



EU disburses €100 million in Macro-Financial Assistance to Jordan

Brussels, 10 February 2015

The European Commission, on behalf of the European Union (EU), today disbursed €100 million in the form of loans to Jordan. This is the first tranche of the Macro-Financial Assistance (MFA) programme to Jordan, which amounts to €180 million in total.

Pierre Moscovici, Commissioner for Economic and Financial Affairs, Taxation and Customs, said: *"This disbursement is a concrete sign of Europe's solidarity with the Jordanian people, who are exposed to severe tensions and the knock-on effects of regional crises. We are living up to our promise to help the country, an important partner for the EU, to support its economic reforms and create the conditions for sustainable growth and employment."*

This assistance comes in addition to other forms of EU assistance and specifically to more than €300 million already provided to Jordan since the beginning of the Syrian crisis in order to address a need for humanitarian, development and security support. The Commission continues to assist the government of Jordan in its on-going reform efforts in key sectors, ranging from renewable energy and energy efficiency to employment and private sector development.

Background

The Macro-Financial Assistance (MFA) is an exceptional EU crisis-response instrument available to EU neighbouring partner countries experiencing severe balance of payments problems. It is complementary to the assistance provided by the International Monetary Fund.

The MFA programme is intended to strengthen the country's foreign exchange reserve position and to alleviate its balance of payments and budgetary needs stemming from negative shocks in the gas supplies from Egypt and regional instability, including the impact of the Syrian refugee crisis. The MFA programme is also intended to support reforms which aim to strengthen public finance management and the tax system, increase social inclusiveness, improve the investment climate, enhance energy efficiency and promote economic integration with the EU. The MFA to Jordan was approved by the European Parliament and the EU Council of Ministers on 11 December 2013. The Memorandum of Understanding and the Loan Facility Agreement related to this assistance were signed in Brussels on 18 March 2014. ([IP/14/276](#))

MFA loans are financed through EU borrowing on capital markets. The funds are then on-lent with similar terms to the beneficiary countries.

The second tranche of the assistance, amounting to €80 million in the form of loans, is planned to be disbursed in mid-2015.

In addition to MFA, EU bilateral cooperation with Jordan (€110 million in 2014) in the framework of the European Neighbourhood Policy is tackling a broad range of sectors, ranging from public finance management, technical and vocational education and training to the promotion of sustainable management of energy and natural resources.

Moreover, in response to the Syrian crisis, Jordan has received since 2012 over €300 million humanitarian and longer-term development assistance; to provide for the most pressing needs and to help Jordan meet the burden of providing education for Syrian refugee children in the Jordanian state schooling system. Moreover, last Friday, the EC presented the first comprehensive [strategy on tackling the crises](#) in Syria and Iraq, bringing together initiatives which mobilise €1 billion in funding for the next two years.

For more information:

Information on past MFA operations, including annual reports, can be found here:

http://ec.europa.eu/economy_finance/eu_borrower/macro-financial_assistance/index_en.htm

More information on EU – Jordan cooperation: http://eeas.europa.eu/jordan/index_en.htm

Delegation of the European Union to Jordan: http://eeas.europa.eu/delegations/jordan/index_en.htm

Communication "Elements for an EU regional strategy for Syria and Iraq as well as the Da'esh threat":

http://ec.europa.eu/echo/files/news/20150206_JOIN_en.pdf

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