



2024/0086(COD)

4.2.2025

BUDGETARY ASSESSMENT

of the Committee on Budgets

for the Committee on International Trade

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))

Rapporteur for budgetary assessment: Johan Van Overtveldt

PA_LegEvaluation

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The Committee on Budgets has carried out a budgetary assessment of the proposal under Rule 58 of the Rules of Procedure and has reached the following conclusions:

- A. whereas Jordan continues to face significant external financing needs and economic challenges, with a current account deficit of 7.1 % of gross domestic product (GDP) in the first half of 2023, driven by persistent deficits in trade in goods; whereas Jordan's public debt burden remains high at 88.7 % of GDP in 2023, raising concerns about long-term fiscal sustainability;
- B. whereas Jordan's narrow revenue base, with domestic tax revenue at only 16 % of GDP, raises concerns about long-term fiscal sustainability and capacity to service external debts;
- C. whereas the policy measures associated with macro-financial assistance (MFA) cover selected provisions related to the Association Agreement and the EU-Jordan Partnership Priorities 2021-2027;
- D. whereas significant structural challenges hinder economic growth, with deficiencies in the business environment, access to finance, labour market flexibility and public administration; whereas unemployment remains high, especially among women, youth and university graduates, with women's labour force participation at just 14 % in 2023, among the lowest globally; whereas the EU-Jordan Partnership Priorities 2021-2027 aim to address these issues by fostering decent work, innovation, skills development and comprehensive social protection systems;
- E. whereas the EU-Jordan Partnership Priorities 2021-2027 highlight cooperation in inter-religious and intercultural dialogue and the protection of cultural heritage as drivers of peace and sustainable development; whereas these efforts can include safeguarding historical manuscripts and archives, contributing to inclusive dialogue and mutual understanding;
- F. whereas Jordan's economy has suffered significantly from protracted conflicts and crises in the region, notably in neighbouring Syria, and most recently in Israel/Gaza and the Red Sea; whereas these pose further risks to Jordan's economic outlook, particularly affecting tourism and trade, with disruptions to exports and vessel traffic;
- G. whereas the severe deterioration of external accounts and Jordan's strategic importance for regional stability justify this support package;
- H. whereas the conflicts in Gaza and the wider region have been exacerbating socioeconomic challenges in Jordan given its geographical position;

1. Notes that the Commission proposal of EUR 500 million in MFA requires EUR 45 million in provisioning under the External Action Guarantee from the Neighbourhood, Development and International Cooperation Instrument – Global Europe; points out that the evolving financial and economic realities in Jordan might require a revision of the proposed amount of MFA, consequently having an effect on provisioning;
2. Notes that the assistance will be disbursed in three instalments between 2024 and 2027, with release strictly linked to the progress of the implementation of both the International Monetary Fund programme and additional policy measures;
3. Recalls that this represents the fourth MFA operation for Jordan since 2014, bringing total MFA support to EUR 1.58 billion, demonstrating the EU's sustained commitment to supporting Jordan's economic stability;
4. Acknowledges that the loan structure includes a grace period and spreads repayments over a long period, creating extended contingent liabilities for the EU budget that require monitoring over multiple financial frameworks;
5. Acknowledges that the International Monetary Fund assessed Jordan's public debt level as sustainable in its report of January 2024, while noting that debt sustainability risks remain significant;
6. Recalls that previous MFA operations for Jordan have demonstrated positive track records in terms of repayment;
7. Emphasises that the MFA underpins Jordan's continued commitment to values shared with the Union, including democracy, rule of law, good governance and respect for human rights; highlights that these commitments are key to ensuring effective reforms and long-term stability; stresses that a precondition for granting the Union's macro-financial assistance is that Jordan respects effective democratic mechanisms – including a multi-party parliamentary system – and guarantees respect for human rights;
8. Stresses the importance of the regular verification of Jordan's compliance with the preconditions, ongoing conditionality and objectives to protect the EU's financial interests and ensure the implementation of the MFA in accordance with the regulation;
9. Calls for proper monitoring and regular reporting to Parliament and the Council on developments relating to the assistance as well as the continuous monitoring of conditions and objectives;
10. Recalls that while MFA is meant to be an exceptional crisis response instrument, its increasing use to address structural economic challenges in partner countries risks diluting its emergency nature;
11. Concludes that the proposal for a decision on providing macro-financial assistance to Jordan is compatible with the EU's budgetary framework and financial rules.

**ANNEX: ENTITIES OR PERSONS
FROM WHOM THE RAPPOREUR FOR BUDGETARY ASSESSMENT HAS
RECEIVED INPUT**

The Chair in his capacity as rapporteur for budgetary assessment declares under his exclusive responsibility that he did not receive input from any entity or person to be mentioned in this Annex pursuant to Article 8 of Annex I to the Rules of Procedure.

PROCEDURE – COMMITTEE ASKED FOR BUDGETARY ASSESSMENT

Title	Macro-financial assistance to the Hashemite Kingdom of Jordan
References	COM(2024)0159 – C9-0146/2024 – 2024/0086(COD)
Committee(s) responsible	INTA
Date announced in plenary	BUDG 25.4.2024
Rapporteur for budgetary assessment Date appointed	Johan Van Overtveldt 5.12.2024
Discussed in committee	16.1.2025
Date adopted	29.1.2025
Result of final vote	+: 35 –: 2 0: 1
Members present for the final vote	Georgios Aftias, Rasmus Andresen, Isabel Benjumea Benjumea, Tobiasz Bocheński, Olivier Chastel, Tamás Deutsch, Angéline Furet, Jens Geier, Thomas Geisel, Jean-Marc Germain, Sandra Gómez López, Monika Hohlmeier, Alexander Jungbluth, Janusz Lewandowski, Giuseppe Lupo, Siegfried Mureşan, Matjaž Nemeč, Danuše Nerudová, João Oliveira, Ruggero Razza, Karlo Ressler, Julien Sanchez, Hélder Sousa Silva, Joachim Streit, Carla Tavares, Nils Ušakovs, Lucia Yar, Auke Zijlstra
Substitutes present for the final vote	Damian Boeselager, Michalis Hadjipantela, Moritz Körner, Tiago Moreira de Sá, Rasmus Nordqvist, Michele Picaro, Jacek Protas, Beata Szydło
Members under Rule 216(7) present for the final vote	Thierry Mariani, Aodhán Ó Riordáin

**FINAL VOTE BY ROLL CALL
IN COMMITTEE ASKED FOR BUDGETARY ASSESSMENT**

35	+
ECR	Tobiasz Bocheński, Michele Picaro, Ruggero Razza, Beata Szydło
NI	Thomas Geisel
PPE	Georgios Aftias, Isabel Benjumea Benjumea, Michalis Hadjipantela, Monika Hohlmeier, Janusz Lewandowski, Siegfried Mureşan, Danuše Nerudová, Jacek Protas, Karlo Ressler, Hélder Sousa Silva
PfE	Tamás Deutsch, Angéline Furet, Thierry Mariani, Tiago Moreira de Sá, Julien Sanchez
Renew	Olivier Chastel, Moritz Körner, Joachim Streit, Lucia Yar
S&D	Jens Geier, Jean-Marc Germain, Sandra Gómez López, Giuseppe Lupo, Matjaž Nemeč, Aodhán Ó Ríordáin, Carla Tavares, Nils Ušakovs
Verts/ALE	Rasmus Andresen, Damian Boeselager, Rasmus Nordqvist

2	-
PfE	Auke Zijlstra
The Left	João Oliveira

1	0
ESN	Alexander Jungbluth

Key to symbols:

+ : in favour

- : against

0 : abstention