



2024/0086(COD)

19.12.2024

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DRAFT REPORT

on the proposal for a decision of the European Parliament and of the Council
on providing macro-financial assistance to the Hashemite Kingdom of Jordan
(COM(2024)0159 – C9-0146/2024 – 2024/0086(COD))

Committee on International Trade

Rapporteur: Céline Imart

Symbols for procedures

- * Consultation procedure
- *** Consent procedure
- ***I Ordinary legislative procedure (first reading)
- ***II Ordinary legislative procedure (second reading)
- ***III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

Amendments to a draft act

Amendments by Parliament set out in two columns

Deletions are indicated in ***bold italics*** in the left-hand column. Replacements are indicated in ***bold italics*** in both columns. New text is indicated in ***bold italics*** in the right-hand column.

The first and second lines of the header of each amendment identify the relevant part of the draft act under consideration. If an amendment pertains to an existing act that the draft act is seeking to amend, the amendment heading includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend.

Amendments by Parliament in the form of a consolidated text

New text is highlighted in ***bold italics***. Deletions are indicated using either the **■** symbol or ~~strikeout~~. Replacements are indicated by highlighting the new text in ***bold italics*** and by deleting or striking out the text that has been replaced.

By way of exception, purely technical changes made by the drafting departments in preparing the final text are not highlighted.

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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

on the proposal for a decision of the European Parliament and of the Council on providing macro-financial assistance to the Hashemite Kingdom of Jordan (COM(2024)0159 – C9-0146/2024 – 2024/0086(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2024)0159),
 - having regard to Article 294(2) and Article 212 of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C9-0146/2024),
 - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
 - having regard to Rule 60 of its Rules of Procedure,
 - having regard to the budgetary assessment by the Committee on Budgets,
 - having regard to the opinion of the Committee on Foreign Affairs,
 - having regard to the report of the Committee on International Trade (A10-0000/2024),
1. Adopts its position at first reading, taking over the Commission proposal;
 2. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially amends or intends to substantially amend its proposal;
 3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

EXPLANATORY STATEMENT

In an increasingly challenging global economic context, Jordan faces persistent structural challenges compounded by significant external shocks. While the country has maintained moderate growth of around 2% in recent years, this level remains insufficient to address fundamental economic needs: reducing high unemployment (22.9% in 2022) and alleviating a substantial public debt burden (88.7% of GDP in 2023).

These domestic challenges are further exacerbated by heightened regional tensions, including the war between Israel and Gaza and ongoing instability in Syria, which are disrupting trade, straining public resources and jeopardizing key sectors such as tourism. Therefore, Jordan is facing a series of unfavorable factors with economic, political, social and demographic consequences, and must receive appropriate and rapid support as a reliable and stable partner of the EU. Moreover, the migratory pressure is very high in the Kingdom with 1.3 million refugees from Syria out of total of 3.8 million of refugees. It means 1/3 of the Kingdom population are refugees.

To support Jordan's economic stability and cover the country's residual financing needs over the operation's availability period, the Commission proposes a macro-financial assistance (MFA) operation of up to €500 million in loans, despite the Jordan's request for €700 million.

This assistance is designed to address pressing economic challenges, including high public debt, a structurally elevated budget deficit (5.1% of GDP in 2023), and a persistent external deficits (average of around 6.5% of GDP over the last five years). It also aims to mitigate the fiscal constraints exacerbated by recent crises, such as the COVID-19 pandemic and regional instability.

The political and economic conditions necessary for granting the proposed MFA are fulfilled, as confirmed by the Commission's evaluation of Jordan's current situation. 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. To ensure risk coverage, the EU will provision 9% of the total amount, or €45 million, under the External Action Guarantee.

The MFA will have a validity period of two and a half years following the entry into force of the Memorandum of Understanding (MoU). The disbursement of funds will occur in three tranches, contingent upon the full and timely implementation of the agreed-upon economic policies outlined in the MoU. These policies include ambitious reforms in key areas such as public governance, fiscal management, and anti-corruption efforts, ensuring that the assistance supports Jordan's long-term economic resilience.

This assistance complements the ongoing IMF program approved in January 2024, which provides \$1.2 billion over four years, and aligns with support from other international partners, including substantial U.S. grants. It also builds on Jordan's track record with macro-financial assistance, being the fourth MFA operation since 2014, totaling €1.08 billion to date. These successive programs underscore the EU's ongoing commitment to strengthening Jordan's institutional capacity and promoting economic stability.

By addressing Jordan's immediate financing needs and supporting reforms in key areas, the MFA reinforces the country's economic resilience while contributing to regional stability. Subordinated to clear economic policy conditions, this assistance ensures accountability and

progress. The full and timely implementation of these policies will remain a prerequisite for the disbursement of each tranche, ensuring that Jordan continues to meet its reform commitments.

Jordan is a key partner in the region, able to engage in dialogue with the various geopolitical players in the Middle East. It is important to give Jordan due consideration and not to take its support for granted. It is therefore important to build a global and strategic partnership with Jordan, alongside and in addition to this MFA, in order to quickly lay the foundations for tomorrow's collaboration.

**ANNEX: ENTITIES OR PERSONS
FROM WHOM THE RAPPORTEUR HAS RECEIVED INPUT**

Pursuant to Article 8 of Annex I to the Rules of Procedure, the rapporteur declares that she received input from the following entities or persons in the preparation of the draft report:

Entity and/or person
European Commission - DG ECFIN
European Commission - DG NEAR
EEAS
Embassy of the Hashemite Kingdom of Jordan

The list above is drawn up under the exclusive responsibility of the rapporteur.

Where natural persons are identified in the list by their name, by their function or by both, the rapporteur declares that she has submitted to the concerned natural persons the European Parliament's Data Protection Notice No 484 (<https://www.europarl.europa.eu/data-protect/index.do>), which sets out the conditions applicable to the processing of their personal data and the rights linked to that processing.