



EU approves the disbursement of €80 million in Macro-Financial Assistance to Jordan

Brussels, 7 August 2015

Today the European Commission, on behalf of the European Union (EU), adopted the decision necessary for the disbursement of €80 million to Jordan in the form of a loan. This is the second and final tranche of a €180 million Macro-Financial Assistance (MFA) programme for the country as adopted by the European Parliament and the EU Council of Ministers on 18 December 2013. The first disbursement under this programme, amounting to €100 million, took place on 10 February 2015.

Commissioner Pierre **Moscovici**, responsible for Economic and Financial Affairs, Taxation and Customs, said: *"Jordan is an important partner for the European Union and we are committed to helping the Jordanian people cope with the knock-on effects of the severe crises the Middle East is experiencing. Today's decision is a further concrete sign of our solidarity. We are living up to our promise to support Jordan's economic reforms to boost growth and job creation."*

This assistance comes in addition to other forms of EU support to Jordan that includes regular cooperation in Jordan's reform efforts in areas such as energy policy, employment and private sector development, as well as the more than €300 million provided since the beginning of the Syrian crisis to help the country address its related humanitarian, development and security needs.

Background

Macro-Financial Assistance 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 for Jordan 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 caused by regional instability, including the interruption of gas supplies from Egypt and the Syrian crisis. The MFA programme is also intended to support reforms which aim at strengthening public finance management and the tax system, increasing social inclusiveness, improving the investment climate, enhancing energy efficiency and promoting economic integration with the EU. The Memorandum of Understanding with Jordan and the Loan Facility Agreement related to this assistance [were signed in Brussels](#) on 18 March 2014.

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

In addition to MFA, EU bilateral cooperation with Jordan (including €110 million of financial assistance 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.

On top of this, in response to the Syrian crisis, Jordan has received over €300 million in humanitarian and longer-term development assistance since 2012. This provides 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, in February 2015 the European Commission presented the first comprehensive strategy on tackling the crises in Syria and Iraq, bringing together initiatives which will 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

IP/15/5475

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