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THE EUROPEAN PARLIAMENT

THE COUNCIL

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**Subject: DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
 providing macro-financial assistance to the Hashemite Kingdom of Jordan**

DECISION (EU) 2025/...
OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of ...

providing macro-financial assistance to the Hashemite Kingdom of Jordan

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 212(2) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Acting in accordance with the ordinary legislative procedure¹,

¹ Position of the European Parliament of 1 April 2025 (not yet published in the Official Journal) and decision of the Council of ...

Whereas:

- (1) Relations between the Union and the Hashemite Kingdom of Jordan (Jordan) are developing within the framework of the European Neighbourhood Policy (ENP). On 24 November 1997, Jordan signed the Euro-Mediterranean Agreement establishing an Association between the European Communities and their Member States, of the one part, and the Hashemite Kingdom of Jordan, of the other part² (the ‘Association Agreement’), which entered into force on 1 May 2002. Under the Association Agreement, the Union and Jordan gradually established a Free Trade Area over a transitional period of 12 years. In addition, an Agreement in the form of an Exchange of Letters between the European Community and the Hashemite Kingdom of Jordan concerning reciprocal liberalisation measures and amending the EC-Jordan Association Agreement as well as replacing Annexes I, II, III and IV and Protocols 1 and 2 to that Agreement³ entered into force in 2007. In 2010, an Advanced Status partnership was agreed between the Union and Jordan that entails expanded areas of cooperation. A protocol between the European Union and the Hashemite Kingdom of Jordan establishing a dispute settlement mechanism applicable to disputes under the trade provisions of the Euro-Mediterranean Agreement establishing an Association between the European Communities and their Member States, of the one part, and the Hashemite Kingdom of Jordan, of the other part⁴, was initialled in December 2009 and entered into force on 1 July 2011. Bilateral political dialogue and economic cooperation have been further developed within the framework of the Association Agreement and the EU-Jordan Partnership Priorities adopted for 2022-2027.

² OJ L 129, 15.5.2002, p. 3, ELI: [http://data.europa.eu/eli/agree_international/2002/357\(1\)/oj](http://data.europa.eu/eli/agree_international/2002/357(1)/oj).

³ OJ L 41, 13.2.2006, p. 3, ELI: http://data.europa.eu/eli/agree_international/2006/67/oj.

⁴ OJ L 177, 6.7.2011, p. 3, ELI: <http://data.europa.eu/eli/prot/2011/398/oj>.

- (2) Since 2011, Jordan has embarked on a number of political reforms to strengthen parliamentary democracy and the rule of law. A Constitutional Court and an Independent Election Commission have been set up and a number of major laws, including the Electoral Act and the Political Parties Act, as well as laws on decentralisation and municipalities, have been passed by the Jordanian Parliament. In addition, legislative improvements as regards the independence of the judiciary and women's rights have been adopted.
- (3) The Jordanian economy has suffered significantly from protracted conflicts in the region, in particular in neighbouring Syria, and most recently also in Israel-Gaza and in the Red Sea area. Since the commencement of the war in Syria, the Jordanian economy has been impacted by a large inflow of Syrian refugees, which has increased pressure on Jordan's 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 in 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.

- (4) The war in Israel-Gaza that commenced in October 2023 brings with it 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. The ongoing Houthi attacks on cargo and energy vessels in the Red Sea hinder vessel traffic to Asia, impacting Jordan's exports, in particular those of minerals and chemicals, and its imports. In January 2024, the Jordanian authorities and the International Monetary Fund (IMF) agreed on a new economic adjustment programme supported by a four-year Extended Fund Facility (EFF) in the amount of USD 1 200 million, which followed a USD 1 700 million four-year EFF from 2020-2023, including a loan under the Rapid Financing Instrument. The IMF Executive Board approved the new four-year EFF in January 2024. The first review mission was conducted in April and May 2024 and the mission report was published in July 2024.

- (5) In January 2020, the Union adopted a third macro-financial assistance programme⁵ (MFA-III) of EUR 500 million in the form of loans, in response to a request from Jordan in July 2019 and following the completion of the second macro-financial assistance programme of EUR 200 million in 2019. MFA-II⁶ came as a follow-up to MFA-I⁷ of EUR 180 million implemented in 2015. In May 2020, MFA-III was topped up by EUR 200 million pursuant to Decision (EU) 2020/701 of the European Parliament and of the Council⁸ in response to the socio-economic fallout from the COVID-19 pandemic. The first instalment of MFA-III was released on 25 October 2020, the second instalment on 20 July 2021 and the third instalment on 3 May 2023, following the implementation of the agreed policy measures. The assistance was fully disbursed during 2020-2023.

⁵ Decision (EU) 2020/33 of the European Parliament and of the Council of 15 January 2020 providing further macro-financial assistance to the Hashemite Kingdom of Jordan (OJ L 14, 17.1.2020, p. 1, ELI: <http://data.europa.eu/eli/dec/2020/33/oj>).

⁶ Decision (EU) 2016/2371 of the European Parliament and of the Council of 14 December 2016 providing further macro-financial assistance to the Hashemite Kingdom of Jordan (OJ L 352, 23.12.2016, p. 18, ELI: <http://data.europa.eu/eli/dec/2016/2371/oj>).

⁷ Decision No 1351/2013/EU of the European Parliament and of the Council of 11 December 2013 on providing macro-financial assistance to the Hashemite Kingdom of Jordan (OJ L 341, 18.12.2013, p. 4, ELI: <http://data.europa.eu/eli/dec/2013/1351/oj>).

⁸ Decision (EU) 2020/701 of the European Parliament and of the Council of 25 May 2020 on providing macro-financial assistance to enlargement and neighbourhood partners in the context of the COVID-19 pandemic (OJ L 165, 27.5.2020, p. 31, ELI: <http://data.europa.eu/eli/dec/2020/701/oj>).

- (6) MFA-III included a joint statement by the European Parliament, the Council and the Commission in which the Commission, in light of the fiscal challenges and extraordinary circumstances Jordan faced, committed to submit, if appropriate, a new proposal for extending and increasing macro-financial assistance to Jordan, provided that the usual requirements for that type of assistance, including its exceptional character, political preconditions, complementarity, conditionality and financial discipline, and an updated assessment by the Commission of Jordan's external financing needs, were met.
- (7) In that challenging context, the Union and the international community expressed their commitment to supporting Jordan on several occasions, in particular during annual Brussels Conferences on Supporting the future of Syria and the region, and at the EU-Jordan Association Council in June 2022.
- (8) Since the beginning of the Syrian crisis in 2011, the Union has made available approximately EUR 3 500 million to Jordan under various instruments, including EUR 1 080 million under the three macro-financial assistance operations, to help Jordan preserve economic stability, sustain political and economic reform and address its related humanitarian, development and security needs. In addition, the European Investment Bank has allocated approximately EUR 1 100 million in project loans to Jordan since 2011.

- (9) For the period 2021-2024, the Union bilateral indicative allocation (grants) to Jordan under the Neighbourhood, Development and International Cooperation Instrument – Global Europe (NDICI-GE) established by Regulation (EU) 2021/947 of the European Parliament and of the Council⁹ amounted to EUR 364 million, and was complemented by the Union support to help Jordan address the impact of the Syrian crisis (EUR 214 million from 2021 to 2023), in addition to assistance from other regional and thematic programmes. During the period 2014-2020, the Union support to Jordan, provided mainly through the European Neighbourhood Instrument, amounted to EUR 765 million. During the same period, Jordan also benefitted from an additional EUR 126 million channelled via the Neighbourhood Investment Platform, which leveraged approximately EUR 580 million in investments.
- (10) In October 2023, in view of the persisting difficult economic situation and outlook, Jordan requested additional macro-financial assistance from the Union.
- (11) Given that Jordan is a country covered by the ENP, it is considered eligible to receive macro-financial assistance from the Union.

⁹ Regulation (EU) 2021/947 of the European Parliament and of the Council of 9 June 2021 establishing the Neighbourhood, Development and International Cooperation Instrument – Global Europe, amending and repealing Decision No 466/2014/EU of the European Parliament and of the Council and repealing Regulation (EU) 2017/1601 of the European Parliament and of the Council and Council Regulation (EC, Euratom) No 480/2009 (OJ L 209, 14.6.2021, p. 1, ELI: <http://data.europa.eu/eli/reg/2021/947/oj>).

- (12) The Union's macro-financial assistance should be an exceptional financial instrument of untied and undesignated balance-of-payments support, which aims to address Jordan's immediate external financing needs, and it should underpin the implementation of a policy programme containing strong immediate adjustment and structural reform measures designed to improve Jordan's balance-of-payments position in the short term.
- (13) Given that a residual financing gap remains in Jordan's balance of payments over and above the resources provided by the IMF and other multilateral institutions, the provision by the Union of macro-financial assistance to Jordan is, under the current exceptional circumstances, considered to be an appropriate response to Jordan's request to the Union to support Jordan's 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.
- (14) The Union's macro-financial assistance should aim to support the restoration of a sustainable external financing situation for Jordan, thereby supporting its economic and social development.
- (15) The Union's macro-financial assistance is expected to go hand-in-hand with the implementation of budget support operations under NDICI-GE.

- (16) The determination of the amount of the Union's macro-financial assistance should be based on a complete quantitative assessment of Jordan's residual external financing needs, and should take into account Jordan's capacity to finance itself with its own resources, in particular the international reserves at its disposal. The Union's macro-financial assistance should complement the programmes and resources provided by the IMF and the World Bank. The determination of the amount of the assistance should also take into account expected financial contributions from bilateral and multilateral donors and the need to ensure fair burden sharing between the Union and other donors, as well as the pre-existing deployment of the Union's other external financing instruments in Jordan and the added value of the Union's overall involvement in Jordan.
- (17) The Commission should ensure that the Union's macro-financial assistance is legally and substantially in accordance with the key principles and objectives of the different areas of external action, with the measures taken in respect of those areas, and with other relevant Union policies.
- (18) The Union's macro-financial assistance should support the Union's external policy towards Jordan. The Commission and the European External Action Service (EEAS) should work closely together throughout the macro-financial assistance operation in order to coordinate, and to ensure the consistency of, the Union's external policy.

- (19) 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, respect for human rights, sustainable development and poverty reduction, as well as its commitment to the principles of open, rule-based and fair trade.
- (20) A precondition for granting the Union's macro-financial assistance should be that Jordan respect effective democratic mechanisms, including a multi-party parliamentary system, and the rule of law, and guarantee 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 that aim to support sustainable and inclusive growth, employment creation and fiscal consolidation. The Commission and the EEAS should regularly monitor both the fulfilment of that precondition and the achievement of those specific objectives.

- (21) In order to ensure that the Union's financial interests linked to the Union's macro-financial assistance are protected efficiently, Jordan should take appropriate measures relating to the prevention of, and fight against, fraud, corruption and any other irregularities linked to that assistance. In addition, a loan agreement to be concluded between the Commission and the Jordanian authorities should contain provisions authorising the European Anti-Fraud Office (OLAF) to carry out investigations, including on-the-spot checks and inspections, in accordance with the provisions and procedures laid down in Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council¹⁰ and Council Regulation (Euratom, EC) No 2185/96¹¹, the Commission and the Court of Auditors to carry out audits, and the European Public Prosecutor's Office to exercise its competences with regard to the provision of the Union's macro-financial assistance during and after the availability period of that assistance.
- (22) The release of the Union's macro-financial assistance is without prejudice to the powers of the European Parliament and the Council as budgetary authority.

¹⁰ Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999 (OJ L 248, 18.9.2013, p. 1, ELI: <http://data.europa.eu/eli/reg/2013/883/oj>).

¹¹ Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities (OJ L 292, 15.11.1996, p. 2, ELI: <http://data.europa.eu/eli/reg/1996/2185/oj>).

- (23) The amounts of provisioning required for the Union's macro-financial assistance should be consistent with the budgetary appropriations provided for in the multiannual financial framework.
- (24) The Union's macro-financial assistance should be managed by the Commission. In order to ensure that the European Parliament and the Council are able to follow the implementation of this Decision, the Commission should regularly inform them of developments relating to that assistance and provide them with the relevant documents.
- (25) 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 Council¹².

¹² Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13, ELI: <http://data.europa.eu/eli/reg/2011/182/oj>).

- (26) The Union's macro-financial assistance should be subject to economic policy and financial conditions, to be set out in a memorandum of understanding (MoU). In order to ensure uniform conditions of implementation and for reasons of efficiency, the Commission should be empowered to negotiate such conditions with the Jordanian authorities under the supervision of the committee of representatives of the Member States in accordance with Regulation (EU) No 182/2011. Under Regulation (EU) No 182/2011, the advisory procedure should, as a general rule, apply in all cases other than as provided for in that Regulation. Considering the potentially significant impact of assistance of more than EUR 90 million, it is appropriate that the examination procedure as specified in Regulation (EU) No 182/2011 be used for operations above that threshold. Considering the amount of the Union's macro-financial assistance to Jordan, that examination procedure should apply to the adoption of the MoU, and to any reduction, suspension or cancellation of that assistance,

HAVE ADOPTED THIS DECISION:

Article 1

1. The Union shall make macro-financial assistance of a maximum amount of EUR 500 million available to Jordan (the ‘Union’s macro-financial assistance’), with a view to supporting Jordan’s economic stabilisation and a substantive reform agenda. The Union’s macro-financial assistance shall contribute to covering Jordan’s balance-of-payments needs as identified in the IMF programme.
2. The full amount of the Union’s macro-financial assistance shall be provided to Jordan in the form of loans.
3. 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.
4. The release of the Union’s macro-financial assistance shall be managed by the Commission in a manner consistent with the agreements or understandings reached between the IMF and Jordan, and with the key principles and objectives of economic reforms set out in the Association Agreement.
5. The Commission shall regularly inform the European Parliament and the Council of developments regarding the Union’s macro-financial assistance, including disbursements thereof, and shall provide those institutions with the relevant documents in due time.

6. The Union's macro-financial assistance shall be made available for a period of two and a half years, starting from the first day after the date of entry into force of the memorandum of understanding referred to in Article 3(1).
7. If the financing needs of Jordan decrease fundamentally during the period of the disbursement of the Union's macro-financial assistance compared to the initial projections, the Commission, acting in accordance with the examination procedure referred to in Article 7(2), shall reduce the amount of the assistance, suspend or cancel it.

Article 2

1. A precondition for granting the Union's macro-financial assistance shall be that Jordan respect effective democratic mechanisms, including a multi-party parliamentary system, and the rule of law, and guarantee respect for human rights.
2. The Commission and the EEAS shall monitor the fulfilment of the precondition set out in paragraph 1 throughout the life cycle of the Union's macro-financial assistance.
3. Paragraphs 1 and 2 of this Article shall apply in accordance with Council Decision 2010/427/EU¹³.

¹³ Council Decision 2010/427/EU of 26 July 2010 establishing the organisation and functioning of the European External Action Service (OJ L 201, 3.8.2010, p. 30, ELI: <http://data.europa.eu/eli/dec/2010/427/oj>).

Article 3

1. The Commission, in accordance with the examination procedure referred to in Article 7(2), 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. Those economic policy and financial conditions shall be set out in a memorandum of understanding (MoU) which shall include a timeframe for their fulfilment. Those economic policy and financial conditions shall be consistent with the agreements or understandings referred to in Article 1(4), including the macroeconomic adjustment and structural reform programmes implemented by Jordan with the support of the IMF.
2. The conditions referred to in paragraph 1 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. Progress in mutual market opening, the development of rule-based and fair trade, and other priorities in the context of the Union's external policy shall also be duly taken into account when designing the policy measures. The Commission shall regularly monitor Jordan's progress in attaining those objectives.

3. The detailed financial terms of the Union's macro-financial assistance shall be laid down in a loan agreement in accordance with Article 223 of Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council¹⁴, to be concluded between the Commission and the Jordanian authorities (the 'loan agreement').
4. The Commission shall verify, at regular intervals, that the conditions referred to in Article 4(3), first subparagraph, continue to be met, including whether the economic policies of Jordan are in accordance with the objectives of the Union's macro-financial assistance. In so doing, the Commission shall coordinate closely with the IMF and the World Bank, and, where necessary, with the European Parliament and the Council.

Article 4

1. Subject to the conditions referred to in paragraph 3, first subparagraph, the Union's macro-financial assistance shall be made available by the Commission in three loan instalments. The size of each of those instalments shall be laid down in the MoU.
2. The amounts of the Union's macro-financial assistance shall be provisioned, where required, in accordance with Regulation (EU) 2021/947.

¹⁴ Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (OJ L, 2024/2509, 26.9.2024, ELI: <http://data.europa.eu/eli/reg/2024/2509/oj>).

3. The Commission shall decide on the release of the instalments subject to the fulfilment of all of the following conditions:

- (a) the precondition set out in Article 2(1);
- (b) a continuous satisfactory track record of implementing a policy programme that contains strong adjustment and structural reform measures supported by a non-precautionary IMF credit arrangement; and
- (c) the satisfactory implementation of the economic policy and financial conditions agreed in the MoU.

The release of the second instalment shall not, in principle, take place earlier than three months after the release of the first instalment. The release of the third instalment shall not, in principle, take place earlier than three months after the release of the second instalment.

4. Where the conditions referred to in paragraph 3, first subparagraph, are not met, the Commission shall temporarily suspend or cancel the disbursement of the Union's macro-financial assistance. In such cases, it shall inform the European Parliament and the Council of the reasons for such suspension or cancellation.
5. The Union's macro-financial assistance shall be disbursed to the Central Bank of Jordan. Subject to the agreed provisions set out in the MoU, including a confirmation of residual budgetary financing needs, the Union funds may be transferred by the Central Bank of Jordan to the Jordanian Ministry of Finance as the final beneficiary.

Article 5

1. In order to finance the Union's macro-financial assistance 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 in accordance with Article 223 of Regulation (EU, Euratom) 2024/2509.
2. The Commission shall enter into a loan agreement with Jordan in respect of the amount referred to in Article 1. The loan agreement shall lay down the availability period and the detailed terms of the Union's macro-financial assistance, including in relation to the internal control systems. The loans shall be granted on terms that allow Jordan to repay the loans over a long period, including a possible grace period. The maximum duration of the loans shall be 35 years.
3. The Commission shall inform the European Parliament and the Council of developments in the operations referred to in paragraphs 1 and 2.

Article 6

1. The Union's macro-financial assistance shall be implemented in accordance with Regulation (EU, Euratom) 2024/2509.
2. The Union's macro-financial assistance shall be implemented under direct management.

3. Before the implementation of the Union's macro-financial assistance, the Commission shall assess, by means of an operational assessment, the soundness of Jordan's financial arrangements, administrative procedures, and internal and external control mechanisms which are relevant to the assistance.

Article 7

1. The Commission shall be assisted by a committee. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.

Article 8

1. 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. That report shall:
 - (a) examine progress made in implementing the Union's macro-financial assistance;
 - (b) assess the economic situation and prospects of Jordan, as well as progress made in implementing the economic policy and financial conditions referred to in Article 3(1);

(c) indicate the connection between the economic policy and financial conditions set out in the MoU, Jordan's ongoing economic and fiscal performance, and the Commission's decisions to release the instalments of the Union's macro-financial assistance.

2. Not later than two years after the expiry of the availability period referred to in Article 1(6), the Commission shall submit to the European Parliament and to the Council an *ex post* evaluation report, assessing the results and efficiency of the completed Union's macro-financial assistance and the extent to which it has contributed to the aims of the assistance.

Article 9

This Decision shall enter into force on the third day following that of its publication in the *Official Journal of the European Union*.

Done at ..., ...

For the European Parliament
The President

For the Council
The President
