Further macro-financial assistance to Jordan

2019/0192(COD) - 06/12/2019 - Committee report tabled for plenary, 1st reading/single reading

The Committee on International Trade adopted the report by Luisa REGIMENTI (ID, IT) 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.

The committee recommended that the European Parliament adopt its position at first reading, taking over the Commission proposal.

As a reminder, on 11 July 2019, Jordan submitted a formal request for EUR 500 million of EU macro-financial assistance (MFA), as envisaged during the EU-Jordan Association Council held on 26 June 2019.

Following this request, the Commission presented to Parliament and the Council a proposal to grant the requested MFA in the form of loans in three instalments.

The proposed MFA would be the third MFA allocated to Jordan. It would follow the MFA - I for an amount of EUR 180 million in loans, adopted by Parliament and Council in December 2013 and completed in October 2015; and the MFA - II for an amount of EUR 200 million in loans, adopted in December 2016 and completed in July 2019.

The third MFA programme is part of a wider effort by the EU and other international donors, agreed at the “London Initiative” conference, which took place in February 2019, to reconfirm the intentions to support Jordan’s efforts to preserve internal stability and enhance growth prospects.

The Memorandum of Understanding stated that the aid granted, which is greater than the two previous aid programmes, must be effectively aimed at encouraging the development of entrepreneurship investments and projects in Jordan, and must be regularly monitored as to the effective use of the funds.

The explanatory memorandum accompanying the report recalled that the large influx of Syrian refugees into Jordan has increased pressure on the country's budgetary situation, public services and infrastructure and that Jordan's stability is therefore essential to prevent the implosion of the Middle East situation linked to the dramatic refugee crisis. It also stressed Jordan's enduring commitment to the fight against Islamic terrorism and the fact that Jordan can now be considered one of the most democratic states in the Middle East.

Lastly, thanks to the progress in mutual market opening, the existence of a financially stable foreign partner is also a guarantee for EU companies for which, thanks to the agreements concluded in recent years, there might be better opportunities for trade, entrepreneurship and investment in Jordan.