

## **ENP Country Progress Report 2011 – Jordan**

*The European Commission and the High Representative of the Union for Foreign Affairs and Security Policy published on 15 May 2012 the annual “neighbourhood package”, consisting of a joint communication (“Delivering on the new European Neighbourhood Policy”) making an assessment of the first year of implementation of the new ENP adopted in 2011, a separate joint communication proposing an “Eastern Partnership Roadmap”, a report on the “Partnership for Democracy and Shared prosperity” with Southern Mediterranean (including a roadmap for future action), an Eastern Partnership progress report, 12 country reports (on developments in 2011 and with a set of recommendations for the future), including one on Jordan, and a statistical annex.*

2011 was a politically and economically challenging year for Jordan, with some encouraging political reforms, notably the constitutional amendments adopted in September by the Parliament. Jordan faced a number of challenges stemming from government instability (with three successive governments in nine months) and a worsening economic outlook.

On the basis of this year’s report and with the view of a sustained implementation of the ENP Action Plan in 2012, Jordan is invited to:

- Adopt the law creating an independent electoral commission, the electoral law, the political parties’ law and the law on the establishment of the constitutional court, and ensure their effective implementation.
- Intensify the fight against corruption as it undermines the country’s political, economic and social development.
- Increase efforts to eradicate violence against women and to promote their integration in politics, socio-economic life through promoting women entrepreneurs, women’s participation in the labour market and in education, in line with the recommendations listed in the preliminary report issued in October by the UN Special Rapporteur on discrimination against women.
- Strengthen the independence and impartiality of the judiciary as well as its administrative capacity, including strengthening the financial and administrative independence of the Judicial Council.
- In the light of the constitutional amendment outlawing torture, proceed with the ratification of the Optional Protocol to the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment.

- Prevent any kind interference in mainstream and online news portals, to ensure the freedom of the press.
- Ratify the regional Convention on pan-Euro-Mediterranean Rules of Origin.
- Pursue regulatory convergence to support efforts to increase exports and to prepare an Agreement on Conformity Assessment and Acceptance of industrial products and, eventually, a Deep and Comprehensive Free Trade Agreement.
- Implement the recently adopted plans for improved internal audit and control in the Audit Bureau and the Ministry of Finance.
- Continue to develop renewable energy sources.

#### Political dialogue and reform

- Despite the difficult context, Jordan made an important quality leap in its political reforms' process through the creation of the **National Dialogue Committee** and the **Royal Committee on Constitutional Review** in March and April respectively and the adoption of far reaching constitutional amendments in September. The latter address a number of priorities agreed in the framework of the new EU-Jordan ENP Action Plan negotiated in 2010, in particular the establishment of an **independent electoral commission**, greater **accountability** of the government, the **empowerment of political parties** through the revision of legislation, the **prohibition of torture**.
- In other cases, the amendments go beyond Jordan's ENP Action Plan commitments, i.e. the establishment of the **Constitutional Court**, limitation of the government's ability to issue **provisional (temporary) law** and new, more restrictive rules on the **dissolution of the Parliament**.
- The Public Gatherings law which entered into force in May introduced some positive changes in terms of **freedom of expression and assembly**. Concerning the **freedom of the press**, journalists and online media were confronted with security agencies notably when reporting on demonstrations. Journalists were verbally and physically attacked and news websites were hacked down.
- Although the fight against **corruption** is high on the government agenda, corruption remains widespread. In September, the Lower House adopted the Anti-Corruption Commission Law.
- Since June, Jordan is member of the UN Human Rights Council. Jordan needs to make additional efforts to eradicate **violence against women**.
- Jordan remains an active supporter of a comprehensive solution to the **Middle East Peace Process** also by facilitating the direct talks between the Palestinians and Israelis as part of the **Quartet process**.

#### Economic and social reform

- Real GDP **growth** attained **2.5%** (2.3% in 2010) and **inflation** fell to **4.5%** on average (5% in 2010), largely due to the absence of pass-through of international oil prices to domestic markets and prudent monetary policy measures.
- The **budget deficit** reached **6.1%** of GDP following implementation of expansionary fiscal policies and reduced public revenues, while the **public debt** increased slightly to 68.5% of GDP.

- **Unemployment** level slightly increased to 12.9% of the labour force (12.5% in 2010). Jordan adopted a national **employment** strategy and action plan in May but capacities and resources to coordinate and implement it are lacking. A **poverty** pockets empowerment programme was launched in June.
- In the area of **social protection**, a strategy for the Social Security Corporation for the period 2014-2016 was approved in December with the EU technical assistance.
- A substantial package of measures was drawn up to strengthen social rights, provide decent working conditions and ensure that **labour standards** comply with International Labour Organisation commitments.

#### Trade-related issues, market and regulatory reform

- **Total trade** with the EU amounted to approximately **EUR 3.5 billion** in 2011. The EU was Jordan's first source of imports (20.1%) and the seventh destination of exports (3.7%). Conversely, Jordan ranked 65 among EU's trade partners.
- The Jordanian Customs Department issued in May a circular on the further tariff dismantling for the industrial products imported from the EU listed under Annexes III and IV, and the Annex to Protocol 2. Another positive development was the entry into force of the **EU-Jordan dispute settlement Protocol** in July.
- In July, Jordan signed the regional Convention on pan-Euro-Mediterranean preferential **rules of origin**.
- During 2011, minor trade barriers persisted, namely on issues related to **sanitary and phyto-sanitary** issues. Jordan continued to impose safeguard on imports of ceramic tiles after a review.
- In February Jordan agreed with the EU on the scope of future negotiations on trade in **services** and **establishment**. These negotiations will be embedded in the framework of the DCFTA negotiations, for which the EU Council mandated the Commission in December.
- A twinning project started in October in order to support the Jordanian **Standards and Metrology Organisation** implementing the 2009 Road Map for the conclusion of the ACAA.
- Jordan participated in implementing the 2011-2012 **industrial** cooperation work programme that Euro-Mediterranean Industry Ministers adopted in May

#### Cooperation on justice, freedom and security

- In December, two EU-funded projects were put in place with the aim of improving working and living conditions of **migrant workers**.
- On the occasion of the EU-Jordan Social and Migration Working Group of June, Jordan expressed its interest to engage in a **Dialogue on Migration, Mobility and Security**, as offered by the EU to southern Mediterranean countries.

#### Transport, energy, environment, the information society, research and development

- **Transport:** Jordan continued to implement the National Transport Strategy 2009–2011. The budgetary situation of Jordan, as well as the international debt crisis has put major infrastructure projects on hold.

- **Energy:** Jordan took steps towards the use of more domestic resources, in particular by focusing on renewable energy sources. The EU supports capacity building in wind energy and concentrated solar power. Following the Fukushima nuclear accident, the issue of future nuclear power generation was widely debated in the country. Preparations towards a nuclear research reactor continued.
- **Climate change:** Jordan is encouraged to engage in the new carbon market mechanism to be developed following the UNFCCC COP 17, as well as to fully implement the Cancun and Durban agreements.
- **Environment:** Jordan started updating its strategic environment plan, with a view to further mainstreaming environment in relevant sectors. The EU provided technical assistance for updating the environment law.
- **Research and innovation:** The High Council for Science and Technology is finalising the draft of a National Science and Technology Innovation Policy and Strategy 2012-2016. The 2<sup>nd</sup> phase of the Support to Research and Technological Development and innovation initiatives and strategies programme was officially launched in 2011 with an EU Contribution of EUR 5 million. Jordan continued its participation in the 7<sup>th</sup> Framework Programme (21 grant agreements involving 28 participants).

#### People-to-people contacts, education and health

- **Education:** In December, the EU signed a new financial agreement over EUR 23 million to support the multi-donor support programme to the National Education Strategy. EU-Jordan higher education cooperation progressed well the Erasmus Mundus programme (two new projects), the Tempus IV programme (three additional projects) and the Marie Curie scheme (three institutions and two Jordanian researchers).
- **Culture:** Jordan participated in the Euro-Med Heritage Programme in projects concerning the management of ancient theatre complexes, youth outreach and education and promotion of cultural heritage. Jordanian youth organisations continued benefitting from the exchange opportunities provided by the Youth in Action programme (34 projects).
- **Health:** Jordan continued health sector reform and updated the Health Strategic Plan 2008-2012. It participated in the EU-supported 'Episouth Plus' project aimed at increasing health security in the Mediterranean region and South East Europe.

## EU–Jordan – BACKGROUND

### THE POLICY

The **European Neighbourhood Policy** governs the relations between the EU and Jordan.

2002: EU-Jordan Association Agreement entered into force.

2005: EU-Jordan Action Plan was approved.

2008: Launch of the Union for the Mediterranean (UfM, reinforced Euro-Mediterranean Partnership).

2010: Negotiations of the second EU-Jordan ENP Action Plan completed.

2010: “Advanced status” partnership agreed in October (EU-Jordan Association Council).

2012: Second EU-Jordan ENP Action Plan formally adopted.

### FACTS AND FIGURES

2007-2010: The ENPI<sup>1</sup> envelope for Jordan was earmarked at EUR 265 million.

2009: The European Investment Bank borrowed EUR 166 million for the construction of a water pipeline from Disi to Amman in order to address the problem of water scarcity. Furthermore, to address the needs of Iraqi refugees in the Zarqa area, an EC programme of EUR 12 million aims at improving water distribution.

2011-2013: The new National Indicative Programme (NIP) 2011-13 for Jordan was adopted in May 2010 with a EUR 223 million budget. The programme is geared towards supporting the achievement of key policy objectives as outlined in the EU-Jordan Action Plan and pursues four priorities: (1) supporting Jordan's reform in the areas of democracy, human rights, media and justice; (2) trade, enterprise and investment development; (3) sustainability of the growth process; (4) support to the implementation of the action plan.

2011: the EU-Jordan Protocol for the Dispute Settlement in bilateral trade entered into force.

#### More info at:

[http://ec.europa.eu/world/enp/documents\\_en.htm](http://ec.europa.eu/world/enp/documents_en.htm)

[http://eeas.europa.eu/jordan/index\\_en.htm](http://eeas.europa.eu/jordan/index_en.htm)

[http://eeas.europa.eu/enp/index\\_en.htm](http://eeas.europa.eu/enp/index_en.htm)

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<sup>1</sup> the European Neighbourhood Partnership Instrument