Further macro-financial assistance to Jordan

2019/0192(COD) - 17/12/2019 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 654 votes to 28, with 11 abstentions, a 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.

The European Parliament adopted its position at first reading in accordance with the ordinary legislative procedure, taking over the Commission proposal.

Under the proposed decision, the EU shall make available to Jordan macro-financial assistance (MFA) of up to EUR 500 million with a view to facilitating the stabilisation of its economy and the implementation of a major reform programme. This assistance shall contribute to covering Jordan's balance of payments needs identified in the International Monetary Fund programme. The assistance shall be disbursed to Jordan in the form of loans with an average maturity of up to 15 years.

The proposed assistance would be the third macro-financial assistance programme to Jordan. The first one (MFA-I) for an amount of EUR 180 million in loans was adopted by the co-legislators in December 2013 and was completed in October 2015; the second one (MFA-II) for an amount of EUR 200 million, also in loans, was adopted in December 2016 and was completed in July 2019.

A pre-condition for granting the Union’s macro-financial assistance should 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 addition, the specific objectives of the Union’s macro-financial assistance should strengthen the efficiency, transparency and accountability of the public finance management systems in Jordan and promote structural reforms aimed at supporting sustainable and inclusive growth, employment creation and fiscal consolidation.

It will be subject to economic policy conditions to be laid down in a Memorandum of Understanding.

The Union’s macro-financial assistance should support the Union’s external policy towards Jordan. Commission services and the European External Action Service (EEAS) should work closely together throughout the macro-financial assistance operation in order to coordinate Union external policy and to ensure the consistency thereof.