Basic information

2016/0197(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Decision	Procedure completed
Further macro-financial assistance to Jordan See also 2013/0128(COD) **Subject** 6.20.07 Macro-financial assistance to third countries 6.40.05.04 Relations with the countries of the Mashreq **Geographical area** Jordan	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
INTA International Trade	MAUREL Emmanuel (S&D)	13/07/2016
	Shadow rapporteur CICU Salvatore (PPE) LOONES Sander (ECR) DE SARNEZ Marielle (ALDE) SÁNCHEZ CALDENTEY Lola (GUE/NGL) BUCHNER Klaus (Verts /ALE) BORRELLI David (EFDD)	

Committee for opinion	Rapporteur for opinion	Appointed
AFET Foreign Affairs	The committee decided not to give an opinion.	
BUDG Budgets	The committee decided not to give an opinion.	

Council of the European Union

Council configuration	Meetings	Date
Employment, Social Policy, Health and Consumer Affairs	3507	2016-12-08

European Commission	Commission DG	Commissioner
	Economic and Financial Affairs	MOSCOVICI Pierre

Key events

Date	Event	Reference	Summary
29/06/2016	Legislative proposal published	COM(2016)0431	Summary
07/07/2016	Committee referral announced in Parliament, 1st reading		
13/10/2016	Vote in committee, 1st reading		
13/10/2016	Committee decision to open interinstitutional negotiations with report adopted in committee		
17/10/2016	Committee report tabled for plenary, 1st reading	A8-0296/2016	Summary
10/11/2016	Approval in committee of the text agreed at 1st reading interinstitutional negotiations		
23/11/2016	Debate in Parliament		
24/11/2016	Decision by Parliament, 1st reading	T8-0447/2016	Summary
24/11/2016	Results of vote in Parliament		
08/12/2016	Act adopted by Council after Parliament's 1st reading		
12/12/2016	End of procedure in Parliament		
14/12/2016	Final act signed		
23/12/2016	Final act published in Official Journal		

Technical information

Procedure reference	2016/0197(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Decision
Amendments and repeals	See also 2013/0128(COD)
Legal basis	Treaty on the Functioning of the European Union TFEU 212
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	INTA/8/06970

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE585.790	07/09/2016	
Amendments tabled in committee		PE587.684	27/09/2016	
Committee report tabled for plenary, 1st reading/single reading		A8-0296/2016	17/10/2016	Summary
Text adopted by Parliament, 1st reading/single reading		T8-0447/2016	24/11/2016	Summary

Council of the EU

Document type	Reference	Date	Summary
Draft final act	00045/2016/LEX	14/12/2016	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2016)0431	29/06/2016	Summary
Document attached to the procedure	SWD(2016)0213	29/06/2016	
Commission response to text adopted in plenary	SP(2017)8	17/01/2017	
Follow-up document	SWD(2022)0300	27/09/2022	
Follow-up document	SWD(2022)0301	27/09/2022	

National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	IT_SENATE	COM(2016)0431	18/10/2016	

Additional information

Source	Document	Date
European Parliament	Briefing	
European Commission	EUR-Lex	

Final act

Decision 2016/2371
OJ L 352 23.12.2016, p. 0018 Summary

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.

Further macro-financial assistance to Jordan

2016/0197(COD) - 17/10/2016 - Committee report tabled for plenary, 1st reading/single reading

The Committee on International Trade adopted the report by Emmanuel MAUREL (S&D, FR) 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’s position adopted at first reading following the ordinary legislative procedure should amend the Commission proposal.

Members proposed that the Union should make macrofinancial assistance of a maximum amount of **EUR 350 million** available to Jordan (whereas the Commission has proposed an amount of EUR 200 million).

The Commission should 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, which shall include a **timeframe** for the fulfilment of those conditions.

Where these conditions are not met, the Commission shall temporarily suspend or cancel the disbursement of the Union’s macro-financial assistance.

Further macro-financial assistance to Jordan

2016/0197(COD) - 29/06/2016 - Legislative proposal

PURPOSE: to provide a further EUR 200 million in macro-financial assistance to Jordan.

PROPOSED ACT: Decision of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: since early 2011, the Jordanian economy has been significantly affected by the ongoing regional unrest, notably in neighbouring Iraq and Syria. Combined with a weaker global environment, this regional unrest has taken a heavy toll on external receipts and has strained public finances.

The Syrian conflict has impacted Jordan not only by disrupting trade with and through Syria but also by causing an inflow of around **1.3 million of Syrian refugees into Jordan** that has increased pressure on Jordan's fiscal position, public services and infrastructure.

In 2012, Jordan and the IMF agreed on a first adjustment programme, which was supported by a three-year Stand-By Arrangement (SBA) in the amount of USD 2 billion. This programme was successfully completed in August 2015. The IMF programme was complemented by a **first Macro-Financial Assistance from the European Union (the EU) in the amount of EUR 180 million** (MFA-I), which was adopted by the European Parliament and the Council in December 2013 and was disbursed in two tranches of EUR 100 million and EUR 80 million in February 2015 and in October 2015, respectively.

While the country made progress with macroeconomic stabilisation and reform under the first programme supported by the IMF, the EU and other donors, the persistence of the conflicts in neighbouring Syria and Iraq continued to disrupt Jordan's foreign trade and undermine investor and tourist confidence, with the economic situation deteriorating again in 2015. In this context, the Jordanian government has called for increased support from the international community to address the economic consequences of the Syrian crisis, and in particular the presence of a large number of Syrian refugees in Jordan.

At the conference 'Supporting Syria and the Region', held in London on 4 February 2016, the international community pledged about USD 10 billion to help the countries most affected by the Syrian refugee crisis. Of this amount, the EU pledged EUR 2.39 billion for the countries affected by the Syrian refugee crisis including a **EUR 200 million loan** for the purpose of a second Macro-Financial Assistance operation for Jordan (MFA-II).

This is the aim of this proposal.

CONTENT: the proposal seeks to make MFA available to Jordan for a total maximum amount of **EUR 200 million**, provided in the form of a **medium-term loan**. The assistance will contribute to cover Jordan's residual external financing needs in 2016-2017, as identified by the Commission based on the estimates of the IMF.

The assistance is planned to be disbursed in **two loan instalments of EUR 100 million each**. The disbursement of the first instalment is expected to take place towards the end of 2016. The second instalment, conditional on a number of policy measures, could be disbursed in the second quarter of 2017.

The assistance will be managed by the Commission. Specific provisions on the prevention of fraud and other irregularities, consistent with the Financial Regulation, are applicable?

The loans shall have a **maximum average maturity of 15 years.**

Conditions granting assistance: the Union's macro-financial assistance should support Jordan's commitment to values shared with the Union, including democracy, the rule of law, good governance and the respect for human rights.

Disbursements: the disbursements would be conditional on successful programme reviews under the new IMF's financial arrangement. The Commission and the Jordanian authorities would agree on **specific structural reform measures** in a Memorandum of Understanding aiming to **improve the overall macroeconomic management and the conditions for sustainable growth**.

These reform measures would support the authorities' reform agenda and complement the programmes agreed with the IMF, the World Bank and other donors, as well as the policy programmes associated with the EU's budgetary support operations.

They would be consistent with the economic reform priorities agreed between the EU and Jordan in the context of the Single Support Framework for 2014-2017 and other strategic documents (including the future Partnership Priorities and the Jordan Compact). They would also build upon the structural reforms implemented under MFA-I.

Availability of assistance: the proposed MFA would be made available for two and a half years, starting from the first day after the entry into force of the Memorandum of Understanding.

Implementing powers: in order to ensure uniform conditions for the implementation of this Decision, implementing powers should be conferred on the Commission. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council. Considering the potentially important impact of assistance, it is appropriate that the examination procedure be used in this context.

Follow-up and reporting: by 30 June of each year, the Commission shall submit to the European Parliament and to the Council a report on the implementation of this Decision in the preceding year, including an evaluation of that implementation.

BUDGETARY IMPLICATIONS: the planned assistance would be provided in the form of a loan and would be financed through a borrowing operation that the Commission will conduct on behalf of the EU.

The budgetary impact of the assistance will correspond to the provisioning of the EU's Guarantee Fund for external actions, at a rate of 9 % of the amounts disbursed, from budget line 01 03 06 ("Provisioning of the Guarantee Fund").

Assuming that the first loan disbursement (of EUR 100 million) will be made in 2016 and the second loan disbursement (of EUR 100 million) in 2017 in accordance with the rules governing the guarantee fund mechanism, the provisioning will take place in the 2018-19 budgets.

Based on current projections on the utilisation of the budget line 01 03 06, the Commission assesses that the budgetary impact of the operation can be accommodated.

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.