




Basic information	
<b>2024/0086(COD)</b> COD - Ordinary legislative procedure (ex-codecision procedure) Decision	Awaiting committee decision
Macro-financial assistance to Jordan  <b>Subject</b>  6.20.07 Macro-financial assistance to third countries 6.40.05.04 Relations with the countries of the Mashreq  <b>Geographical area</b>  Jordan	

Key players			
European Parliament	<b>Committee responsible</b>	<b>Rapporteur</b>	<b>Appointed</b>
	<span style="border: 1px solid red; padding: 2px;">INTA</span> International Trade	IMART Céline (EPP)	30/09/2024
		<b>Shadow rapporteur</b> MAVRIDES Costas (S&D) MARIANI Thierry (Pfe) POLATO Daniele (ECR) CASSART Benoit (Renew) MARZÀ IBÁÑEZ Vicent (Greens/EFA) DELLA VALLE Danilo (The Left)	
	<b>Former committee responsible</b>	<b>Former rapporteur</b>	<b>Appointed</b>
	<span style="border: 1px solid red; padding: 2px;">INTA</span> International Trade		
	<b>Committee for opinion</b>	<b>Rapporteur for opinion</b>	<b>Appointed</b>
	<span style="border: 1px solid red; padding: 2px;">AFET</span> Foreign Affairs	AZMANI Malik (Renew)	14/10/2024
	<b>Former committee for opinion</b>	<b>Former rapporteur for opinion</b>	<b>Appointed</b>
	<span style="border: 1px solid red; padding: 2px;">AFET</span> Foreign Affairs		
	<span style="border: 1px solid red; padding: 2px;">BUDG</span> Budgets		

	<table border="1"> <tr> <td><b>Committee for budgetary assessment</b></td> <td><b>Rapporteur for budgetary assessment</b></td> <td><b>Appointed</b></td> </tr> <tr> <td><b>BUDG</b> Budgets</td> <td>VAN OVERTVELDT Johan (ECR)</td> <td>05/12/2024</td> </tr> </table>	<b>Committee for budgetary assessment</b>	<b>Rapporteur for budgetary assessment</b>	<b>Appointed</b>	<b>BUDG</b> Budgets	VAN OVERTVELDT Johan (ECR)	05/12/2024
<b>Committee for budgetary assessment</b>	<b>Rapporteur for budgetary assessment</b>	<b>Appointed</b>					
<b>BUDG</b> Budgets	VAN OVERTVELDT Johan (ECR)	05/12/2024					
Council of the European Union							
European Commission	<table border="1"> <tr> <td><b>Commission DG</b></td> <td><b>Commissioner</b></td> </tr> <tr> <td>Economic and Financial Affairs</td> <td>GENTILONI Paolo</td> </tr> </table>	<b>Commission DG</b>	<b>Commissioner</b>	Economic and Financial Affairs	GENTILONI Paolo		
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Economic and Financial Affairs	GENTILONI Paolo						

Key events			
Date	Event	Reference	Summary
08/04/2024	Legislative proposal published	COM(2024)0159 	Summary
25/04/2024	Committee referral announced in Parliament, 1st reading		
13/11/2024	Committee referral announced in Parliament, 1st reading		

Technical information	
<b>Procedure reference</b>	2024/0086(COD)
<b>Procedure type</b>	COD - Ordinary legislative procedure (ex-codecision procedure)
<b>Nature of procedure</b>	Legislation
<b>Legislative instrument</b>	Decision
<b>Legal basis</b>	Treaty on the Functioning of the EU TFEU 294-p7-ac Treaty on the Functioning of the EU TFEU 212
<b>Stage reached in procedure</b>	Awaiting committee decision
<b>Committee dossier</b>	INTA/10/00375

Documentation gateway			
European Commission			
Document type	Reference	Date	Summary
Legislative proposal	COM(2024)0159 	08/04/2024	Summary
Document attached to the procedure	SWD(2024)0089 	08/04/2024	

**Meetings with interest representatives published in line with the Rules of Procedure**

## Rapporteurs, Shadow Rapporteurs and Committee Chairs

Name	Role	Committee	Date	Interest representatives
AZMANI Malik	Rapporteur	INTA	26/11/2024	Ambassador of Jordan to the EU

## Macro-financial assistance to Jordan

2024/0086(COD) - 08/04/2024 - Legislative proposal

PURPOSE: to provide a further EUR 500 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: the Jordanian economy has suffered significantly from protracted conflicts in the region, notably in neighbouring Syria, and most recently in Israel/Gaza and the Red Sea. Since the start of the war in Syria, the Jordanian economy has been impacted by a large inflow of Syrian refugees, which has increased pressure on its fiscal position, public services and infrastructure. In addition to regional instability, the macroeconomic and fiscal challenges related to the COVID-19 pandemic in 2020/2021, commodity price developments following Russia's invasion of Ukraine in 2022, high exposure to trade fluctuations and the increase of borrowing costs for emerging markets globally continued to weigh on the Jordanian economy. As a result, Jordan experienced an economic contraction in 2020, followed by a slow economic recovery, as unemployment increased significantly in 2020 and remained high, and new fiscal and external financing needs emerged.

The war in Israel-Gaza that started in October 2023 implies very substantial downside risk to the economic outlook, in particular due to the increased level of uncertainty in the region and the possible impact on the important tourism sector and consumer sentiment.

In light of the multiple external shocks and its importance to ensure stability in the region, Jordan received substantial support in various forms from its international partners in the past decade. This includes three MFA programmes since 2014 for a total of EUR 1 080 million. The third and latest MFA operation (MFA-III, 2020-2023) with an initial amount of EUR 500 million was adopted in January 2020 and subsequently (May 2020) topped up by EUR 200 million in response to the socio-economic fallout of the COVID-19 pandemic in 2020. MFA-III was successfully concluded in May 2023.

CONTENT: after an in-depth assessment of the political and economic situation in Jordan, the Commission is submitting its fourth MFA which seeks to make MFA available to Jordan for a total maximum amount of **EUR 500 million** available to Jordan, provided in the form of loans, which will contribute to covering Jordan's residual financing needs in the operation's availability period.

The assistance is planned to be disbursed in three instalments, provided that the policy measures attached to each instalment have been fully implemented in a timely manner. This assistance will be managed by the Commission.

The disbursement is planned to take place in three instalments, with the release of instalments strictly linked to progress with the implementation of both the IMF programme and a number of additional policy measures to be agreed between the Commission and the authorities and listed in a Memorandum of Understanding (MoU). The MoU could, in principle, include policy reforms addressing economic governance, including Public Finance Management and tax administration; social and labour market policy; and governance and fight against fraud, corruption and money-laundering.

### ***Budgetary implications***

The proposed MFA operation of up to EUR 500 million in loans for Jordan is planned to be disbursed in three instalments to be released in between 2024 and 2027. The loan will be provided under the External Action Guarantee with a provisioning at a rate of 9%, which will be programmed under the NDICI-GE, for a total amount of EUR 45 million (budget line 14 02 01 70 'NDICI – Provisioning of the Common Provisioning Fund'). The loans should be granted in the form of amortising loans with a grace period and subsequent capital repayments in equal tranches over a longer period. Such loan structure will be beneficial for both the beneficiary, in that it facilitates repayments, and the budget, by spreading contingent liabilities over a long time-frame.