall aim, in particular, to enhance the efficiency, transparency and accountability of the public finance management systems in Jordan, including for the use of the Union's macro-financial assistance.

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.

In order to ensure the protection of the Union's financial interests, Jordan shall provide specific measures in relation to the prevention of, and fight against, fraud, corruption and any other irregularities affecting the Union's macro-financial assistance.

The Commission and the European External Action Service shall monitor the fulfilment of the pre-condition throughout the life cycle of the Union's macro-financial assistance.

ENTRY INTO FORCE: 26.12.2016.