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Committee on International Trade

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DRAFT REPORT

on the proposal for a decision of the European Parliament and of the Council providing further macro-financial assistance to the Hashemite Kingdom of Jordan
(COM(2019)0411 – C9-0116/2019 – 2019/0192(COD))

Committee on International Trade

Rapporteur: Luisa Regimenti

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.

CONTENTS

Page

DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

on the proposal for a decision of the European Parliament and of the Council providing further macro-financial assistance to the Hashemite Kingdom of Jordan (COM(2019)0411 – C9-0116/2019 – 2019/0192(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

– having regard to the Commission proposal to Parliament and the Council (COM(2019)0411),

– having regard to Article 294(2) and Article 212(2) of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C9-0116/2016),

– having regard to Article 294(3) of the Treaty on the Functioning of the European Union,

– having regard to the Joint Declaration of the European Parliament and of the Council adopted together with Decision No 778/2013/EU of the European Parliament and of the Council of 12 August 2013 providing further macro-financial assistance to Georgia[1],

– having regard to Rule 59 of its Rules of Procedure,

– having regard to the report of the Committee on International Trade (A9-0000/2019),

1. Adopts its position at first reading hereinafter set out;

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.

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[1] OJ L 218, 14.8.2013, p. 15.

EXPLANATORY STATEMENT

In recent years, Jordan has been significantly affected by regional unrest, notably in neighbouring Iraq and Syria. This regional unrest has taken a heavy toll on the country's internal stability.

The Syrian conflict has impacted Jordan not only by disrupting trade with and through Syria but also by causing an inflow of around 1.3 million of Syrians refugees (according to estimates from the Jordanian authorities) of which 660,330 are registered with the office of the United Nations High Commissioner for Refugees – UNHCR (data as of 4 august 2019), and of which Jordan took over more than any other Arab country. This large inflow of Syrian refugees into Jordan has increased pressure on Jordan's fiscal position, public services and infrastructure, as well as predictably weighing on the maintenance of a quite high demographic growth rate.

In particular, Jordan is pursuing its commitments under the EU-Jordan Compact on the access to affordable public health care and to labour market for Syrian refugees to ensure their dignified existence, despite the challenges still to be addressed.

Jordan's stability is therefore essential to prevent the implosion of the Middle East situation linked to the dramatic refugee crisis.

It is also important to underline the continued commitment of Jordan to the fight against Islamic terrorism, which is an absolute priority for the EU, its Member States, and its international partners, through systematic operations and a tightening of anti-terrorist laws.

A broadly appropriate policy response and the international support received allowed the country to maintain a certain stability and to continue the democratisation process.. However, Jordan's economy remains vulnerable to external shocks as shown by the fact that real growth fell to 1.9% in 2018, its lowest rate since 1996, while unemployment rose to 19% in early 2019, whereas foreign investment plummeted.

We have also witnessed the efforts put in by Jordan from the point of view of the protection of fundamental rights and freedoms, to such an extent that Jordan can now be considered one of the most democratic states in the Middle East.

Respect for human rights in Jordan is one of the most extensive and structured in the Middle East. This situation, which is constantly evolving, is also due to the efficiency of the use by the Jordan authorities of the previous two macro-financial aid programmes provided by the European Union. These not only helped to stabilise the economic position of the country, but also enabled social and human progress in Jordan, especially on women's rights, as demonstrated, last but not least, by the reform of the internal penal code, which has recognised greater protection to women victims of violence.

Finally yet importantly, thanks to the progress in mutual market opening, the existence of a financially stable foreign partner is also a guarantee for EU companies for which, thanks to the agreements concluded in recent years, there might be better opportunities for trade, entrepreneurship and investment in Jordan.

In this context, we believe that Jordan has proved to be a country worthy of such further financial assistance from the EU.

On 11 July 2019, Jordan addressed an official request for a macro-financial assistance from the EU for EUR 500 million, as anticipated during the EU-Jordan Association Council on 26 June 2019.

In light of this request, the Commission has submitted to Parliament and Council a proposal to provide the requested MFA in the form of loans in three instalments.

The proposed MFA would be the third MFA allocated to Jordan. It would follow the MFA - I for an amount of EUR 180 million in loans, adopted by Parliament and Council in December 2013 and completed in October 2015; and the MFA - II for an amount of EUR 200 million in loans, adopted in December 2016 and completed in July 2019.

The third MFA programme is part of a wider effort by the EU and other international donors, agreed at the "London Initiative" conference, which took place in February 2019, to re-confirmir the intentions to support Jordan's efforts to preserve internal stability and enhance growth prospects.

It is essential that the Memorandum of Understanding to be negotiated between the Commission and the Jordanian authorities states that the aid granted, which is greater than the previous two already issued, should be also effectively aimed at encouraging the development of entrepreneurial investments and projects of the country, as well as providing for periodic monitoring of the actual use of funds.

For all the above reasons, the Rapporteur is of the view that the requested MFA represents an appropriate intervention.