



European
Commission



Evaluation of the European Union's Cooperation with the Hashemite Kingdom of Jordan - Country Level Evaluation -

Final Report
Volume I: Main Report
February 2015

*Evaluation carried out on behalf of
the European Commission*

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Contract No EVA 2011
Multi-country thematic and regional / country-level strategy evaluation studies
and synthesis in the area of external co-operation

Lot 4 – Evaluations of EC geographic cooperation strategies for Asia,
Latin America, and the Neighbouring Countries

Request for Services Nr 2013 / 31997 – Version 1

**This evaluation was commissioned by
the Evaluation Unit of the
Directorate General for Development and Cooperation – EuropeAid
(European Commission)**

*The opinions expressed in this document represent the authors' points of view
which are not necessarily shared by the European Commission.
The approved and official version of the report is the English one.*

LIST OF ACRONYMS AND ABBREVIATIONS

3 C's	Coordination, Complementarity and Coherence
3 E's	Economy, Efficiency and Effectiveness (Performance Management)
AA	Association Agreement (EU-Jordan)
AAP	Annual Action Programme
ACAA	Agreement on Conformity Assessment and Acceptance
AP	Action Plan (ENP)
BOO	Build-Own-Operate
BOT	Build-Operate-Transfer
BS	Budget Support
CA	Cancelled (CRIS)
CBRN	Chemical, Biological, Radiological and Nuclear (defence)
CC	Cross-cutting (issue)
CFSP	Cooperation on Foreign and Security Policy
CL	Closed (CRIS)
CLE	Country Level Evaluation
CRIS	Common Relex Information System (EC)
CRS	Creditor Reporting System (Code – DAC)
CSO	Civil Society Organisation
CSP	Country Strategy Paper
DAC	Development Assistance Committee (OECD)
DAG	Development Assistance Group
DCFTA	Deep and Comprehensive Free Trade Area
DCI	Development Cooperation Instrument (EU)
DE	Decision (CRIS)
DEVCO	Directorate General for Development and Cooperation (EuropeAid)
DFI	Direct Foreign Investment
DG	Directorate General
DNJP	Development of Northern Jordan Programme
DOS	Department of Statistics
DP	Development Partner
DRI	Democracy Reporting International
DWH	Data Warehouse
EA	European Accreditation Cooperation
EAMR	External Assistance Management Report
EBRD	European Bank for Reconstruction and Development
EC	European Commission
EC	Ongoing (CRIS)
ECHO	European Community Humanitarian Office (ECHO)
EDF	European Development Fund
EDP	Executive Development Programme (Jordan – 2011-2013)
EE	Energy Efficiency
EEAS	European External Action Service
EFI	European Financial Institution
EG	Committed (CRIS)
EIB	European Investment Bank
EIDHR	European Instrument for Democracy and Human Rights
EMIS	Education Management Information System
ENP	European Neighbourhood Partnership
ENPI	European Neighbourhood and Partnership Instrument
EOM	Election Observation Mission
EPC	Executive Privatization Commission
EPFI	European Public Finance Institution

EPP	Export Parity Price
EQ	Evaluation Question
EQ-JC-KPI	Evaluation Questions, Judgement Criteria and Key Performance Indicators (Matrix)
ERC	Electricity Regulatory Commission
ERfKE	Education Reform for Knowledge Economy (project)
ETF	European Training Foundation
E-TVET	Employment - Technical and Vocational Education and Training
EU	European Union
EUD	European Union Delegation
EUR	Euro
FA	Financing Agreement
FD	Financing Decision
FD	Field District
FDC	Final Date for Contracting / for Concluding the FA\
FDI	Foreign Direct Investment
FEMIP	Facility for Euro-Mediterranean Investment and Partnership
FES	Friedrich Ebert Stiftung
FIG	Financial Institutions Group
FY	Financial / Fiscal Year
GBS	General Budget Support
GCC	Gulf Cooperation Council
GDP	Gross Domestic Product
GoHKoJ	Government of the Hashemite Kingdom of Jordan
HQ	Headquarters
HR	Human Resources
HRD	Human Resources Development
HSPU	Highly Satisfactory, Satisfactory, Partially satisfactory, Unsatisfactory (Indicator)
IBRD	International Bank for Reconstruction and Development
ICLN	International Criminal Law Network
ICT	Information and Communication Technology
IDEA	International Institute for Democracy and Electoral Assistance
IEC	Independent Election Committee
IfS	Instrument for Stability
IKRS	Internally Known Reference Source (CLE)
IL	Intervention Logic
IMF	International Monetary Fund
IPP	Import Parity Price
JAED	Jordan Agency for Enterprise Development
JAIMS	Jordan Aid Information Management System
JC	Judgement Criterion
JD	Jordanian Dinar (also: JOD)
JEDCO	Jordan Export Development and Commercial Centers Corporation
JIB	Jordan Investment Board
JISM	Jordan Institution for Standards and Metrology
JO	Jordan
JSMP	Jordan Services Modernisation Programme
KPI	Key Performance Indicator
KRA	Key Result Area
LA	Local Authority
LED	Local Economic Development
LF	Logical Framework / LogFrame
LGU	Local Government Unit
M&E	Monitoring and Evaluation
MDG	Millennium Development Goal

MENA	Middle East and Northern Africa (countries)
MFA	Macro-Financial Assistance
MFN	Most Favoured Nation
MIC	Middle Income Country
MoE	Ministry of Education
MoE	Ministry of Environment
MoEMR	Ministry of Energy and Mineral Resources
MoF	Ministry of Finance
MoFA	Ministry of Foreign Affairs
MoHESR	Ministry of Higher Education and Scientific Research
MoITS	Ministry of Industry and Trade and Supplies
MoJ	Ministry of Justice
MoL	Ministry of Labour
MoL-DET	Ministry of Labour – Directorate of Employment and Training
MoMA	Ministry of Municipal Affairs
MoPIC	Ministry of Planning and International Cooperation
MoWI	Ministry of Water and Irrigation
MS	Member State
MSME	Micro, Small and Medium Size Enterprise
MTEF	Medium Term Expenditures Framework
NDCP	Northern Border Clearance Project
NDI	National Democratic Institute
NGO	Non-Governmental Organisation
NIF	Neighbourhood Investment Facility
NIP	National Indicative Programme
NSA	Non-State Actor
NSI	Nuclear Safety Instrument
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
PA	Portfolio Analysis
PA	Project Approach
PAF	Performance Assessment Framework
PAO	Programme Administration Office / Project Administrative Office
PCM	Project / Programme Cycle Management
PD	Paris Declaration (on Aid Effectiveness)
PEFA	Public Expenditure and Financial Accountability
PFG	Project Financiers Group
PFM	Public Finance Management
PLEDJ	Promoting Local Economic Development in Jordan
PME	Performance Monitoring and Evaluation
PO	Provisional (CRIS)
POMED	Project on Middle East Democracy
PPP	Public – Private Partnership
PSD	Private Sector Development
R&D	Research and Development
RAC	Reste à Contractor
RAL	Reste à Liquider
RE	Renewable Energy
RIP	Regional Indicative Programme
ROM	Results Oriented Monitoring
RSP	Regional Strategy Paper
SAAP	Support to the Implementation of the Association Agreement
SBS	Sector Budget Support
SME	Small and Medium Enterprise

SMED	Southern and Eastern Mediterranean
SMP	Services Modernisation Programme
SPRING	Support to Partnership, Reform and Inclusive Growth
SPS	Sanitary and Phytosanitary
SPSP	Sector Policy Support Programme (Sector Budget Support)
SRRP	Support for Regulatory Reform and Privatisation
SS	Social Security
SSC	Social Security Corporation
TA	Technical Assistance
TAIEX	Technical Assistance and Information Exchange (instrument)
TAPs	Technical and Administrative Provisions
TBT	Technical Barriers to Trade
TI	Transparency International (index)
TOT	Training of Trainers
TTF	Trade and Transport Facilitation (Programme)
TU	Trade Union
T-VET	Technical and Vocational Education and Training
UfM	Union for the Mediterranean
UMI	Upper Middle Income (Country)
UN	United Nations
UNDP	United Nations Development Programme
UNRWA	United Nations Relief and Works Agency
UoM	Unit of Measurement
USD	United States Dollar
VTC	Vocational Training Corporation
WB	World Bank
WCO	World Customs Organisation
WTO	World Trade Organisation
Y/N	Yes / No (logical indicator)

Final Report Documents

Volume I:	Main report	<i>(This volume)</i>
Volume II:	Evaluation Questions Information Matrices	<i>(Separate volume)</i>
Volume III:	Compilation of Annexes	<i>(Separate volume)</i>

The separate Volumes II and III are integral part of this Country Level Evaluation Final Report.

Table of Contents of Final Report Volume I: Main Report

	Vol. I Page -----
List of Acronyms and Abbreviations	i
1. Executive Summary	viii
1. ملخص تنفيذي	xv
2. Context of the evaluation and methodology	1
2.1 Context of the Evaluation	1
2.2 Evaluation Methodology	2
3. Evaluation questions and their answers (main findings)	8
3.1 EQ-1 on strategic alignment and flexibility	8
3.2 EQ-2 on coordination, complementarity and coherence	17
3.3 EQ-3 on democratic governance	22
3.4 EQ-4 on public institutions strengthening	29
3.5 EQ-5 on aid modalities mix and efficiency	35
3.6 EQ-6 on sustainable private sector development	42
3.7 EQ-7 on trade, transport and investment facilitation	45
3.8 EQ-8 on education and employment	48
3.9 EQ-9 on climate change, energy and water	54
4. Conclusions	57
4.1 Cluster 1 conclusions on relevance and alignment	57
4.1.1 General conclusions	57
4.1.2 Specific conclusions by evaluation question	60
4.2. Cluster 2 conclusions on strategic pathways	63
4.2.1 General conclusions	63

4.2.2	Specific conclusions by evaluation question	64
4.3.	Cluster 3 conclusions on sectoral / thematic outcomes and impact	67
4.3.1	General conclusions	67
4.3.2	Specific conclusions by evaluation question	68
5.	Recommendations	73
5.1	Cluster 1 recommendations on overall strategic orientation and focus	73
5.1.1	Overall recommendations	73
5.1.2	Specific recommendations	74
5.2	Cluster 2 recommendations on strategic pathways	76
5.2.1	Overall recommendations	76
5.2.2	Specific recommendations	76
5.3	Cluster 3 recommendations on sectoral and thematic outcomes and impact on the ground	78
5.3.1	Overall recommendations	78
5.3.2	Specific recommendations	79

List of Tables

Table 1:	List of evaluation questions (EQs) with number of judgement criteria (JCs) and key performance indicators (KPIs)	4
Table 2:	Cross-tabulation of evaluation questions and standard evaluation criteria (OECD-DAC, EU and PD)	5
Table 3:	Overview table of tools for complementary data and information collection during the evaluation field phase and mission to Jordan	7
Table 4 :	Summary comparative table of foreign grants as percentage of domestic revenues.....	18
Table 5 :	Total grants to Jordan by main Development Partners in the period 2007-2013 (in million USD)	18
Table 6:	Average overall Results Oriented Monitoring (ROM) scores (0-10 scale) on the five ROM criteria of the EU-Jordan Democratic Governance interventions in the 2007-2013 period by DAC CRS Sector.....	23
Table 7:	Summary table of number of ROM gradings by assessment criterion for the 28 ROM missions on democratic governance interventions in the period 2007-2013 and comparison of average grading scores with the overall averages for the 70 ROM missions.....	24
Table 8:	Outcomes of CSOs Mini-Survey and Focus Group Discussion during the Evaluation Field Visit (June 2014)	26
Table 9:	EU support provided to the implementation of policy reforms in different sectors and their contribution to sector expenditures (in Euro)	33
Table 10 :	Contribution of EU financial support provided in the form of budget support to the financing of policy reforms / sector expenditures (in Euro).....	33
Table 11:	Main achievements and main challenges in the TVET sector	52

List of Figures

Figure 1:	Reconstructed Country Strategy Paper intervention logic effects diagramme and draft CLE evaluation questions (EQs).....	3
Figure 2 :	Intervention logic faithful broader framework diagramme of the EU - Jordan 2007-2013 Country Strategy Paper and Cooperation.....	9
Figure 3:	Implementation planning and execution of interventions / financing decisions benefitting the Hashemite Kingdom of Jordan in the CSP Period 2007-2013, by Sector	11
Figure 4 :	Jordan Moving up to Upper Middle Income Country (UMIC) Status in the 2007-2013 Period under Review, but with Persisting (and Rising) Structural Inequality.....	14
Figure 5:	Distribution of Contracted Amounts by Thematic Area / Sector	16
Figure 6 :	Sectoral / Thematic Distribution of Contracted Amounts on Democratic Governance.....	22
Figure 7 :	Contracted amounts per aid modality	36
Figure 8 :	Contracted amounts per aid modality, key sectors	37
Figure 9 :	Configuration of logical links between evaluation questions findings, conclusions and recommendations	59
Figure 10:	Reconstructed EU-Jordan cooperation intervention logic 2007-2013: Validation of reconstruction assumptions regarding higher end results chain	61

List of Boxes

Box 1:	Salient points of the evaluation field visit focus group discussion with SAAP-SAPP beneficiaries of public institutions strengthening support, supported by mini-survey findings.....	30
Box 2:	Key findings of the inventory / portfolio analysis.....	35
Box 3 :	Outcome of the focus group discussion with private and public sector organisations on sustainable private sector development support: The need for new tools	43
Box 4 :	Outcome of the focus group discussion with key education sector stakeholders on education reform: Delegation of authority, quality assurance and participatory approaches	51

1. EXECUTIVE SUMMARY

Objectives and challenges of the evaluation

The evaluation of the European Union's co-operation with the Hashemite Kingdom of Jordan is part of the 2012 EU evaluation programme. The main objectives of the evaluation are: (i) To provide the relevant external co-operation services of the European Union and the wider public with an overall **independent assessment** of the European Union's past and current cooperation and partnership relations with the Hashemite Kingdom of Jordan; and (ii) to identify **key lessons** and to produce strategic, operational and forward looking **recommendations** in order to mainly improve the current and future European Union's strategies, programmes and actions.

Context of the evaluation

The **EU-Jordan Association Agreement** (AA), which entered into force in May 2002, forms the legal basis of the relations between the EU and Jordan. The EU's ultimate objective through the Association Agreement is to foster the establishment of bilateral free trade with Jordan – the first step towards creating a wider regional Euro-Mediterranean free trade area. On this basis, the **EU-Jordan European Neighbourhood Policy Action Plan** (ENP AP) was approved in January 2005. Since 2007 the EU's financial assistance to Jordan, either on bilateral or on regional basis, has mainly been provided under the European Neighbourhood and Partnership Instrument (ENPI). In addition to this instrument, Jordan is eligible for additional funds under the EU's thematic programmes and other instruments, notably the European Instrument for Democracy and Human Rights and the Non-State Actors and Local Authorities in Development thematic programme. Based on the good implementation of the ENP Action Plan, advanced status was granted to Jordan in 2010 to reflect the new character of the partnership and to further expand the areas of co-operation between Jordan and the EU.

The multi-annual strategic framework for the EU financial cooperation with Jordan is established in the **EU-Jordan Country Strategy Paper** (CSP) 2007-2013. The main objectives of the EU Strategy for Jordan for 2007-2013 are: (i) Supporting Jordan's political and security reform in the areas of democracy, human rights, good governance, justice and the fight against extremism; (ii) Developing further trade and investment relations: exploiting the full potential of the free movement of goods and services; preparing Jordan's participation in the internal market; improving trade logistics and transport; (iii) Ensuring the sustainability of the development process with better management of human and natural resources, and; (iv) Further building the capacity of Jordanian institutions, by investing in strengthening public administration, ensuring financial stability and supporting regulatory approximation with EU legislation. Within this framework two **National Indicative Programmes** (NIPs) define the priorities of EU-Jordan cooperation for the periods (2007-2010) and (2011-2013) with financial assistance allocations in the amount of EUR 265 million and 223 million respectively. In addition to the bilateral aid, EUR 70 million has been allocated to Jordan from the SPRING regional programme (Support for Partnership, Reform and Inclusive Growth) launched in 2011 to encourage the consolidation of reforms in the political, social and economic areas. Moreover Jordan benefitted in 2012 from funding through two Special Measures for Syria, providing assistance to countries hosting refugees from Syria (Jordan and Lebanon).

Evaluation methodology

The Country Level Evaluation consists of **three main phases (desk, field and synthesis)** and encompasses several methodological stages, with deliverables in the form of reports and slide presentations submitted at the end of the corresponding stages (according to the Evaluation Unit prescribed methodology).

In accordance with the above mentioned methodology, the set of validated **evaluation questions** (EQs) is the core tool around which the evaluation is built. Their answering is an inductive empirical process building up from measuring / assessing key performance indicators (KPIs) as basis for the assessment / verification of **judgement criteria** (JCs) in turn at the basis of the answering of the

evaluation questions themselves. For the current Country Level Evaluation of Jordan, this development and ultimate selection of the Evaluation Questions has been a highly participatory exercise and iterative process with different reactions and feedback loops. The final draft set of nine Evaluation Questions also closely involved the responsible officials at the EC DG DEVCO-EuropeAid Evaluation Unit and the members of the CLE Reference Group (RG) with representatives from both **DEVCO-EuropeAid** and EEAS (the **European External Action Service**) in Brussels and from the **EU Delegation in Amman**. Special attention is given to a more explicit coverage of budget support step 1 analysis in EQ5 on aid modalities and flexibility, and through specific JCs of the respective sector / thematic questions. The same pertains to a more focused coverage of Public Finance Management (PFM) under EQ-4 on public institutions strengthening.

The Key Performance **Indicators** (KPIs) are formulated in the perspective of their enabling / facilitation of the completion of the Evaluation Questions (EQs) information matrices (**one information matrix per question**). These Information Matrices (IMs)¹ contain the empirical evidence (both primary and secondary data and information) for the actual indicator and judgement criteria assessment, and ultimately form the basis of the answer to the evaluation question.

The main **data gathering tools** comprised an extensive documentary analysis, a portfolio analysis of the EU financing decisions / interventions, semi-structured interviews (in Jordan and at EC headquarters), focus group discussions in Jordan, the use of mini surveys and an in-country dissemination seminar of the draft final report with all main stakeholders.²

General conclusions

Overall and throughout in the 2007-2013 EU-Jordan cooperation period under review, **the EU response strategy has been well aligned** with the development objectives and priorities of the Government of the Hashemite Kingdom of Jordan. However, alignment cannot yet be assessed at actual operational level on the ground, if only because of the sheer absence of outcome and impact data and information on the ground. This is in particular due to the fact that most interventions are still ongoing, with quite a number even having started quite recently only, and thus not having been able to have actual impact on the ground. Also, the consistency between the regional and national components of the EU response strategy within the overall ENP framework is not always evident, as there is no structured operational alignment ensured and there are no procedural or institutional provisions in place to ensure such alignment.

In this period there has been a **remarkable responsiveness**, widely lauded by all parties, of the EU response strategy in flexibly adapting to changes in the broader regional context affecting Jordan (including the 2011-2012 "Arab Spring" developments, the Iraq crises, the Syria crisis), and this both at strategic and actual operational levels.

However, this **responsiveness is less evident in relation to the developments in the national economic context characterized by Jordan gradually moving up to Upper Middle Income (UMI) country status in the period under review, however with major structural inequalities remaining / deepening**. The raising social challenges Jordan as UMI country at the same time is facing include: increasing inequalities in income distribution, growing imbalances in access to basic social services, worsening of geographical disparities, increasing ethnicity based differences in the labour market, and rising resident-refugee population tensions. The GoJ has addressed these challenges in several ways: reform of the social insurance system in 2010, reform project underway for better targeted social safety net programmes, progress in the institutionalisation of the social dialogue between the economic Non-State Actors (NSAs) in a tripartite setting, amongst others. Through a proactive support, the EU has contributed to almost all changes that occurred in social policies, but this was done in the form of scattered, if not piecemeal, initiatives, which lacked the interlinkages and the resources to address the

¹ The Evaluation Questions Information Matrices (EQ_IMs) are compiled in report Volume II.

² For further details on the information collection / data gathering tools pls. refer to Annexes 4 to 8 of report Annexes Volume III.

increasing challenges more systematically and adequately. Moreover, these issues have been addressed without sufficient consideration of Jordan's upgrading to Upper Middle Income (UMI) country, a status which makes it possible to design more sustainable, inclusive and equitable socio-economic policies.

The EU has recognised this challenge and it is developing its response strategy in the forthcoming Single Support Framework for the next strategic EU-Jordan cooperation period 2014-2020, which is about to include social protection as a main thematic focal area. However, the evaluation team assesses that this challenge could have been recognised by the EU (including the development of adequate action) at an earlier stage - for instance on the occasion of the transition from the first to the second National Indicative Programme.

Overall, ***the policy/political dialogue and the development cooperation strategy components of the EU-Jordan cooperation have been consistent, timely, complementary and mutually reinforcing***. However, immediate security considerations are predominant and are impacting on the overall long-term development political dialogue and cooperation strategy objectives and outcomes. The domination of the ***stability concerns – sometimes confused with and/or used as pretext for justifying the status quo*** – undermines security and stability themselves in the longer run. At the same time, it is essential to keep appreciating the country's extreme hospitality vis-à-vis the almost recurrent streams of refugees caused by the regional crises and its major efforts to facilitate sustainable solutions.

The aid coordination system in Jordan at present is not geared towards generating optimal aid effectiveness, but there appears to be a willingness of the key GoJ stakeholders concerned to address these challenges. There is a shared view amongst Jordan key stakeholders and Development Partners alike that weak or fragmented institutional responsibilities and a lack of coherent sector strategies and operational coordination have resulted in fragmented, non-sustainable interventions, negatively affecting ultimate programme impact on the ground. ***EU could have played a stronger role in increasing overall aid effectiveness and in the promotion of results oriented coordination***, being amongst the largest donors for the country (EU and MS participated with EUR 2,147 million in the period 2000-2012 according to MoPIC sources, making them the second largest donor in this period).

Even if EU-Jordan cooperation sector reform indicator targets are met formally, this does not necessarily reflect actual reforms on the ground, raising ***concerns regarding the effectiveness, impact and sustainability of EU's support to the reform processes***. The reform results indicators of EU support are often relatively general in nature and have put too much emphasis on general policy, regulatory and institutional setting issues.

The substantive ***EU-Jordan cooperation on democratic governance generally gained strength and depth*** in bringing about reform through strengthened coordination and institutionalized dialogue mechanisms and set-ups (e.g. through the Sub-Committee on Human Rights, Governance and Democracy). The discussion of a series of democratic governance laws in an extra-ordinary session of Parliament last June 2014, which are explicitly included as EU-Jordan cooperation budget support benchmarks, points at budget support entailing substantive potential leverage in bringing about political reform in the broad field of democratic governance. ***EU successfully pushed for the achievement of democratic governance targets***, but these targets did not focus enough on the intrinsic quality and impact of reforms. These are widely recognized as crucially ***central and key challenges for the next cycle of EU-Jordan cooperation***.

EU support contributed to the further strengthening of Civil Society Organisations (CSOs) as empowered partners in political dialogue and national & local development processes. A stronger attention to the sustainability of CSO however would have been necessary (e.g. by further enhancing the institutional, managerial, operational and human capacities of Civil Society Groups including women advocacy groups). The overall climate for the participation of CSOs as fully fledged partners in policy dialogue and development interventions leaves much to be desired and in fact is deteriorating rather than improving, particularly for those involved in advocacy and human rights issues.

Through the provision of flexible ad hoc support, **EU has contributed to the strengthening of institutional and technical capacities of counterpart public institutions** especially at central level which is widely appreciated, and also supported institutional reorganisation and capacity development of a number of decentralised public services. **EU contribution to increased capacities of Local Government Units (LGUs) has been more modest.** Overall programme efficiency and effectiveness could have been enhanced further when activities would have been part and parcel of an encompassing public sector reform strategy and programme spearheaded by a duly mandated central Jordan entity.

The **substantially expanded overall budget support package** (dialogue, conditionalities, financial resources) in conjunction with the provision of complementary support (twinning, TAIEX and SIGMA) as well as Technical Assistance (TA), also provided by other donors, **generally has been relatively instrumental in supporting the government reform efforts** leading to positive changes in Public Finance Management (PFM) systems. **Budget support has contributed to increased fiscal space** in a country where the State's budget is under severe constraints. On the down side however, there **still appears to be some incoherence, if not fragmentation, in the budget planning process**, with duplicate functions between the Ministry of Finance, the General Budget Department, and the Ministry of Planning, which hampers proper prioritization and undermines effective budgeting processes especially in terms of linking budgetary allocations to the achievement of strategic policy objectives. The Jordan Aid Information Management System (JAIMS), funded through foreign aid in Jordan, and operationalised in 2009-2010 with the contribution of the EU, has not performed as expected with the system being periodically out of function. **Special efforts are being exerted to address this fragmentation, especially lately and also in the broader context of the regional crises and the impact these have on Jordan.**

At interventions level, the Steering Committees (chaired by MoPIC with the participation of representatives from the line ministries / institutions involved in the programmes as well as the EUD) established in connection with the different EU interventions indeed provide an overall framework for enhanced dialogue. **However, while dialogue takes place and relations are generally good, the quality of the dialogue leaves room for improvement, with discussions usually remaining at a mechanical level** – over how much and when the next payment will be and when it will be made - rather than on substantive policy matters.

At the level of the sectors, the **mix of EU aid programming instruments, approaches and financing modalities generally has been adapted relatively well in mature sectors to sector-specific factors** and following the analysis of alternative options. Budget Support has performed well in the two more mature sectors, particularly in education and also in public finance management. On the contrary, in the E-TVET, Trade and Transport Facilitation (TTF), energy and justice sectors, contributions of Sector Budget Support to changes in government policy processes and capacities have been more limited (in the justice sector in first instance because of its relatively recent implementation). The quality of systematic and structured institutional coordination (i.e. interactions between central agencies and line agencies / ministries) presents a number of important weaknesses in relation to: coordination platforms; procedures; design and operationalisation of performance planning, monitoring and reporting systems; amongst others.

Generally, **cross-cutting issues have been covered and attended to in the EU-Jordan cooperation strategy and programme** covering the entire 2007-2013 period under review, at least in the design of these programmes. This in first instance pertains to (democratic) governance and institutional strengthening as outlined above. Major challenges however remain regarding the envisioned outcomes of the above-mentioned programmes, especially regarding gender equality on the ground. Also, with some exceptions, **environment and climate change generally have not been given systematic attention** in the response strategy and programme, even if in the support to sectors as energy and water management environmental concerns could have been addressed more consistently. **Climate change themes have been addressed basically through regional types of projects with different institutions, but not with the Ministry of Environment.**

Summary overview of ranked main recommendations linked to the main conclusions clusters

Below is the overview table linking the five main evaluation conclusions (clusters) to the corresponding main recommendations. Conclusions and linked recommendations are presented in order of importance, with the most important first, in line with the ToR requirements.

Main Conclusions Clusters in Order of Importance	Main Recommendations Linked to the Main Conclusions Clusters
<p>1. Overall and throughout in the 2007-2013 EU-Jordan cooperation period under review, the EU response strategy has been well aligned with the development objectives and priorities of the HKoJ Government. There has been a remarkable responsiveness, widely lauded by all parties, of the EU response strategy in flexibly adapting to changes in the broader regional context affecting Jordan. This responsiveness is less evident in relation to the developments in the national economic context characterized by Jordan gradually moving up to Upper Middle Income (UMI) country status in the period under review, however with major structural inequalities remaining / deepening..</p>	<p>1. Ensure that the response strategy for the coming / next EU-Jordan programme cycle is more responsive to the evolving national economic context characterized by Jordan having moved up to Upper Middle Income (UMI) country status and exploit the potentials this brings with it in terms of stronger auto-financed sustainable, inclusive and equitable development financed from internally generated resources. This should be achieved by more systematically tapping into available national resources as Upper Middle Income Country in order to contribute to the achievement of sustainable, inclusive and equitable development goals to combat inequality. Pursue this through broadened support to strengthening of income distribution strategies and programmes and/or reinforcement of social security or social protection provisions. The encompassing goal of the new response strategy therefore should be combating the rising structural inequality in Jordan society.</p> <p>→ Prioritize strategies and interventions that directly target and benefit the underprivileged and vulnerable segments of society so as to ensure that they have better and sustained access to public services and to gainful, decent and sustainable employment. This should include social coverage under the Social Security Corporation or benefits from social safety nets as (temporary) back up in order to be able to sustainably emancipate from the poverty trap. As such, it is recommended to pursue E-TVET as a key component of a comprehensive, inclusive and equitable strategy for inclusive sustainable development. It is also recommended to support programmes of progressive social inclusion, protection and security with strong proactive activation features to sustainably uplift vulnerable groups and individuals out of the poverty trap and extreme inequality. Recognize and maximize the substantive role of the private sector and pursue tripartite mechanisms and set-ups for this purpose, making this a concerted effort of both the public and private sector partners in Jordan as Upper Middle Income country.</p>

Main Conclusions Clusters in Order of Importance	Main Recommendations Linked to the Main Conclusions Clusters
<p>2. Overall, the policy/political dialogue and the development cooperation strategy components of the EU-Jordan cooperation have been consistent, timely, complementary and mutually reinforcing. However, immediate security considerations are predominant and are impacting on the overall long-term development political dialogue and cooperation strategy objectives and outcomes. The domination of the stability concerns – sometimes confused with and/or used as pretext for justifying the status quo - undermines security and stability themselves in the longer run.</p>	<p>2. Further improve the fine balance between immediate security considerations and the long-term development political dialogue and cooperation strategy objectives and outcomes. This will contribute to avoid the trap of stability concerns being confused with and/or used as pretext for justifying the status quo, as this undermines security and stability itself in the longer run. At the same time, keep appreciating the country's extreme hospitality vis-à-vis the almost recurrent streams of refugees, caused by the regional crises, and its efforts to facilitate sustainable solutions.</p> <p>→ Further optimize the complementary and mutually reinforcing strengths of political / policy dialogue and development interventions in a symbiotic way to bring about the effective and sustainable reform aspired for to ensure results on the ground.</p>
<p>3. Even if EU-Jordan cooperation sector reform indicator targets are met formally, this does not necessarily reflect actual reforms on the ground, raising concerns regarding the effectiveness, impact and sustainability of EU's support to the reform processes. The reform results indicators of EU support are often relatively general in nature and have put too much emphasis on general policy, regulatory and institutional setting issues.</p>	<p>3. Concentrate support to reform processes in all sectors and thematic areas on actual reform impact on the ground.</p> <p>→ Make general and more explicit use of performance planning, budgeting, measurement and monitoring & evaluation systems derived from results frameworks to ensure more effective and efficient management for development results of interventions in order to further strengthen impact on the ground. Such systems should be owned by the implementing line ministries and agencies and spearheaded by the duly mandated central government entity(ies) concerned. This requires capacity development at all levels. Ensure that any continued support of the EU to Public Finance Management (PFM) and/or other public institutions strengthening programmes has this as base rationale and as overall, encompassing strategic theme.</p> <p>Use budget support (and BS conditionalities in particular) as leverage for effective and sustainable reform processes, but only in such areas where commitment to reforms is evident and genuine. In addition, there should be the explicit aim of going beyond the mere meeting of formal, paper benchmarks and assurance of compliance with legislative and/or regulatory targets, so as to effectively guarantee reform impact on the ground. Only use budget support as aid modality when the necessary conducive enabling environment thereto is guaranteed and eligibility criteria are strictly met in accordance with the EC prescriptions and guidelines concerned.</p> <p>A broader use of other cooperation mechanism such as Technical Assistance, TAIEX, SIGMA and/or twinnings and their combinations is also</p>

Main Conclusions Clusters in Order of Importance	Main Recommendations Linked to the Main Conclusions Clusters
	recommended in order to contribute to an enabling environment and to assist in fulfilling the aid modality eligibility criteria.
4. EU could have played a stronger role in increasing overall aid effectiveness and in the promotion of results oriented coordination, being the second largest donor for the country in the 2000-2012 period and the third largest in the period under review 2007-2013.	4. EU together with its Member States should play a more proactive role in the aid coordination and policy dialogue of Development Partners with key public and private stakeholders in Jordan in order to ensure increased overall aid effectiveness, enhanced division of labour, synergies and improved visibility.
5. Generally, cross-cutting issues have been attended to in the EU-Jordan cooperation strategy and programme, at least in the design of these programmes, especially in relation to (democratic) governance and institutional strengthening. Major challenges however remain regarding the envisioned outcomes of the above mentioned programmes, particularly regarding gender equality on the ground. Also environment and climate change generally have not been given systematic attention in actual programme implementation.	5. Give more explicit and priority attention to cross-cutting issues pervading the whole EU-Jordan cooperation, both with regard to the development interventions and political/policy dialogue strategy components. This particularly pertains to gender and to environment and climate change, but also to governance and human rights and to institutional strengthening.

1. ملخص تنفيذي

أهداف التقييم وتحدياته

يعتبر تقييم التعاون بين الاتحاد الأوروبي والمملكة الأردنية الهاشمية جزءاً من برنامج تقييم الاتحاد الأوروبي 2012. أما الأهداف الرئيسية للتقييم، فهي: (1) توفير التعاون الخارجي الملئمة للإتحاد الأوروبي والجمهور الأوسع نطاقاً مقترنة بتقييم مستقل وشامل لعلاقات الشراكة والتعاون الماضية والحالية بين الاتحاد الأوروبي والمملكة الأردنية الهاشمية. و (2) تحديد الدروس الرئيسية والخروج بالتوصيات الاستراتيجية، العملانية، والتي تستشرف المستقبل لتحقيق هدف رئيسي ألا وهو تحسين استراتيجيات وبرامج وإجراءات الاتحاد الأوروبي الحالية والمستقبلية.

سياق التقييم

تشكل اتفاقية الشراكة بين الاتحاد الأوروبي والأردن، والتي دخلت حيز التنفيذ في شهر أيار 2002، الأساس القانوني للعلاقات بين الاتحاد الأوروبي والأردن. يكمن الهدف النهائي للاتحاد الأوروبي من اتفاقية الشراكة في تعزيز إنشاء التجارة الثنائية الحرة مع الأردن - الخطوة الأولى نحو إنشاء إقليم يورو متوسطي مترامي الاطراف ليكون منطقة تجارة حرة. وعلى هذا الأساس، تم الاتفاق على خطة عمل سياسة الجوار الأوروبي بين الاتحاد الأوروبي والأردن في كانون الثاني عام 2005. ومنذ عام 2007، كانت وما زالت المساعدة المالية سواء أكانت على اساس ثنائي أو إقليمي تقدم الى الاردن بموجب وثيقة الجوار والشراكة مع الإتحاد الأوروبي. وبالإضافة إلى تلك الوثيقة، يتأهل الأردن للحصول على أموال إضافية في إطار برامج الاتحاد الأوروبي المتخصصة وغيرها من الوثائق، ولا سيما الوثيقة الأوروبية للديموقراطية وحقوق الإنسان واللاعبين غير الحكوميين بالإضافة إلى السلطات المحلية المشاركة في برنامج التنمية الموضوعاتية (التنمية حسب موضوع معين). بناء على التنفيذ الجيد لخطة عمل سياسة الجوار والشراكة الأوروبية منح الأردن مرتبة الوضع المتقدم في عام 2010 لتعكس الطابع الجديد للشراكة والتوسع بشكل أكبر في مجالات التعاون بين الأردن والاتحاد الأوروبي.

تحدد ورقة استراتيجية البلد الخاصة بالاتحاد الأوروبي - الأردن 2007 - 2013 الإطار الاستراتيجي متعدد السنوات للتعاون المالي بين الاتحاد الأوروبي والأردن. وتتمثل الأهداف الرئيسية لاستراتيجية الاتحاد الأوروبي للأردن بين عامي 2007 الى 2013: (أ) بدعم الإصلاح السياسي والأمني في الأردن في مجالات الديمقراطية، وحقوق الإنسان، والحاكمية الرشيدة، والعدالة، ومكافحة التطرف. (ب) تنمية المزيد من علاقات التجارة والاستثمار: استغلال الإمكانات الكاملة من حرية حركة السلع و الخدمات؛ إعداد مشاركة الأردن في السوق الداخلية، وتحسين لوجستيات التجارة والنقل؛ (ج) ضمان استدامة عملية التنمية مع تحسين إدارة الموارد البشرية والمصادر الطبيعية، (د) وعلاوة على ذلك، بناء قدرات المؤسسات الأردنية من خلال الاستثمار في تعزيز الإدارة العامة، وضمان الاستقرار المالي ودعم مقارنة الأنظمة والتعليمات لتشريعات الاتحاد الأوروبي. وفي هذا الإطار، يحدد برنامج وطنيان تأشيريان أولويات التعاون بين الاتحاد الأوروبي والأردن خلال (2007-2010) و(2011-2013) مع تخصيص المساعدة المالية البالغة 265 مليون يورو و 223 مليون يورو، على التوالي. بالإضافة إلى المساعدات الثنائية، فقد تم تخصيص مبلغ 70 مليون يورو إلى الأردن ضمن البرنامج الإقليمي (لدعم الشراكة والإصلاح والنمو الشامل) وقد شرع في البرنامج في عام 2011 من أجل تشجيع تعزيز الإصلاحات في المجالات السياسية، والاجتماعية، والاقتصادية. وعلاوة على ذلك، استفاد الأردن في عام 2012 من التمويل من خلال اثنين من التدابير الخاصة بسوريا، وتقديم المساعدة للبلدان المضيفة للاجئين من سوريا (الأردن ولبنان).

منهجية التقييم

يتألف تقييم برنامج التعاون على مستوى الدولة من ثلاث مراحل رئيسية (مكتب، مجال، والتوليف) ويشمل عدة مراحل منهجية، مع إنجازها على شكل تقارير وعروض تقديمية في نهاية المراحل ذات الصلة (وفقاً لوحدة التقييم المحددة في المنهجية).

وفقاً للمنهجية المذكورة أعلاه، تعتبر مجموعة أسئلة التقييم التي تم التحقق منها بمثابة الأداة المحورية التي يبنى حولها التقييم. وتعتبر اجابات هذه الاسئلة عملية استقرائية تجريبية والتي تبنى من خلال قياس / تقييم مؤشرات الأداء الرئيسية كأساس لتقييم / التحقق من معايير الحكم والتي هي بدورها الأساس الذي تركز عليه اجابات أسئلة التقييم نفسها. بالنسبة للتقييم الحالي على مستوى البلد والخاص بالاردن، فان عملية تطوير واختيار الاسئلة النهائية للتقييم تعتبر عملية تشاركية للغاية ومتكررة مقترنة بحلقات تغذية راجعة. شارك المسؤولون المعنيون عن قرب أيضاً في وضع النسخة النهائية لمجموعة أسئلة التقييم التسعة علماً أن هؤلاء هم من المسؤولين وحدة تقييم المساعدات الأوروبية وأعضاء المجموعة المرجعية وممثلين من المديرية العامة للتنمية والتعاون المعروفة بـ (يوروبويد) و هيئة العمل الخارجي الأوروبية في بروكسل ومن وفد الاتحاد الأوروبي في عمان. وهناك اهتمام خاص موجه لتغطية شاملة وواضحة لتحليل الخطوة الأولى من دعم الموازنة في سؤال التقييم الخامس حول نماذج المساعدات والمرونة، ومن خلال معايير الحكم للقطاع المعني/ الأسئلة الموضوعاتية. وهذا ما يتصل أيضاً بتغطية أكثر تركيزاً لإدارة المالية العامة ضمن سؤال التقييم الرابع حول تقوية المؤسسات العامة.

أما مؤشرات الأداء الرئيسية، فقد صيغت ضمن منظور قدرتها على تمكين/ تيسير الاجابة على أسئلة التقييم و تعبئة مصفوفات المعلومات (مصفوفة معلومات واحدة لكل سؤال). وتحتوي مصفوفات المعلومات على البراهين التجريبية (وكلا من البيانات الاساسية والثانوية والمعلومات) اللازمة لتقييم مؤشر الاداء الفعلي وتقييم معايير الحكم حيث تشكل هذه المعلومات و التقييم الحاصل للمؤشرات و لمعايير الحكم أخيراً أساساً للإجابة على سؤال التقييم الرئيسي.

تكونت أهم أدوات جمع البيانات من تحليل موسّع للوثائق، وتحليل ملف بيانات قرارات التمويل/التدخلات الصادرة عن الإتحاد الأوروبي، والمقابلات شبه المخطط لها (في الأردن في مقر البعثة الأوروبية، ونقاشات مجموعة التركيز في الأردن، واستخدام المسوحات المصغرة بالإضافة إلى حلقة نقاش داخل البلد لتعميم نسخة التقرير النهائي على الجهات الرئيسية المعنية.

الاستنتاجات العامة

عموماً وطوال فترة التعاون بين الإتحاد الأوروبي والأردن ما بين عام 2007-2013 قيد المراجعة، كانت استراتيجية استجابة الإتحاد الأوروبي متسقة بشكل جيد مع أهداف وألويات التنمية لحكومة المملكة الأردنية الهاشمية. ومع ذلك، ليس بالإمكان بعد تقييم الإتساق على المستوى العملائي الفعلي على أرض الواقع، وذلك على الأقل بسبب غياب للبيانات والمعلومات المتعلقة بالتأثيرات والتأثيرات لاجراءات التدخل على أرض الواقع. ويعود السبب في ذلك -على وجه الخصوص - إلى أن معظم التدخلات لا تزال مستمرة، مع عدد لا بأس به بدأت فقط مؤخراً جداً، ولهذا لم تكن قادرة على ان يكون لها تأثير فعلي على أرض الواقع. وكذلك عدم وضوح درجة الانسجام بين مكونات استراتيجية استجابة الإتحاد الأوروبي الإقليمية و الاستراتيجية الوطنية في إطار سياسة الجوار الأوروبية عموماً إذ لا يوجد إتساق عملائي مهيكلي ومؤكّد كما لا توجد أحكام إجرائية أو مؤسسية موضوعة موضع التنفيذ للتأكد من مثل هذا الإتساق.

وخلال هذه الفترة كانت هناك قدرة ملحوظة على الإستجابة لآقت إشادة واسعة النطاق في أوساط الأطراف جميعها إنها قدرة استراتيجية الإستجابة المتبعة لدى الإتحاد الأوروبي من حيث التكيف بمرونة مع التغيرات في سياق إقليمي أوسع نطاقاً يؤثر على الأردن (بما في ذلك تطورات الربيع العربي في الفترة 2011-2012، وأزمات العراق، والأزمة السورية)، وكلاهما على المستويات الاستراتيجية والعملائية الفعلية.

ومع ذلك، فان هذه القدرة على الاستجابة أقل وضوحاً فيما يتعلق بالتطورات في سياق الاقتصاد الوطني والذي يتمثل بانتقال الأردن تدريجياً إلى الشريحة العليا من فئة الدخل المتوسط خلال فترة المراجعة، ولكن في ظل بقاء/تفاقم

الاختلالات الهيكلية الرئيسية. ان التحديات الاجتماعية للاردن كدولة ضمن الشريحة العليا من فئة الدخل المتوسط تشمل في نفس الوقت: تزايد عدم المساواة في توزيع الدخل، وتزايد الخلل في الوصول إلى الخدمات الاجتماعية الأساسية وتفاقم الفوارق الجغرافية، وزيادة التمييز على أساس عرقي في سوق العمل، وارتفاع التوتر بين السكان المقيمين واللاجئين. وقد عالجت الحكومة الأردنية هذه التحديات بعدة طرق: من خلال إصلاح نظام الضمان الاجتماعي في عام 2010، ومشروع الإصلاح الجاري لتحسين برامج شبكة الأمان الاجتماعي، والتقدم المتحقق على صعيد مأسسة الحوار الاجتماعي الثلاثي الأطراف بين الفاعلين غير الحكوميين. وقد ساهم الاتحاد الأوروبي من خلال الدعم الاستباقي في جميع التغييرات تقريبا والتي حدثت في السياسات الاجتماعية، الا انه تم ذلك على شكل مبادرات متناثرة، ومجزأة، حيث تفتقر إلى الترابط والموارد لمعالجة التحديات المتزايدة بطريقة ممنهجة وعلى درجة كافية. وعلاوة على ذلك، قد تم تناول هذه القضايا دون إيلاء اهتمام كاف الى كون الأردن من الدول ذات الشريحة العليا من فئة الدخل المتوسط ، حيث يمكن هذا التصنيف من تصميم السياسات الاجتماعية والاقتصادية المستدامة لتكون أكثر شمولية وإنصافا.

وقد أقر الاتحاد الأوروبي بهذا التحدي ويعمل على تطوير استراتيجية الاستجابة ضمن إطار عمل الدعم الواحد للفترة المقبلة من اجل استراتيجية التعاون التالية بين الاتحاد الأوروبي والأردن 2014-2020، والتي ستشمل الحماية الاجتماعية باعتبارها الموضوع المركزي. ومع ذلك، فإن فريق التقييم يقيمون بأنه كان من الممكن تدارك هذا التحدي من قبل الاتحاد الأوروبي (بما في ذلك تطوير العمل الكافي) في مرحلة مبكرة - على سبيل المثال بمناسبة الانتقال من البرنامجين الوطنيين التأشيريين الأول والثاني.

وعموما، كان حوار السياسات/الحوار السياسي متسقاً مع مكونات استراتيجية التعاون في مجال التنمية بالنسبة للتعاون بين الاتحاد الأوروبي والأردن، وقد جاء في الوقت المطلوب، متكاملًا، ومعززاً للطرفين . ومع ذلك، فإن الاعتبارات الأمنية المباشرة هي الغالبة، وهي التي تؤثر بدورها على التنمية الشاملة على المدى الطويل للحوار السياسي وأهداف استراتيجية التعاون والنتائج. ان هيمنة مخاوف الاستقرار - يتم خلطها أحيانا مع و / أو استخدامها كذريعة لتبرير الوضع الراهن- يقوض الأمن والاستقرار على المدى الطويل. وفي الوقت نفسه، فإنه من الضروري تقدير الضيافة الرحيبة التي أبدتها الدولة ازاء النزوح المستمر للاجئين الناجم عن الأزمات الإقليمية وجهودها العظيمة لتسهيل الحلول المستدامة..

ان نظام تنسيق المساعدات في الأردن في الوقت الحاضر غير مجهز لتحقيق الفاعلية المثلى للمساعدات، ولكن يبدو أن هناك رغبة من الجهات المعنية الرئيسية في الحكومة الأردنية لمعالجة هذه التحديات. هناك وجهة نظر مشتركة بين أصحاب المصلحة الرئيسيين في الأردن و شركاء التنمية على حد سواء بأنه نتج عن المسؤوليات المؤسسية الضعيفة أو المجزأة وعدم وجود الاستراتيجيات القطاعية المتناسكة وتنسيق العمليات، برامج مجزأة وتدخلات غير مستدامة مما يؤثر سلبا على تأثير البرنامج النهائي على أرض الواقع. كان بإمكان الاتحاد الأوروبي القيام بدور أقوى في زيادة فاعلية المساعدة الشاملة وتعزيز نتائج التنسيق الموجهة ، كونه من بين أكبر المانحين للبلد (ساهم الاتحاد الأوروبي والدول الأعضاء في الفترة ما بين 2000-2012 بمبلغ 2,147 مليون يورو حسب مصادر وزارة التخطيط والتعاون الدولي، وهذا ما يجعله يحتل المركز الثاني على قائمة المانحين).

حتى إذا تم استيفاء أهداف مؤشرات إصلاح قطاع التعاون بين الاتحاد الأوروبي والأردن بشكل رسمي، لا يعكس هذا الامر بالضرورة الإصلاحات الفعلية على أرض الواقع، مما يثير المخاوف بشأن الفاعلية، وأثر واستدامة دعم الاتحاد الأوروبي لعمليات الإصلاح. غالباً ما تكون مؤشرات نتائج الإصلاح لدعم الإتحاد الأوروبي عامة نسبياً بطبيعتها وقد ركزت تركيزاً كبيراً على السياسة العامة، والمسائل التنظيمية، وتلك المتعلقة بالبيئة المؤسسية.

ان التعاون الوثيق بين الاتحاد الأوروبي والأردن حول الحاكمية الديمقراطية قد اكتسب قوة وعمقاً عموماً في إحداث الإصلاح من خلال تعزيز التنسيق وآليات الحوار المؤسسي والاعداد (على سبيل المثال من خلال اللجنة الفرعية لحقوق الإنسان، الحاكمية، والديمقراطية). يشير نقاش سلسلة من قوانين الحكم الديمقراطي في دورة غير عادية للبرلمان في حزيران الماضي عام 2014، والمشمولة صراحة ضمن النقاط المعيارية للقياس المقارن لدعم الموازنة في إطار التعاون بني الإتحاد الأوروبي والأردن، إلى دعم الموازنة المشتمل على رافعة جوهرية وواعدة من شأنها إحداث الإصلاح السياسي في مجال الحاكمية الديمقراطية بمفهومها الواسع. دفع الإتحاد الأوروبي بنجاح نحو تحقيق أهداف الحاكمية

الديمقراطية، ولكن هذه الأهداف لم تركز بما فيه الكفاية على ما تحمله هذه الإصلاحات من آثار ومن جودة كامنة في داخلها. وتعرف هذه الأمور على نطاق واسع بالتحديات الرئيسية و المركزية للدورة المقبلة من التعاون بين الاتحاد الأوروبي والأردن.

ساهم دعم الاتحاد الأوروبي في مواصلة تعزيز منظمات المجتمع المدني بصفتها من الشركاء المتمكنين من الحوار السياسي وعمليات التنمية الوطنية والمحلية. غير أنه لربما دعت الضرورة إلى توجيه انتباه أقوى إلى استدامة منظمات المجتمع المدني (مثلاً: من خلال تعزيز أكبر للقدرات المؤسسية، والإدارية، والعمالية، والبشرية لمجموعات المجتمع المدني وبخاصة مجموعات مناصرة شؤون المرأة). في الحقيقة، ثمة الكثير مما يتمناه المرء ويرغب أن يراه وقد تحقق في ظل المناخ العام لمشاركة منظمات المجتمع المدني كونها من الشركاء الذين اكتملت قدراتهم تماماً في تدخلات الحوار والتنمية. فهذا المناخ أخذ بالتراجع لا بالتقدم وبخاصة بالنسبة لأولئك المشتغلين في مناصرة مسائل حقوق الإنسان والدفاع عنها.

من خلال توفير دعم مرن وأني، ساهم الاتحاد الأوروبي في تعزيز القدرات المؤسسية والفنية للمؤسسات العامة النظرية وبشكل خاص على المستوى المركزي الذي يحظى بتقدير على نطاق واسع، وأيضاً دعم إعادة تنظيم وتنمية القدرات المؤسسية لعدد من الخدمات العامة اللامركزية. كانت مساهمة الاتحاد الأوروبي في زيادة القدرات لوحدة الحكم المحلي أكثر تواضعاً. وكان من الممكن تعزيز كفاءة وفعالية البرنامج بشكل كلي لأبعد من ذلك فيما لو كانت الأنشطة جزءاً لا يتجزأ من استراتيجية وبرنامج لإصلاح القطاع العام تقودهما هيئة أردنية مركزية مكلفة حسب الأصول.

توسعت حزمة دعم الموازنة العامة بشكل ملحوظ (الحوار والشروط والموارد المالية) بالتوافق مع توفير الدعم التكميلي (التوأمة، المساعدة الفنية ووثيقة المساعدة الفنية وتبادل المعلومات ومبادرة سيجما)، وكذلك المساعدة الفنية التي تقدمها الجهات المانحة الأخرى، وكانت عموماً فاعلة نسبياً في دعم جهود الإصلاحات الحكومية مما أدى إلى إحداث تغييرات إيجابية في أنظمة إدارة المالية العامة. وقد ساهم دعم الموازنة في زيادة الحيز المالي في دولة تقبع موازنتها تحت قيود شديدة. وعلى الجانب السلبي، لا يزال هناك كما يبدو شيء من عدم التناسق والتشظي في عملية تخطيط الموازنة، مع تداخل الوظائف بين وزارة المالية ودائرة الموازنة العامة ووزارة التخطيط، والتي تعيق بدورها تحديد الأولويات المناسبة وتقوض اعداد الموازنة الفاعلة ولا سيما من حيث ربط مخصصات الموازنة بتحقيق أهداف السياسة الاستراتيجية. يمول نظام إدارة معلومات المساعدات الأردني عن طريق المساعدات الخارجية إلى الأردن، وقد تم تفعيله في عام 2009- بمساهمة من الاتحاد الأوروبي، إلا أن أداءه ليس على ما يرام بسبب تعطله المستمر. يتم حالياً بذل جهود خاصة لمعالجة ظاهرة التشظي المذكورة خصوصاً في الآونة الأخيرة وضمن الاطار الأوسع للأزمة الإقليمية و أثرها على الأردن.

على مستوى التدخلات، اللجان التوجيهية (برئاسة وزارة التخطيط والتعاون الدولي وبمشاركة من ممثلين عن الوزارات / المؤسسات المشاركة في البرامج بالإضافة إلى وفد الاتحاد الأوروبي) والتي أنشئت نتيجة لمختلف تدخلات الاتحاد الأوروبي إنما توفر في حقيقة الأمر إطاراً شاملاً للحوار المعزز. ومع ذلك، وفي حين أن الحوار موجود على أرض الواقع كما أن العلاقات جيدة عموماً، إلا أن نوعية الحوار ما زالت بحاجة للتطوير ذلك أن النقاشات ما زالت على المستوى الميكانيكي عادة - إنها تتمحور حول حجم المبلغ وتوقيت الدفعة التالية ومتى سوف تكون متاحة - بدلاً من التركيز على مسائل السياسة الموضوعية.

وعلى مستوى القطاعات، فإن مزيج أدوات برامج المساعدات المقدمة من الاتحاد الأوروبي والنهج وطرائق التمويل قد تم استيعابها بشكل جيد نسبياً في القطاعات الناضجة بما يتناسب مع خصوصيات القطاع وبعد اتباع تحليل الخيارات البديلة. لقد كان أداء دعم الموازنة جيداً في اثنين من أكثر القطاعات نضوجاً، خاصة في مجال التعليم، وكذلك في إدارة المالية العامة. على العكس من ذلك، في التشغيل - التعليم والتدريب التقني والمهني، تيسير النقل والتجارة، قطاعي الطاقة والعدل، فإن المساهمات لدعم موازنة القطاع لاحداث التغييرات في عمليات سياسات الحكومة والقدرات كانت محدودة أكثر (في المقام الاول في قطاع العدالة لأن هذا الدعم قد يوشر به من فترة حديثة نسبياً). جودة التعاون المؤسسي الممنهجة

والمنظمة (أي التفاعل بين المؤسسات المركزية والمؤسسات/الوزارات الخدمية) تعرض عددا من نقاط الضعف الهامة فيما يتعلق بمنصات التعاون؛ الإجراءات؛ التصميم، وتفعيل عملية التخطيط للأداء، نظم المتابعة والتقارير من بين أمور أخرى.

عموما، هناك تغطية للمسائل المتقاطعة وعناية بها في برنامج واستراتيجية التعاون بين الاتحاد الأوروبي و الأردن، التي تغطي كامل فترة المراجعة بين 2007-2013، على الأقل في تصميم هذه البرامج. يتصل هذا بالحاكمية (الديمقراطية) في المقام الأول ومن ثم، بتعزيز المؤسسات على النحو المبين أعلاه. لكن تبقى تحديات كبيرة فيما يتعلق بالنتائج المرتقبة من البرامج المذكورة أعلاه، وبخاصة فيما يتعلق بالمساواة بين الجنسين على أرض الواقع. أيضا مع بعض الاستثناءات، لم يتم إيلاء الاهتمام الى البيئة وتغير المناخ بشكل عام ومنهجي في استراتيجية الاستجابة والبرنامج، حتى لو كان الدعم في قطاعات مثل الطاقة وإدارة المياه يمكن ان ينظر إليها على انها من الاهتمامات البيئية الا انه كان بالإمكان تناول هذه المواضيع على مستوى أفضل من الإتساق. وقد تم تناول موضوعات تغير المناخ أساسا من خلال الأنواع الإقليمية للمشاريع مع المؤسسات المختلفة، ولكن ليس مع وزارة البيئة.

نظرة عامة موجزة حول التوصيات الرئيسية المصنفة مرتبطة بمجموعات الاستنتاجات الرئيسية

وفيما يلي جدول ملخص يربط بين استنتاجات التقييم الرئيسية الخمس (المجموعات) والتوصيات الرئيسية المقابلة لها. يتم عرض الاستنتاجات والتوصيات المرتبطة مرتبة من حيث الأهمية بينما يدرج الأهم منها في البداية، وذلك تمشيا مع متطلبات الشروط المرجعية.

التوصيات الرئيسية مرتبطة بمجموعات الاستنتاجات الرئيسية	مجموعات الاستنتاجات الرئيسية مرتبة من حيث الأهمية
<p>1. التأكد من أن استراتيجية الاستجابة للدروة القادمة/التالية لبرنامج التعاون بين الاتحاد الأوروبي والأردن أكثر استجابة لتطور السياق الاقتصادي الوطني والذي يتمثل بانتقال الأردن الى الشريحة العليا من فئة الدخل المتوسط، واستغلال الإمكانات التي يحملها هذا الانتقال من حيث التنمية الأقوى، والممولة ذاتياً، والمستدامة بالإضافة إلى كونها شاملة ومنصفة ناهيك عن أنها ممولة من موارد أمكن تأمينها داخلياً.</p> <p>ينبغي أن يتحقق ذلك من خلال الاستفادة المنظمة من الموارد الوطنية المتاحة كدولة ضمن الشريحة العليا من فئة الدخل المتوسط من أجل المساهمة في تحقيق التنمية المستدامة والشاملة والمنصفة لأهداف مكافحة عدم المساواة. ينبغي متابعة هذا الأمر من خلال الدعم الموسع لتمتين استراتيجيات وبرامج توزيع الدخل و/أو إحياء الضمان الاجتماعي وإعادة القوة لأحكام الحماية الاجتماعية.</p> <p>لذا، ينبغي أن تتمحور استراتيجية الإستجابة الجديدة حول هدف عام ألا وهو مكافحة الاختلالات الهيكلية في المجتمع الأردني من حيث المساواة.</p> <p>⇐ وضع أولويات الاستراتيجيات والتدخلات التي تهدف مباشرة لإفادة المحرومين والشرائح الضعيفة في المجتمع وذلك لضمان وصولهم بشكل أفضل ومستدام للحصول على الخدمات العامة وللحصول على عمل لائق ومستدام. يجب ان تشمل على تغطية اجتماعية تحت مظلة المؤسسة العامة للضمان الاجتماعي أو الاستفادة من شبكات الأمان الاجتماعي بصفتها سند (مؤقت) لهؤلاء بحيث يتمكنون من الإفلات من مصيدة الفقر ولبقاء خارجها على الدوام. من هذا المنطلق، يوصى بمتابعة جهود التشغيل - التعليم والتدريب التقني والمهني.</p> <p>ويوصى أيضا بدعم برامج تشمل على تحسين الاندماج الاجتماعي، والحماية والأمن مع مبادرة استباقية قوية تتميز بتفعيل الفئات والأفراد الضعيفة بشكل مستدام من مصيدة الفقر وعدم المساواة الشديد. الاعتراف وتعظيم الدور الموضوعي للقطاع الخاص و متابعة الآليات الثلاثية والاعدادات لهذا الغرض، مما يجعل هذا الجهد جهداً جماعياً يسهم فيه كل الشركاء من القطاعين العام والخاص في الأردن كبلد ضمن الشريحة العليا من فئة الدخل المتوسط.</p>	<p>1. عموما وطوال الفترة ما بين عام 2007-2013 تمت مراجعة التعاون بين الاتحاد الأوروبي والأردن، وكانت استراتيجية استجابة الاتحاد الأوروبي متماسية بشكل جيد مع أهداف وأولويات التنمية لحكومة المملكة الأردنية الهاشمية.</p> <p>لقد كانت استجابة استراتيجية الاتحاد الأوروبي مرنة من حيث تكيفها مع التغييرات ضمن السياق الإقليمي الأوسع نطاقاً والمؤثر على الأردن؛ وقد أشادت الأطراف جميعها بهذه الإستجابة الملحوظة.</p> <p>هذه الاستجابة أقل وضوحاً فيما يتعلق بالتطورات في سياق الاقتصاد الوطني والذي يتمثل بانتقال الأردن تدريجياً إلى الشريحة العليا ضمن فئة الدخل المتوسط خلال فترة المراجعة ولكن كان هذا مقترناً باختلالات هيكلية رئيسية ما زالت موجودة/أخذة بالتجذر.</p>

التوصيات الرئيسية مرتبطة بمجموعات الاستنتاجات الرئيسية	مجموعات الاستنتاجات الرئيسية مرتبة من حيث الأهمية
<p>2. المزيد من تحسين التوازن الدقيق بين الاعتبارات الأمنية المباشرة وأهداف التنمية طويلة الأجل من الحوار السياسي واهداف استراتيجية التعاون والنتائج.</p> <p>سوف يسهم ذلك في تجنب الوقوع في فخ المخاوف من الاستقرار الذي يجري الخلط بينه وبين و/ أو يستخدم كذريعة لتبرير الوضع الراهن، لأن ذلك يقوض الأمن والاستقرار على المدى الطويل.</p> <p>في الوقت نفسه، الحفاظ على تقدير الدولة لضيقتها الرعية ازاء نزوح اللاجئين بشكل متكرر تقريبا بسبب الأزمات الإقليمية وجهودها لتسهيل الحلول المستدامة.</p> <p>← المزيد من تحقيق المستوى الأمثل لنقاط القوة التكاملية والتي تعزز بعضها البعض من حوار السياسات/الحوار السياسية و تدخلات التنمية بطريقة تكافلية لإحداث الإصلاح الفعال والمستدام لضمان تحقيق النتائج على أرض الواقع.</p>	<p>2. عموماً، حوار السياسات/الحوار السياسية ومكونات استراتيجية التعاون الإنمائي للتعاون بين الاتحاد الأوروبي والأردن منسقة، وفي الوقت المناسب، ومتكاملة، ومعززة لبعضها بعضاً. ومع ذلك، فإن الاعتبارات الأمنية المباشرة هي الغالبة، وهي التي تؤثر بدورها على التنمية الشاملة على المدى الطويل للحوار السياسي وأهداف استراتيجية التعاون والنتائج. إن هيمنة مخاوف الاستقرار – يتم خلطها أحياناً مع و / أو استخدامها كذريعة لتبرير الوضع الراهن- مما يقوض الأمن والاستقرار على المدى الطويل.</p>
<p>3. تركيز الدعم لعمليات الإصلاح في جميع القطاعات والمجالات الموضوعاتية والتي لها تأثير فعلي على أرض الواقع.</p> <p>← تعميم وتوضيح استخدام تخطيط الأداء وإعداد الموازنة، والقياس ونظم المتابعة والتقييم المشتقة من أطر النتائج لضمان المزيد من الإدارة الفاعلة والكفوة لنتائج جهود التنمية نتيجة التدخلات من أجل زيادة تعزيز تأثيرها على أرض الواقع.</p> <p>يجب أن تكون هذه الأنظمة المتعلقة بالرقابة والتقييم تحت إشراف وإدارة المؤسسات/الوزارات الخدمية تدفع بها هيئة (هيئات) حكومية مركزية مكلفة حسب الأصول. وهذا يتطلب تنمية القدرات على جميع المستويات.</p> <p>التأكد من أن أي استمرار لدعم الاتحاد الأوروبي لإدارة المالية العامة و / أو غيرها من برامج تعزيز المؤسسات العامة تعتمد هذا المنطق الأساسي وتمثل إطاراً استراتيجياً لعموم البرامج .</p> <p>← استخدام دعم الموازنة (وشروط دعم الموازنة على وجه الخصوص) كرافعة لعمليات الإصلاح الفاعل والمستدام، ولكن فقط في مثل هذه المجالات حيث يكون التزام المؤسسات المعنية بجهود الإصلاحات واضحاً وحقيقياً. وبالإضافة إلى ذلك، ينبغي أن يكون هناك هدف واضح يتمثل بتجاوز مجرد تحقيق مؤشرات التنفيذ شكلياً وعلى الورق من ناحية التشريعات والتشكيلات المؤسسية لضمان حصول تقدم حقيقي على الأرض. استخدم فقط دعم الميزانية كطريقة المساعدات عندما تتوافر الشروط والبيئة المناسبة لنجاحها و ذلك حسب المعايير المعتمدة من قبل الاتحاد الأوروبي</p> <p>توسيع نطاق الاستفادة من آلية التعاون الأخرى مثل المساعدة الفنية، المساعدة الفنية وتبادل المعلومات، ومبادرة سيجما ، و/أو التوأمة كآلية منفردة أو كمجموعة من الآليات المذكورة من أجل المساهمة في إيجاد بيئة مواتية ومن أجل المساعدة في تحقيق المعايير القياسية للتأهل للحصول على دعم الميزانية.</p>	<p>3. على الرغم من تحقيق المطلوب من مؤشرات التنفيذ شكلياً وعلى الورق، إلا أن هذا لا يعني تحقيق تقدم فعلي على الأرض مما يؤثر القلق بخصوص فاعلية أثر و استدامة الدعم الأوروبي لجهود الإصلاح. كانت مؤشرات الإصلاح المعتمدة في برامج الدعم الأوروبية ذات طبيعة و صيغة عمومية وأكدت أكثر من اللازم على السياسات و متطلبات التشريع والمؤسسية.</p>
<p>4. يجب على الاتحاد الأوروبي جنباً إلى جنب مع الدول الأعضاء لعب دور نشط فيما يتعلق بتنسيق المساعدات والحوار بشأن السياسات مع شركاء التنمية و مع أصحاب المصلحة الأساسيين في القطاعين العام والخاص في الأردن من أجل ضمان زيادة فاعلية المساعدات الشاملة، وتعزيز تقسيم العمل وتحسين الرؤية.</p>	<p>4. كان بإمكان الاتحاد الأوروبي أداء دور أقوى في زيادة فاعلية المساعدة الشاملة وتعزيز التعاون ما بين المؤسسات المحلية والمانحة الأخرى باتجاه توحيد الجهود و توجيهها بشكل متجانس نحو الاهداف المعلنة و ذلك كون الاتحاد الأوروبي هو ثاني أكبر المانحين خلال الفترة 2000-2012 و ثالث أكبر المانحين للفترة 2007-2013 قيد التقييم</p>

التوصيات الرئيسية مرتبطة بمجموعات الاستنتاجات الرئيسية	مجموعات الاستنتاجات الرئيسية مرتبة من حيث الأهمية
<p>5. إيلاء اهتمام واضح وأولوية للمسائل المتقاطعة يتخلل التعاون بين الاتحاد الأوروبي والأردن، سواء فيما يتعلق بالتدخلات الإنمائية أو المكونات الاستراتيجية لحوار السياسات/الحوار السياسي.</p> <p>وهذا ينطبق بشكل خاص على النوع الاجتماعي (الجنس) والبيئة وتغير المناخ، ولكن ينطبق أيضا على الحامية وحقوق الإنسان وتعزيز المؤسسات.</p>	<p>5. عموماً، تمت تغطية المسائل المتقاطعة في برنامج واستراتيجية التعاون بين الاتحاد الأوروبي و الأردن، على الأقل في تصميم هذه البرامج وبخاصة فيما يتعلق بالحامية (الديموقراطية) والتعزيز المؤسسي.</p> <p>لكن تبقى تحديات كبيرة فيما يتعلق بالنتائج المرتقبة من البرامج المذكورة أعلاه، وخاصة فيما يتعلق بالمساواة بين الجنسين على أرض الواقع. أيضا وبشكل عام لم يتم إيلاء الاهتمام اللازم للبيئة وتغير المناخ خلال التطبيق الواقعي للبرنامج.</p>

2. CONTEXT OF THE EVALUATION AND METHODOLOGY

2.1 Context of the Evaluation³

This country level evaluation of the European Union's co-operation with the Hashemite Kingdom of Jordan is part of the 2012 evaluation programme as approved by the Commissioners for Development, and agreed by the Commissioners for Enlargement and European Neighbourhood, Humanitarian Aid and the High Representative for Foreign Affairs and Security Policy. The main objectives of the evaluation are: (i) To provide the relevant external co-operation services of the European Union⁴ and the wider public with an overall independent assessment of the European Union's past and current cooperation and partnership relations with the Hashemite Kingdom of Jordan, and: (ii) To identify key lessons and to produce strategic, operational and forward looking recommendations in order to improve the current and future European Union's strategies, programmes and actions.

A key policy and strategy document for the EU-Jordan cooperation in the 2007-2013 period under review is the European Neighbourhood and Partnership Instrument (ENPI) Country Strategy Paper (CSP) 2007-2013 for Jordan. This strategic document is at the basis of two programming documents derived from the CSP: the National Indicative Programme 2007-2010 (or NIP-1), which is directly attached to the CSP document and the National Indicative Programme 2011-2013 (NIP-2) developed at the end of 2010 following a review of the first NIP. This EU-Jordan cooperation strategy is embedded in a much broader cooperation framework of the European Union with its Southern Neighbourhood partners, including Jordan. EU and EC cooperation objectives in the Southern Neighbourhood countries are guided by the Barcelona Process (BP) and the European Neighbourhood Policy (ENP). The former is based on the Barcelona Declaration (1995), including subsequent policy documents approved by Euro-Mediterranean ministerial meetings under the Barcelona Process, and the bilateral Association Agreements and the five-year Work Programme adopted by the 2005 Barcelona Summit.

Bilateral relations between the European Communities and the Hashemite Kingdom of Jordan date back to 18 January 1977. On that date, both a Cooperation Agreement between the then European Economic Community and the Hashemite Kingdom of Jordan and an Agreement between the Member States of the European Coal and Steel Community and the Hashemite Kingdom of Jordan were signed in Brussels. Thereafter, both the 1997 Association Agreement (which entered into force in May 2002) and the European Neighbourhood Policy (ENP) Action Plan, adopted in 2005, contributed significantly in developing the bilateral relations. This 2005 Action Plan originally covered a timeframe of three to five years and aimed at helping to fulfil the provisions in the Association Agreement (AA) and to encourage and support Jordan's national reform objectives and further integration into European economic and social structures. The 2005 Action plan explicitly aimed at supporting Jordan's political reform agenda as set out in its "National Plan for Political Development". This National Plan has been developed to progress with political reform designed to consolidate democracy, accountability, transparency and justice in Jordan, and to build a model for a modern, knowledge-based Islamic and Arab country. The European Neighbourhood Policy (ENP) Action Plan also responds to the Government of Jordan's National Social and Economic Action Plan (2004-2006), which aims to develop a sustainable socio-economic reform process.

In October 2010, Jordan and the EU reached an agreement on a new EU-Jordan ENP Action Plan. The document gives concrete substance to the "advanced status" relationship between Jordan and the EU. "Advanced status" partnership means closer cooperation in a large number of areas, and specific commitments on both sides. The new Action Plan succeeds the one of 2005 and spells the EU – Jordan agenda for the next five years. The Association Agreement (AA) remains the framework for cooperation while the Action Plan (AP) represents a declaration of mutual objectives and commitments.

³ A summary contextual analysis of the EU-Jordan cooperation is presented under Annex 2 of Annexes Volume III of this Final Report. Summary tools of the methodological approach are compiled under Annex 3. A quantitative interventions portfolio analysis of the EU-Jordan cooperation in the period 2007-2013 is included under Annex 4.

The overall perspective of the EU strategy for Jordan for the period 2007-2013 as enshrined in the Country Strategy Paper is to prepare a privileged partnership going beyond cooperation to a new level of deepened political cooperation and economic integration. In this context, the response strategy must help support the implementation of the Jordan National Agenda to improve standards of living and ensure social welfare for the Jordanian population. As such, the impact level of the faithful intervention logic of the European Union's cooperation with Jordan has been defined as "Sustainably improved standards of living and social welfare for the Jordanian population facilitated through a privileged partnership with the EU". The four CSP strategic objectives constitute the intermediate impact level of the faithful intervention logic diagram as follows:

1. Political and security reform successfully achieved and peace and order situation improved;
2. Trade and investment volume and relations sustainably strengthened;
3. Sustainability of Jordan's development processes further enhanced;
4. Capacity of Jordan's institutions, financial stability and regulatory approximations further enhanced.

The reconstructed consolidated effects diagram for the 2007-2013 CSP is presented on the next page (see also Annex 3.1)⁴.

2.2 Evaluation Methodology

The Evaluation Process and Phases

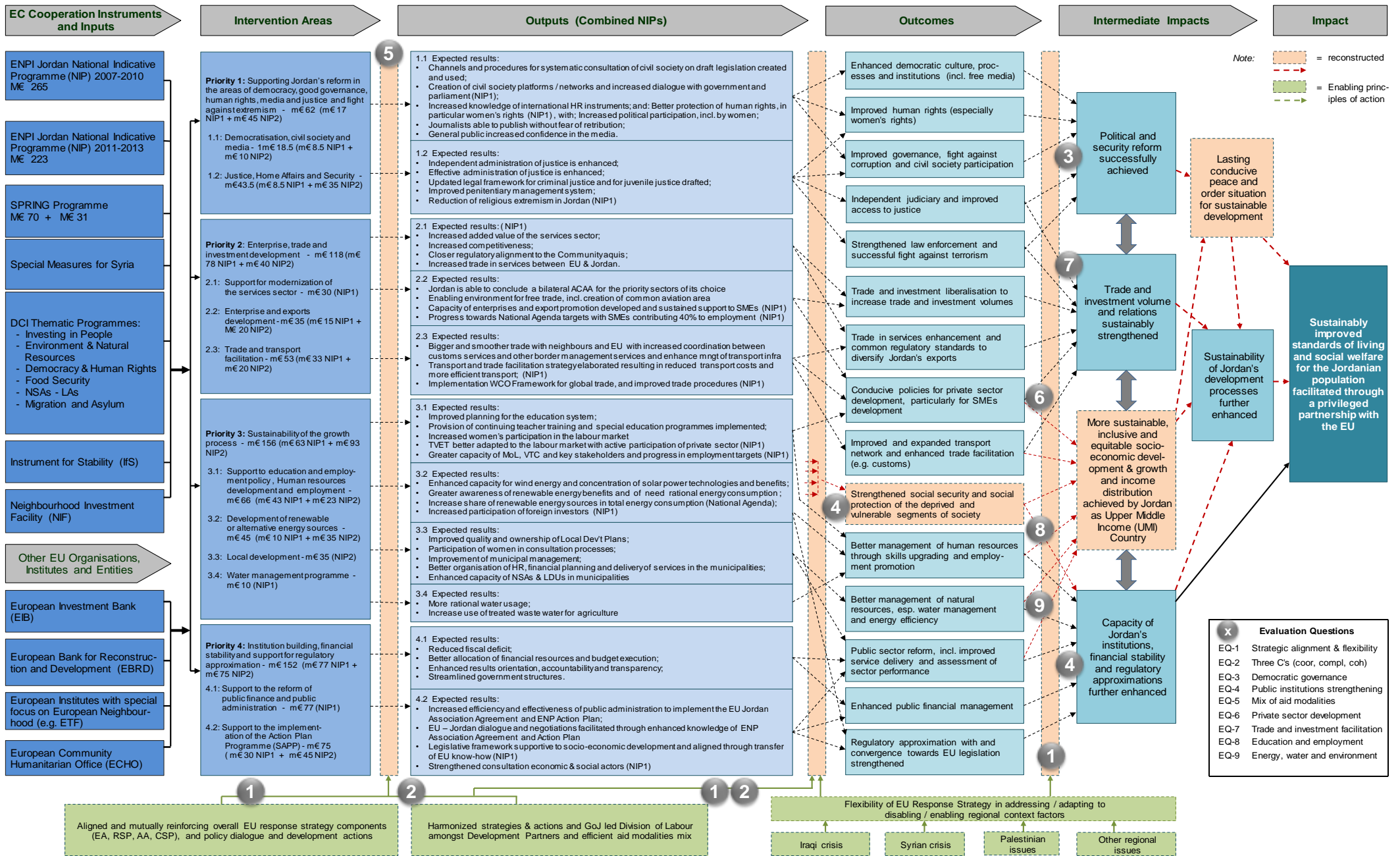
In accordance with the methodology for Country Level Evaluations prescribed by the EC Evaluation Unit, the evaluation process consists of three main phases (desk, field and synthesis phases), each subdivided in a number of methodological stages. The desk phase consisted of an inception phase during which the set of evaluation questions was prepared for approval by the EC reference group following a preparatory mission to Jordan and early desk study of available documents. During the inception phase also the evaluation analytical structure of judgement criteria and key performance indicators for each of the 9 evaluation questions was prepared. The inception report also contained the quantitative portfolio analysis and a further structuring of the evaluation. During the desk phase proper, an in-depth study of the available documents and information was made as reflected in the information matrices for each of the questions in turn at the basis of the preliminary answers to the EQs contained in the main report. The desk phase also saw the portfolio analysis further refined, hypotheses formulated and additional data collection tools prepared for the subsequent field phase.

The three weeks field visits to Jordan aimed at further complementing the still missing data and information in first instance by primary data emanating from the individual and group interviews with key stakeholders, focus group discussions, mini-surveys and field visits. During the final synthesis phase, all the information additionally collected has been brought together, synthesized and further analysed as basis for the present final report. The feedback from the discussions with the key stakeholders in Jordan on the occasion of the in-country dissemination seminar have served as further basis for the redaction of this final report.

⁴ Straight arrows from the faithful diagrams (cause effect assumptions that are explicit in the texts) are converted in dotted reconstructed arrows when causal assumptions have been refined. Dotted boxes (in a different colour) are added where needed to make the intervention logic more explicit and a better basis for further investigations, verification and validation. See also annexes 3.1.6 to 3.1.8 of this Final Report Annexes Volume III.

Figure 1: Reconstructed Country Strategy Paper intervention logic effects diagramme and draft CLE evaluation questions (EQs)

Reconstructed Effects Diagramme with the Jordan – EU Country Strategy (Paper) 2007-2013 as Basis



Validated evaluation questions as core tool

The set of validated evaluation questions (EQs) is the core tool around which the evaluation is built. Their answering is an inductive empirical process building up from measuring / assessing Key Performance Indicators (KPIs) as basis for the assessment / verification of judgement criteria (JCs) in turn at the basis of the answering of the evaluation questions themselves. For the current Country Level Evaluation of Jordan, this development and ultimate selection of the Evaluation Questions has been a highly participatory exercise and iterative process with different reactions and feedback loops.

Table 1: List of evaluation questions (EQs) with number of judgement criteria (JCs) and key performance indicators (KPIs)

1 Evaluation Question (EQ)			3 Primary and Secondary Related DAC / EU Evaluation Criterion(a) ⁽²⁾	4 5 Number of Judgement Criteria (JCs) and Key Performance Indicators (KPIs) ⁽³⁾	
Code	Short Title	Full Question		Number of JCs	Number of KPIs
EQ-1	Strategic alignment and flexibility	How well has the EU response strategy been aligned over time with the development objectives and priorities of the Government of Jordan and shown responsiveness in flexibly adapting to changes in the broader regional context affecting Jordan?	Relevance Impact, Sustainability	5	20
EQ-2	Coordination, Complementarity and Coherence	To what extent is the EU-Jordan cooperation well-coordinated with and complementary to the actions of EU Member States and other EU Institutions, and to those of other Development Partners, and coherent with other EU policies?	3 C's, Value added Sustainability, Efficiency	5	20
EQ-3	Democratic governance	To what extent has the EU-Jordan cooperation been successful in bringing about enhanced democratic governance?	Effectiveness Impact, Added Value, Efficiency	6	29
EQ-4	Public institutions strengthening	To what extent has the EU support contributed to institutional reform and capacity strengthening of Jordan public institutions, including management of public resources, for enhanced delivery of public services to the citizens?	Effectiveness Impact, Sustainability	7	31
EQ-5	Aid modalities mix and efficiency	To what extent has the EU aid modalities mix been appropriate for the national context and the EU development strategy in efficiently bringing about the targeted reform and development results?	Efficiency Effectiveness, Impact	6	28
EQ-6	Sustainable private sector development	To what extent has EU's support in the area of private sector development (PSD) contributed to the process of sustainable and value added modernisation of the Jordan economy and to more sustainable, inclusive and equitable economic growth?	Effectiveness Relevance, Sustainability, Value added, 3 C's	6	28
EQ-7	Trade, transport and investment facilitation	To what extent has EU's support in the area of trade, transport and investment facilitation contributed to improving the balance of trade and the investment relations between EU and Jordan?	Impact Effectiveness, Sustainability, Value added, 3 C's	5	20
EQ-8	Education and employment	To what extent has EU's support to Education Reform and to the Employment and Technical and Vocational Education and Training (E-TVET) sector contributed to enhanced education quality and to improved employment?	Impact Effectiveness, Relevance	6	30
EQ-9	Sustainable environment friendly energy and water solutions	How successful has the EU cooperation with Jordan been in contributing to the promotion of environment friendly, climate change mitigating and adapting, and sustainable solutions in the energy and water sectors?	Sustainability Effectiveness, Impact, Efficiency	7	33
Totals for the 9 Evaluations Questions				53	239

The set of nine evaluation questions

Table 1 on the previous page shows the list of nine evaluation questions. EQ-1 on strategic alignment and flexibility and EQ-2 on coordination, complementarity and aid modalities mix and efficiency are overall, encompassing questions covering the whole cooperation programme and strategy. EQ-5 also is a strategy and programme wide question and looks more at operational aspects of strategy and programme implementation and especially at the efficiency, suitability and complementarity of the different aid modalities and financing instruments. Under this EQ-5, budget support level 1 analysis is given special attention. However, the question's focus and coverage is broader than budget support alone, and covers the other cooperation / aid modalities as the project approach as well. The EQ-4 on public institutions strengthening also is a crosscutting question as it covers all institutional reform and capacity strengthening interventions but also those dimensions / components integrated into other projects. The question is basically related to economic governance in the public sector (with a special focus on Public Finance Management) but also covers private sector governance issues (in combination with EQ-6 on sustainable private sector development).

The other six questions are more specific thematic or sectoral, however all analysed in the broader, overall country strategy perspective. These sectoral / thematic questions are: EQ-3 on democratic governance (covering the whole set of areas understood under the concept including civil society strengthening), EQ-6 on sustainable private sector development, EQ-7 on trade, transport and investment facilitation, EQ-8 on education and employment with special focus on education reform and quality and the link of education to enhanced, sustainable employment, and EQ-9 on sustainable, environment friendly energy and water solutions with special attention for environmental aspects.

Table 2: Cross-tabulation of evaluation questions and standard evaluation criteria (OECD-DAC, EU and PD)

Evaluation Question (EQ)		1. OECD-DAC Standard Criteria ⁽¹⁾					2. Additional EU Standard Criteria ⁽¹⁾				3. EU Cross-Cutting Issues					4. Paris Declaration Principles					Total Number of Primary Criteria per EQ
Code	Shot Title	1.1 Relevance	1.2 Effectiveness	1.3 Efficiency	1.4 Impact	1.5 Sustainability	2.1 Value added	2.2 3C's - Coordination	2.3 3C's - Complementarity	2.4 3C's - Coherence	3.1 Governance	3.2 Institutional capacity	3.3 Human rights	3.4 Gender	3.5 Environment	4.1 Alignment	4.2 Harmonisation	4.3 Managing for Results	4.4 Mutual accountability	4.5 Ownership	
EQ-1	Strategic alignment and flexibility	X			2	2				X	X					X		X		X	6
EQ-2	Coordination, Complementarity and Coherence			2		2	X	X	X	X	X	X					X		X	X	9
EQ-3	Democratic governance		X	2	2		2				X	X	X	X					X	X	7
EQ-4	Public institutions strengthening		X		2	2					X	X						X	X	X	6
EQ-5	Aid modalities mix and efficiency		2	X	2						X	X						X	X	X	6
EQ-6	Sustainable private sector development	2	X			2	2	2	2		X	X		X		X		X	X		7
EQ-7	Trade, transport and investment facilitation		2		X	2	2	2			X	X									3
EQ-8	Education and employment	2	2		X			2		2		X	X	X		X		X			6
EQ-9	Sustainable environment friendly energy and water solutions		2	2	2	X					X	X			X	X					5
Totals Number of Questions with Primary Criteria		1	3	1	2	1	1	1	1	2	8	8	2	3	1	4	1	5	5	5	55

Note: OECD-DAC and EU additional standard evaluation criteria of prime importance to the evaluation question are indicated with an "X" mark, secondary importance criteria are indicated with a figure two "2".

The evaluation questions and the standard evaluation criteria

In accordance with the EC EuropeAid prescribed evaluation methodology and broader analytical framework and the TOR, the following four clusters of evaluation criteria are at the basis of the Jordan Country Level Evaluation, as summarily presented in the above cross-table (Table 2) in relation to the respective evaluation questions: (1) The standard OECD-DAC evaluation criteria, (2) The standard additional EU evaluation criteria (value added of the European Union's interventions plus 3C (coordination, complementarity, coherence). The two clusters of EU evaluation criteria have been further completed with the following two sets of criteria: (3) The EU cross-cutting issues criteria, and (4) the Paris Declaration aid effectiveness criteria.

The Key Performance Indicators (KPIs) are formulated in the perspective of their enabling / facilitation of the completion of the Evaluation Questions (EQs) information matrices (one information matrix per question). These Information Matrices (IMs) contain the empirical evidence (both primary and secondary data and information) for the actual indicator assessment / measurement, in turn forming the basis for the statements on the respective judgement criteria, in turn ultimately at the basis of the answer to the evaluation question. Thus, the relevance and quality of the CLE key performance indicators lies in their ability to facilitate empirical evidence based and inductive, hierarchically structured answering of the evaluation questions. The completed Information Matrices for the nine evaluation questions are compiled in special Annex II to this Final Report, forming integral part of the country level evaluation report.

Information and data collection tools

As far as the main primary and secondary information and data collection tools are concerned, these in first instance pertain to:

1. The whole set of key evaluation documents securely shared in the evaluation team's e-documents repository / cloud team room (basically secondary information / documents). A bibliographic listing of these documents ordered along the e-repository structure is included under Annex 8.1 of this report annexes Volume III.
2. The CRIS-DWH based inventory portfolio analysis of the EU financing decisions / interventions and of the established contracts benefiting the Hashemite Kingdom of Jordan in the period 2007-2013 under review (combination of primary and secondary data and information). The results of this analysis are presented under Annex 4.1 of Volume III annexes of this report.
3. The interviews and meetings at EU Headquarters (Evaluation Managers, RG members and other at DG DEVCO and EEAS) during both the inception, desk and field phases of the evaluation process, and with the EU Delegation in Amman and other key Jordanian stakeholders (Government of Jordan, civil society, other Development Partners, etc.) during the evaluation preparatory visit to Jordan, during the evaluation field visit to Jordan in June 2014 (basically primary information secondary data and information), and finally on the occasion of the draft final report dissemination seminar mission to Amman in December 2014.

Other data collection tools were used during the field phase. These are summarily presented in the overview table on the following page in relation to the nine evaluation questions. For each of these questions is indicated which of these types of data collection tools are main information collection tools for the question concerned or rather secondary support tools.

The list of institutions and persons met is included under Volume III Annex 6 to this report. Details on the field phase focus group discussions and mini-surveys and their results are provided under Vol. III - Annex 7. Salient points of the focus group discussions with key stakeholders during the field visit are included under Annex 7.1. Summary analyses of the completed mini-surveys questionnaires are under Annex 7.2. The slide presentations of the in-country dissemination seminar in Amman of 9 December 2014 are incorporated under Annex 9.1 of report annexes Volume III. The minutes / highlights of this seminar with the introduction speeches by H.E. the EUD Ambassador and H.E. the Secretary-General of the GoJ Ministry of Planning and International Cooperation (MoPIC) are attached right thereafter

under Annexes 9.3 and 9.4. The summary tables on evaluation team composition and responsibilities and the evaluation work plan are included under Annex 10 of this Volume III.

In summary, a total of about 650 documents / references have been consulted during the evaluation process. A total of 185 interviewees participated in the participatory meetings in Jordan, from Government, Civil society, private sector, EU Delegation, EU Member States, MS Agencies and other Development Partners (both multilateral and bilateral). Four focus group discussions took place and three mini surveys were conducted. Two field visits outside of Amman were undertaken. The different interviews in EC Brussels covered the DG Development Cooperation (DEVCO), the European External Action Service (EEAS) and other Directorates General. Interviews also took place at the European Investment Bank (EIB) in Luxemburg. A total of 107 persons participated in the In-Country Dissemination Seminar of 9 December 2014 in Amman to discuss the Draft Final Report. The participants represented a wide spectrum of key stakeholders including: the Government of the Hashemite Kingdom of Jordan (central agencies, Line Ministries, parastatals and attached agencies), Civil Society Organisations, the Academe, Private Sector, the EU Delegation and EU Headquarters, EU Member States and MS Agencies, other bilateral and multilateral Development Partners, and the evaluation team.

Table 3: Overview table of tools for complementary data and information collection during the evaluation field phase and mission to Jordan

1		2		3		4		5		6		7		8		
CLE Jordan Evaluation Question (EQ)		Main Types of Data and Information Collection Tools Utilized during the Field Phase and Visit to the Hashemite Kingdom of Jordan ⁽¹⁾														
Code	Shot Title	1. Semi-Structured Interviews (individual and group)	2. Focus Group Discussions	3. Workshops / Seminars	4. Field Visit / Beneficiaries Interviews	5. Mini-Survey (with questionnaires)	6. Additional Documents / Materials Collection									
EQ-1	Strategic alignment and flexibility	1		1		1										
EQ-2	Coordination, Complementarity and Coherence	1		1												
EQ-3	Democratic governance	1	1					2		1						
EQ-4	Public institutions strengthening	1	2					2		1						
EQ-5	Aid modalities mix and efficiency	1	1													
EQ-6	Sustainable private sector development	1	2					2								
EQ-7	Trade, transport and investment facilitation	1								1						
EQ-8	Education and employment	1	1					2		1						
EQ-9	Sustainable, environment friendly energy and water solutions	1						2		1						
Totals for all EQs	Main Tool	9	3	2	0	6	5									
	Secondary Support Tool	0	2	0	5	0	4									

Notes:

(1) Main data/information collection tools are indicated in the table with a bold and large 1 with dark background, as follows:

1

Secondary support tools are reflected in the above table with a regular typeface 2 against lighter background, as follows:

2

3. EVALUATION QUESTIONS AND THEIR ANSWERS (MAIN FINDINGS)

3.1 EQ-1 on strategic alignment and flexibility

EQ-1: How well has the EU response strategy been aligned over time with the development objectives and priorities of the Government of Jordan and shown responsiveness in flexibly adapting to changes in the broader regional context affecting Jordan?

General assessment

The EU response strategy has been well aligned over time with the development objectives and priorities of the Government of Jordan. The overall objectives and result areas of the EU response strategy covering the 2007-2013 period under review documented in the Country Strategy Paper (CSP), the related National Indicative Programmes (NIPs) and in the umbrella EU-Jordan European Neighbourhood Partnership (ENP) Action Plan, are fully aligned with the key national policy dialogue and development objectives and priorities included in the key Government of the Hashemite Kingdom of Jordan (GoHKOJ) policy and strategy documents concerned. In this way, the EU-Jordan cooperation is in compliance with the base criteria of the Paris Declaration on Aid Effectiveness. (JC.1.1). Figure 2 on the next page depicts the faithfully reconstructed effect diagram of the EU cooperation intervention.

This confirmation about the convergence of the Jordanian and EU political/policy and strategic framework priorities is the rationale of the EU-Jordan cooperation strategy under the ENPI-CSP 2007-2013, as it is also explicitly stated in the ENPI Jordan Strategy Paper 2007-2013. The total ENP envelope for the two NIPs is EUR 265 million and EUR 223 million, respectively, or a total of EUR 488 million for the 2007-2013 period (to which need to be added the substantive support through other EU financing instruments as SPRING, Special Measures for Syria, DCI Thematic Programmes, Instrument for Stability, Neighbourhood Investment Facility, ECHO, etc.). At mid-term by 2010, in preparation of the 2nd NIP, the continued validity and relevance of the original strategic objectives and components of the CSP which started in 2007 were reconfirmed. This however was not based on assessment reports of the evolved and still evolving situation at that time. (JC-1.1, KPI 1.1.1)⁵

Budget support macro conditionalities in principle ensure alignment of EU support to the reform agenda with the overall strategic directions as laid down in the National Agenda and other key development policies, plans and strategies of the Government of Jordan. Such conditionalities are not seldom directly derived from these key national development documents. (KPI-1.1.1)

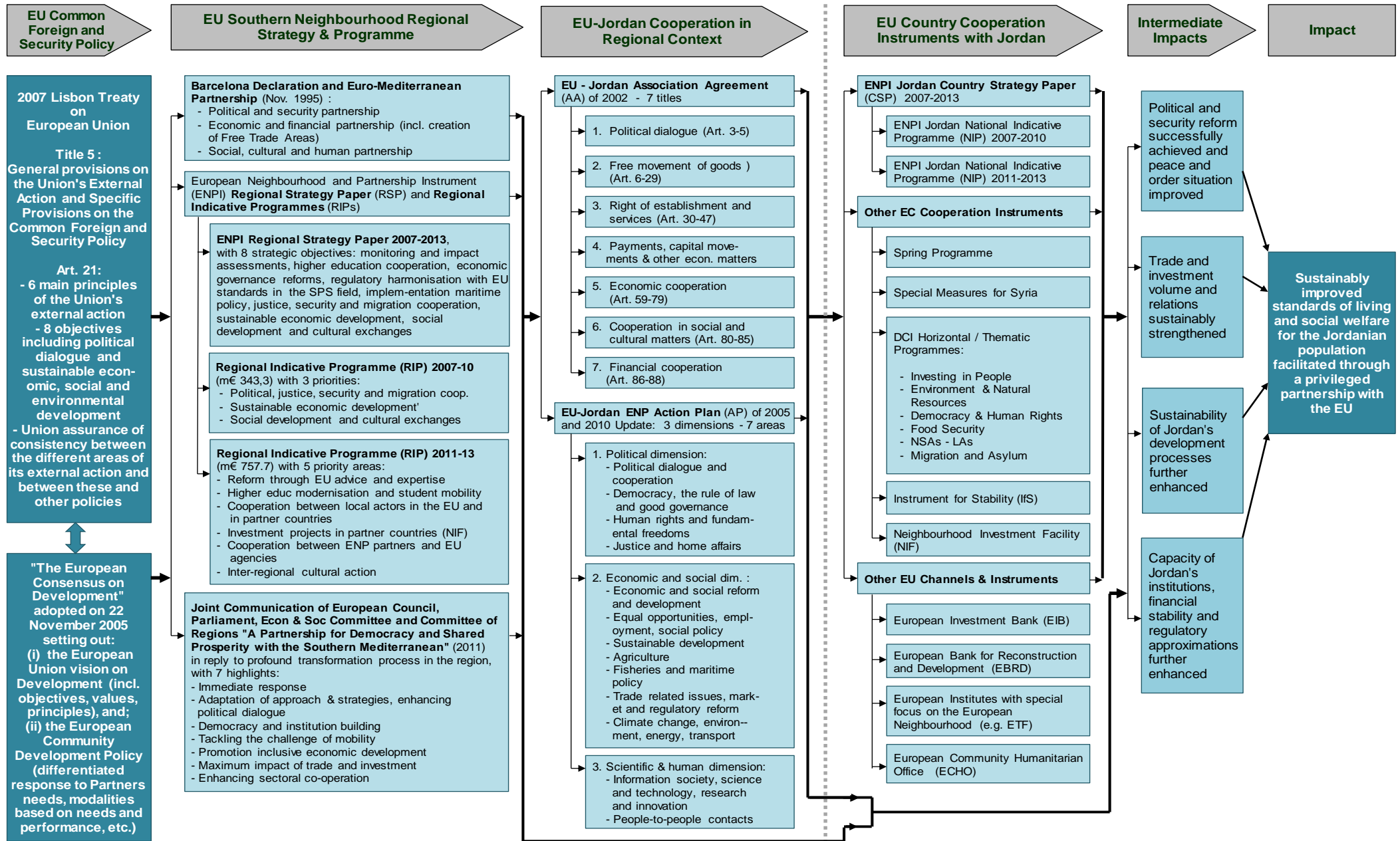
Consultation processes

The consultation and participatory processes with Government and civil society at the basis of the EC response strategy preparation and formulation documents generally are at a satisfactory level based on the available documents studied in relation to the ENP Action Plans, the CSP and the NIPs. A further strengthening and structuring of the consultation process was confirmed by the contacted CSOs during the evaluation field phase on the occasion of the interviews and focus group discussions and also in the replies to the mini-survey on democratic governance. CSOs expressed their relative satisfaction about their involvement in the design of EU cooperation strategies and programmes with Jordan. A somewhat less positive overall reply was received with regard to their involvement in the actual implementation and monitoring of EU cooperation strategies and programmes. At the same time, improvements over time of this are also reported. (JC-1.1, KPI-1.1.2 and KPI 1.1.4)

⁵ The codes between brackets at the end of the paragraphs are the references to the specific sections concerned in the Evaluation Information Matrix for the nine Evaluation Questions under special Volume II of this final report. JC stands for Judgement Criterion. By way of example: The code JC-8.3 refers to the third Judgement Criterion assessment in relation to Evaluation Question 8. KPI stands for Key Performance indicator. By way of example: the code KPI 2.4.3 stands for the measurement/assessment of the third indicator under the fourth Judgement Criterion in relation to the second Evaluation Question.

Figure 2 : Intervention logic faithful broader framework diagramme of the EU - Jordan 2007-2013 Country Strategy Paper and Cooperation

Faithful Broader Framework Diagramme based on EU's Overall Development Cooperation Policy and the ENPI South Regional and Jordan National Strategies and Programmes



Portfolio alignment

As far as the EU-Jordan cooperation interventions portfolio⁶ is concerned, of the total of 43 key interventions / Financing Decisions benefiting Jordan related to the 2007-2013 period, a logical framework could be retrieved for 24 of them through a search of the CRIS database attached documents and from EC sources (representing 56%, or more than half of all cases).⁷ It was therefore not possible to conclusively determine to which extent logical frameworks / results framework of the key strategy and programming documents and their updates⁸ have been based on adequate and reliable information and analyses of the national situation and their changes over time. There is no firm evidence that the LogFrames once developed in order to facilitate project/programme approval for funding, these are also actively used thereafter for internal programme management and monitoring purposes to ensure continued results orientation and pursuit. As evidenced by Results Oriented Monitoring (ROM)⁹ reports and evaluation reports, one of the main concerns is the absence or low quality of performance monitoring systems, and the absence of or the inadequate staffing or function of M&E units in the partner agencies implementing the EU-Jordan cooperation interventions. (JC-1.1, KPI-1.1.3)

Figure 3 on the next page gives a summary overview¹⁰ of the implementation planning and execution of the 43 interventions / financing decisions benefiting the Hashemite Kingdom of Jordan in the CSP period 2007-2013, clustered by main DAC sector. The Gantt chart bars cover the period from 2007 to 2017, with the NIP-1 2007-2010 and NIP-2 2011-2013 periods under the CSP 2007-2013 especially highlighted.

As far as project / programme cycle operational status is concerned, the vast majority of FDs - 31 out of 43 or 72.1% of the total - is still on-going / under execution, while only four FDs have been closed. One of the main consequences is that impact analysis of these interventions is difficult, if not impossible at this stage, for the very reason that most of the interventions are still ongoing, and a number have started quite recently only. This is also one of the reasons why for some interventions impact data on the ground are not / not yet available, as impact measurements and assessments in most cases have not been done (yet) this early in the intervention cycle. Nevertheless, the above summary table already gives an indication of the alignment of the actual portfolio with the sectoral and thematic cooperation priorities as reflected in the strategy documents of the EU support (CSP / NIP's and the EU-Jordan ENP Action Plans). Please refer to JC 1.5 – KPI 1.5.1 and detailed portfolio analysis under Volume III - Annex 4 of report.

The following summary findings can be derived from the figure above and the underlying detailed tables regarding the progress and actual state of programme portfolio execution¹¹:

- Limited number of actual implementation start-ups of operations / financing decisions in the first NIP period 2007-2010. Only 8 operations actually started during this NIP-1 period, and most of these towards the end of the NIP period only;

⁶ A quantitative interventions portfolio analysis of the EU-Jordan cooperation in the period 2007-2013 is included under Annex 4 (report Volume III – pp. 98-122)

⁷ Lists of interventions examined during the desk phase are included under Annex 5 (report Volume III – pp. 123-147). Summary tables of PPCM and other crucial documents on the key EU interventions at the basis of the evaluation assessment are included under Annex 8.2 (report Volume III - pp. 236-246).

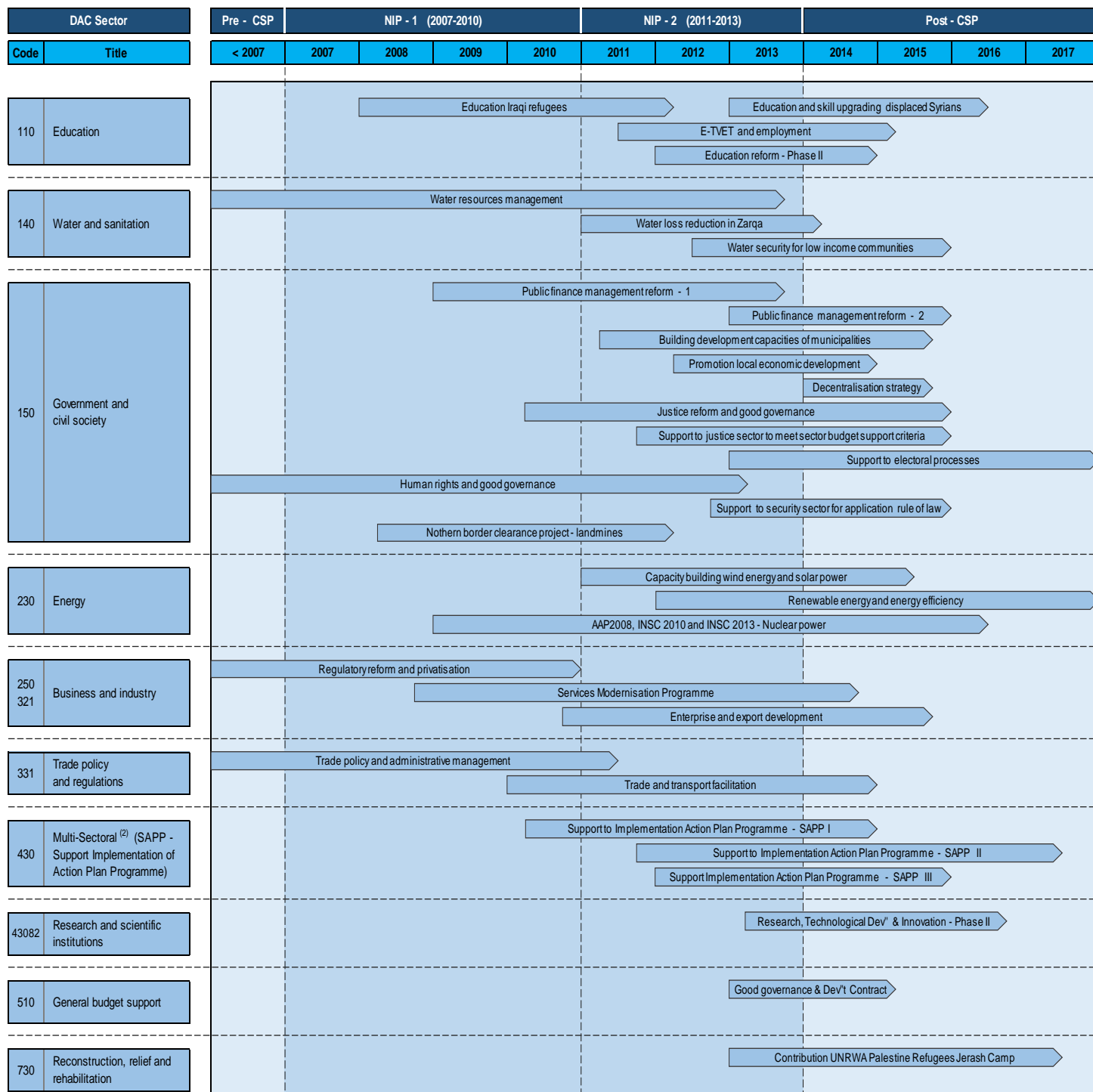
⁸ As this country level evaluation is a strategic evaluation, the CRIS portfolio analysis mainly concentrated on the financing decisions as these determine the overall strategic directions for the contracts extended to operationalise / implement the decisions. (See Annex 5.1 for the list of financing decisions). At the level of financing decisions contracting, the analysis concentrated on the budget support interventions and the programme estimates interventions as these together accounted for more than two thirds of the contracted resources. (See Annexes 5.2 and 5.3 for respectively the lists of Budget Support intervention contracts and the project approach Programme Estimates intervention contracts).

⁹ Summary tables of the 70 Result Oriented Monitoring (ROM) missions to Jordan (2007-2013) with summary assessment scores and other summary statistics are included under Annex 5.4 (report Volume III – pp. 132-147 – tables 5.4.1 to 5.4.5).

¹⁰ For further details see the quantitative portfolio analysis under Annex 4 of the report Volume III Annexes.

¹¹ See table 5.4 of the portfolio analysis on page 108 of the Annexes Volume III for a detailed listing of the interventions with the contracting actual timeframe under columns 16 and 17.

Figure 3: Implementation planning and execution of interventions / financing decisions benefitting the Hashemite Kingdom of Jordan in the CSP Period 2007-2013, by Sector¹²



Notes:

- (1) Based on CRIS database selection criterion for Financing Decisions: " Zone benefitting from the action = JO ".
- Cut-off date = 04 October 2013 (Date of CRIS Downloading)
- The selection of Key Interventions / Financing Decisions includes all 39 Financing Decisions from 01 Jan 2007 onwards and 4 Financing Decisions (N°s 3311, 6087, 17549 and 17260) from before 2007 with substantive contract awarding still in the 2007-2013 period)
See Table PA-5.1 for actual dates and figures, and the notes to table PA-5.2 for further details.
- (2) The DAC CRS code for SAPP I and SAPP II is indicated as 43010 "Multisector Aid". The code for SAPP III is 15110 "Public sector policy and administrative management". The same for SAPP IV which is not entered in the above implementation table while still under commitment status ("EG") as of the CLE interventions portfolio inventory date.

¹² Lines 430 and 510 are not "sectors" per se. These lines are mainly related to several sectors (e.g. PFM).

- The implementation of the four interventions / financing decisions from the pre-CSP period which started operations also ahead of the CSP 2007-2013 period continued for the full duration of the first NIP, with three of the four only ending in the course of the 2nd NIP period 2010-2013;
- Actual implementation of most of the financing decisions started in the 2nd NIP period, and for quite a number from 2012 onwards only;
- Actual implementation of most of the operations / financing decisions will last beyond the present CSP period ending on 31 December 2013. Quite a number will continue operations until the end of 2015 and beyond.
- Only 7 operations (of which the 4 that started ahead of the present 2007-2013 CSP) were completed in the current 2007-2013 CSP period.

Regional programme consistency and relevance

A generally high level of consistency between the EU Southern Neighbourhood regional strategy and programmes in general, the EU-Jordan Association Agreement and the ENP Action Plans and the EU ENPI Jordan country strategy and programmes (CSP-NIPs) can be concluded. The inter-linkages between these are summarily presented in the above Figure 1.¹³ This confirmation of general consistency between the regional and national levels also pertains to the more operational level of the concrete interventions. However, at the operational level quite some knowledge sharing and coordination challenges and issues still need to be addressed. EUD staff for example quite often remains uninformed / was unaware of regional projects being implemented in the country. (KPI-1.2.1)

The different evaluations and monitoring of the European Neighbourhood Regional programmes have confirmed the high relevance of regional interventions for achieving ENP objectives and regional priorities. However, also a series of key challenges are emanating from these evaluations which will need to be addressed in a more vigorous and consistent manner. (KPI 1.2.2 and JC 1.2 in general) The enhancement of the relevance of the regional programmes to the specific context and relations of each partner country with the EU calls for a tailor-made approach. This is also one of the main themes of the new 2014-2017 Multiannual Indicative Programme based on lessons learned from past cooperation. For the regional cooperation strategies, programmes and their concrete operational projects and activities alike, it was stressed on different occasions during the field visit¹⁴ that the South-South cooperation and exchanges dimension should be more prominent. Ideas were also shared on further strengthening of "North-South-South" networks with more prominent roles for best practices and centres of excellence in Neighbourhood countries as Jordan (hub networking). This all may benefit from a stronger institutionalisation of the coordination of the regional cooperation strategy with the national response level, and this both in the EU Delegation and at the level of the Government of Jordan. This was acknowledged on different occasions by key parties concerned during the evaluation field visit. (JC-1.2)

The privileged partnership under the ENP

The objective of the EU strategy for Jordan has been to prepare a privileged partnership going beyond cooperation to a new level of deepened political cooperation and economic integration. Both the 1997 Association Agreement (which entered into force in May 2002) and the European Neighbourhood Policy (ENP) Action Plan, adopted in 2005, contributed significantly in developing the bilateral relations of the EU with Jordan. The 2005 Action plan explicitly aimed at supporting Jordan's political reform agenda as set out in its "National Plan for Political Development". This National Plan has been developed to progress with political reform designed to consolidate democracy, accountability, transparency and justice in Jordan, and to build a model for a modern, knowledge-based Islamic and Arab country. The European Neighbourhood Policy (ENP) Action Plan also responds to the Government of Jordan's

¹³ For further details and documentary evidence, please refer to KPIs 1.2.1 to 1.2.4 in the information matrices Volumes II and II.a of the report.

¹⁴ As also referred to in the analysis related to EQ-4 on public institutions strengthening. The same issue was brought up by interlocutors on the occasion of the EQ-3 democratic governance discussions with key institutions concerned.

National Social and Economic Action Plan (2004-2006), which aims to develop a sustainable socio-economic reform process. Jordan and the EU reached an agreement on a new EU-Jordan ENP Action Plan in October 2010. The document gives concrete substance to the "advanced status" relationship between Jordan and the EU. "Advanced status" partnership means closer cooperation in a large number of areas, and specific commitments on both sides. (JC-1.2, KPI-1.2.1)

Flexibility and responsiveness of the strategy

The EU response strategy generally has shown responsiveness in flexibly adapting and proactively adjusting to the evolving regional (i.e. Arab Spring, Iraqi and Syrian crises, Palestinian issues) and global (e.g. financial and economic crisis) contexts, but to a much lesser extent at the national level (e.g. Upper Middle Income country status). The CLE inventory and portfolio analysis tables show that the assistance to the democratic governance thematic area got a very substantial boost in 2012, with five EU financing decisions in that year totalling EUR 87 million. The figures attest to the robustness in terms of rapidity, flexibility and magnitude of the EU responsiveness towards Jordan also in operational terms, triggered off by the democratisation wave in the region which started early 2011. General satisfaction with the speed, the depth and types of EU responsiveness in those years was observed with the Jordan key stakeholders from both the Government and non-government sectors during the evaluation field visit. At the same time it was indicated on different occasions that the democratic space actually is shrinking again ever since these events¹⁵, partially under pressure of the regional crises also affecting the Country's own security situation. (JC-1.3, KPIs 1.3.1 to 3, Portfolio analysis as annex 4 of Volume III, stakeholders consultations and focus groups discussions as reported on under Annex 7 of Volume III – pp. 171-199)

The flexibility, promptness and adequacy of the EU response strategy in adapting to and proactively supporting Jordan in the wake of the regional acute crisis situations in neighbouring countries (e.g. Iraq and Syria) directly affecting the country, especially with regard to the refugees situation, were very much lauded by all stakeholders concerned. Based on the update as of 09 September 2014 published on the official UNHCR website there are a total of more than 600.000 registered Syrian Refugees in Jordan, more than 3.5 times more compared to less than 2 years before, or an increase of almost half a million persons. The EU - Jordan response strategy and programme have been supportive to and (pro-) actively contributed to the efforts of Jordan to strive for lasting peace and cooperation in the region, as a concerted effort both in terms of political dialogue and of cooperation interventions. This for example is evidenced in the European Neighbourhood Partnership (ENP) annual reports on Jordan which have an explicit section on cooperation on foreign and security policy (CFSP), regional and international issues, conflict prevention and crisis. (JC-1.3, and especially KPIs 1.3.1 to 1.3.3)

Strategy adaptation to Upper Middle Income country status with socio-economic challenges

There are no indications that the response strategy took into consideration Jordan's gradual evolvement over time and ultimately its actual upgrading to Upper Middle Income (UMI) country status, however with raising social and socio-economic challenges in the current turbulent times and with structural inequality in Jordan society.¹⁶ Most likely, the regional crises have overshadowed these macro-economic developments which in principle invite for updating of response strategies. The assumption was positively tested during the field phase. The potentials provided by upper-middle income status for a country in terms of more systematically tapping available domestic resources for more sustainable, inclusive and equitable economic growth and development to combat inequality have not been explored in a systematic way, if at all. This is quite remarkable for a country portfolio in which Public Finance

¹⁵ As shared during different evaluation field visit interviews and also coming out of the CSO focus group discussion organised on that occasion, as well as from the mini-survey conducted.

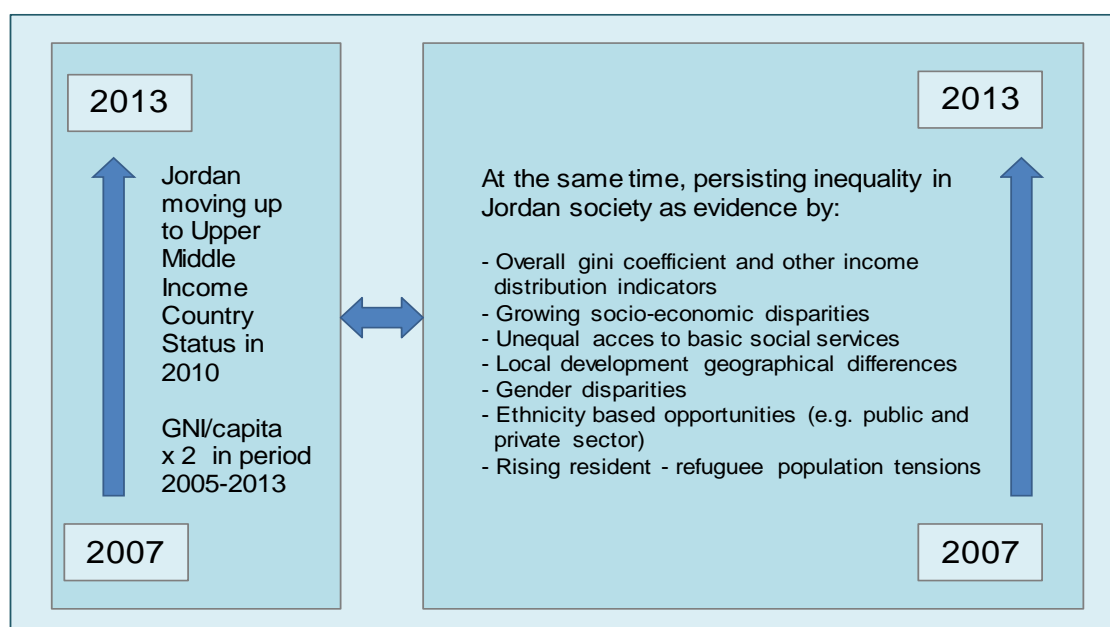
¹⁶ In the 2005-2013 period the Jordan GNI per capita almost doubled, with Jordan achieving Upper Middle Income country status by 2010. Inequality indicators in the second NIP period 2011-2013 as for example the Gini Coefficient and lowest and highest deciles income shares deteriorated. The Jordan Human Development Index (HDI) in this period did not improve and remained at the same level in the NIP-2 period 2011-2013 (0.744 in 2010 and 0.745 in 2013). The most recent Inequality Adjusted HDI (IHDI) of 0.607 for the year 2013 signifies a "loss" in human development due to inequality of 18.6%. For further details and figures, pls. refer to the footnote to figure 4 in the next paragraph on the fight against inequality.

Management (PFM) takes centre stage with explicit sustainable development objectives and the methodological and budgetary means at its disposal to effectively pursue (re-)distributive policies and programmes for social safety and social inclusion purposes. There is no evidence of a mid-term evaluation / review of the 2007-2013 EU-Jordan cooperation strategy at the end of the first National Indicative Programme (2007-2010) assessing this gradually evolved macro situation as basis for an updating of the cooperation strategy at the basis of the second National Indicative Programme (2011-2013).¹⁷ (JC 1.3 in general and KPI 1.3.4 in particular. Further details are also included in the contextual analysis of the EU-Jordan cooperation Annex 2 of report Volume III)

The fight against inequality

Meanwhile inequality in Jordan is raising as evidenced by different indicators, as summarily referred to in below figure 4. The coming together of these different aspects of raising inequality affects Jordan society's social fabric feeding a potentially destabilising situation, further nurtured by the regional crises and a fragile regional security and stability situation. For further details and quantitative indicator figures on the equality / inequality situation, pls. refer to the footnote to this figure 4.

Figure 4 : Jordan Moving up to Upper Middle Income Country (UMIC) Status in the 2007-2013 Period under Review, but with Persisting (and Rising) Structural Inequality¹⁸



¹⁷ Chapter 2.1 “Main priorities and goals” of the National Indicative Programme 2011-2013 on p. 6 states: “The main documents that formed the basis for the Country Strategy paper (CSP) remain valid today... There is therefore no need to review the strategic objectives of the CSP.” For more details, see Vol. II Information Matrices JCs 1.1 and 1.3.

¹⁸ Evolution of selective equality / inequality indicators in Jordan in the CSP 1st National Indicative Programme Period 2007 -2010: Gini index: from 32.63 to 33.69; Income share held by highest 10%: 32.63% to 33.69%; Income share held by highest 20%: from 41.48% to 42.33%; Income share held by lowest 10%: from 3.73% to 3.62%; Income share held by lowest 20%: from 21.64% to 21.50%. (Source: The World Bank (2014). World Development Indicators. <http://data.worldbank.org/indicator#topic-11>)
 Upper Middle Income country (2015 definition): Gross National Income (GNI) per capita between \$4,126 and \$12,745. Jordan formally moving to Upper Middle Income status in 2010, with GNI per capita doubling in the 2005-2013 period from \$2,490 to \$4,950.
 Jordan's Human Development Index (HDI) remained at about the same level in the NIP-2 period 2011-2013, with 0.744 in 2010 and 0.745 in 2013 (rank 77). The Inequality Adjusted HDI (IHDI) for the same year 2013 is 0.607, signifying a “loss” in human development due to inequality of 18.6%. With a Gender Inequality Index (GII) of 0.488 in 2013, Jordan ranks 101 in the world. Source: UNDP(2014), Human Development Report 2014, HDI values and rank changes in the 2014 Human Development Report http://hdr.undp.org/sites/all/themes/hdr_theme/country-notes/JOR.pdf
 Jordan ranked 134 among 142 countries in the 2014 Global Gender Gap Index, published in October 2014 by the World Economic Forum (WEF).

It appears that the social contract between the state and its citizens cannot be sustainably financed from external sources, but should be more strongly and more inclusively based on further strengthened internal structural solidarity mechanisms and instruments. On different occasions during the evaluation field visit, discussions tended in this direction with on the same occasion fundamental challenges raised in this connection for the next EU-Jordan strategic cooperation framework. In addition to the risks originating from the domestic political realm, there are risks that stem from the strong links Jordan's economy has with the other countries in the region as well as with the global economy. Since February 2011, repeated disruptions in the Egypt gas pipeline, which supplies 70 percent of Jordan's gas, have resulted in a four-fold increase in Jordan's energy bill due to the need to substitute costly heavy fuel for gas. (KPI-1.3.4 and contextual analysis under chapter 2 of Annexes Volume III)

Progressive improvements are recorded over time in relation to the institutionalisation of the social dialogue between the economic NSAs in a tripartite setting more in line with the ILO convention on tripartite consultation and related provisions concerned, however major challenges remain. There are good indications both from documentary evidence (e.g. in the ENP annual reports and EAMRs) and from different field interviews with key stakeholders, that the EU has been proactively supporting the social dialogue, social security and social protection processes and programmes more aligned with Jordan's upgraded status as Upper Middle Income Country, both at political dialogue and at operational interventions levels. But this was rather the result of more scattered, punctual initiatives, which lacked the inter-linkages (and the resources) to effectively make the difference. (JC-1.3 in general, and KPI 1.3.4 especially, and furthermore also JC 8.3)

Political dialogue and interventions portfolio

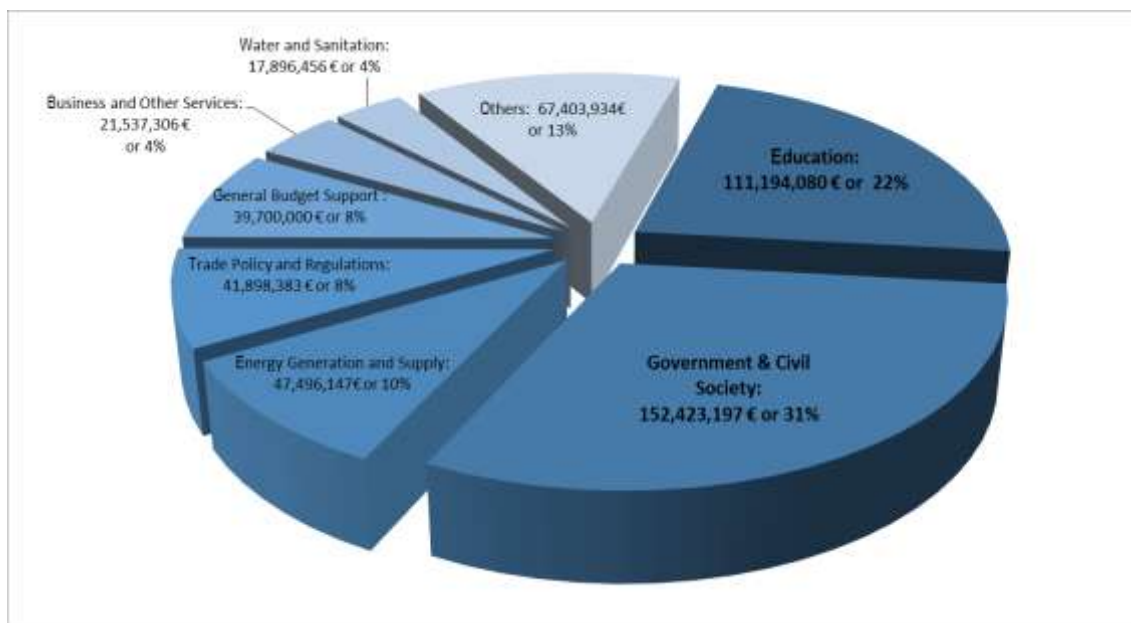
Political dialogue and cooperation take centre stage in the updated EU-Jordan ENP Action Plan with special focus on enhanced political and strategic dialogue and cooperation on foreign and security policy. Overall, a relative balance in the EU Jordan interventions portfolio between interventions mainly supporting higher level policy / political dialogue and capacity strengthening on the one hand and interventions targeting the local levels and implementation on the ground on the other may be concluded, at least at the overall programming level. This is based on the feedback from the different meetings and interviews held during the field visit. There however is an appalling lack of interventions' outcome and impact data on the ground making it impossible to further substantiate the assessment in quantitative terms. According to MoPIC, EU funding not only is important for Jordan in revenue terms but also politically as, without this incentive, it would be very hard to push a reform agenda on reluctant ministries. (JC 1.4, and KPIs 1.4.2 and 1.4.4 in particular)

The different tables and figures included under report Volume III Annex 4 "Quantitative interventions portfolio analysis of the EU-Jordan cooperation in the period 2007-2013" of Volume III Annexes¹⁹ provide ample evidence of the alignment of the interventions portfolio (at both Financing Decisions and decisions Contracting levels) with the strategic objectives and the priority areas / focal sectors as included in the EU-Jordan cooperation strategy and programming documents²⁰. This also pertains to the evolution of the portfolio over time as marked by the differences between the first and the second NIP under the CSP. Despite this strategic longer term alignment, still the necessary flexibility was maintained to accommodate the immediate / rapid responses in reply to regional conflict and emergency situations This portfolio synchronization with the strategic objectives and identified sectoral and thematic focal areas included in the CSP and NIPs is for example illustrated by the below synthesis figure 5 of a sectoral / thematic clustering of the interventions by DAC 5 codes, as classification probably closest to the list / configuration of focal areas identified in the CSP-NIPs.

¹⁹ See report annexes Volume III pages 98-122.

²⁰ 007-2013 Country Strategy Paper and the two subsequent NIPs covering the periods 2007-2010 and 2011 – 2013 respectively

Figure 5: Distribution of Contracted Amounts by Thematic Area / Sector²¹



Source: CRIS and CLE own analysis

Performance planning, M&E and reporting

There is no evidence of systematic and systemic performance planning, monitoring and evaluation and reporting. During the evaluation field visit interviews, both the EUD and GOJ sources indicated that there is not any kind of joint or mutually verified annual reporting by the EU Delegation and the Government of the Hashemite Kingdom of Jordan in the style of the Joint Annual Reports (JARs) in quite a number of EU partner countries (the ACP Countries) benefiting from European Development Fund (EDF) financing. In both debriefings with the EU Delegation and the MoPIC on behalf of the Government of Jordan at the end of the evaluation field visit, this was acknowledged as a missed opportunity for jointly assessing overall implementation progress as against the broader strategic objectives as documented in the CSP and NIP documents. On the other hand, in none of the ENP Jordan Annual Reports or of the EAMRs covering the period 2007-2013, there is a mentioning of any substantive deviation from programme execution vis-à-vis the original policy or strategic directions. (KPI-1.5.1)

As of 2008, all Ministries, Departments and Agencies (MDA) started preparing sector strategies that need to be consistent with priorities included in the national strategies of the National Agenda 2006-2015 and the Kuluna Al Urdun ("We are all Jordan") initiative of 2006. Strategies are also in line with the results-oriented budgeting framework adopted in Jordan since 2008 that includes key performance indicators for programmes, thereby strengthening the relationship between planning and spending according to sectoral priorities. But again, in the absence of a performance planning and M&E system and reporting, it is quite hard to measure impact on the ground and thus to make the ultimate judgement on the effective alignment of the portfolio of interventions (or individual interventions) with the strategic objectives. (KPI-1.5.1)

Evolution in NIP sub-priorities

One of the sub-priorities in the NIP 2007-2010 was support to the water sector. However, given the overwhelming presence of other donors, the Millennium Challenge Corporation in particular, it was argued in connection with the preparation of the 2nd NIP that there is no need for a large EU

²¹ The category "Others" includes: Emergency response (3.5%), industry (3.4%), other multi-sector (2.6%), unallocated (1.4%), transport and storage (0.7%) and a series of other sectors / thematic areas with less than 0.5% of the total contracted amounts

programme in this sector. The support to improved management of the water sector could be continued on a smaller scale under priority area four (Support to Implementation of the Action Plan programme) as was argued at that time. At the end of the current NIP and in preparation of the Single Support Framework, the water sector was picked up again as possible special attention sector (together with education) in view of the extreme pressure on public utilities and services caused by the massive influx of refugees from Syria and from other conflict areas in the region. (KPI-1.5.4 and intervention logic faithful diagrams under Annex 2 of Volume III, more particularly IL figures 2b, 2c and 2d)²²

3.2 EQ-2 on coordination, complementarity and coherence

EQ-2: To what extent is the EU-Jordan cooperation well-coordinated with and complementary to the actions of EU Member States and other EU Institutions, and to those of other Development Partners, and coherent with other EU policies?

General assessment

In general, the EU-Jordan cooperation is well-coordinated with and complementary to the actions of EU Member States but it is less so with other EU Institutions as the European Finance Institutions (EFIs) and Member States agencies.

Jordan generally maintains very good relations with its Development Partners. The role played by external financing in Jordan has tended to be quite significant. The share of foreign grants in Government revenues is very high, averaging 16.0% between 2004 and 2013²³, with peaks in 2004 (37.8%), 2011 (28.9%), 2005 (19.5%) and 2008 (17.9%). The large presence of external grants creates however a permanent fiscal policy risk, since foreign grants fluctuate with the price of oil and the economic situation and political will of Jordan's partners. For instance, external grants dropped from 17.9% to 8.0% of total government revenues between 2008 and 2009 and from 28.9% to 6.9% between 2011 and 2012, causing a dramatic widening in government's borrowing requirement. An ultimate peak for foreign assistance was reached in 2011, when grants reached 5.9% of GDP. In 2012 Jordan received a total of 3 billion USD in assistance commitments plus a pledge of 5 billion USD from the Gulf Cooperation Council (GCC), distributed over grants and soft loans for the following years. Of this total volume, grants constitute more than 60% and more than 80% of the grants come in the form of project funding. Table 2 on the next page provides a summary comparison of foreign grants as percentage of domestic revenues. It should be noted that while the value of domestic revenues is common for both the CBJ and MoPIC calculations, the amount of grants shows large variability according to source. This most likely is the result of different definitions and calculations (see further details under table note 2).

This considerable influx of external funding confirms the relevance and importance given to Jordan by the International Community. But at the same time, critical voices are of the opinion that this large amount can create cases of "moral hazard" and reduce the path toward self-reliance.

The availability of large foreign grants could encourage fiscal current expenditures and deficits, thus delaying some needed reforms. Over the last decade, only once did domestic revenues fully cover current expenditures. The persistence of this shortfall is the "indicator" of a moral hazard, as it appears that foreign grants are counted upon to fill the gap. While it will surely help the country in addressing many acute needs, in order to fully exploit the opportunity to boost its development, a new level of commitments in management and implementation by the Jordanian Government is required. The growth of the number of actors involved risks to have aid becoming increasingly fragmented, leading to unnecessarily high transactional costs and lower harmonisation with country systems.

²² A summary table and analysis of the CSP-NIP 2011-2013 re-allocations based on figures provided by MOPIC during the evaluation field phase are included under Annex 4.3 of Annexes volume III (see pages 121-122).

²³ Source: Central Bank of Jordan (CBJ) data. The MoPIC and WB average figures for this period are respectively 22.3% and 34.2%. See the notes to the below table 4 on the next page and the summary tables on grants as percentage of domestic revenue on pages 53 & 53a of this report's Annexes Volume III.

Table 4 : Summary comparative table of foreign grants as percentage of domestic revenues

Year	Central Bank of Jordan (CBJ) Data					MOPIC Data		World Bank (WB) Data	
	Foreign Grants (in MJOD)	Domestic Revenues (in MJOD)	Grants as % of Revenues	GDP (in MJOD)	Grants as % of GDP	Foreign Grants (in MJOD)	Grants as % of Revenues	Foreign Grants (in MJOD)	Grants as % of Revenues
2004	811.3	2,147.2	37.78%	8,090.70	10.03%	436.39	20.32	1,037.56	37.66%
2005	500.3	2,561.8	19.53%	8,925.40	5.61%	454.61	17.75	866.70	28.28%
2006	304.3	3,164.5	9.62%	10,675.37	2.85%	478.58	15.12	830.58	23.94%
2007	343.4	3,628.1	9.47%	12,131.42	2.83%	482.12	13.29	958.00	24.12%
2008	718.2	4,020.1	17.87%	15,593.41	4.61%	806.49	20.06	1,959.10	41.34%
2009	333.4	4,192.8	7.95%	16,912.21	1.97%	974.66	23.25	1,620.80	35.84%
2010	401.7	4,261.1	9.43%	18,762.02	2.14%	803.65	18.86	1,656.10	35.51%
2011	1,215.1	4,198.8	28.94%	20,476.59	5.93%	519.92	12.38	2,330.90	43.05%
2012	327.1	4,727.2	6.92%	21,965.50	1.49%	2,163.44	45.77	1,678.60	38.21%
2013	639.1	5,119.1	12.48%	23,851.60	2.68%	1,866.16	36.45	N.I.	N.I.

- Source WB Data: WB country report 2012. Other sources: CBJ, MOPIC, WB Online Database

- Note 1: Figures are kept in million Jordanian Dinar (MJOD) to control for the influence of exchange rate.

- Note 2: While the value of domestic revenues is common for both the CBJ and MOPIC calculations, the amount of grants show s large variability, probably depending not only on the definition (it can include 'soft loans') but also on the phases of the procedure (commitment, transfer, disbursement, availability). WB domestic revenue data are different to arrive at the above reflected grants percentages. The discrepancies in the data suggest that there probably is a need for enhanced instruments to collect and process the data. A unified methodology would be of help.

Table 5 : Total grants to Jordan by main Development Partners in the period 2007-2013 (in million USD)

Development Partner	Grants (Million USD)	Percent of Total
GCC	3,678.17	35.36%
USA	3,424.42	32.92%
EU & MS	1,542.33	14.83%
WB	975.58	9.38%
UN	148.46	1.43%
Other	632.64	6.08%
Total	10,401.60	100.00%

Source: MOPIC Website - download 07 Nov 2014

Division of Labour

The situation of very substantial grant aid in which Jordan is in at the moment (see above table 4) requires a good division of labour between the various aid actors. This implies that coordination and complementarities are to be considered high-level priorities both for the Government and for the international donors.

Being one of the largest donors for the country²⁴, EU can play a major role around the objective of increasing aid effectiveness and visibility. Since before the EU CSP 2007 there already has been a common strategic approach guided by the Barcelona process and the ENP strategy. As the cooperation activities of the EU and its Member States generally target some common areas, a regular dialogue is ensured. The pursuit of Division of Labour fits in the overall search for more efficiency and effectiveness to squarely face the challenges faced in this regard by both the Jordan authorities and the Development Partners.²⁵ This search for more optimal coordination has been an explicit specific feature of the EU-Jordan Country Strategy Paper 2007-2013 and its operationalisation via the two subsequent National Indicative Programmes. (JC 2.1)

Even though not explicitly mentioned in any document, the guidelines of the 2007 EU Code of Conduct on Division of Labour in Development Policy have been actually complied with in practice. The concentration in a limited number of sectors is consistently followed not only by the EC but also by the major EU Member States. The case of the water sector can serve as practical illustration and good practice, with the discontinuation in the second CSP-NIP covering the period 2011-2014 of EU interventions in the water sector, in view of its due coverage already by the Member States (e.g. by Germany – GiZ). (JC 2.2)

Policy Dialogue and Coordination

Procedural and institutional provisions for policy dialogue between the EU and Member States to ensure enhanced coordination are now developed mostly at country level. Such is also the case for Jordan. The coordination with EU Member States is mainly effected through the standard monthly meetings of the Development Assistance Group (DAG) chaired by the EU Delegation. These DAG meetings focus on overall coordination issues, with a special emphasis on establishing a “shared EU road map for donor harmonisation and alignment”. The DAG meetings have been an important coordination forum, but lately appear to have been mostly limited to (mainly unidirectional) exchange of information with rather limited actions taken. This evolution continued even despite the humanitarian dimension having been added to the Group’s agenda and discussions. As was learned from the evaluation interviews, the level of feedback received and information exchange with the Member States (MS) has not been up to the expectations. A positive experience and good example is the education sector on which the donor group regularly meets and makes arrangements for fields of coordinated support per donor.

Overall, there is a credible level of harmonized dialogue outcomes on key aid and policy issues. However it has been remarked during meetings with Member States on the occasion of the evaluation field visit, that with the EU in combination with the MS as largest donor, one would have expected more leadership and pro-activeness, especially also in relation to more sensitive issues. The joint EU-MS national strategy for human rights has been a very positive experience and good/best practice which could be repeated for the road map for civil society, other governance issues and beyond to other cooperation thematic areas and sectors. This also pertains to EU’s lead in the justice reform thematic area. However, it was also learned during the field visit that the DAG meetings have been discontinued since some months for reasons of their lacking of effective information exchanges between the different parties and no decision making. (JC 2.3)

²⁴ Final and confirmed consolidated figures on the support offered by different donors in the years 2000-2013 are not available, because of the different forms / formats used for collecting and classifying the data. In a MOPIC document related to the years 2000-2012, it was stated that EU plus MS participated with EUR 2,147 million, while US reached EUR 1,453 million. However, these figures appear to underestimate the US and the GCC support. Actually, a recent MoPIC document (available on the MoPIC website), related to the period 2007-2013 shows, the figures reported in above table 5 for the main donors.

Up to year 2008, the EU and US were the largest donors. The start of the support from Gulf States in 2008 changed the situation and now Gulf States are the largest donors. Some dysfunctions in the collection and processing of the data (i.e. the differences between the amounts in this table and the ones coming from other sources) are probably the consequence of the large amount of donors active in the country and of the different modalities of commitments and disbursements and how they are reported.

²⁵ It should be noted in this respect that donor coordination primarily is a task for POPIC. It furthermore should be clarified that the main “traditional” donor, the United States of America, has an entirely different system of benchmarks for budget support payments.

While it appears that in the country the donors are used to produce donors' mapping (showing a credible institutionalization of exchange of information between them), it is more difficult to confirm if DOL decisions have been made based on perceived comparative advantage or based on the past history of interventions in the targeted sectors. (JC 2.3) In Jordan the Donor / Lender Consultation Group (DLCG) process, established to ensure coordination between the active donors, was initiated in 2000 already, hence ahead of the Paris Declaration of 2005 and the Accra Agenda for Action commitments of 2008. The effectiveness of the mechanism however could not be confirmed by the Development Partners. The EU and its Member States have been actively involved in different sectoral / thematic coordination groups and technical committees, chairing plenary sessions and coordinating meetings with the Government. There are cases illustrating the pro-active engagement of the EU Delegation vis-à-vis the other Development Partners for improving coordination and division of labour. This for example has been recorded for PFM, for human rights and for justice reform, and according to different sources now also has been gradually put in place for sustainable energy. (JC 2.3)

Coherence with other policies

The overall coherence of the EU-Jordan cooperation strategy and programme with the other main EU sectoral / thematic policies and strategies is ensured by the general framework built around the EU-Jordan Association Agreement, the ENP Action Plan and the general ENP regional policy framework. It is worth mentioning that the relative importance of the regional programmes for Jordan has been especially appreciated during meetings with local key stakeholders, particularly also because of the actual results achieved. For example, the Ministry of Tourism, the Ministry of Trade and the Ministry of Transport mentioned their participation in regional programmes as satisfactory to very satisfactory in relation to the results achieved. The same pertains to the Ministry of Water and Irrigation and the Ministry of Energy and Mineral Resources. (JC 2.3)

The overall quality of the strategic coordination and alignment regarding other EU policies with the competent / mandated EU entities concerned can be observed through the presence of and coordination with other EU DGs programmes in the country. An example in case is the project Support to Research and Technological Development (SRTD) phases I and II with DG Research which got further consolidated in the recent years. The TEMPUS programme with DG Education is already well consolidated in the country, with 119 Jordanian partners having participated in 29 initiatives worth more than EUR 28 million in phases III and IV. DG Enterprise launched the "European Mediterranean Charter for Enterprise" in 2004. (JC 2.3)

Synergies with the European financial institutes (EFIs)

Even though in recent evaluations it has been pointed out that the consultation process on projects preparation and proposals is broad but shallow, and that EFIs projects development has limited interactions with Delegations in general, it nevertheless appears that the coordination with the Jordan EU Delegation has been steadily improving over the past years. The accomplishments of EU IFIs in the country have been quite successful. The coherence with the overall EU policy is evident, but at the same time complementarities and synergies can be improved further. In this regard, the support to private sector development is illustrative for both positive and negative aspects and outcomes. Actually, the EU IFIs (EIB and EBRD) in recent years multiplied their interventions in the country and a substantial share has been directed to private sector investment: EIB opened loans for more than EUR 280 million to Jordanian Private Investors and EBRD since the opening of its office in Amman at the end of 2012 has materialized around EUR 220 million of interventions. In the 2007-2013 period covered by the CSP, the total cumulative interventions under the two NIPs for private sector development totalled EUR 65 million in commitments and EUR 35 million in disbursements until now. It appears that by far the most substantive support to private sector development in the country came from the interventions supported by the EU IFIs. Moreover, the latter use the loan modality which implies a potentially substantial multiplier effect while the DEVCO interventions were confined to grants whose multiplier effects reportedly have been quite marginal. Whereas IFIs coherence with the overall EU strategy is well respected, there however are still opportunities for better coordination and for synergies not yet fully exploited. (JC 2.3)

Government coordination and steering

The central actor in the management of Jordan's development process is the Ministry of Planning and International Cooperation (MoPIC). MoPIC has a broad mandate in setting strategic development priorities and directions and their planning, as well as in the implementation of these country development policies and directions and in monitoring and evaluation of the development results. As the institution in charge of coordinating and overseeing the implementation of the National Executive Programme (NEP), MoPIC also is the key institution responsible for alignment of external aid with the country's development priorities and policies – and thus the key stakeholder in ensuring aid effectiveness. The relative absence of a structured dialogue and exchanges during the national planning process between the Government and the Development Partners makes it challenging for the DPs to align their assistance with the national development priorities and programming timetables. This is also valid for the issue of harmonising planning with national systems and the programming of external contributions accordingly. (JC 2.4)

The present formal Government-led sector-level coordination mechanisms are in place since 2011. Meetings with MS representatives and with other international donors however confirmed the relatively low coordination intensity between the DPs and Government and the challenges to further enhance its quality and outcomes. There is a shared feeling between the Development Partners that weak or fragmented institutional responsibilities and a relative lack of coherent sector strategies and operational coordination in certain cases have resulted in fragmented donor assistance and/or interventions within inappropriate policy or institutional frameworks. This resulted in a situation whereby the scaling up of successes could not be enabled properly. This appears to have been the case for instance in the areas of private sector development, transport and trade, E-TVET and social protection. On the other hand, the experience of the education programme has been a good example of DP coordination and Division of Labour at both the strategic and operational levels through leadership by the Ministry of Education and of the MoPIC. (JC 2.4)

The subsequent SAAP/SAPP programmes have been clearly instrumental in achieving public institution strengthening results as aspired for. It should be noted however that it could face an uneasy challenge with respect to the definition of EU-Jordan priorities as far as overall public sector reform is concerned. As demand driven tool, it must respond to various ad hoc requests from institutions. However to ensure that priorities are fully met and that the most urgent issues relevant for reform implementation are tackled first, an encompassing framework for public sector reform and capacity strengthening should be in place. This would also make it possible to pay more attention to the preparation of projects and to the most appropriate implementation modalities in an effort to select the most effective ones in terms of generating the expected results in a sustainable manner. (JC 2.4)

Documentary evidence suggests that the aid coordination system in Jordan at present is not geared towards generating optimal aid effectiveness. It also appears that system is not able to solicit the full engagement of the key stakeholders, both internal and international. There have been good practices in the recent past (including PFM, education and electoral processes) where the collaboration between local and international stakeholders facilitated an effective and efficient division of labour and enabled synergies reaching a level what according to many stakeholders is satisfactory in ensuring aid effectiveness. Institutional, operational and human capacities of the different special Units concerned in central horizontal ministries and in concerned line ministries / agencies to effectively assume DoL and policy/political dialogue leadership functions and responsibilities in general are unequally distributed amongst these key entities. Although there are claims that multi-donors meetings have been organised, from different interviews during the evaluation field visits it was learned that no such meetings have taken place in the last year. The Development Partners met during the evaluation field visit reported a common frustration as the debate generally rests quite superficial and limited. No formal information on the regularity of meetings was received. Such coordination meetings appear to be organized on an ad hoc basis in relation to specific circumstances or needs. The recent Syrian refugee crisis is an example in case. The gravity of the crisis pushed for DPs coordination through the National Resilience Plan, for which MoPIC assumed a leading role. For some donors this experience could be a pilot case to be used as a possible model for the future, while others assert that there have been confused roles, insufficient consultation and lack of transparency. (JC 2.4)

The missing actors in the decision process

An important actor seems to be missing in the overall aid coordination system: civil society and non-governmental organisations, both national and international. There are no procedures or platforms in place for collaboration and consultation with civil society actors in the aid context on a systematic and structured basis. The participation of Civil Society Organisations (CSOs) in the decision process for development investments was one of the Busan outcomes as an increasingly important aspect of aid effectiveness. The EU support to CSOs has nonetheless enabled some progress and successes in the consolidation of some organisations (see hereafter on EQ3). The Parliament does not seem to play any role in the dialogue around aid as the main decisions are taken at Cabinet / Ministries level. (JC 2.4)

3.3 EQ-3 on democratic governance

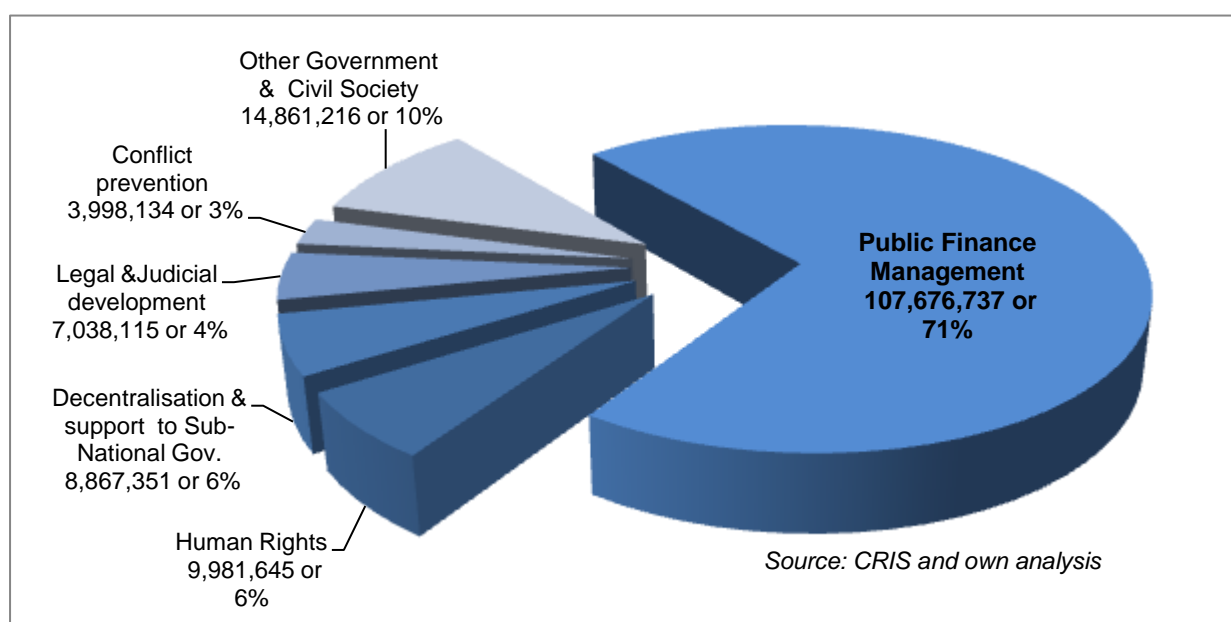
EQ-3: To what extent has the EU-Jordan cooperation been successful in bringing about enhanced democratic governance?

General Assessment

The answer to the evaluation question to what extent the EU-Jordan cooperation in the period 2007-2013 has been successful in bringing about enhanced democratic governance is generally positive. This is based on the significant achievements as recorded, be it with various successes and levels of accomplishments as to the different components assumed under the broad denomination of “democratic governance”. Democratic governance includes democracy, good governance, human rights, civil society, women’s empowerment, freedom of the media, political parties, elections, independent judiciary, rule of law, security and local governance (amongst others). At the same time major democratic governance challenges and areas of common concern remain to be addressed in the EU-Jordan cooperation.

Within the overall EU-Jordan cooperation in the 2007-2013 period, EU support to strengthening democratic governance has been very substantial. Of the 43 financing decisions in this period, not less than 15 (35% or more than one third) pertain to government and civil society (OECD-DAC 5 code 150). The total allocated amount is EUR 226 million, representing almost one third (33%) of all allocated budgetary resources in this period, and 32% of all payments. As such, governance is the largest EU-Jordan cooperation sector / thematic area in this period, followed by private sector development and trade as a distant second and education as third (with respectively 23% and 20% of all allocations. This financing supported both political dialogue and development cooperation interventions in a complementary and mutually reinforcing manner.

Figure 6 : Sectoral / Thematic Distribution of Contracted Amounts on Democratic Governance



The above figure 6 shows the predominance of public finance management in the total contractual amount benefiting the combined government and civil society sectors. About 110 million Euro or almost one fourth of all resources went to PFM in the 2007-2013 period as main vehicle for supporting / realising reform processes. This is further analysed and reported on in the next chapters related to Evaluation Questions 4 (public institutions strengthening) and 5 (aid modalities mix and efficiency).

Of the total of 70 ROM missions to Jordan (see below table 5) conducted in the 2007-2013 period²⁶, a total of 28 (or 40%) have been in relation to democratic governance interventions. The average ROM grading score (based on all five criteria) of these 70 missions is just above half (5.07 on 10), whereas these of democratic governance interventions are slightly higher on average (5.19 on 10). The governance interventions score best on the relevance and quality of design criterion, with an average score of 5.86, which is substantially higher than the other four other criteria. Second best score of 5.43 is for impact prospects, which is lower than the overall average score of 5.86 for this criterion. Lowest score is for the criterion of effectiveness to date (4.43 on 10).

Table 6: Average overall Results Oriented Monitoring (ROM) scores (0-10 scale) on the five ROM criteria of the EU-Jordan Democratic Governance interventions in the 2007-2013 period by DAC CRS Sector

Democratic governance sub-area DAC-CRS code	(by)	Number of ROM Missions	Average Score	Lowest Score	Highest Score
1. 15151 - Elections		5	6.16	2.0	9.2
2. 15170 - Women's equality		5	5.52	2.8	6.8
3. 15130 - Legal and judicial development		6	5.33	2.8	8.4
4. 15160 - Human rights		9	4.98	4.4	6.0
5. 15113 - Anti-corruption		2	4.00	2.0	6.0
6. 15140 - Government administration		1	2.00	2.0	2.0
All democratic governance ROMs		28	5.19	2.0	9.2
All ROM missions in the 2007-2013 period		70	5.07	-	-

The average ROM score (on ten) for all five criteria per the six respective DAC-CRS sector codes within the overall democratic governance thematic area are presented in the below table (with also indication of the number of ROM missions in the 2007-2013 period), ranked from highest to lowest. Highest average scores are reported by the ROM missions with regard to the elections interventions (average score 6.16) and the women's equality interventions (score 5.52). Lowest average ROM scores are related to the anti-corruption interventions and the government administration interventions.

The below Table 6 presents a summary of the ROM gradings of the democratic governance interventions (based on 28 ROM missions) in relation to the overall ones for all 70 ROM missions to Jordan interventions conducted in the 2007-2013 period. Overall the scores for the five criteria are relatively low (ranging from a low 4.21 to 5.86 maximum – with an overall average of 5.19, as mentioned earlier). Highest scores are for relevance and quality of design and for potential impact / impact prospects (both with 5.86 on 10). Remarkably, actual effectiveness scores lowest with 4.21 only. This prompts to conclude that the relatively high(er) score of 5.86 for impact needs to be interpreted with the necessary caution, as the relatively high(er) score particularly appears to pertain to the subjective “potentiality”, the “expectation” of impact, rather than its actual realisation. This confirms other findings and conclusions in this regard, which have come to through other EQs and JCs analysis.

²⁶ Summary statistical overview tables on all ROM missions to Jordan conducted in the 2007-2013 period covering all sectors are included under Annex 5.4 of the Annexes Volume on pages 131 to 147. This annex also has further details on the methodology and scoring process. The summary ROM tables related to the democratic governance projects are under Annexes 5.4.4 and 5.4.5

Table 7: Summary table of number of ROM gradings by assessment criterion for the 28 ROM missions on democratic governance interventions in the period 2007-2013 and comparison of average grading scores with the overall averages for the 70 ROM missions

Results Oriented Monitoring (ROM) Mission Criteria Grading Scores and Overall Averages ⁽²⁾		Number of ROM Grading Assessments, by ROM Assessment Criterion ⁽²⁾						Total Score on 10 ⁽³⁾
		Relevance and Quality of Design	Efficiency of Implementation to Date	Effectiveness to Date	Impact prospects	Potential Sustainability		
28 ROM Missions to Democratic Governance Interventions ⁽⁴⁾	A	5	3	1	5	1	-	
	B	17	15	14	17	19	-	
	C	6	10	12	6	8	-	
	D	0	0	1	0	0	-	
	Average score on 10 ⁽³⁾	5.86	5.00	4.21	5.86	5.00	5.19	
70 ROM Missions Conducted in 2007-2013 ⁽¹⁾	Average score on 10 ⁽³⁾	5.86	4.86	4.43	5.43	4.80	5.07	

Notes: (1) Total of 70 ROM missions covers both Project Approach - Ongoing (PRO-O) and SPSP (Sector Policy Support Programme) - Ongoing (SEC-O) ROM missions

(2) ROM Grading Codes of Assessment Criteria: A = very good B = good C = problems D = serious deficiencies

(3) Calculation of ROM total score on 25: A=5, B=3, C=2, D=0 and then calculated on 10 (sum divided by 2.5)

(4) Total primary commitment budget amount of the 28 ROM visited democratic governance interventions = 28,584,743 €

Throughout the period under review, the EU has continued the dialogue on political reform with Jordan, both through the Sub-committee on Human Rights, Governance and Democracy and through cooperation operations in this field. The 2007-2013 CSP priority area 1 on support to human rights, democracy and good governance includes six main programme areas: Protecting women's rights; Developing civil society; Developing an independent judicial institutional framework; Promoting the Amman Message; Supporting freedom of the media, and Cooperation with the Parliament.

The EU-Jordan cooperation on democratic governance (including development policy and political dialogue) generally gained strength and depth in bringing about reform through strengthened coordination and further institutionalized dialogue mechanisms. The 2006-2015 National Agenda / Kuluna al Urdun served as solid basis for the EU's response strategy as included in the Country Strategy Paper (2007-2013) and the two National Indicative Programmes (2007-2010 and 2011-2013). "Political reform, democracy, human rights, good governance, justice and co-operation in the fight against extremism" is one of the four focus areas of EU-Jordan cooperation under the CSP. At the overall EU-Jordan cooperation level, political reform is a key priority in the EU-Jordan Association Agreement and its Action Plans. There is a somewhat mixed picture regarding the actual state of the respective democratic governance reform sub-processes, as was confirmed during the different field visit meetings and interviews with key stakeholders, both government and non-government. Political reforms continued in the recent years in particular with the establishment of the Constitutional Court, the Independent Election Commission, the adoption of a new political parties' law and a new electoral law, the operationalisation of the Ombudsman's Bureau and of the Anti-Corruption Commission. All these are widely recognized as major achievements. Substantive challenges and room for further improvement are related to the fight against corruption, human rights and women's rights in particular, the role of civil society in the political dialogue and the media. This was also confirmed during the focus group discussions and mini-survey on democratic governance conducted during the evaluation field visit. (JC-3.1)

Political dialogue and reform

Generally, the EU-Jordan development cooperation and policy dialogue processes over the seven years period (2007-2013) covered by this evaluation have contributed to the advancing of political reform processes aimed at by this cooperation. Apart from the above elements discussed, this can be deduced straight from the list of thirteen (13) draft laws / bylaws discussed for enactment by the Parliament of the Hashemite Kingdom of Jordan during the June 2014 Extra-Parliamentary Session, of which by far a majority is related to EU-Jordan cooperation interventions and/or political dialogue. In fact, the approval of quite a number of them²⁷ is an explicit conditionality for facilitating the release of EU (sectoral) budget support variable tranches, as evidenced by the respective SBS Performance Assessment Frameworks (PAF) and their monitoring. The key issues here, however, are not the formal meeting of benchmarks and compliance with targets, but the intrinsic quality of these achievements. The near future will provide evidence if this passing of laws was just aimed at ensuring formal compliance with external requirements (e.g. with conditionalities for Budget support tranches releases) or have been genuine, authentic milestones of duly owned processes rooted in society. (JC-3.6)

Human rights

In the 2007-2013 period under review, the EU - Jordan policy/political dialogue and cooperation interventions have strongly focused on the fields of human rights (including women's rights as integral part of human rights), the fight against corruption and be it to a relatively lesser extent, the media. The EU has the lead in the donors group on human rights and successfully brokered a common EU and Member States (MS) Strategy on Human Rights. Generally, some achievements are realised (see below) but with substantive room for improvement still in the main areas of the reform process and especially in terms of effective results and impact on the ground. The ENP Jordan annual progress reports keep indicating that corruption remains an issue of widespread concern in Jordanian society. The level of operational functioning of the Anti-Corruption Commission and of the Ombudsman Office, both supported by the EU, as measured by submitted cases effectively and satisfactorily handled, improved over time. Factual and statistical evidence on the activities and results of these key agencies in relation to human rights and related issues is provided in the report's information matrix on EQ-3 under Volume II (synthetic) and Volume III (with documentary and factual evidence). See particularly JC 3.2 and more especially the evidence under KPIs 3.2.1 and 3.2.2.

Gender

Gender equality remains a challenging issue in Jordan with modest but rather steady developments. The women's quota in Parliament was raised from 12 to 15 seats in 2013, but the minimum percentage women representation actually stayed the same at 10% as the total number of seats in Parliament also increased from 120 to 150. The Municipalities Law, endorsed in July 2011, increased women's quota from 20% to 25 % of each municipal council. On the other hand, for example, the Personal Status Law adopted in September 2010 by the Government giving women freedom of mobility and choice of residence without consent of their husbands or other male family members was eventually rejected by the Parliament in 2011. The reservations to Articles 9 and 16 (c), (d) and (g) of the CEDAW (Committee on the Elimination of Discrimination against Women) regarding the right of women to transfer their nationality to their children and husbands has still not been lifted. (KPIs 3.2.1 and 3.2.3) The results of the EUs (mainstreamed) support to gender equity issues are related to both (i) political/policy dialogue outcomes, e.g. with regard to women's rights as integral part of human rights (see above) and women political participation and elections (see below), and to (ii) capacity strengthening programmes (both institutional and human) of Civil Society Organisations on gender issues (see below).

²⁷ The Administrative Judiciary Bylaw (2014), the Independence of the Judiciary Law (2014), the Political Parties Bylaw (2014), the Amendment of the Civil Service Retirement Bylaw (2013), the Amendment of the Law on Renewable Energy and Energy Conservation Bylaw (2014), the Public Private Partnership Bylaw (2014), the Investment Law (2013), the Parliamentary Code of Conduct Bylaw (2014), the Juvenile Bylaw (2013).

Social dialogue

Progressive improvements are recorded over time in relation to the institutionalisation of the social dialogue between the economic NSAs, but it is still too early for referring to this as an effectively functional tripartite dialogue setting. In the field of social rights, Jordan established a National Pay Equity Committee in July 2011, co-chaired by the Ministry of Labour and the Jordanian National Women's Commission. (JC-3.2 and also JC-8.3 and JC-8.4)

Civil society

The Association Law's restrictions remain a most critical issue and major impediment to genuine participation of Civil Society Organisations as partners in the political and policy dialogue with Government. EU support substantially contributed to the further capacity strengthening of Civil Society Organisations to effectively enable them to take up their roles and responsibilities as empowered partners in the policy/political dialogue and the national and local development processes, if only the broader political environment would facilitate / allow them to do so. This was acknowledged by the civil society key stakeholders concerned during the different interviews and also evidenced by the focus group discussions with the sector and the results of the CSOs mini-survey (see summary in table 7). While substantial capacity development and support programmes are in place, there are still substantive challenges to be met in further enhancing the institutional, managerial, operational and human capacities of Civil Society Groups including women advocacy groups. This particularly pertains to their networking and Apex structure building as well as to their anchoring at grassroots level (e.g. through membership organisations). The CSO focus group discussion and the outcomes of the mini-survey conducted during the evaluation field visit confirmed that this capacity strengthening is a precondition for empowering civil society to effectively impact on political dialogue agenda setting, its proceedings and outcome. The representativeness of CSOs and their rooting at community and grassroots levels, and the extent of CSOs activities and impact on the ground at the level of the ultimate beneficiaries are not always evident. Many of the registered CSOs are traditional, tribal or extended family type organisations with a restricted / selective development agenda in terms of beneficiaries targeting. (JC-3.3, KPIs 3.3.1 to 4, and Volume III, Annex 7 on field visit focus group discussions and mini surveys).

Table 8: Outcomes of CSOs Mini-Survey and Focus Group Discussion during the Evaluation Field Visit (June 2014)²⁸

Q No.	Question	Average Score (0-5 scale)	Rank (1 = best)
1	To what extent in your opinion has systematic consultation of civil society on policy dialogue and development matters improved in Jordan in the 2007-2013 period – at national level?	1.8	8
2	To what extent in your opinion has systematic consultation of civil society on policy dialogue and development matters improved in Jordan in the 2007-2013 period – at local level?	1.8	8
3	Degree to which EU support has contributed to strengthened consultation of civil society on policy dialogue and development matters in Jordan ?	2.8	5
4	Degree to which CSOs institutional / organisational capacities have been strengthened in this period with EU support?	3.6	2
5	Degree to which CSOs human capacities have been strengthened in this period with EU support?	3.6	2
6	Degree to which CSOs Apex structures, federations, networks and platforms have been created and strengthened with EU support?	2.4	6

²⁸ Methodological explanations and other details can be found under Annex 7 of report Volume III Annexes.

Q No.	Question	Average Score (0-5 scale)	Rank (1 = best)
7	Extent to which in your opinion CSOs effectively impact on political dialogue and agenda setting at present in Jordan?	1.6	10
8	Extent to which in your opinion CSOs have been involved in the design of EU cooperation strategies and programmes with Jordan?	3.0	4
9	Extent to which in your opinion CSOs are actively involved in the implementation and monitoring of EU cooperation strategies and programmes with Jordan?	2.2	7
10	How satisfied are you with the EU support your organisation has been benefitting from in the period 2007-2013?	4.4	1
Average		2.72	-

Summary qualitative / narrative analysis

The survey results thus show on the one hand an overall satisfaction by the responding CSOs with the support provided by the EU to them in the field of democratic governance, however on the other hand with very limited actual impact yet on the actual enhancement of democratic governance in the country and their actual role therein / contributions thereto, and secondly with limited improvement of the actual frameworks and enabling environment for policy dialogue.

Of the ten democratic governance assessment topics in the survey, the overall satisfaction with the EU support the respective organisations have benefited from in the period 2007-2013 got the highest average assessment score (4.4 or 88%), followed by the related (sub-)topics of both institutional / organisational and human capacities strengthening by EU support (both a score of 3.6 or 72%). At the other end of the scale with the lowest overall assessment and satisfaction is the actual impact CSO have on the political dialogue and agenda setting at present in Jordan, despite all the support provided by EU and from other sources (average score of 1.6 or 32%). This is further confirmed by the negative scores on the related impact topics on the extent to which systematic consultation of civil society on policy dialogue and development matters has improved in Jordan in the 2007-2013 period, at both national and local levels (both got an average score of 1.8 or 36%).

There is evidence in the programming documents (e.g. of the CSP and NIPs) as confirmed by the interviews during the field phase that Civil Society Organisations got more strongly involved in the design of the EU-Jordan cooperation strategy and programme, particularly in the more recent processes. As per the same sources, there also is evidence of an enhanced degree of involvement and responsibilities of CSOs in the implementation of EU cooperation strategies and action. As far as perceptions are concerned, on the occasion of the focus group discussion and in the mini-survey during the evaluation field visit, CSOs expressed their relative satisfaction about their involvement in the design of EU cooperation strategies and programmes with Jordan. A somewhat less positive feedback was received with regard to their involvement in the actual implementation and monitoring of EU cooperation strategies and programmes. At the same time, improvements over time have also been reported on this. Only recently a comprehensive CSO project was started, addressing not only CSOs but also Government organisations with the aim to improve CSO-GO relations. (JC-3.3)

Political participation and elections

Generally, the EU-Jordan cooperation within the broader framework of the concerted action of the international community effectively contributed to enhanced political participation and open and fair elections. Improvements in the political participation for example pertain to the one-person, one-vote electoral system. The European Observers Mission (EOM) stated in its report on the 23 January 2013 parliamentary elections that these were organised and conducted in a transparent and credible manner, and technically well-administered despite serious inadequacies in the legal framework. EU inputs in support of the electoral process including voters' education and preparation were timely and appropriate, whereas post-elections civic education processes are being pursued further to address the substantive remaining challenges still. Whereas there generally are improvements in the political participation, there however are reservations for some sub-processes. Despite the introduction of a one-person, one-vote electoral system, there is still underrepresentation coming mostly from electoral districting. Other reservations pertain to the number of voters' registration in absolute figures, extensive proxy voter registration, diverse and sometimes inconsistent, overlapping and diverse voter education

activities by various electoral stakeholders, inadequacies in the legal framework, low voter turn-out at local elections, amongst others. There in general is still considerable room for improvements under a trusted political dialogue relationship supported by appropriate development interventions. (JC-3.4 and particularly KPIs 3.4.2 to 3.4.4)

Although the 2012 Elections Law is a step forward, the one-person-one-vote electoral system reportedly limits the representation of political parties, fosters tribalism and nepotism, and may not proportionately reflect voting preferences of the population, often leading to the underrepresentation of urban centres, of Jordanians of Palestinian origins. This underrepresentation comes mostly from electoral districting. The system also tends to be disadvantageous for women representatives. On the effectiveness of Parliament, the absence of political programme based political parties is noted. Public support for the work of Members of the Parliament is generally very low in Jordan. (JC-3.4, and especially 3.4.1)

Justice, security and the rule of law

EU has the lead in the donors group on justice reform. Throughout the 2007-2013 period under review, EU support to the further enhancement and efficiency of the judiciary system in Jordan has been substantial. These reforms by the end of the 1st NIP showed good intermediate results warranting continued EU support. The ENP Jordan annual progress reports covering the 2nd NIP period on the other hand give a quite different overall appreciation of the progress in the justice reform sector in this period, despite different important developments and actual achievements reported on. Since the TA support project to strengthen the justice sector to make it eligible for sector budget support has just started, it should not come as a surprise that as of this moment the justice sector is not yet ready²⁹ for budget support. On the other hand, slow but steady gradual enhancement processes in the necessary enabling environment for budget support are taking place. (JC-3.5, and especially KPIs 3.5.1 and 3.5.2)

The World Justice Project's Rule of Law Index 2014 places Jordan with an overall score of 0.57 on place 38 of the 99 countries covered globally, and 2nd on 7 in the region. During the evaluation field visit, it on different occasions was pointed out that the general feeling of security has been decreased as a consequence of the massive influx of refugees due to the regional crises (with substantially higher competition for scarce jobs, particularly at the lower end).

Implementation of two EU projects relating to conflict prevention and crisis management began in spring 2013. Measures for improving security conditions relating to the refugees have begun to be implemented by the UNHCR and IOM. On 25 June 2013, the EU Chemical, Biological, Radiological and Nuclear (CBRN) Risk Mitigation Centre of Excellence Regional Secretariat for the Middle East officially opened in Amman as a major step for the exchange of best practices regarding CBRN disaster prevention, preparedness and response. A new EU support programme to the security sector in applying the rule of law with a total budget of EUR 5 million was signed recently on 25 November 2013. (JC-3.5, and particularly KPIs 3.5.2 and 3.5.4)

The Amman Message and agenda has been effectively supported by the EU-Jordan cooperation throughout in the 2007-2013 period under review, particularly with regard to its institutional development and public education components including support to the dialogue between cultures. There is documentary evidence attesting to the complementarity, coherence and overall integration of the actions under the Instrument for Stability (IfS) in support of the overall EU-Jordan policy/political dialogue and response strategy. (JC-3.5, KPIs 3.5.3 and 3.5.4)

Project / programme cycle management and risk mitigation

There is virtually full compliance with the formal requirements regarding the contents of the interventions formulation documents with regard to objectives (overall and immediate, or goal and purpose levels) and regarding the incorporation of assumptions and risks, at least for those interventions for which the documents are available. During different evaluation field visit meetings, the need for stronger and more elaborated risk assessment and risk management / mitigation strategies was raised as crucial to further enhance overall intervention / programme performance management

²⁹ As was shared during different interviews on the occasion of the evaluation field visit.

and intervention/portfolio results orientation. The idea of inclusion of monitorable risk indicators in the TAPs project / programme document was shared as a matter of priority and high importance. On the other hand, over time the formulation and approval documents³⁰ of EU-Jordan cooperation interventions in the field of democratic governance are getting more pronounced in articulating broader institutional and political framework conditions for facilitating effective, results oriented policy dialogue and development interventions and their monitoring. (JC-3.6)

3.4 EQ-4 on public institutions strengthening

EQ-4: To what extent has the EU support contributed to institutional reform and capacity strengthening of Jordan public institutions, including management of public resources, for enhanced delivery of public services to the citizens?

General assessment

The answer to the question to what extent the EU support has contributed to institutional reform and capacity strengthening of Jordan public institutions, including management of public resources, is mixed. This strongly depends on the type/identity of beneficiary public institutions as the EU support has been provided basically on an ad hoc / on demand basis with different results. The extent to which this support also has led to enhanced delivery of public services to the citizens however remains largely unanswered as the necessary impact information on the ground of these reform support programmes is lacking due to the general absence of results oriented performance monitoring and evaluation systems and reporting based thereon, despite the PFM, twinning and other assistance provided.

The provided support

Institution building, financial stability and regulatory approximation constitute key priority areas for the EU – Jordan cooperation and are addressed under strategic objective 4 of the EU's response strategy for the period 2007-2013. The rationale behind the support provided is that the strengthening of capacities of Jordanian institutions constitutes a key factor for the satisfactory implementation of the Government's reform agenda and thereby improve public sector performance and public service delivery. To this end, two types of support have been put in place by the EU:

- Flexible support for institution building for different Ministries and public and private actors with a view to support reform and, where relevant, disseminating the European acquis, and;
- Support to the Public Sector Reform Strategy and the Public Financial Management Strategy in order to increase the efficiency of the public administration and thereby ensure a better allocation and use of public funds.

Summary results

Under pillar 1, successive EU interventions designed to "Support to the implementation of the Action Plan Programmes" (SAPP I, II and more recently SAPP III and IV)³¹ have led to the provision of flexible ad hoc support. This promoted government ownership and supported the implementation of reforms as well as the transfer of capacity to Jordanian institutions. Through the provision of more than 25 twinning arrangements³² to the benefit of 18 ministries / public institutions as well as through the financing of studies, technical assistance (TA) and the supply of equipment, EU support has contributed to the

³⁰ Action Fiches, Technical and Administrative Provisions, specific performance indicators for the disbursement of sector budget support variable tranches, etc.;

³¹ The SAPP programmes followed in the steps of the earlier programmes to Support to the Implementation of the Association Agreement (SAAP) financed under the previous CSP.

³² Twinning is an instrument for the cooperation between Public Administrations of EU Member States (MS) and of beneficiary countries. Beneficiaries include candidate countries and potential candidates to EU membership, as well as countries covered by the European Neighbourhood Policy.

strengthening of institutional, technical, planning and monitoring capacities of counterpart institutions³³. (JC-4.1, KPIs 4.1.1 and 3)

The final evaluation of SAPP I (2014), ROM reports, interviews and the results of the mini-survey with SAPP beneficiaries provide evidence of positive effects in terms of service provision (quality / quantity), but these are not systematically recorded, monitored and assessed. Among these it is worth mentioning:

- The provision of TA (under SAAP I) and equipment (under SAAP II) to the Ministry of Agriculture (total EU contribution of EUR1 million), which led to the introduction of the National Animal Identification and Registration System in the country, leading to savings in the first year of operation, of over EUR 50 million from animal food subsidies;
- The significant achievements in terms of institutional strengthening as well as the technological and efficiency improvements brought about by the twinning project which is expected to lead to significant reductions in the cost of services to end users provided by the Department of Land and Survey; and
- The strengthened capacities of the Audit Bureau staff following support provided which has contributed to improvements in audit operations and outputs which in turn have led to increased efficiency and effectiveness in ensuring that public funds are put to good use. (JC 4.1, KPI 4.1.2)

Box 1: Salient points of the evaluation field visit focus group discussion with SAAP-SAPP beneficiaries of public institutions strengthening support, supported by mini-survey findings

- Twinning is more successful when: i) they focus on a limited number of issues; ii) involve a limited number of parties; iii) respond to perceived needs not only at the higher levels but also at lower levels.
- Twinning adds to the day-to-day activities, if not strongly owned at all levels it can be rejected (additional work). Some components are more useful than others.
- Strong involvement of beneficiaries throughout the process thereby increasing ownership: starting from the identification to the selection of offers (suggestions for revisions & amendments to better fit the requirements). But long process, too long!
- Degree of sustainability varies significantly within institutions (very high MoAgri. & DLS), very low at JSMO where high staff turnover is the norm – expertise is strongly requested regionally. Civil service by-law jeopardizes sustainability in TRC (previously independent agency).
- Twinning has facilitated the establishment of longer-term collaborations with counterparts in other countries (e.g. the Gendarmerie has on-going bilateral cooperation agreements with other ENP South countries).
- Possibility of looking into south-south cooperation mechanisms could be worth pursuing, but is this feasible? Different perception among respondents although in principle it is something worth looking into.
- Suggested improvements: i) Have twinings / service contracts run in parallel with supplies (reduce the time lag between the two); ii) Increase the length of study tours / length to 2-3 weeks in order to look at how things are done (which is currently the case) but also place participants in the position of absorbing how work is carried out on a daily basis. Training and transfer of knowledge should be accompanied by an increased witnessing of how the daily work is carried out.

³³ Representatives of institutions and ministries which have benefitted from twinning projects point to 'tangible improvements to their organisation' and to how these projects have 'strengthened their ability to continuously adapt and respond to developments in their respective policy fields' (MR-141402.01 Support to the implementation of the Action Plan – SAPP (2011), p.3). The contribution of the twinings to the increase in capacities was confirmed both during evaluation interviews and by the results of a mini-survey. The latter allows to highlight that, among the 10 institutions for which more detailed data is available, support provided has strengthened institutional and human capacities among 130 departments within targeted institutions for an estimated total of almost 6,000 staff members. (See Annex 7.2 for more details).

At the same time, these programmes have also supported the Government in its efforts to align national regulatory frameworks to those of the EU. Country Progress Reports on the Implementation of the European Neighbourhood Policy mention good progress in a number of areas such as transport legislation, free movement of goods as well as in the harmonisation of sanitary and phytosanitary rules with EU standards.

Among others, these include:

- Cooperation on the harmonisation of sanitary and phytosanitary rules with EU standards, particularly through two twinning projects with the Ministry of Agriculture which led to the establishment and adoption of the necessary general laws and secondary legislation in compliance with the EU acquis;
- Cooperation with Jordanian Standards and Metrology Organisation (twinning project) which assisted the Jordanian regulatory authorities in the approximation of the identified EC legislation.³⁴ (JC 4.7)

At local level

At decentralized level, the outcomes of the support provided are less clear. The two EU programmes specifically targeted towards Local Government Units (LGUs)³⁵ have delivered on expected results. The programmes have thereby contributed to increase capacities of LGUs in terms of management, planning and coordination through information events, lessons and seminars. These have also contributed to the improvement of institutional and management capacities of the involved stakeholders. The scale of the intervention however was limited due the pilot nature of the implemented programmes. However, the lack of a clearly defined framework for decentralization coupled with poorly resourced municipalities jeopardizes achievements made. (JC 4.2) In addition to this, it should be emphasised that the EU has also supported institutional reorganisation and capacity development for decentralised public services such as water retail services (to governorate level), social protection, and employment and training and career guidance services through sector interventions (see sector EQs for further details).

Public finance management reform

Under pillar 2, the EU has financed two SBS programmes with the objective of supporting the national Public Financial Management Reform with a view to contribute to the reduction of the country's fiscal deficit and to improved financial management.³⁶ Throughout the period covered by the evaluation, Jordan has pushed forward PFM with good results, including:

- marked improvements in the budget process (development of a medium-term fiscal framework process, preparation of medium-term expenditure frameworks, introduction and implementation of results-oriented budgeting, increased transparency and improved analytical features of the budget),
- the installation of a government financial management information system,
- the institution of a treasury single account,

³⁴ Establishment of the legal framework required for the introduction of EU regulations, approximation of 42 EU Regulations and Directives for the three priority sectors; adoption as national standards of all EU harmonised standards relevant to priority sectors; development and implementation of a market surveillance concept in accordance with the EU system.

³⁵ The Building Development Capacities of Jordanian Municipalities – Baladiaty” programme (allocated amount of €3m over the period 2010-2013); and ii) the Promoting Local Economic Development in Jordan (PLEDJ) programme (allocated amount of €5m over the period 2011-2014).

³⁶ Support to the Public Finance Reform Programme of 2007 (€35.5m in the form of budget support and a complementary envelope of €7m); and Support to the Public Financial Management Reform Programme of 2010. The scope of the latter programme was extended with Addendum #2 of 2013 which added a 'Budget Efficiency Targets' component while at the same time further increasing the amount of funds to be provided in the form of SBS reaching a total of €75m (+€1m as complementary envelope) from an initial amount of €44m (+€1m as complementary envelope) then brought up to €64m (+ €1m complementary envelope) with addendum #1. Other EU-funded interventions further support these efforts either by providing additional budget support at sector level or by providing line ministries with the opportunity to access institutional capacity building support through the SAPPs in the form of twinnings or Technical Assistance.

- the approval of a revised Audit Bureau law,
- the creation of a Central Harmonisation Unit for internal control, and
- tax policy and administration reforms.

Despite progress in the use of a country-wide system of 'results-oriented budgeting', a number of weaknesses still undermine effective budgeting processes, particularly in terms of linking budgetary allocations to the achievement of strategic policy objectives. (See also JC 4.3 for further details on progress in the strengthening of PFM systems and JC 4.5 - KPIs 4.5.1 and 4.5.3 respectively for specific improvements made in terms of policy-based budgeting and transparency of budgeting).

The involvement of civil society and the broader public in the budget process in Jordan remains very limited. While in fact, some degree of involvement of civil society is present in legislative debates on the budget adoption, no progress has been registered with regards to an increasing role for - and of - civil society in monitoring budget execution / project implementation / progress towards achieving key performance indicators targets. (JC 4.6)

Contribution of budget support

The field visit (both through interviews and through the collection of additional documentation) point to the instrumental role of the whole BS package (dialogue, conditionalities, financial resources) in conjunction with the provision of complementary support and TA provided by other donors (e.g. GIZ, USAID but also IMF and the WB). Please refer to JC 4.4 for further details on the contribution of EU support to the strengthening of PFM systems. More specifically, the evidence gathered points to:

- The existence of a strong link between the main areas for reform tackled by the indicators included under the two PFM SBS programmes' specific conditions and progress made in terms of implementation of PFM reforms; and in particular to the pivotal role of the support provided by the EU (primarily in the form of BS but also through twinings and SIGMA) in pushing forward reforms, in particular in areas such as: i) internal control mechanisms / internal audit; ii) publication of final accounts (now available on line) thereby providing a contribution in terms of transparency; iii) cash management system and STA; iv) income, sales and tax department; v) Chart of accounts; and vi) budget classification; (see also KPI 4.4.1)
- A sustained dialogue process between international financial institutions and donors including the EU which has supported government efforts to modernise and strengthen all parts of the PFM system (see also KPI 4.4.1), and;
- A significant financial contribution of the EU in supporting reform efforts, whereby it is estimated that funds disbursed by the EU in the framework of the two SBS PFM programmes over the period 2008-2013 (total of EUR 93 million out of the almost EUR 115 million allocated) covered approximately 18.5% of the total expenditures related to specific PFM reform efforts undertaken by concerned institutions, i.e. the Audit Bureau, the General Budget Department and the Income and Sales Tax Dept. and the Ministry of Finance. (For further details on calculations see section on increased fiscal space that follows as well as (KPI-4.4.3).

The ECFIN Report (2013, p. 80) concludes that "progress [in the PFM area] is only imperfectly related to areas where there is technical support, reflecting that local reform efforts are geared relatively more towards government's priorities rather than those of donors. It however also is widely recognised that in a number of areas, the whole BS package (dialogue, conditionalities, financial resources) coupled with strong government ownership and its coordination / complementarity with other support and TA, carried out by GIZ, USAID and others, has been instrumental in supporting reform efforts³⁷. As stated by one of the interviewees "BS has acted as a catalyser of efforts and has tipped the balance by providing an incentive, giving a sense of urgency that has facilitated the implementation of reforms / new procedures or systems to be introduced". (KPI-4.4.5)

³⁷ See also KPI 4.4.4 for an overview of complementary capacity development activities, its quality and links with changes in PFM processes and systems.

Increased fiscal space

Looking at the broader picture of SBS programmes and their links with the budget processes and expenditures, calculations made by the team (broad estimates) allow to conclude that financial transfers made in the framework of SBS programmes have increased fiscal space in a country where the State's budget is under severe constraint (see JC 4.5 and related indicators for further details).

Table 9: EU support provided to the implementation of policy reforms in different sectors and their contribution to sector expenditures (in Euro)

SBS financing by sector	Contracted amounts, 2007-2013	Paid amounts, 2007-2013
Education	56,480,000	58,642,500
E-TVET	29,000,000	15,187,500
Energy	29,000,000	14,730,000
Public finance management	103,017,857	93,092,857
Trade and Transport Facilitation	27,000,000	22,275,000
General budget support ²	39,700,000	20,000,000
Total GBS & SBS	284,197,857	208,740,357

Justice sector	27,000,000	Amount not yet contracted at the cut-off date for the inventory
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Notes:

1. This table, drawn from the inventory does not include the additional amounts allocated by the EU to the second PFM programme through addendum number 2, i.e. EUR 11 million. This explains the discrepancy between the amount indicated under KPI-4.4.3 (EUR 114.75 million) and the amount indicated in the table.
2. Whereas general budget support obviously is not a sector as such, it has been presented in the table as a separate category to ensure a comprehensive view of all financial amounts transferred in the form of budget support.

Table 10 : Contribution of EU financial support provided in the form of budget support to the financing of policy reforms / sector expenditures (in Euro)

Budget support to financing of policy reforms - Sector	Amounts	% covered by SBS funds
Ministry of Education, Total expenditures, 2008-2013	4,168,042,042	1.00%
ET-VET reform related chapters (Min of Higher Education and Scientific research & Ministry of Labour), 2010-2013	310,785,852	5.46%
Ministry of Transport, Total expenditures, 2010-2013	215,903,169	10.32%
Ministry of Energy and Mineral Resources, Total expenditures, 2011-2013	88,681,748	16.61%
Total expenditures of PFM related chapters (i.e. Ministries / Departments) involved in PFM reform efforts 2008-2013	14,807,734,168	0.63%
Total capital expenditures of PFM related chapters 2008-2013	1,323,653,042	8.94%
Total expenditures for selected programmes of PFM related chapters 2008-2013*	503,716,036	18.48%
Ministry of Justice, Total expenditure 2013 (re-estimated)	56,828,720	12.96%

Sources: Calculations made by the team on the basis of data provided by the General Budget Department.

The contribution of the direct transfers to the Government's budget made by the EU in the framework of its SBS programmes to the financing of government expenditures (including therefore reform efforts) in key sectors of support can be estimated on the basis of different information sources. The information was drawn from the inventory of EU interventions on the one hand, and from the elaboration of data provided by the General Budget Department of the GoJ on the other.

On the other hand, the amount of time it took for GBD to produce the base figures and consolidated statistics after repeated requests from the evaluation team may be indicative for the state of play regarding PFM programme management, particularly in relation to and at the level of the line ministries, agencies and services.

For ease of reference the table below summarises the support provided by the EU - through its different SBS programmes - to the implementation of policy reforms in different sectors through the contracting during the 2007-2013 period.

Overall, the calculations³⁸ carried out by the team – despite being broad estimates - allow highlighting that funds disbursed by the EU in the framework of SBS programmes account for:

- 10% of total expenditures of the Ministry of Transport over the period 2010-2013;
- 17% of total expenditures of the Ministry of Energy and Mineral Resources over the period 2011-2013;
- An ideal figure of 13% of annual expenditures by the Ministry of Justice;
- 5% of total expenditures of E-TVET reform related chapters (Ministry of Higher Education and Scientific Research and the Ministry of Labour) over the period 2010-2013; and a more marginal
- 1% of total expenditures of the Ministry of Education over the period 2008-2013. (KPI-4.5.4)

Further evidence collected during the field phase shows that:

- SBS programmes have increased fiscal space in a country where the State's budget is under severe constraint and therefore also have an important symbolic meaning
- SBS transfers covered a substantial part of the institutional, regulatory and human capacity building cost of reform in the energy sector. (see also KPI-4.5.5)

³⁸ For the education, E-TVET, transport and energy sectors, the team based its calculations on overall government expenditures by chapter, i.e. by Ministry or Department, taking into consideration only expenditures undertaken in the years in which the relevant SBS programmes have been implemented.

For the PFM sector, more detailed scenarios were run whereby, in addition to the basic scenario, i.e. all expenditures (both capital and current) of all relevant departments/ministries, an additional scenario taking into consideration only capital expenditures was run as well as scenario that takes into consideration only selected chapters of expenditures, i.e. those more strongly linked to the objectives / results included in the SBS performance matrixes. These are: all programmes for the Audit Bureau, the General Budget Department and the Income and Sales Tax Department, but only selected programmes for the MoF (i.e. Administration and Support Services and Financial Management Development, with the exclusion of other programmes such as Public debt interests, Emergency expenditures, Social safety net and goods subsidies, Pensions and compensations, Supporting Defense Services Affairs, Supporting Housing Services and Developing Society, General expenditures and other support spending).

For the Justice sector a different calculation has been made in light of the fact that the programme is still indicated with commitment status in the inventory and therefore no disbursement are recorded (the programme is at the time of writing ongoing). For this reason, the team calculated the average annual amount to be transferred to the treasury (total financial amount foreseen in the financing agreement divided by the number of years of implementation, leading to an average annual amount of €7.36m) and then calculated the percentage of government sector expenditures ideally covered by this yearly amount.

3.5 EQ-5 on aid modalities mix and efficiency

EQ-5: To what extent has the EU aid modalities mix been appropriate for the national context and the EU development strategy in efficiently bringing about the targeted reform and development results?

General assessment

The analysis undertaken to answer this question shows that a varying mix of aid modalities (GBS, SBS, project approach encompassing TA, studies, supplies and programme estimates) and of financing instruments (geographic and thematic budget lines) was used to implement the cooperation strategy between the EU and Jordan throughout the years covered by the evaluation. The choice of aid modality (and their mix within sectors) was primarily guided by the consideration of the programmes' objectives, the national context and policy framework, and coordination and complementarity issues. Thorough consultations underpinned the choices made, although - at times - the urgency to react to external critical situations led to more pragmatic and shortened processes. Overall, the choices made enabled the programmes to deliver on expected results and EU support has been found to contribute - to varying degrees depending on the sectors - to changes in policies, policy processes and capacities. The contribution to the achievement of higher level objectives as well as sustainability of achievements varies both across sectors and across modalities. There is little evidence that EU interventions have supported improvements in monitoring and evaluation in an overall country context where monitoring and evaluation systems and capacities show a number of weaknesses (despite the fact that this is an explicit or implicit objective of a number of programmes).

Box 2: Key findings of the inventory / portfolio analysis

The EU support to Jordan amounted to EUR 499.5 million during the 2007-2013 period. Out of this, just above EUR 430 million (or 86%) were absorbed by six key sectors, as follows:

- Government and Civil Society: EUR 152 million
- Education: EUR 111 million
- Energy: EUR 47 million
- Trade: EUR 42 million
- Industry and Business and other services: EUR 38 million
- Water and Sanitation: EUR 111 million.

The ENPI constitutes the main financing instrument and accounts for EUR 425 million or 85% of all support provided to Jordan.

Approximately half of the funds (49%) are provided through sector budget support and if general budget support GBS (8%) is added, budget support becomes by far the most used aid modality (57% or EUR 244.5 million). More details can be found in figure 8.

The mix of aid modalities

The analysis of the interventions inventory made in the context of the present CLE³⁹ highlights that different aid modalities and different financing instruments have been used to implement EU support interventions in the different sectors. A mix of Sector Budget Support (SBS) and project approach was used in the education, public finance management, energy, and trade sectors. Whereas in the other sectors the project approach was the preferred aid modality which often encompasses both services such as TA, studies, supplies, as well as programme estimates. As a complement to this, a General Budget Support (GBS) programme in the form of a good governance and development contract was

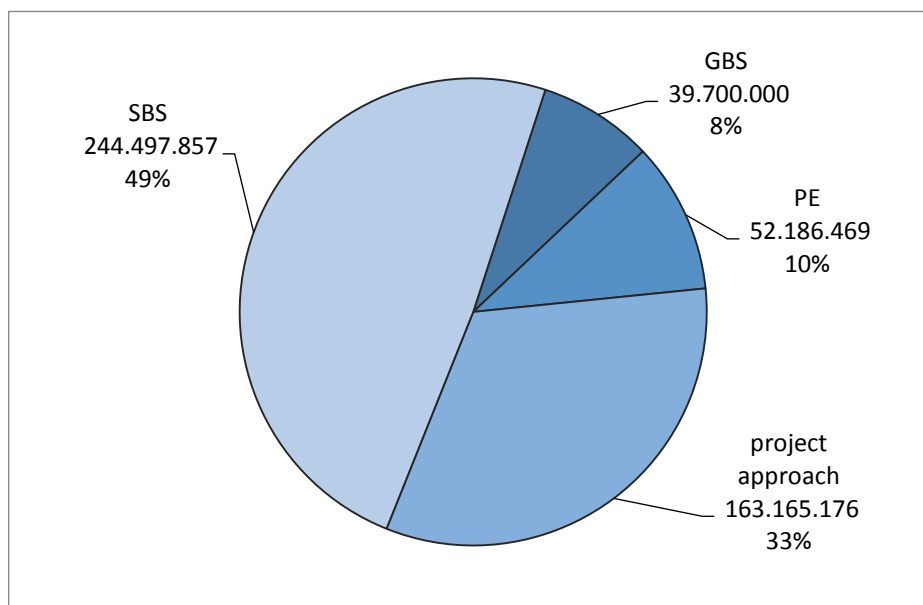
³⁹ For a summary analysis, pls. refer to chapter 4.1 "Portfolio Analysis of EU Interventions benefiting Jordan (2007-2013)" included under Final Report Volume III Annexes.

also financed at the end of 2012. A mix of geographic and thematic instruments was also used in a high number of sectors, although once again their mix varied. (See JC 5.1 for details)

Basis of the choice of aid modalities

The choice of the aid modality and implementation method was made on the basis of programmes' objectives, coordination and complementarity with other interventions (including those of other donors) and the national context: degree of development and soundness of national strategies and policies, and existing capacities above all, with increasingly comprehensive capacity assessments and stakeholder analysis being carried out. Again, in most cases, choices were made on the basis of a consultative process which saw the engagement of the EUD (and EU HQ) and the GoJ (stronger role of MoPIC but also of line ministries) and following the analysis of alternative options. As a result, a varied mix of SBS, long and short-term TAs, twinning, TAIEX, SIGMA, provision of supplies and of direct grants / direct financial support to private sector beneficiaries were all used to achieve the intended objectives while supporting institutional strengthening and ensuring local ownership. In other cases, however, the identification and formulation phases were not as thorough. This was the case of some allocation decisions (e.g. SPRING⁴⁰) where a shortened formulation process was followed in order to rapidly respond to the critical situation which followed the global crisis of 2008 and the start of Arab Spring or more recently the Syrian crisis in light of the strategic and political importance of Jordan: exceptional circumstances which led to favour a more pragmatic approach based on dialogue between the national authorities and the EU in coordination with the donor community. The Government of Jordan - through MoPIC - has been expressing a strong preference for Budget Support on different occasions during the evaluation field visit interviews and meetings. (JC 5.1 & JC 5.2)

Figure 7 : Contracted amounts per aid modality



Source: CRIS and own analysis

⁴⁰ The SPRING programme made available €70m, of which €30m were immediately available and focused on specific priorities such as electoral assistance, justice sector reform, education and SME development at regional level. The remaining €40m took the form of a GBS Good Governance and Development Contract signed in 2012 with disbursements conditional to progress in four key areas to be monitored through a matrix of reform benchmarks. Areas covered include: political reform (with focus on elections), separation of powers (with focus on judicial independence), social and economic reform (with focus on social protection and enhancing business environment).

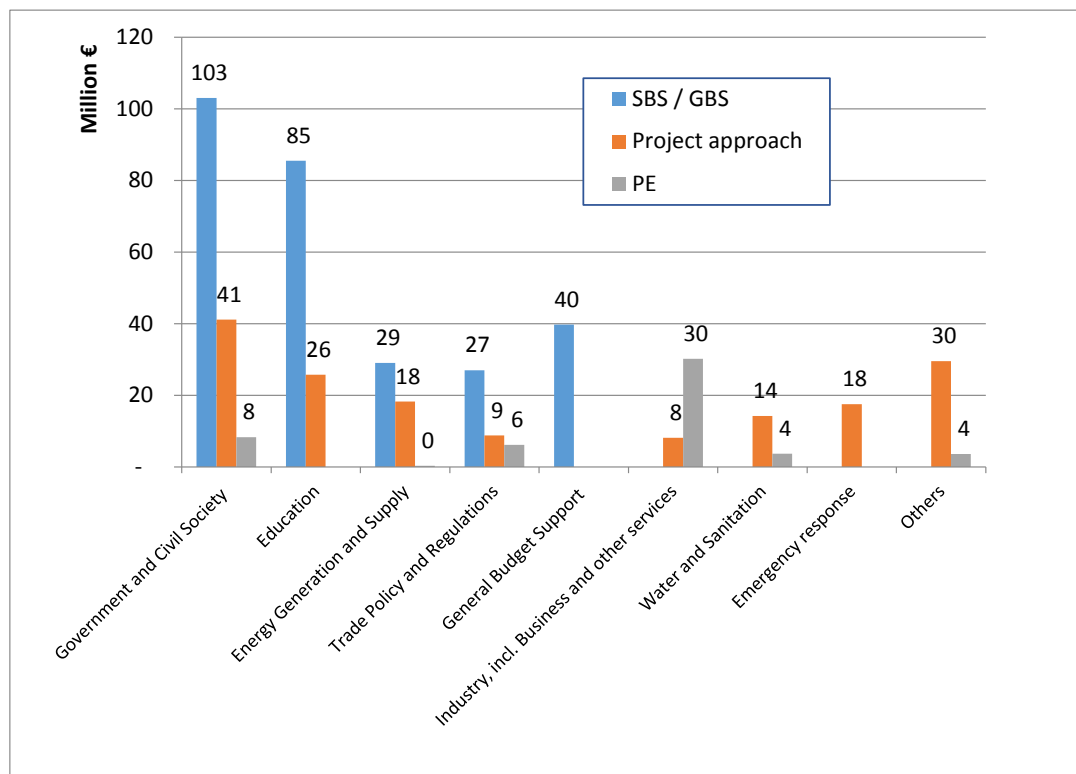
Pursuit of complementarities and synergies

In all cases, complementarities and synergies among different aid modalities and programmes within and – at times - across sectors are pursued. These are more evident in some sectors with a particular case in point being the PFM sector where the EU has intervened in a complementary and coordinated manner through SBS, twinnings, TAIEX and SIGMA, with TA being provided by other donors (JC-5.1). Evidence from the other sectors is also generally positive with regards to the process leading to the choice of aid modality and there is also evidence of lessons learned from previous or other aid modalities being documented and integrated into programming documents. In the energy, water and environment sectors alternative options of EU support were studied and piloted, and criteria for preference and eligibility were satisfactorily defined and applied (see also KPI-9.7.3), as was also the case for the formulation of the Support to Justice Reform and Good Governance intervention. EU support to the E-TVET Sector was defined in consultation with other donors and stakeholders in the sector and complements other interventions following credible diagnostic analyses (See also KPI-8.6.1). On the other hand, in the private sector there is little evidence of a structured EC approach to exploiting the potential and complementarities of the set of mechanisms for supporting the private sector. This refers to a fully-fledged sector strategy encompassing all types of need along with a well thought-out mix of the potential of the different funding sources available. The lack of a strong preparatory analysis encompassing extensive consultations with the private sector is reported as a recurrent weakness. In particular it appears that the possibility of using a B2B approach did not receive sufficient attention while the loan guarantee fund, originally envisaged as an accompanying measure to the grant component with a view to increase sustainability and to overcome one of the major constraints faced by SMEs, i.e. lack of access to finance, was cancelled due to managerial issues. (KPI-6.5.3)

Performance of aid modalities

Overall, achievements and progress described under the sectoral EQs (see EQs 3, 4, 6, 7, 8 and 9) indicate that the aid modality chosen has indeed allowed to reach the intended results albeit with some shortcomings in some cases, and in no case did the information retrieved through multiple interviews during the field phase indicate that a different aid modality would have allowed to attain the same result.

Figure 8 : Contracted amounts per aid modality, key sectors



Source: CRIS and own analysis

The analysis of the summary scores included in the available Results Oriented Monitoring reports (ROM) in relation to interventions implemented in Jordan between 2007 and 2013, provides further insights on the performance of the two key aid modalities (project approach and SBS) used in projects monitored. In fact, while the average overall scores across the 5 criteria are similar (2.84 for the project approach and 2.80 for SBS), slight differences emerge when analysing disaggregated data:

- Both aid modalities perform well (3 - good) when looking at relevance and quality of design;
- The project approach scores better in terms of efficiency (2.83 versus 2.33) and just marginally better in terms of effectiveness (2.68 versus 2.67);
- The situation is reversed when looking at the remaining criteria with SBS scoring slightly better in terms of impact prospects (3 versus 2.95) and better when looking at potential sustainability (3 versus 2.76). (Detailed tables and summary statistical figures on the 70 Results Oriented Monitoring (ROM) missions and reports on Jordan in the period 2007-2013 are presented under Annex 5.4 of report Volume III)

The strong willingness of the EU to support national ownership at policy and implementation level which is also fostering sustainability is evidenced by different facts. There for example are the high percentages of funds channelled through the budget support modality (57%) and through decentralized management (i.e. implementation through Jordanian public structures) within the project approach aid modality including 10% of funds channelled through programme estimates. The EAMR on the year 2011 emphasizes in this regard not only the increasingly high ratio of budget support programmes (about 60% of portfolio in 2011 and forecasted to increase in 2012) but also the almost exclusive use of the decentralized management mode for bilateral cooperation. (KPI-5.5.4)

In terms of actual disbursements, information contained in the most recent EAMRs which analyse yearly forecasted and actual payments, report an outstanding performance in respect of contracting and payment ratios for the years 2011 and 2012, which have either met or exceeded their targets. (KPI-5.5.1). That said, delayed implementation of programmes has indeed occurred throughout the period, key causes include:

- Lack of capacity at counterpart level including at MoPIC level (e.g. for SAPP), which remains a problem in relation to decentralized programmes within the project approach aid modality;
- Priority given by SBS counterparts to maximize tranche disbursement based on results (achievements measured for the on-going year) which coupled with overly ambitious targets often leads to delayed or last-minute presentation of supporting elements to assess achievements. This in turn generates a vicious cycle of delayed / last minute presentation, delayed / last minute analysis of payments' request and ultimately delayed payment when supporting documentation is missing or benchmarks not fully achieved, and;
- The various hiccups which can affect the smooth running of a TA or project, such as a less than ideal management on the contractor's side, a complex and changing external environment.

These problems, each affecting a different aid modality or implementation method – are acknowledged in EUD reports which point to: (i) slight improvements when looking at the percentage of projects requiring time extensions (from 42% in 2011 to 37% in 2012); (ii) the need to improve the facilitation role of MoPIC and to provide technical support to address weaknesses of national counterparts (MoPIC and other ministries) to enhance timeliness of decentralized programmes' implementation and to ensure that targets included in the SBS programmes are set on the basis of realistic timescales⁴¹. (KPI-5.5.2)

Aid modalities, coordination and policy dialogue

Looking at the contribution of the chosen mix of aid modalities in terms of enhanced frameworks for policy dialogue, strengthening of policy processes and technical capacities and of monitoring and evaluations systems, the picture is mixed. Despite the fact that the mix of aid modalities is always the

⁴¹ A contract has been recently awarded and is currently under implementation to provide support to MoPIC and line ministries and help build capacities with a view to overcome difficulties linked to the smooth implementation of decentralized programmes and use of funds through programme estimates.

result of a consultative process (which is more pronounced in some cases extending to the whole group of stakeholders involved), and that support provided is strategic and focused on government priorities, little progress has been recorded in terms of effective government-led frameworks for policy dialogue. (JC 5.3)

At bilateral level, the EAMRs (2012 & 2013) report an efficient and fruitful cooperation with the GoJ, smooth policy dialogue in all sectors of intervention, as well as effectiveness of efforts made to ensure a close inter-linkage between the dialogue maintained at programme implementation level and within the framework of the ENP subcommittee. (KPI-5.3.2). That said, both the EUD and MoPIC representatives interviewed during the field mission, agree that there is significant room to step-up dialogue, this both with regards to Government-led sector-level coordination mechanisms (KPI-5.3.3) and with regards to the contents of dialogue in the framework of specific interventions.

The present formal Government-led sector-level coordination mechanism is not working effectively partly because of understaffing of MoPIC's Aid Coordination Unit⁴² with two exceptions at sub-sector level, one of them being the education sector (as distinct from E-TVET) and PFM the other, be it to a lesser degree. In addition, the Jordan Aid Information Management System (JAIMS), aimed at providing a much needed a comprehensive account of all on-going projects and programmes funded through foreign aid in Jordan, and operationalised in 2009-2010 with the contribution of the EU, has not performed as expected with the system being periodically out of function. (KPI-5.3.1 & 5.3.3)

At intervention level, the Steering Committees (chaired by MoPIC with the participation of representatives from the line ministries / institutions involved in the programmes as well as the EUD) established in connection with the different EU interventions do indeed provide an overall framework for enhanced dialogue. However, while dialogue takes place regularly and relations are good, the quality of the dialogue remains poor with discussions usually remaining at a mechanical level – over how much and when the next payment will be and when it will be made - rather than on substantive policy matters. As a result, policy dialogue is still quite difficult to obtain at the level of the line ministries, albeit the Ministry of Education constitutes a positive exception.

Results have been below expectations even in those sectors where SBS programmes explicitly included among the conditions for tranche release, measures aimed to promote the establishment and functional operation of formal mechanisms for donor coordination and dialogue on policy issues (e.g. in the PFM and Justice sectors). In the PFM sector for example, although formal compliance was ensured through the creation of a formalised structure for dialogue and meetings actually take place, the working group acts [only] as a formal forum for the dissemination of common information.⁴³ (KPI-5.3.4 & 5.3.5)

Aid modalities and political reform processes

There are indications that the choice and the combination of the EU aid modalities and financing instruments of democratic governance interventions are the result of the search for efficiency and cost/effectiveness in line with Jordan Government objectives and complementary to other DP support to the sector. There are also indications that the preferred option for budget support has not always been rationally underpinned based on objective assessments. At the general programming level of the CSP-NIPs rather clear requirements and instructions are incorporated regarding the need for a credible diagnostic analysis taking into account the existing preconditions as a basis for interventions design including decision making on the most appropriate aid modalities (mix), also in relation to disbursement and absorptive capacity concerns. There is a relative scarcity of available PPCM documents for the democratic governance interventions, particularly in relation to the interventions preparation phases (identification and formulation). From the relevant documents available it may be asserted that in general alternative options of democratic governance support have been studied and criteria for preference and eligibility have been defined. As evidenced by the FD 15130 entitled "Support to the

⁴² This point was raised by both EUD representatives and representatives of the EU Partnership Division at MoPIC.

⁴³ Coordination among donors on PFM issues has nevertheless been strong, with donors deploying strong efforts to align each other's respective programmes with other donors so as to develop synergies; regular communication between donors and the GBD, ISTD, and MOF - primarily on a bilateral basis - has ensured that donor assistance has consistently focused on the highest government priority needs in PFM with good results.

justice sector in meeting the required criteria for sector budget support”, there appears a preference for budget support as aid modality. (JC-3.6)

Looking at changes in policies, policy processes and capacities, improvements have indeed been registered. However, while there is indeed evidence – more pronounced in some sectors than others – that changes have been supported by the EU-Jordan cooperation, whether in the form of budget support, technical assistance, or traditional project approaches, there is also evidence that other external factors have played a significant role in contributing to these developments especially when considering that 14 of the 19 main reform initiatives undertaken by the government over the 2002-2013 period took place in the turbulent years 2011-2012, thus incorporating Jordan in the stream of regional reform processes. (JC 5.4)

There is evidence that the EU through its cooperation interventions and political/policy dialogue has contributed to the advancing of political reform processes. This for example is confirmed by the fact that of the thirteen draft laws / bylaws discussed for enactment by the Parliament during the June 2014 Extra Parliamentary Session, the majority is related directly (e.g. as an explicit condition for the release of EU sectoral budget support) or at least indirectly to the EU-Jordan cooperation interventions and/or political dialogue. (JC 5.4) Evidence at sector level is understandably more mixed with varied achievements recorded in the different sectors:

- With regards to governance issues and judicial reform there are strong links between on-going reform efforts in particular in the form of the recently submitted draft laws/ bylaws and the assessment frameworks included in the SBS programme and.
- With regards to PFM, as detailed under JC 4.4 there is multiple evidence of the strong link between the indicators included in the PAFs or conditions for disbursement and progress made in terms of implementation of PFM reforms.
- In the education sector, while it is without any doubt that it is the donor community working as a whole in the framework of the ERfKE that significantly contributes to government achievements thus making it difficult to pinpoint the specific EU contribution, it is also true that: i) the technical expertise within the EUD has helped to move forward in dialogue instances which are then reflected in the choice of indicators; ii) the support provided has contributed to the building of human resource capacities; and iii) strong appreciation was expressed for EU support in the education sector and the recent Aide Memoire of the Supervision Mission for ERFKE II (May 2014) indicates that some donors are adopting the concept of EU budget support.
- With regards to the E-TVET sector where overall progress is more limited, there is evidence that the SBS programme is contributing to the emergence of a global vision of employment in relation to education, vocational training and higher education, and to some extent to a better coordination between ministries, various agencies, NGOs and the private sector although this is yet to translate in critical changes in terms of frameworks for policy dialogue, policies processes and policies.
- With regards to the energy sector, it appears that pressure exerted by donors (the EU among them) as well as private investors, relevant NGO's and other activist groups was a driving force in leading the government to implement a comprehensive list of institutional and legislative reforms. More specifically there is also evidence that BS has contributed - though marginally - to formal developments in policy frameworks in the energy sector. (JC 5.4)

The so far less successful reform performance and actual achievements in terms of capacity building of Sector Budget Support interventions in the TTF and Energy Sectors, and also in the E-TVET sector, can be explained to a large extent by a complex institutional architecture (high number of institutional stakeholders) coupled with the lack of a full-fledged sector approach which limited the strategic scope and effectiveness of the support. In particular, these sectors are characterized by:

- Limited dialogue which focused on the operational level (how much and when will payment be made) rather than on more substantive matters such as the main strategic choices of the reforms and the overall quality of their implementation. To note that dialogue at institutional level did include but saw a limited participation of sectoral ministries / concerned agencies which were in charge of

the reforms. A partial exception is the TVET sector, where the SBS programme contributes to the emergence of a global vision of employment in relation to education, vocational training and higher education.

- Limited knowledge within mandated institutions of the way in which SBS operates (benchmarks, reporting, budgeting and transfer of financial resources) and more limited compliance with BS requirements (e.g. in relation to planning, budgeting, reporting), with MoPIC often stepping in to fill gaps at reporting level. This in turn translated into limited knowledge regarding actual financial resources budgeted, transferred / available and/or expenditures made and reported at their level. This in relation to both the progress in the implementation of programmes / projects activities and the results achieved.

Aid modalities knowledge and ownership

Finally, it is worth noting that when investigating the role and influence of the mix of aid modalities on changes in policies, processes and capacities during the field visit, the team has become aware that there is a relative ignorance among the main stakeholder groups in Jordan regarding EU aid modalities and in particular on the main features and characteristics of BS. Important exceptions are related to MoPIC and to the line ministries and departments in the education and PFM sectors. A case in point for the relative ignorance is the fact that in some cases, interviewees at line ministry level stated that they did not receive the money whereas further investigation with the MoF indicated that money had indeed been transferred but that since it does not arrive with a red flag saying 'EU money', they were not aware of it. (JC 5.4) This points at potential communication, transparency and ownership issues and/or a combination of all these. At the same time, in view of these repeatedly shared issues by key stakeholders during the field visit and since the aid modality is Sector Budget Support, in different meetings issues were raised if Sector Budget Support should be "targeted" and/or whether conditionalities/ indicators determining decision making on variable tranche releases should be more development outcomes and impact oriented. On different occasions also issues were raised regarding the effective and adequate functioning of duly owned results oriented performance planning, measurement, monitoring and reporting systems and the necessary capacity building and empowerment processes at the level of the "recipient" line ministries and agencies concerned.

Results oriented performance planning and M&E systems

Monitoring and evaluation systems and capacities within the GoJ are still lagging behind and there is little evidence that EU interventions have supported improvements in monitoring and evaluation focused systematically on the efficiency of aid modalities and/or developmental results. In fact, while indicators / triggers to monitor implementation of EU programmes were tailored to the specific context and aligned to country results' frameworks and should thus be part of the natural monitoring process undertaken by the Government, there is no evidence that shows that these were consistently and systematically monitored through internal, government owned mechanisms. Information gathered during the field phase as well as the review of relevant documentation in relation to BS programmes indicates that data are not routinely collected by the government and submitted in the form of progress reports for timely submission of payment requests but rather that this process is often led by the EUD through the recruitment of external missions and supported in a first instance by MoPIC and then by line ministries.

As such, it can be stated that the objective of Budget Support to avoid duplication of monitoring efforts was achieved by ensuring consistency of indicators selected to monitor the implementation of EU programmes with those identified by the GoHKJ's to monitor the implementation of national strategies / policies. The objective to contribute to the strengthening of national governments capacity to monitor and evaluate the implementation of policy reforms, was not achieved. (JC 5.6)

3.6 EQ-6 on sustainable private sector development

EQ-6: To what extent has EU's support in the area of private sector development (PSD) contributed to the process of sustainable and value added modernisation of the Jordan economy and to more sustainable, inclusive and equitable economic growth?

General assessment

The attention to Private Sector Development (PSD) continues to be a priority in the broader framework of the EU-Jordan relations. EU's support to PSD has been articulated in a package of closely related programmes with the evident intention to create synergies and as such enhance impact opportunities in terms of sustainable and value added modernisation of the Jordan economy and to more sustainable, inclusive and equitable economic growth. The strong externalities (or social benefits) associated with growth in the strategic sectors, not captured fully by the markets, have continued to provide the rationale for further specific EU support to Private Sector Development. Thus while emphasizing improvements in the business environment, in trade and education reforms as well as infrastructure development benefiting all sectors, additional efforts were deemed necessary through the EU-Jordan cooperation in the period under review to remove sector-specific obstacles and to overcome the market failures that have prevented the rapid expansion of specific sectors. After many years of reform efforts followed by some acknowledged successes, the Jordan business environment in line with the open market and open trade long term strategy established since the 90's, besides some important positive changes, still needed critical improvements as the scoring (and the recent years trend) in the 2014 edition of "Doing Business" and "Global Competitiveness" show. Indeed, the trend shows that the reforms have less impact and their implementation is constrained by different factors.

EU's support to Private Sector Development in general and its support programmes addressed to Small and Medium Size Enterprises (SMEs) in particular, often marked as triggers to increase employment and to enhance Jordan's presence in the international markets, did not escape the effects of the medium / long term absence of coherent PSD policies and strategies and of the lack of capacity to implement / finalize some of the reforms that have been approved in recent years to improve the business environment. EU interventions did not contribute to bring about the needed reforms, the used instruments appear to have been inefficient and there was a failure to exploit potential synergies with EFIs. (JC 6.1)

The broader enabling environment

In addition to the above remarks on the reform process, it also should be noted that the role of industrial policies in Jordan is not completely nor clearly defined, neither is its regulatory or institutional framework. This has affected the effectiveness and efficiency of EU support programmes to PSD in the country throughout the period under review. A recent study counted 41 institutions / organisations operating for supporting SMEs in the country. Since 2005 there have been 14 regulatory reforms in areas covered by Doing Business, but in spite of these Jordan's Doing Business ranking slowly but steadily went down. There are no indications that EU support helped to slow down let alone reverse this trend. The institutional set up (ranging from legislation, over supporting tools for SMEs to the financial / credit sector) needs more clarity and delineation if not separation of tasks and responsibilities on one hand to increase their overall efficiency and effectiveness and on the other hand to be able to offer credible and stable support and safety to economic operators. In a number of cases, there have been announcements of new regulations / laws but then the actual approval or their effective implementation did not follow. There appears a contradiction between the positive official statements and the above mentioned Doing Business scoring. This is partially explained by the new priorities that each external shock affecting the Jordan economy and society in general almost automatically brings with it. The most recent development is the presentation of the "Draft Jordan National Entrepreneurship and SME Growth Strategy Framework", prepared with technical assistance under the EU funded SEED project by JEDCO.⁴⁴ Highlighting entrepreneurship, MSME development and job creation in Jordan, the strategy

⁴⁴ With EU support, JEDCO (Jordan Export Development and Commercial Centers Corporation) was set up as specialised agency to service SMEs. JEDCO not only has been a beneficiary but also an implementing agency

has been presented as the basis for a new institutional effort to support the private sector through the establishment of a new organisation with both technical assistance and financial arms⁴⁵. On the occasion of the 09 December 2014 in-country evaluation dissemination seminar and from further feedback received, it has been learned that this strategy lasting until 2018 now is in place. Also, entrepreneurship is being introduced in TVET curricula. It was also learned on this occasion that JEDCO has lost funds and staff to the Investment Council, which meanwhile is established (JC 6.1)

Jordan has one of the lowest firm entry rates (per capita) among the comparable emerging economies. The low density of enterprises and the low growth reportedly are the consequence of the regulatory and business environment which, as is generally acknowledged, needs to be further strengthened particularly in its enabling and facilitating role and functions. The relatively moderate levels of early-stage entrepreneurial activity attest to the need to further boost the efforts to promote entrepreneurship and develop the entrepreneurial spirit and capacity of the population. The success in this depends on (i) the effective improvement of the regulatory environment but also (ii) on the new initiatives and actual efforts to introduce in school curricula some introduction to management and entrepreneurship, which at the moment is completely absent. It is not clear in how far EU support has actually and successfully contributed to these developments. The EU support has actually contributed to the improvement of the regulatory environment via the targeted actions with the Ministry of Industry and Trade and JEDCO, while there is no record of initiatives for the introduction of entrepreneurship in school curricula in the TVET programmes. (JC 6.1 to JC6.3)

Box 3 : Outcome of the focus group discussion with private and public sector organisations on sustainable private sector development support: The need for new tools

The need for new tools for sustainable private sector development

The grants are a good instrument when used with very focused, defined and widely announced objectives and not when these are vague and procedures remain complex, not adapted to the business environment. In the latter case they are more a distortion to the functioning of the market with very dangerous consequences for the beneficiaries (that adopt a "grant" mentality) and for the competitors. The good use of grants should be always accompanied by targeted and capable technical assistance.

Other forms of financial support should be tested, especially regarding the financial management at enterprise level (probably in agreement with intermediary level meso-organisations) as well as improving the management capacities of financial intermediaries in dealing with SMEs (widening the views from the loans assessment to credit assessment / project evaluation / offering of new products for the potential new clients / etc.)

Oasis 500¹ is a different experience closer to venture capital. It invests only in start-ups in advanced sectors, offering financial and management support. The financial support is an equity investment up to 20 / 25%. However the presence of Oasis 500 helps to access other financial sources as all the investments are seriously vetted to search for the one promising, credible and with high level of success. Oasis 500 selected up to now 76 start-ups out of more than 500 that presented a request. In 2015, they will start selling back the shares to other investors. They calculate 1.5 to 1.8 return on investment, allowing the capital to be ready for new ventures. Participants convened that venture capital joined with management assistance is better modality than the grants distributed without clear focus.

(1) Oasis 500 is an early stage and seed investment company, the first of its kind in Jordan and the MENA region.

and co-founder of SRTD (under SRTD I). Thanks to SRTD the incubator network under JEDCO has been supported, 2 incubators graduated to become member of the European Business Network (AULE and I-Park) and one of these incubators has been utilised under the JSMP and SEED programmes to support grant beneficiaries. SRTD I concluded in 2010. In SRTD II it was decided not to include formally JEDCO since already managing a big portfolio of EU programmes and to further explore the link with the private sector more via the Chamber of Industry.

⁴⁵ The SME Growth Strategy 2014-2018 elaborated under SEEDP/JUMP II has been included in the proceedings of the working groups elaborating the "Economic Blue Print for Jordan", an initiative led and coordinated by MoPIC. JEDCO is developing the strategy into a detailed work program for the subject national strategy implementation. The strategy has been also included in the "EU SME Charter" assessment that has been finalized for Jordan by the OECD, ETF and EIB/EBRD.

The targeted beneficiaries

Data on the number of SME beneficiaries having benefitted from EU support are not collected on a systematic basis. Hence it is difficult to make any judgement on interventions outcome and impact at the level of the ultimate beneficiaries, and thus by aggregation on the Jordan economy. During the evaluation field phase this fact has been confirmed. This is quite remarkable for a very comprehensive and broad scale PSD programme targeting direct support to individual SMEs. The only data available are the ones related to projects' activities or coming from specific ad hoc researches and surveys. Recent evaluations made in the country further confirmed the difficulties in getting clear information on this issue. The two available surveys which (partly or indirectly) cover the beneficiaries of EU supported interventions managed by JEDCO are (i) a survey by the World Bank (on the effectiveness of export promotion actions through JUMP and JEPA projects) and (ii) the final evaluation of JSMP, the Jordan Services Modernisation Programme (which focused on the impact of the grants on the beneficiaries in terms of sales and employment). Both surveys concluded that the interventions, which EU supported, produced some positive results in the short term, but lacking sustainability since these results are basically negligible after some time. (JC 6.2)

From the JEDCO data, it appears that the sectors classified as "advanced technology / knowledge" show the best performance for international sales (especially ICT, pharmaceutical products and health services) and with potentials for still future expansion. However, overall investment in strengthening of innovation capacities and in Research and Development in general remains at very low levels. It in this regard also is not clear to what extent EU support has especially focused on these high performance sectors with important potential spin-off and multiplier effects (JC 6.2)

PSD and employment

In line with the basic principles underpinning EU support to private sector development in Jordan, there is a broad consensus on the importance of the private sector (and hence of PSD) in generating employment, even if it is also clear that through the streamlining of enterprises PSD can possibly lead to initial job losses in a first phase. This consensus is also increasingly apparent in EU strategy documents and guidelines. Accordingly one would expect on the one hand that job creation would be a central objective of EU support to PSD, and on the other hand that, conversely, when employment generation is considered the main need, one would immediately revert to PSD as a means to this end. In fact, under the 2007-2013 EU-Jordan CSP this has not been the case until 2010. On the contrary, the EU interventions had a tendency to consider employment as an intended effect of the programmes on TVET / education in isolation from the PSD assistance. Employment promotion activities were addressed through social affairs actions separate from PSD. There does not appear to have been adequate knowledge sharing between these different types of interventions which would have resulted in lessons learned or good practices on integrating employment generation and promotion concerns and actions in PSD interventions. (JC 6.3)

The recent impact evaluation of an EU supported PSD programme managed by JEDCO found increase in employment as the most evident and tangible result. This programme is based on direct grants to SMEs. There are, however, other experiences consisting of the provision of financial support to SMEs through loans at market interest rate, which seems to be more efficient. (JC 6.4)

Synergies and blending with EFIs

Even though policy dialogue and coordination with EU Member States and European Finance Institutes (EFIs) are not well documented, nonetheless in the period analysed by this evaluation EBRD and EIB have invested more than EUR 500 million in the country for private sector interventions, which is 10 times the amount committed by EU DEVCO for the same purpose in that period. Moreover it appears that the consistency of objectives and the complementarities are substantial. The interventions of EIB and EBRD show a high coherence with the overall EU and ENP policy, including: Priority attention to ultimate private sector beneficiaries directly or through local financial institutions; Priority to sustainable energy investments and respect for the environment; Increase of Jordan exports and priority of employment in out of Amman regions. In the records of JEDCO, as confirmed by the above recent impact evaluation, there however are no cases of beneficiaries of EU support (grant and/or TA) that

also had access to some form of EFI financial support, either through local or international banks. (JC 6.4)

PSD and cross-cutting issues

Cross cutting issues received a marginal attention in EU supported PSD interventions, except for gender (as women have preferential treatment in terms of grant amount thresholds in call for proposals). However, no consolidated gender sensitivity analysis of achieved results has been done so far. The guidelines for call for proposals for direct grants to the private sector (even when the objectives are stated as modernization / reduction of trade deficit) set as condition the respect for work regulations and conditions, and for tax payments. Scarce or no attention was given to environmental issues, including for energy and water efficiency. This is quite remarkable for a country as Jordan where cost of energy is the main component of the trade deficit and the scarcity of water is the main long term environmental issue. (JC 6.6)

PSD project/programme cycle management

As far as PSD interventions identification and formulation processes are concerned, the full preparation cycle (of both the explicit PSD interventions and those where PSD is only a component within / amongst others) has been completed in less than 50% of the cases. Relying on policy debates and informal exchanges of views rather than documentary evidence to prepare PSD interventions has the advantage of direct ownership by the implementing authorities but may potentially lead to inadequate, unsustainable programmes in the long run. The assumption that in Jordan the importance of achieving a demonstration effect of the capacities of PSD by merely indicating to the national authorities and all other types of stakeholders the concrete benefits they might expect from developing the private sector proved decisive for the selection of interventions.

Conditionalities as lessons learnt

One of the more important lessons learnt from the history of EU support to Private Sector Development in Jordan is that increasing competition in the market and a business-friendly environment are necessary conditions to promote enterprise-level upgrading, but also that these are not sufficient and do not come by themselves. Two basic conditions need to be present: (i) The country must upgrade its social capabilities in a more synchronized way. Developing some capabilities while lagging in others will not generate the right context required in support of firms upgrading, and therefore structural transformation; and (ii) the structure of incentives does matter. Pro-growth macroeconomic management should be a core component of a sustainable development strategy. Markets in developing countries do not always give the right signals. If the set of incentives does not promote investment and production in tradeables, upgrading social capabilities will have little effect by itself. The Jordanian case demonstrates the centrality of access to finance to support structural transformation.

3.7 EQ-7 on trade, transport and investment facilitation

EQ-7: To what extent has EU's support in the area of trade, transport and investment facilitation contributed to improving the balance of trade and the investment relations between EU and Jordan?

General assessment

Trade liberalisation is part of the second objective of the Barcelona process. It is by far the main objective of the EU-Jordan Association Agreement. Under the 2007-2013 EU-Jordan CSP, trade liberalisation has been a condition of budget support and the subject area has been benefiting from substantial technical assistance. The perspective of moving beyond cooperation to a significant degree of economic integration, including through a stake in the EU's internal market, and the possibility for Jordan to progressively participate in key aspects of EU policies and programmes was one of the main assumptions underlying the EU strategy in the ENP Action Plan and the CSP-NIP 2007-2010, repeated in the CSP-NIP 2011-2013. The interventions in this period addressed to deepening trade and economic relations should have provided the conditions for increasing investment from EU side and increased exports from Jordan side to reduce the very large trade deficit. The approach also included

trade liberalisation as main tool for the modernization and the upgrading of the Jordanian economy, through increased competitiveness following the opening to the international markets. With reference to the trade with EU, the expected increase of the exports to EU countries, which should have benefited from better trade regulations and reduction of TBT as a result of EU support, did not materialize, neither did the increase of EU investments in Jordan.

Trade

Since 2008 Jordan has faced multiple external shocks. These unfavourable developments have resulted in significant pressures on the country's balance of payments. The current account deficit expanded to stand at about EUR 4.56 billion (18 % of GDP), compared with a deficit amounting to about EUR 2.75 billion, (12 % GDP) in 2011. The deficit exerts strong pressure on the current account. Traditionally the trade deficit has been financed by remittances and grants and by a surplus on trade in services. While the first two are highly volatile, the services surplus has declined significantly during the 2000s, notwithstanding the increase in tourism receipts. The export data also reflect a high degree of instability to some major export markets. The destination of Jordanian exports shows limited market diversification, with the exception of the growing importance of the US market due to garment exports. Abstraction made of these, Jordan's dependence/reliance on the Arab region has increased. (JC 7.3)

Even though from 2007 to 2013 the increase of Jordan exports to the EU by 60% has been superior to the increase of EU exports to Jordan by 40%, the trade deficit increased from EUR 2.43 billion to EUR 3.37 billion⁴⁶. There however is no evidence of a deliberate, results oriented strategy successfully promoted and/or facilitated with EU support in the period under review which has led to an actual strengthening of EU-Jordan trade relations in either of the two directions in this period. (JC 7.2)

While the main export products have remained almost the same during the last 15 years or so, Jordan has been able to climb up the technological ladder over the last decade, shifting part of the exports from a low and medium-low industry over 2000-05 (apparels and edible vegetables) to medium-tech industry (fertilizers and pharmaceutical products) in the period thereafter. It however is not clear if and to what extent this has affected the trade relations with Europe or even to what extent EU support has contributed to this moving up the technological ladder.

One often debated point in relation to Jordan's exports problems – but seldom mentioned in official documents – is the exchange rate of the Jordanian Dinar. The Central Bank of Jordan (CBJ) decided to utilize the exchange rate to control inflation, and thereto pegged the Jordanian Dinar to the dollar since 1995. There is an ongoing discussion of the effect of this policy on the competitiveness of the Jordanian economy. The estimates of misalignment vary. Nevertheless, most estimates show an overvaluation of the Jordanian Dinar during the studied period of up to 20%.⁴⁷ The World Bank asserts that “Dutch disease” effects, evidenced by real exchange rate overvaluation, negatively affect Jordan. The evolution of the external accounts, the limited reaction of investment in tradable activities in the context of a not so business friendly environment, and significant domestic cost increases in dollar terms indicate that the exchange rate policy negatively impacts on investment and competitiveness. According to the Jordanian Ministry of Industry, Trade and Supplies (MoITS), the difficulties of Jordanian industries to fully exploit the opportunities that the EU-Jordan Association Agreement offers should be attributed to the stringent Rules of Origin existing within the Agreement. Certain progress to tackle Rules of Origin issues has been achieved. For example, the Pan Euromed Rules of Origin system adopted in the Jordan-EU Association Agreement in 2006, the Agadir Agreement, the Jordan-Israel Trade Protocol

⁴⁶ Based on data on EU export / import available at EUROSTAT (2014), E.g. based on data from July 2013. http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/European_Neighbourhood_Policy_-_South_-_international_trade_in_goods_statistics . See the detailed tables on KPI 7.2.2 under DFR Volume 2.b Information Matrices (pp. 653-654). Further EU-Jordan base trade data from DG Trade, e.g.: http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_113404.pdf with data as of 27 August 2014.

⁴⁷ “The current baseline projects the current account will safely reach the norms estimated that are consistent with external stability. Underlying this projection is a current account adjustment of more than 7 percent from 2013 to 2019, which requires the development of cheaper energy sources (accounting for about two thirds of the adjustment) and fiscal consolidation. Without such an adjustment, the current level of the current account is worse than the norm, and would imply an overvaluation of around 20 percent”. (IMF Country Report No. 14/152 – June 2014)

and the Jordan-Turkey Trade Protocol allow diagonal accumulation of origin among Jordan, Mediterranean and European countries. However, the actual implementation of such system still needs to be optimized, as industries need to adjust to such new system through changing the sources of their input materials to Pan Euro-Med countries, which in turn may not be cost effective and sometimes not feasible (JC 7.2).

The fact that the country now appears to be in a condition to compete in some advanced sectors (pharmaceutical, ICT services, health/education services beside the traditional tourism and basic fertilizers) should be considered an indication that export support programmes (JC 7.1 and JC 7.2) should be more focused on the better opportunities. The private sector focus group discussion also zeroed in on the issue of priority focusing on more established firms that know how to export, thus more than just offering a basic support to anyone that can comply with the basic criteria. It cannot be expected that a simple export promotion support programme is able to transform the identity and quality of an operator to make it instantly able to face the international competition. Focused actions on the contrary can really help the ones with some experiences already to consolidate their positions and then create the conditions for longer successes. It also appears from past experiences that export promotion has a stronger impact in terms of geographical diversification than in terms of product diversification. Future orientation of the programmes should strive to identify specific markets (e.g. markets with which Jordan has signed a Free Trade Agreement - FTA) and to assist established firms to penetrate them durably, and as such to avoid the vagaries of the Jordanian companies presence in markets without established long-term objectives and/or strategies to achieve them.

There are some improvements in the trade and investment regulatory and institutional framework but as mentioned before, their finalization should still be completed. This for example pertains to: The ASYCUDA World System for customs declarations active; The negotiations of an Agreement on Conformity Assessment and Acceptance of Industrial Products (ACAA) on-going; Tariff dismantling proceeding almost as planned in the EU-Jordan Association Agreement; The Single Window concept applied in most customs houses, The Protocol for the Dispute Settlement in bilateral trade entered into force in July 2011. (JC 7.3)

Foreign direct investment (FDI)

Information on the EU direct investments in Jordan is not easily available. FDI in the country has shown increasing dynamism since the late 1990's. However, at the beginning of 2000 a large portion of FDI has been directed to privatised public entities. Therefore, the large FDI has not led to the establishment of new wealth-generating companies. On the contrary, a significant proportion of FDI went to real estate purchases and portfolio investments. On average, during the 2004-2009 period foreign portfolio investment accounted for 46 per cent of investment in the Jordanian capital market⁴⁸. Most of these portfolio and real estate investments originate from countries of the region. Investments into non-productive sectors such as real estate, emanating from the Gulf countries and the arrival of economic refugees from Iraq, Libya and Syria have served to increase spending on imported consumables. The World Development Indicators reports show that high-technology exports account for only 1% of manufacturing exports of Jordan. Only in 2013 there has been a recovery of FDI thanks to resources coming from Syria. Actually, in the last four years Syria and Iraq became the major investors in the country, but the preference went again to real estate, creating an increased pressure on the domestic housing sector. It should be recalled that taxes on real estate in Jordan are still very low, giving real estate investments and owners privileges, which can partially explain the trend. (JC 7.3)

Transport

Transport accounts for about 11 percent of GDP⁴⁹. It earns foreign exchange through the provision of trans-shipment services via the Port of Aqaba and overland transport routes. The Government has reformed transport services, including privatizing public enterprises and liberalizing the trucking industry. Together with the European Investment Bank, it is preparing a National Highway Master Plan that will serve as the basis for all major inter-urban highway sector developments in Jordan in the 2010-

⁴⁸ Based on data from BBJ, Jordan DoS, JIB, IMF.

⁴⁹ According to the National Accounts – Jordan, DoS, line 7.

30 period. Trade facilitation and transport have been always priorities in EU bilateral and regional strategies. The new National Transport Strategy for the period 2009-2011, approved by the Cabinet on 2009, is being implemented ever since, although with delays. To complement and substitute the NTS, a Long Term National Transport Strategy (LTNTS) has been prepared through the TA associated with the TTF budget support programme. (JC 7.5)

When the TTF Budget Support programme was conceived in 2008 - 2009, it was believed that this large programme with a substantive budget (EUR 33 million) would have a major impact not just in Jordan itself but would provide an example to the region on how to develop a strong TTF Secretariat and to galvanise stakeholders in the promotion of a comprehensive trade and transport facilitation programme. The lack of ownership by the MoT (not helped by the recurrent changes of Government and the complicated institutional structure of the sector) can be considered one of the main reasons of its failure to drive this programme forward and achieve its ambitious objectives through an active leadership of the National and Technical Committees for Trade and Transport Facilitation, as well as through the effective empowerment of the Secretariat.

The LTNTS correctly mentions environment / energy efficiency as criteria to be included in the analysis. However, in the actual setting of priorities it gives them low importance, the same as for PPP partnership. Considering the energy consumption of transport (40% of the total country consumption) and the need to reduce the trade deficit this could appear an underestimation. The same applies for the PPP in a strategy where road tolls are suggested as new instruments for cost recovering and incentive for change. There could be a long term interest for some specific investors (e.g. assurances linked to pensions) to participate in these investments. The same also applies for the core proposal of the strategy (the renovation / upsizing of the rail network) which surely can attract private investors. Deserving more attention is the potential participation of the private sector in a number of future investments, as it is quite certain that the public budget will not have the resources to fund the foreseen large investments (in excess of EUR 5.5 billion).⁵⁰ The recent approval of a new PPP law should open the space for increased private investment in the sector. The already known availability of resources from the EIB for the sector is another opportunity that deserves the attention of investors and authorities. The recently announcement by Greater Amman Municipality of a loan from the French Development Agency for the implementation of the rapid bus project is indicative for the increased interest for the sector. (JC 7.5)

It is interesting to note that the Long Term National Transport Strategy could have good synergies with the EIB plans to support Jordan road development (e.g. Road 15 improvement and other planned interventions). It is worth mentioning that EUR 400 million are available from EIB for Jordan (commitment on February 2013). The regional programmes in transport – with EUR 56 million spent during this period are also a source of potential synergies. According to the Ministry of Transport (MoT), more benefits have been received from regional programmes than from TTF budget support.

3.8 EQ-8 on education and employment

EQ-8: To what extent has EU's support to Education Reform and to the Employment and Technical and Vocational Education and Training (E-TVET) sector contributed to enhanced education quality and to improved employment?
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General assessment

⁵⁰ It is worth noting that the PPP law has been recently endorsed by the Parliament, opening a window for private investment. Moreover, an event organised by the EIB has been taking place in Naples on 28 October 2014, gathering key PPP players from the beneficiary countries and IFI officials, to discuss various TA initiatives and how to unlock PPPs in the region. Regarding funding sources, the Government, having to comply with the IMF Stand-By-Arrangement, tries to find a balance between austerity and investment. The GCC funds may play an important role since budget is already available for transport projects. The Greater Amman Municipality recently announced that it has secured the loan from the French Development Agency to finance the implementation of the rapid bus project. Regarding the energy consumption of the transport sector the EU Delegation recently organised a workshop and a round of meetings with relevant Ministries in order to receive inputs and proposals for projects that could be considered in the new programme on energy efficiency.

The EU support has been responsive to the reform of both the education sector which is spearheaded by the Ministry of Education (MoE) and by the Employment and Technical & Vocational Education and Training (E-TVET) sector which is directed by three government agencies: the MoE Council, the Ministry of Labour E-TVET Council and the Ministry of Higher Education and Scientific Research (MoHESR) Council. In general, the EU support has contributed to enhanced education quality and to improved employability.

EU support has contributed to closing the gap in the medium term financing plans of the education and E-TVET sectors it assisted. This support accelerated the reform process of the education sector under MoE but it is less visible, of the E-TVET sector reform spearheaded by the Ministry of Labour together with other TVET related institutions and human resource development agencies, both public and private. The new E-TVET strategy is one of the main outputs of the EU funded 2010-2014 E-TVET Sector Budget Support Programme, which has been developed with the active support and involvement of the E-TVET Council members⁵¹, and its operationalisation implementation plan with budget estimates, assistance in related results oriented budgeting and MTEF for selected E-TVET institutions. Special achievements attributed to EU support are noted in the sub-sectors of special needs education (with EU as the only donor to support education in this sector) and early childhood education. (JC-8.1)

It is not easy to adequately assess / measure progress in reform processes on the basis of selected budget support indicators for decision making on tranche releases. Achievement of such indicators necessarily takes time and is strongly dependent on broader environment factors. This particularly pertains to the on-going and intensifying crises in the region with massive influx of refugees, putting enormous strains on the Jordan education system and other public services. A critical issue remains reform ownership at the sub-national level by decentralising or delegating authority into Governorates and Municipalities (with the latter until now not having any experience or specific mandate to look into education issues).

EU support contributed to significant progress in the achievement of education sector goals. The distinctive style of the main funding modality (sector budget support – coordinated with other Development Partners) made the MoE effectively, efficiently and sustainably benefiting from the support. The results are noticeable, but in quantitative terms (e.g. access indicators) only. Substantive challenges still remain with regard to qualitative aspects (curricula, didactical methods, teachers' permanent education / training, etc.). Teachers' social standing and career perspectives have not been addressed in an adequate manner, which negatively affects the overall quality of the education system.

Supporting the findings from the earlier conducted mini-survey, the focus group discussion held during the evaluation field phase⁵² with Ministry of Education Field Directors and, Principals of Schools further confirmed that education institutes in Jordan are experiencing difficulties in maintaining high quality of education. This is resulting from shortages of qualified teachers, caused by high turnover due to the lack of career perspectives, the general low status of the profession, further compounded by substantive brain drain, both internally and externally, in the pursuit of higher income.

There still is a lack of a comprehensive and integrated policy framework for teacher preparation (pre-service and in-service) and life-long-learning, with actual teacher training programmes compromised by quality standards. The number of class learning contact hours, and the literacy and mathematics prominence in education and training curricula remain challenges to be addressed on a priority and urgent basis. New technologies have been insufficiently taken into account in the reform strategy and programme implementation. (JC-8.2)

A common observation from different field interviews is the ignorance about the budgetary resources coming to the implementing line ministry and agencies concerned. This points at a lack of ownership and transparency of budgeting and resources allocation and transfer processes, and at sub-standard communication and information sharing strategies and practices. (JC-8.6)

⁵¹ Skills for Employment and Social Inclusion, CRIS number: ENI/2014/033-672 January 2014, g1d_action_doc_bscs_en.doc, p.5

⁵² For more details on the survey and focus group discussion outcomes, pls. refer to CLE Jordan 2007-2013 - Final Report Vol. III Annexes, Annex 7.2.4, pp. 192-199.

Employment and youth employment

Unemployment rates remain high, particularly amongst women and youth, resulting in low participation rates of these groups. It is not clear if and how the EU supported employment mediation, career guidance and training services especially focus on these deprived segments of the population and labour market. Recognised progress has been made with regard to the operationalisation of (MoL) Employment Offices that are scattered in different governorates and districts of Jordan to improve employment, career counselling, guidance and training services. Outputs of the National Employment Campaign related to increase of employment, training and CG&C services reported that, since 2011, 24,000 Jordanians have been supported by access to employment services. In spite of EU support and Jordan government efforts to increase employability, job creation remains a most crucial issue particularly for youngsters, women and vulnerable groups. No measures were taken yet to develop the capacities of the MoL Gender Unit as this was not foreseen in the programme design. There is no information concerning the further development of the four pilot centres which will have new incentive schemes to increase the participation of women in the formal private sector labour market implemented with support of the GOJ. (JC-8.3)

GOJ has achieved significant progress in the development and approval of the national policies and strategies for the TVET sector reform to enhance employability of youth. This for example pertains to the endorsement of the National Employment Strategy, further strengthening career guidance and counselling campaigns. However, despite the above-mentioned achievements, major challenges remain to be addressed still with regard to the effective operationalization of these strategies to ensure tangible and sustainable results at the level of final beneficiaries in terms of skills upgrading and sustainable, gainful and decent employment, whether self-employment or wage employment.

Gender and employment

The proportion of working women of the total number of workers is increasing from 16.00% in the year 2009 to become 16.68% in the year 2012, hence an increase of 2/3 of a percent in three year time. This is a slight improvement, but there still is a very low general labour force participation rate of women. The recently released 2014 Global Gender Gap Index by the World Economic Forum shows that Jordan's annual overall ranking has dropped systematically from 93rd in 2006 to 134th in 2014. This worsening particularly pertains to women's economic participation and opportunities, with Jordan ranking on the 140th place in the world.

The overall assessment is that more efforts needed to have been done to effectively promote gender empowerment through more conducive legal frameworks, socio-cultural changes through intensive awareness campaigns, through intensified investments in both formal education and informal learning, and also through other policy and structural measures for enhancing sustainable employability of women. This is a priority issue in view of the high percentage of economically inactive women in all segments of the economy and cutting across all age categories.

Major challenges remain regarding the effective and sustainable empowerment of the Gender Unit in the Ministry of Labour, particularly in relation to the promotion of gender sensitization of TVET and employment policies, strategies and programmes. There is no evidence as to major achievements in this regard, neither in terms of policies and strategies, nor in institutional and programmatic areas. Within this framework, the EU support to the TVET sector is facing major delays particularly on measures to increase the participation of women in the formal sector, as it is one of the benchmarks for the TVET Sector Budget Support. There is no confirmation that the three Vocational Training Centres will introduce new incentive schemes with the objective to increase female enrolment, and thus contributing to a higher participation of Jordanian women in the private formal labour market. Gender statistics on women's participation in the TVET sector have not been produced yet, which in itself in a way is illustrative for the state of play concerned. Likewise, it has not been possible to get hold of any tracer studies or other similar documents to make an assessment of the degree to which the introduced gender sensitive programmes and curricula are effective in promoting women employment (self and wage).

Employment and technical and vocational education and training (E-TVET)

While major achievements are documented with regard to the education sector reform, the picture is somehow more complex and diverse as far as the E-TVET (sub-) sector is concerned. While the reform process is rather slow, significant steps are noted. It is recognized that these achievements in both the education and TVET sectors to an extent were made possible thanks to the substantive EU support and inputs.

Stagnation in the reform process, political changes as well as budgetary constraints affected the degree of priority setting for the TVET reform implementation. Employment stands very high among the national priorities, whereas the E-TVET strategy was mainly focused on typical TVET issues with at best general references to employment. While the reform process generally is rather slow, some significant steps in the reform process are noted however. These include the development of the four year TVET action plan, the development of an employment strategy and the establishment of three model skill centres of excellence for three sectors of industry. These achievements in both the education and E-TVET sectors to an extent were made possible through the main applied aid modality of sector budget support, complemented by Technical Assistance.

Box 4 : Outcome of the focus group discussion with key education sector stakeholders on education reform: Delegation of authority, quality assurance and participatory approaches

Education reform: Delegation of authority, quality assurance and participatory approaches

- Delegation of authority and responsibilities to the Education Field Directors and School Principals has strengthened and supported enlightened decision making of the Directors and Heads of Schools. It improved managerial efficiency and effectiveness, and also facilitated the work of employees.
- More intensive capacity building and training is required, preferably during summer vacation (and not in the afternoon) when teachers do not have the full teaching load.
- The delegation of authorities to School Principals has given them trust to further pursue performance planning and management, and to engage in participatory approaches to achieve this.
- More attention is required for the quality of training, both live long learning (LLL) and for starting teachers.
- As present, the delegation of authority does not include yet responsibilities for hiring and/or firing of teachers and staff, hampering accountability and full responsibility for performance and quality.
- Delegation of authority and responsibilities to school principals have been a central theme throughout training programmes by the Ministry of Education, with the aim of enabling / empowering the Education Directorates to transfer these to the field (schools) and then supervise and monitor accordingly.
- This decentralisation should enable flexible approaches in the field directorates and within schools best fitting / adapted to the circumstances while still complying with all requirements and quality standards.
- The further promotion of an atmosphere of mutual trust between teachers and administrators is essential.
- Empowerment of the local education levels is essential to support and maintain the high morale of the directors and principals of school. This serves as further motivation and encouragement to continue aspiring for and effectively contributing to the achievement of education goals.
- Support to general partnerships with local communities and their organisations is essential, to enhance their effective and active involvement in the education system and processes.
- Participatory approaches with all stakeholders concerned are to be encouraged in jointly identifying the strengths and weaknesses of the education system and process, with the aim of finding optimal solutions and strategies duly owned, supported and pursued by all to contribute to the achievement of the vision and mission of the sector and of the individual educational institutes therein in particular.

The National Agenda linked employment challenges and vocational training, this contributed to the creation of a new sector (E-TVET Sector). Employability and workforce development should be considered through holistic approaches including both initial formal education and continuing / permanent education and training in a Life-Long-Learning context. Yet, there does not seem to have been much coordination among those three mandated Councils. Moreover, stakeholders active in the E-TVET Sector are highly fragmented with insufficiently institutionalized and operational steering and coordination mechanisms, resulting in a rather loose complex network of public and non-governmental

institutions as well as individuals hampering cost-effective and efficient operations of the sector. Reform and programme performance is particularly hampered by this complex governance framework involving three ministries (and related councils) operating separately from each other (islands / kingdoms syndrome). The added value of the creation of an additional layer (the National Employment Strategy Unit) as umbrella is still to be proven, since its mandate and functions are not clear, bringing the danger of creation of parallel institutions / entities.

E-TVET sector reform has many stakeholders, but lacking true leadership of the sector. The reform lacks focus to better serve the youth and vulnerable groups for sustainable employment with social coverage under the Social Security Corporation or through social safety nets. Improved policy, planning, financing and performance based resource allocation through a mechanism for coordination among the 3 councils (MoE, MoHE, and E-TVET) is aimed at by the creation of the Higher Council for Human Resource Development. There has been insufficient involvement (and ownership) of the tripartite sector partners (both employers and labour) in the design and implementation of the E-TVET programmes. There are a number of governance issues, as a diversity of entities, public and private, are operating the TVET sector. However, there is a lack of coordination between them in policy setting and strategy development.

Table 11: Main achievements and main challenges in the TVET sector

Main achievements since 2010	Main challenges	Deteriorated since 2010
National Employment Strategy (June 2012)	Lack of commitment and cooperation between the many stakeholders through the E-TVET Council	Funding of TVET sector
Career Guidance Strategy (July 2011)	Lack of harmonisation between policies and strategies	Continuous commitment and ownership at highest policy level
E-TVET monitoring and evaluation mechanism	Strong centralisation and little flexibility to adapt to changing needs	
HRD strategies of the main social partners		
Establishment of 9 national sector teams		
Development of occupational standards		
Rationalisation of VET specialisations		

The E-TVET Council has been designed to be the body to coordinate and direct all TVET providers in Jordan, through its mandate of setting policies and plans for the development and coordination of programmes, activities and efforts. The Council also supervises the Centre for Accreditation and Quality Assurance (CAQA), which has been established as the national authority for the accreditation and qualification of TVET providers as well as trainees. However, the major influence of the Council and CAQA is directed towards VTC institutes and the private institutes, due to the fact that MoE vocational schools and BAU technical colleges are subject to the laws, regulations and standards applied by their Ministries. The Council has sixteen members coming from the public sector / government⁵³, from the academe, research and training institutes, the armed forces, representatives from employers⁵⁴, a representative of the Jordan general labour union, and four representatives of the private sector (of which one is the Vice-Chairman of the Council). The actual representation of the private sector in the E-TVET Council covers one fourth of the seats, whereas CSOs are not nominated as members. The one representative from the workers is nominated from the Jordan general labourers union. Despite these

⁵³ Including the Minister of Labour as chairman, Secretaries-General of the Ministry of Labour, of Education, of Social Development and of Higher Education and Scientific Research.

⁵⁴ Jordan Chamber of Commerce, Jordan Chamber of Trade

statutory and regulatory provisions, there has been limited interest and commitment so far from the tripartite social partners, but these are being addressed since recently. In fact, the tripartite social partners (both private sector employers and trade unions) have been involved in the programming of the new EUR 52 million programme under the next Single Support Framework to start sometime next year 2015.

Limited interest and commitment from social partners is reported, however since recently this is addressed. Because of the above factors, amongst others, there has been limited progress in E-TVET reform to enhance employability of the youth, women and other vulnerable groups, despite the substantive resources foreseen / made available under the EU response strategy.

It should be noted that at present with enhanced cost-efficiency and cost-effectiveness through economies of scale in the E-TVET sector, VTC has around 5,000 students enrolled per year, whereas the Ministry of Education's vocational education has about 25,000-30,000 students per year enrolled. Vocational education still has a low standing in Jordanian society and is primarily seen as a fall-back for drop-outs of the regular education system. This misconception needs to be addressed by a massive public information campaign. The relevance of this campaign goes beyond strictly TVET matters as such, since the education system divide basically is also the reflection of a societal, sectarian / ethnic divide, carrying with it the danger of affecting the social cohesion in Jordan society if not properly addressed. This at the same time is another argument attesting to the need for a comprehensive social protection and upliftment strategy and programme as broader framework for E-TVET.

Three Vocational Training Centres of Excellence are being developed and equipped with modern equipment with EU support in the Pharmaceutical Operators Institute (located in Salt), the Water and Environment Institute (located in Amman), and the Renewable Energies Institute located (in Ma'an). The programmes were / are developed with the proactive participation of employers / the private sector and as such are demand driven. After different postponements, they were expected to be operational from September 2014 onwards. (JC-8.4)

Social protection and social security⁵⁵

Social protection and security issues are directly or indirectly covered by the Employment and Technical and Vocational Education and Training (E-TVET) EU budget support programme and related interventions. Major achievements are documented regarding further expansion of the social security system in Jordan, both in terms of reach and coverage and of quality, having benefited from EU support. This support particularly took the form of a multi-media campaign, on a permanent, daily basis spearheaded by the Social Security Corporation. The latest additions in the social security package include unemployment and maternity insurance to increase employability of women. The next steps in this package expansion are retirement benefits. Ample opportunities for strengthened EU-Jordan collaboration with expertise required for guiding this expansion (both vertically and horizontally) were highlighted during the field visit meeting at the SSC. Whereas the package is expanding for those who are / will be in the system, a widening divide is observed with those who are not in the system and tend to be kept deprived from SSC benefits (particularly in the private sector), as indicative for a society where inequality is increasing (socio-economic, geographic and ethnically) and social exclusion is aggravating. (KPI-8.3.1)

The adoption of the new SSC (Social Security Corporation) rulings to expand the social security and health insurance coverage to include maternity benefits, and to expand its reach to include small enterprises with fewer than 5 employees (counting for a total of 15,015 establishments) in all Governorates all over the country, are important gender sensitive measures for increasing the formal participation of women in the labour market. (JC-8.5)

⁵⁵ Social protection and social security issues are also covered partially in relation to EQ-1 on strategic alignment and flexibility.

3.9 EQ-9 on climate change, energy and water

EQ-9: How successful has the EU cooperation with Jordan been in contributing to the promotion of environment friendly, climate change mitigating and adaptation, and sustainable solutions in the energy and water sectors?

General assessment

EU has been relatively successful in preparing the grounds for the sustainable promotion of environment friendly and sustainable solutions in the energy and water sectors. EU funded support programmes aimed to address priority needs identified by the Jordanian authorities, supporting the development of relevant sectoral reform policies and strategies, and further strengthening of institutional and technical capacities of the different main stakeholders concerned (including private sector agencies and professionals). However, the provided EU Support has not been taken full advantage of, for a number of reasons, including: (i) the lack of coordination frameworks and platforms between line ministries responsible for infrastructure sectors, (ii) the lack of knowledge in the line ministries and affiliated organisations on donor-government relations, and (iii) the unfamiliarity with aid modalities and procedures (particularly regarding sector budget support). These factors have negatively affected the actual delivery of the desired results with the aim of ensuring lasting impact. (JC-9.7)

The GOJ generally has been responsive to the advice of development partners (EU included) and internal interest groups such as NGOs and investors in implementing reforms and progressive actions undertaken. (EQ-9)

Energy

With regard to energy, the National Agenda identifies as most pressing challenges Jordan is facing the high national bill of imported oil and gas, making for 20-22% of its GDP and the very high demand for energy to accelerate growth. The National Energy Policy (2007-2020) aims to develop the utilization of available indigenous energy sources such as renewable energy and promotes energy efficiency. Legal and technical reforms were announced to be eminent to ensure the flow of the big investments needed. The strategy foresees investments in the range of 13-17 billion USD to cover the diversified sources of energy, out of which 1.5-2.0 billion USD to cover Renewable Energy investments. Public budget spending in the energy sector is minimal, compared to the contributions of the sector to the GDP. Public budget expenditure dedicated to the development of renewable energy and to energy efficiency is negligible, especially in relation to the impact of fossil fuels imports. According to the Jordanian General Budget Department, current public expenditure in the energy sector is about the equivalent of EUR 18 million on running cost and EUR 53 million for capital cost, covering the cost of different institutions linked to the sector and energy sources.

For the energy sector, the main objective of the EU support has been to facilitate the implementation of the renewable energy and energy efficiency components of the Jordan 2007-2020 Master Energy Strategy. The updated ENP Action Plan for Jordan agreed on 26 October 2012 includes ambitious targets for renewable energy and energy efficiency in line with the European-Jordanian strategy targets concerned. Under the second CSP-NIP for 2011-2013 provisions for a special sector budget support intervention on Renewable Energy and Energy Efficiency (RE&EE) are included with a budget of EUR 40 million. The general objective of this sector policy support programme is to contribute to the development and implementation of effective policies and tools that will help Jordan reach the renewable energy and energy efficiency goals set by the Government for 2020. Its specific objectives cover institutional and legislative reforms, the creation of an enabling environment to mobilise both public and private actors (PPPs), full scale implementation of the renewable energy and energy efficiency strategy, fostering investments towards production and use of energy through regulations and standards; Research and Development, fiscal and financial incentives in support of actual renewable energy and energy efficiency practices, and "full market" investments. Technically, the EU programme is in line with the national strategy for Jordan on developing renewable energy and applying energy efficiency schemes.

Generally, evidence from consulted documents and references shows that progress in the institutional and regulatory reform of the energy and water sectors has been achieved (JC-9.1). Achievements are also noted on the public awareness front especially on the gravity of the energy issue and the need for un-traditional solutions such as RE&EE. (JC-9.3). But at the same time, it is recognized that much more could have been done and that the major remaining challenges should be addressed squarely and with urgency, as was shared on different occasions during the evaluation field visit.

The main risk for the whole RE&EE programme, as identified in the programme Action Fiche and also strongly supported by this evaluation is that the political will for the necessary reform and ensuing investments it entails is not (yet) really there, especially in the Energy Efficiency field. That the responsible institutions (incl. MoEMR, NRC and others) have remained in their present status without the necessary organisational and human resources provisions for EE programme purpose is indicative and a source of major concern. In the same way, the Jordan REEEP might have funds but no strategy to act in specific renewable energy and energy efficiency areas. (JC-9.7)

A major concern identified during this evaluation relates to the effectiveness and sustainability of these formal structural reforms in terms of effective and sustainable delivery of the expected benefits to the main stakeholder and beneficiary groups (incl. general population, households, public sector, industry and commercial sectors) as well as to the intermediary level of organisations and professionals involved in the implementation of RE&EE technologies and their associations. Sector Budget Support is not directly and unequivocally committed through indicators to the actual, effective implementation of well-defined Action Plans. Current indicators are still too general and do not measure operational aspects and they do not cover outcome and impact on the ground. They put too much emphasis on policy, regulatory and institutional setting issues (the formal aspects) and do not cover operational aspects, including for example: Detailed plans of actions in each pertinent work area; Means of ensuring networking and partnership development, performance based incentive policies and schemes, market strategies, stakeholders mobilization methodologies outside the government sphere, the necessary details regarding required capacity building efforts. Results oriented performance planning, management, measurement, monitoring and evaluation is virtually absent and no such systems are in place. (JC-9.7)

Water

Regarding water, the EU contribution to the water sector has been very modest (for DoL reasons, as pointed out earlier) representing less than 4% of the total commitments in the 2007-2014 CSP period. The allocated resources concerned three major institutional support projects in the public sector with provision of technical assistance (JC-9.1). The current national Executive Programme for Jordan aims at strong inputs from the private sector, given the worldwide financial crisis and its implications on Jordan and its development priorities. For the institutional support to the Ministry of Water and Irrigation (MoWI), EU support has been focused on the Programme Management Unit (PMU) through the Al Meyah project. However, the project did not result in passing new laws. It also was not able to contribute to the restructuring of the water sector in Jordan, as aspired for mainly through the introduction and operationalisation of the much needed "Water Sector Audit Unit" (WASAU) envisaged to monitor the water sector in Jordan. (JC-9.1).

Public awareness

With the above general reservations and remaining challenges in mind, EU support contributed positively to increasing public awareness and changing actual water use trends as a result of the implementation of its main interventions concerned (JC-9.4). The assessment of the EU contribution to the regulatory and institutional reforms based on the key performance indicators concerned points at a positive contribution and confirms that EU interventions can be seen as part of the driving forces for reforms. The overall quality and adequacy of the institutional setup of the water sector can be described as satisfactory, but leaves room for substantive improvements still. The PPCM documents (incl. progress and final reports) for the three EU interventions concerned confirm the adequacy and quality of the support to the reform process as envisioned, with some reservations for the Al Meyah Water Resources Management Project. (JC-9.1) The impact of these reforms is gradually materializing, also thanks to the high level involvement of private investors in all aspects of the energy sector (except for

Energy Efficiency). In an attempt to improve the water sector efficiency, some of the water utilities were privatized since 1999. Yet, the Non-Revenue Water (NRW) percentages remain high. (JC-9.1)

Regulatory and institutional reform

As per the perceptions of the stakeholders interviewed, there is consensus that EU support did contribute to successful regulatory and institutional reform in the Jordan energy and water sectors (JC-9.2). Institutional and regulatory reforms in general concentrated on the key governmental institutions active in the sector, and were particularly successful within the Electricity Regulatory Commission (ERC), the National Energy Research Centre (NERC), and the Ministry of Public Works and Housing (MoPWH), but less so within the Ministry of Energy and Mineral Resources (MEMR). TA and twinning projects registered positive results in strengthening their human and institutional capacities. On the other hand, no reforms were noticed within the private electric utilities in relation to their upcoming crucial role in the field of RE&EE. The institutional and regulatory reforms and RE&EE related capacity building were restricted to government and government (affiliated) institutions as NERC and JNBC (Jordan National Building Council). Local private sector organisations who will be responsible for actual implementation of reform projects in the near future were ignored during the reform process. The Energy Service Companies (ESCOs) market is underdeveloped and is characterized by limited financial and technical capacity to get engaged in Energy Efficiency performance based contracts. The same is true for the electricity utilities which supposedly will spearhead the efforts in EE implementation based on their unique situation and responsibility as the final service providers to consumers through their established networks. (JC-9.2)

Environment

In the environment sector, EU support contributed positively to the legislative framework for environmental protection. The EU interventions had a strong focus on laws and regulations. This is particularly the case for the SAAP support to the Ministry of Environment (MoENV). The capacitated MoENV played a substantive role in the development and approval cycle of the WECSP, REEEP and Nuclear Safety projects. SAAP supported interventions contributed also to environment consciousness rising and information dissemination. (JC-9.5). This evaluation shares the opinion expressed in other assessment reports that the field of Energy Efficiency is still lagging behind, both with regard to strategic planning and the adoption of conducive legislations and regulations, for which urgent and priority action needs to be taken. (JC-9.1 & JC-9.2)

As concluded by different other assessments and confirmed during evaluation field visit interviews, the Ministry of Energy and Mineral Resources (MoEMR) is facing challenges in its institutional set-up, especially with regard to defining the role and mandate of the Ministry itself and of its subordinate directorates. This situation has also impacted on the cooperation and synergy with other organisations in the energy sector. MoEMR's institutional and human capacities fall short in meeting the requirements to fulfil its originally envisioned role of policy maker and overall coordinator of the sector. Instead, MEMR is becoming more involved in the operational aspects of programmes and projects, creating unnecessary competition with other sector organisations. (JC-9.1). The same more or less applies to the Ministry of Environment (MoENV). Meetings held during the evaluation field visit phase confirm the lack of cooperation with other responsible and mandated entities on cross-cutting issues of common interest and concern. By way of example, MoENV does not systematically cooperate with the Ministry of Energy on renewable energy issues, despite its crucial relevance for climate change issues affecting Jordan. Another example is that MoENV has no cooperation with the Ministry of Water and Irrigation (MoWI) on water resources issues and its direct relationship with climate change issues. (KPI-9.6.1)

4. CONCLUSIONS

For enhanced clarity and logical coherence purposes, the conclusions derived from the evaluation main findings by Evaluation Question are clustered along the following three main sets of criteria:

- Cluster 1: Relevance and alignment (covering EQs 1 and 3)
- Cluster 2: Strategic pathways, including: (i) ownership and coordination; (ii) cooperation components complementarity – policy dialogue and interventions, and; (iii) aid modalities, efficiency and mainstreaming (covering EQs 2, 4 and 5)
- Cluster 3: Sectoral / thematic outcomes and impact, including cross-cutting issues and sustainability aspects (covering EQs 6, 7, 8 and 9)

As shown in figure 9 hereafter, this clustering is at the basis of the drawing of the eleven general conclusions (GCs). At the basis of these general conclusions are a number of specific conclusions (SCs) which are presented directly after the general conclusion (inductive process of conclusions formulation). This figure 9 depicting the configuration of logical links between evaluation questions findings, conclusions and recommendations furthermore shows how these general conclusions are at the basis of the evaluation's overall recommendations (ORs). The figure visualises the prime / main links between general conclusions and overall recommendations as well as the secondary / supportive links. These overall recommendations in turn are clustered and form the basis for the presentation of the EQs specific recommendations (SRs).

4.1 Cluster 1 conclusions on relevance and alignment

4.1.1 General conclusions

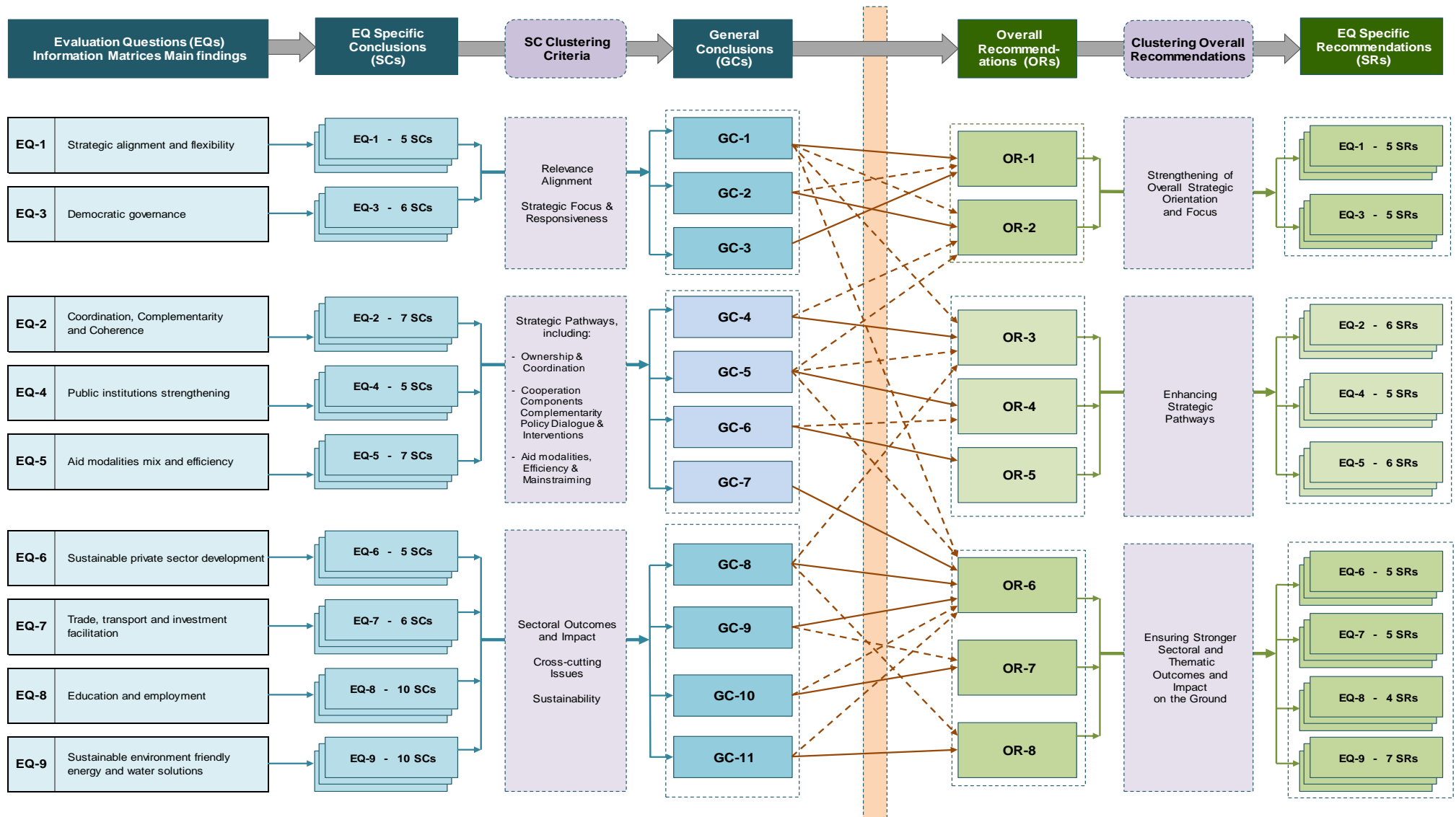
- GC-1 *Strategic alignment: Overall and throughout in the 2007-2013 EU-Jordan cooperation period under review, the EU response strategy has been well aligned with the development objectives and priorities of the Government of the Hashemite Kingdom of Jordan.* This for example has been attested by a comparative policy and strategy documents study. However, it is much less obvious to conclude to such alignment at actual operational level on the ground. This is primarily due to the sheer absence of data and other primary information on outcome and impact on the ground. Moreover, most interventions are still ongoing, with quite a number even only having started quite recently, and these thus have not been able yet to have actual impact on the ground. Also, the consistency between the regional and national components of the EU response strategy within the overall ENP framework is not always evident. Structured operational alignment is not pursued and there are no procedural or institutional provisions in place to ensure such alignment.
- GC-2 *Responsiveness to changes in regional context: In this period there has been a remarkable responsiveness, widely lauded by all parties, of the EU response strategy in flexibly adapting to changes in the broader regional context affecting Jordan.* This includes the 2011-2012 "Arab Spring" developments, the Iraq crises and the Syria crisis. The responsiveness can be observed at strategic levels (in terms of programming and higher level policy dialogue) and at actual operational levels (in terms of financial transfers, concrete actions, technical assistance, policy dialogue on specific issues, and other inputs).
- GC-3 *Adaptation to evolving situation into Upper Middle Income Country with high inequality: EU's responsiveness is less evident in relation to the developments in the national economic context, in the period under review characterized by Jordan gradually moving up to Upper Middle Income (UMI) country status, however with major structural inequalities remaining / deepening.* In the current turbulent times, Jordan is facing social challenges: increasing inequalities in income distribution, growing imbalance in access to basic social services, worsening of geographical disparities, increasing ethnicity based differences in the labour market, and rising resident-refugee population tensions. The GoJ has addressed these challenges in several ways: reform of the social insurance system in 2010,

reform project underway for better targeting social safety net programmes, progress in the institutionalisation of the social dialogue between the economic NSA in a tripartite setting. Through a proactive support, the EU has contributed to almost all changes that occurred in social policies, but this was done in the form of scattered, if not piecemeal, initiatives, which lacked the inter-linkages and the resources to address the worsening situation. Moreover, these issues have been addressed without consideration of Jordan's upgrading to Upper Middle Income (UMI) country, a status which makes it possible to design more sustainable, inclusive and equitable socio-economic policies.

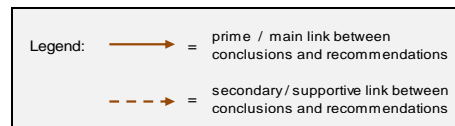
The EU has now recognised that challenge and it is developing its response strategy in the forthcoming Single Support Framework for the next strategic EU-Jordan cooperation period 2014-2020, which is about to include social protection as a main thematic focal area. However, the evaluation team assesses that this challenge could have been recognised by the EU (including the development of adequate action) at an earlier stage - for instance during the transition from the first to the second National Indicative Programme under the CSP.

Figure 9 : Configuration of Logical Links between Evaluation Questions Findings, Conclusions and Recommendations ⁽¹⁾

V.3 - 29 Nov 2014



Note: (1) In addition to the logical (horizontal) links between the EQ findings, conclusions and recommendations, there obviously also are the various interrelations between the different findings, respectively the different conclusions and the different recommendations internally amongst each of these.

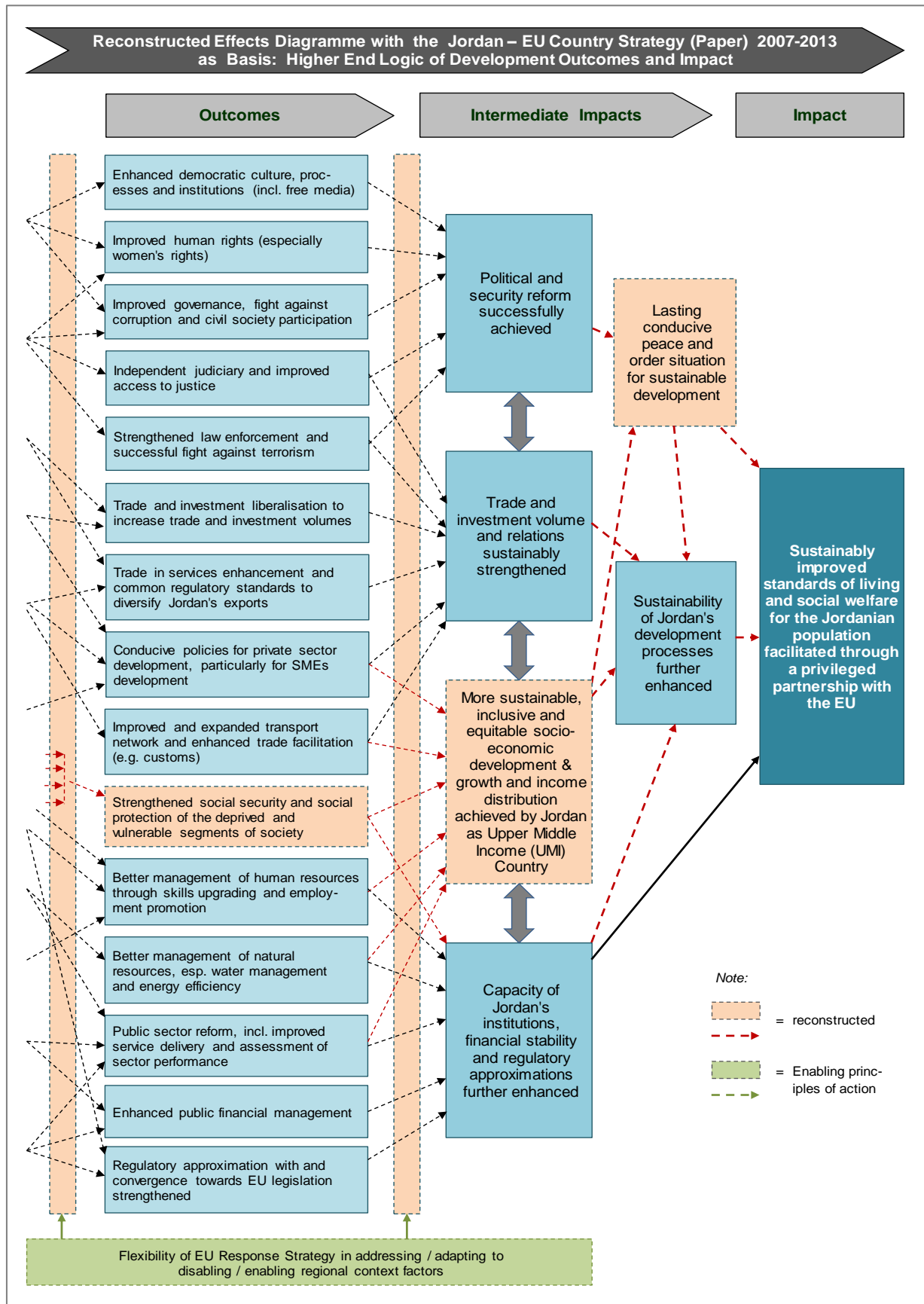


4.1.2 Specific conclusions by evaluation question

EQ-1 Strategic alignment and flexibility

- SC-1.1 The overall objectives and result areas of the EU-Jordan response strategy covering the 2007-2013 period under review are strongly aligned with the key national policy dialogue and development objectives and priorities as documented in the key GoHKoJ policy and strategy documents. However, at operational level on the ground it is not sufficiently evident so as to empirically demonstrate this alignment, which is basically due to a general lack of programme outcome and impact data and information.
- SC-1.2 The consistency between the regional and national components of the EU response strategy within the overall ENP framework is not always apparent. However, it is much less obvious to conclude to such alignment at actual operational level on the ground. This is primarily due to the sheer absence of data and other primary information on outcome and impact on the ground. Moreover, most interventions are still ongoing, with quite a number even only having started quite recently, and these thus have not been able yet to have actual impact on the ground. Not exceptionally, EUD is not informed or is unaware of EU regional actions affecting / focusing on the country, and information on these is often only indirectly obtained via the media. At beneficiaries' level, there is a mixed appreciation of ENP regional initiatives which have a component in or a bearing on Jordan (as listed). In a number of sectors there is a higher appreciation of regional projects / initiatives, which was shared with the evaluation team during the field visit (e.g. in the transport, energy and water sectors).
- SC-1.3 Despite this overall upgrading to UMI status, overall structural inequality is still at a level, and further raising, that is it is affecting Jordan society's social fabric. A potentially explosive situation may be evolving, especially when further nurtured by regional crises and a fragile if not precarious regional security situation. In conclusion, it can be stated that the social contract between the state and its citizens cannot be sustainably financed from external sources, but needs to be more strongly and more inclusively based on further strengthened internal structural solidarity mechanisms.
- SC-1.4 Reforms to the social insurance system, introduced with EU support, actually have been triggered / enhanced by the Social Security Law Number 7 of 2010, but work still is to be done on improving the targeting of the social safety net programmes. There is considerable scope still to further improve the efficiency and effectiveness of the system. It moreover is essential to have vertical mobility systems in place for socially mobile persons who aspire for sustainably escaping the poverty trap through decent, gainful wage employment and/or entrepreneurial self-employment and in such way can integrate in mainstream society. There are good indications that the EU has been proactively supporting the social dialogue, social security and social protection processes and programmes which are more aligned with Jordan's upgraded status as UMI Country. This can be stated for both the political dialogue and the operational interventions levels. But this has been more the result of a number of scattered, piecemeal initiatives which lacked the inter-linkages and the resources to effectively make the difference.
- SC-1.5 Overall, policy/political dialogue and the development cooperation strategy components of the EU-Jordan cooperation generally have been consistent, timely, complementary and mutually reinforcing. But immediate public security considerations are predominant and are impacting on the overall long-term development political dialogue and cooperation strategy objectives and outcomes. Establishing and maintaining a fine balance between both fundamental concerns remains a continuing major challenge of EU-Jordan relations. The ultimate rationale for the combined political/policy dialogue and development cooperation interventions under the response strategy is to contribute to inclusive and sustainable economic growth and socio-economic development. This is the basis for sustainable poverty alleviation and will in turn reduce inequalities and strengthen social cohesion, security and stability.

Figure 10: Reconstructed EU-Jordan cooperation intervention logic 2007-2013: Validation of reconstruction assumptions regarding higher end results chain



EQ-3 Democratic governance

- SC-3.1 Overall, EU-Jordan cooperation in the 2007-2013 period has been relatively successful in supporting democratic governance and political reform processes in Jordan. However, major challenges and areas of common concern remain an issue, further aggravated by the pressures emanating from the regional situation. Throughout the EU's continued dialogue with Jordan on political reform and democratic governance has taken place within the broader framework of the EU Neighbourhood Policy. About a quarter of the total EU support in the 2007-2013 period has been dedicated to the political reform and democratic governance area.
- SC-3.2 The EU-Jordan cooperation on democratic governance generally gained strength and depth in bringing about reform through strengthened coordination and institutionalized dialogue mechanisms (e.g. through Sub-Committee on Human Rights, Governance and Democracy). Of the 13 laws debated in an extra-ordinary session of Parliament in June 2014, 7 are directly related to democratic governance issues. The enacting of these 7 laws is explicitly included as budget support benchmarks. This points at BS entailing substantive potential leverage in bringing about political reform in the broad field of democratic governance. The key issue here, however, is not the formal meeting of benchmarks and compliance with targets, but the intrinsic quality of these achievements and their impact on society / on the ground. Since these laws have just been passed or are on the verge of being enacted by Parliament, it is still too early to make an actual assessment of their intrinsic quality, and at the same time invites for adequate follow-up monitoring and support actions.
- SC-3.3 On the other hand, the above situation also signifies an additional positive argument for development cooperation interventions and policy dialogue as necessary complementary and mutually reinforcing tools for bringing about reform. In this regard, MoPIC for example insists that not only is the EU funding important for Jordan in revenue terms, but also politically as without this incentive, it would be hard to push a reform agenda on reluctant ministries. It however still remains unclear if these reform processes have been triggered and/or stimulated by EU support, notably EU budget support. What is clear is that there are strong differences between sectors / thematic areas, as further affirmed in relation to the conclusions for the question EQ-5 on the aid modalities. What is also clear is that, generally, the understanding of the nature of budget support has significantly improved on the part of the Ministry of Finance (MoF) and MoPIC. Both ministries, in the "front line" of the instrument, have come to realise that budget support, far from being "free money", actually obliges the partner country to make substantial efforts in order to receive the full amounts on offer.
- SC-3.4 The installation of the Constitutional Court, the operationalisation of the Ombudsman's Bureau, the Anti-Corruption Commission and the Independent Election Commission, amongst others, are recognized as main, positive achievements. There are substantive challenges and room for improvement still in the areas of the fight against corruption, human rights, women's rights in particular, the role of civil society in the political dialogue and the media. EU's leading role in the thematic areas of human rights and justice reform is highly recognized. This becomes evident for example by its lead function in the donors group on human rights and its successful brokerage of a common EU and Member States (MS) Strategy on Human Rights, as well as by its lead on justice reform. Positive twinings on capacity strengthening in the area of the application of the rule of law (e.g. gendarmerie) are illustrative for an increasingly important and expanded cooperation on rule of law, stability and security matters.
- SC-3.5 Overall, EU support contributed to a further strengthening of civil society organisations (CSOs) as empowered partners in political dialogue and national & local development processes. However, the results of the focus group discussion and the analysis of the completed mini-survey questionnaires in this field show that further capacity strengthening is essential. These confirmed the earlier findings of the EU commissioned CSO's mapping study regarding necessary federation / apex building of the strongly fragmented CSOs and a stronger grassroots anchoring of CSOs on the other. Despite Jordan's often repeated

commitment to reform and democratisation, the overall climate for civil society organisations in Jordan lately appears to be deteriorating rather than improving. This is particularly relevant for those CSO which are involved in advocacy and human rights issues. This was clearly articulated by the CSOs participating in the evaluation field visit CSO focus group discussion and mini survey on democratic governance issues.

- SC-3.6 The EU-Jordan cooperation effectively contributed to open and fair elections, widely and highly appreciated by all stakeholders concerned, including the still ongoing civic education / voter education programmes. Enhanced political participation, representative democracy and strengthened parliamentary functioning remain critical components of EU-Jordan cooperation in the field of democratic governance. Throughout, EU support to the reform of the judiciary system in Jordan has been substantial. Reform processes have remained slow however, but this is now being more systematically addressed with TA assistance, with special focus on the eligibility criteria for sector budget support. At the moment of the field visit, the law on judiciary independence and the juvenile law were debated in parliament. The next challenges in this regard include, amongst others, the development of the implementation bylaws, rules and regulations as basis for effective application of the laws.

4.2. Cluster 2 conclusions on strategic pathways

4.2.1 General conclusions

- GC-4 *Financing of social contract between state and citizens and the centrality of social protection: **The social contract between the state and its citizens cannot be sustainably financed from external sources, but needs to be more strongly and more inclusively based on further strengthened internal structural solidarity mechanisms.*** There are indications that the EU has been proactively supporting the social dialogue, social security and social protection processes and programmes more aligned with Jordan's upgraded status as Upper Middle Income (UMI) country, both at the political dialogue and at the operational interventions levels. But in the absence of an encompassing EU thematic support programme on the subject matter, this was rather the result of scattered, if not piecemeal initiatives, which lacked the necessary inter-linkages (and the resources) to effectively make a difference.
- GC-5 *Political dialogue and development cooperation strategic components: **Overall, the policy/political dialogue and the development cooperation strategy components of the EU-Jordan cooperation have been consistent, timely, complementary and mutually reinforcing.*** But immediate security considerations are predominant and are impacting on the overall long-term development political dialogue and cooperation strategy objectives and outcomes. Establishing and maintaining a fine balance between both fundamental concerns remains a continuing major challenge of EU-Jordan relations.
- GC-6 *EU and overall aid effectiveness: **EU together with its Member States being amongst the largest donor for the country, EU is in a position to play a major role with the aim of increasing overall aid effectiveness and visibility.*** The aid coordination system in Jordan has not been known as being geared towards generating optimal aid effectiveness, but there appears to be a willingness of the key GoJ stakeholders concerned to address these challenges. There is a shared view amongst Jordanian key stakeholders and development partners alike that weak or fragmented institutional responsibilities and a lack of coherent sector strategies and operational coordination have resulted in fragmented, non-sustainable interventions. Actual activities are insufficiently anchored in appropriate strategic and/or institutional frameworks, and there is a relatively weak ability to scale up successes. Together, these finally have a negative effect on ultimate programme impact on the ground.
- GC-7 *Outcomes and impact on the ground: **Even if EU-Jordan cooperation sector reform indicator targets are met formally, this does not necessarily reflect actual policy framework reforms on the ground.*** This raises concerns regarding the effectiveness, impact

and sustainability of the reform processes. Budget support reform indicators often are quite general in nature and have put a disproportionate emphasis on general policy, regulatory and institutional setting issues. Not exceptionally, these sets of reform indicators do not adequately cover programme operational aspects and results on the ground.

4.2.2 Specific conclusions by evaluation question

EQ-2 Coordination, complementarity and coherence

- SC-2.1 The considerable influx of external funding shows the significance attributed to Jordan by the International Community (even though some critical voices started suggesting that this large amount can create cases of “moral hazard” and reduce the path toward self-reliance)⁵⁶.
- SC-2.2 As a further specification of GC-6 above, being amongst the largest donors to the Country, EU can play a major role with the aim of increasing overall aid effectiveness and visibility as prescribed by the EU guidelines concerned. Already before the EU CSP 2007 there has been a common strategic approach guided by the Barcelona process and the ENP strategy. Even though there is no formal or explicit mentioning of it as such, the guidelines from the EU Code of Conduct on the Division of Labour appear to have been followed in practice. The concentration on a limited number of sectors is consistently pursued by the EU and by the major EU Member States.
- SC-2.3 In general, synergies and complementarities with the EU financial institutions (EFIs, mainly EIB and EBRD) can be improved. With regard to the support to private sector development, the EFIs appear to have been more effective in terms of resources allocation than the EU PSD programme under the country strategy: more than EUR 500 million in the last 5 years, which is 10 times the amount of the EU cooperation.
- SC-2.4 There is factual evidence that EU and the Member States managed to harmonize their activities and dialogue on key aid and policy issues. An example is the water sector, where the principles of an effective division of labour and comparative advantages have led to clear agreements. The EU Development Assistance Group (DAG) meetings have been an important coordination forum, but lately the DAG activity status has decreased for a number of reasons. A positive experience and good example is the education sector on which the donor group regularly meets and makes arrangements for fields of coordinated support per donor.
- SC-2.5 The central actor in the management of Jordan's development process is the Ministry of Planning and International Cooperation (MoPIC). As revealed by different studies⁵⁷, the aid coordination system in Jordan is not geared towards generating optimal aid effectiveness. As furthermore confirmed by donors, a lack of coherent sector strategies and operational coordination has resulted in: fragmented donor assistance, activities within inappropriate policy or institutional frameworks, weak ability to select and scale up successes, and ultimately little on-the-ground impact (particularly in cases of weak or fragmented institutional responsibilities). Only for education programmes with the Ministry of Education (MoE) and, to a certain extent, also for public finance management (PFM), structures are in place that are able to ensure the functioning of internal performance planning, management, monitoring and reporting systems.
- SC-2.6 A number of important actors seem to be fully missing in the aid coordination system. This particularly pertains to national and international civil society and non-governmental organisations. There are no procedures or institutionalized structures in place for collaboration

⁵⁶ The role played by external financing has tended to be significant, ranging between 35 to 45 % of total Government revenues in the 2007-2013 period under review, which is higher than the middle-income country average of 17 %. In 2010, foreign grants constituted 9.4% of total domestic revenues in Jordan, which is equivalent to 2.1% of GDP.

⁵⁷ Such as the recent aid coordination and effectiveness assessment of Jordan of 2013.

and consultation with the civil society actors in the aid context. Equally worrying is that the Parliament does not seem to play any role in the dialogue around aid.

- SC-2.7 It is not clear to what extent EU support has actually contributed to the paradigm shift of responses to regional crises requiring concerted action from the Development Partners. The National Resilience Plan (NRP) as emerging platform in its present shape could in principle be used as an example/model for future exercises. However, in its present form it does not appear to be owned by the donor community, including the EU (amongst others because of insufficient consultation and coordination).

EQ-4 Public institutions strengthening

- SC-4.1 As far as public sector Institutional strengthening is concerned, EU support has contributed to the strengthening of institutional and technical capacities of counterpart institutions at central levels. Twinning programmes have been effectively used both to promote a transfer of know-how and to support the progressive alignment of national regulatory frameworks to those of the EU. Activities implemented have been highly appreciated by the entities involved. On the other hand, costs – especially of twinning programmes - remain comparatively high both in terms of financial resources required and sustainable absorption / retention of strengthened human capacities. Another key issue is that twinning-based public institutions strengthening tends to be scattered and not fitting into a holistic vision of public sector strengthening encompassing the whole sector. Beneficiary institutions report tangible improvements to their organisation and strengthened ability to adapt and respond to development challenges with positive effects in terms of improved service provision (despite the fact that quality, extent and sustainability of results achieved varies substantially).
- SC-4.2 The EU contribution to increased capacities of Local Government Units (LGUs) on the other hand is more modest. This is due to the pilot nature of the financed interventions, to the absence of a clearly defined framework for decentralization and the relatively low priority attributed to this area by the government over the period considered.
- SC-4.3 Regarding public finance management and financing of reforms, the overall budget support package (dialogue, conditionalities, financial resources) in conjunction with the provision of complementary support (twinning, TAIEX and SIGMA) and TA provided by other donors has been instrumental in supporting the government reform efforts. This has led to positive changes in PFM systems across all six critical areas of performance monitored through the PEFA. It is widely recognised by the different groups of actors involved (EU, other donors, MoPIC, MoF, GBD and Audit Bureau) that Sector Budget Support (SBS) has allowed to catalyse efforts in a number of areas and has served as an incentive for the implementation of reforms.
- SC-4.4 Focusing on financial resources, budget support has undoubtedly contributed to increasing fiscal space in a country where the State's budget is under severe constraint. Calculations⁵⁸ allow to conclude that funds disbursed in the framework of the two SBS PFM programmes over the period 2008-2013 covered almost 20% of the total expenditures related to specific PFM reform efforts undertaken by concerned institutions (Audit Bureau, General Budget Department, Income and Sales Tax Department, Ministry of Finance). Important contributions to the financing of reforms are also recorded in other sectors, ranging from a high of 16.6% of expenditures incurred by the Ministry of Energy and Mineral Resources over the period 2011-2013 to a low of 1% of total expenditures of the Ministry of Education over the period 2008-2013 (despite the relatively high overall amount of over EUR 58 million).
- SC-4.5 Some fragmentation in the budget planning process is reported, with duplicate functions between the Ministry of Finance, the General Budget Department and the Ministry of

⁵⁸ Based on the analysis of data included in the inventory and of data provided by the General Budget Department of the GoJ.

Planning. This hampers priority setting and as such undermines effective budgeting processes especially in terms of linking budgetary allocations to the achievement of strategic policy objectives.

EQ-5 Aid modalities mix and efficiency

- SC-5.1 Regarding the combination of - and synergies among - aid modalities, at sector level the mix of EU aid programming instruments, approaches and financing modalities has generally been adapted relatively well to sector-specific factors and following the analysis of alternative options. As a result, on the one hand, the different sectors have been financed through a varied mix of geographic and thematic financing instruments. On the other hand, a varied mix of SBS, long and short-term TAs, twinning, TAEX, SIGMA, provision of supplies and of direct grants / direct financial support to private sector beneficiaries were all used to achieve the intended objectives. Institutional strengthening has been supported and local ownership contributed to. In a number of cases the delayed implementation status of BS programmes can be traced back to complex and changing national and institutional contexts. These are characterized by the absence of a sufficiently developed management framework to adequately address risk mitigation and governance issues.
- SC-5.2 Overall, Budget Support, and especially Sector Budget Support (SBS), has played a very significant role as aid modality throughout period under review. EU funding has provided a minimum of budget flexibility and the accompanying conditions and dialogue have provided sound support to policy implementation in sectors characterized by strong government / commitment.
- SC-5.3 SBS has performed well in the two more mature sectors: education (abstraction made of the E-TVET thematic areas / sub-sector) and to a certain extent also PFM. These sectors are characterized by a longer tradition of EU SBS support and high degrees of government commitment. Strong alignment and coordination among donors has ensured strong synergies between the different types of support provided. In these cases, links between the SBS programmes and achievements recorded in terms of reform / policy implementation and increased institutional capacities have been strong.
- SC-5.4 On the other hand, in the TTF and Energy Sectors and to a certain extent also in the E-TVET sector (see below), contributions of SBS to changes in government policy processes and capacities have been more limited. This pertains also to the justice sector. This can however be explained by the relatively recent implementation whereby the TA support programme has just started. In these sectors, a complex institutional architecture (high number of institutional stakeholders) coupled with the lack of a full-fledged sector approach limited the strategic scope and effectiveness of the support
- SC-5.5 The E-TEVT sector is somewhere in between. Improvements have been noted in terms of emergence of a global vision of employment together with a move towards better coordination between concerned ministries, agencies and civil society actors. The improvements can also be partly related to SBS contribution. The improvements have been achieved, despite the fact that the sector is characterised by a high degree of fragmentation and poor governance of sector funding. It is however still necessary to translate this into critical changes as regards frameworks for policy dialogue, policies and policy processes.
- SC-5.6 Looking more closely at the design of the programmes, it appears that some shortcomings have been identified in the identification of suitable indicators and the setting of appropriate targets for budget support tranches releases in a number of cases (including the education sector). The use of other complementary inputs (provided either by the EU or other donors) has showed varied results (good in the education sector and also PFM). The time span allowed for implementation was found – at times – to be at odds with the scope of the objectives pursued. Change takes time and needs to be accompanied for many years before it takes root. In some cases, excessively ambitious targets were set, given the available

timeframe for their achievement, leading to delayed or reduced payments linked to under-performance in relation to benchmarks and ensuing dissatisfaction. In other cases, process indicators selected to contribute to the sequencing and monitoring of reform process were not followed through with corresponding performance indicators, thus hiding the link between given reform actions and their expected contribution to development outcomes. In the energy sector for example there is the fear that formal compliance with given conditions will then not be followed through when it comes to the operationalisation of actions.

- SC-5.7 As far as institutional coordination and performance measurement are concerned, the quality of systematic and structured institutional coordination (i.e. interactions between central agencies and line agencies / ministries) presents a number of important challenges. This for instance related to coordination platforms, procedures, design and operationalisation of performance planning, monitoring and reporting systems. In first instance, critical challenges still remain with regard to the operationalisation of an encompassing, holistic performance based / results-oriented public sector reform strategy, spearheaded by a duly mandated and capacitated GoHKOJ entity. Some efforts are noted to promote concerted actions aimed at the introduction of an integrated results-based performance measurement, monitoring and evaluation system for the public sector. This ranges from contributions to the set-up of JAIMS to the inclusion of specific measures aimed at strengthening of capacities at sector level.

4.3. Cluster 3 conclusions on sectoral / thematic outcomes and impact

4.3.1 General conclusions

- GC-8 *Democratic governance and civil society: **The substantive EU-Jordan cooperation on democratic governance generally gained strength and depth in bringing about reform through strengthened coordination and institutionalized dialogue mechanisms*** (e.g. through Sub-Committee on Human Rights, Governance and Democracy). The discussion of a series of democratic governance laws which are explicitly included as EU-Jordan cooperation budget support benchmarks in an extra-ordinary session of Parliament last June 2014 points at BS entailing substantive potential leverage in bringing about political reform in the broad field of democratic governance. Obviously, the key issue here is not the formal meeting of benchmarks and compliance with legislative and/or regulatory targets ("reform cannot be bought"), but the intrinsic quality of these achievements and their impact on society / on the ground. These are widely recognized as crucially central and key challenges for the next cycle of EU-Jordan cooperation. It also needs to be emphasized that the relative success of the EU in supporting democratic governance in Jordan is to a large extent due to the fact that demand for democracy was already there and Jordan society largely was open for it.
- GC-9 *Public institutions strengthening: **Through the provision of flexible ad hoc support, EU has contributed to the strengthening of institutional and technical capacities of counterpart public institutions at central level***, which is widely appreciated. EU contribution to increased capacities of Local Government Units (LGUs) has been more modest. Overall programme efficiency and effectiveness could have been enhanced further when activities would have been part and parcel of an encompassing public sector reform strategy / programme spearheaded by a duly mandated central entity.
- GC-10 *Mix of aid modalities and sector specific factors: At the level of the sectors, **the mix of EU aid programming instruments, approaches and financing modalities has generally been adapted relatively well to sector-specific factors and following the analysis of alternative options***. For more details see SC 5.1 to 5.7.
- GC-11 *Coverage of cross-cutting issues: **Generally, cross-cutting issues have been duly covered and attended to in the EU-Jordan cooperation strategy and programme covering the entire 2007-2014 period under review, at least in the design stage of these programmes***. This in first instance pertains to (democratic) governance and institutional strengthening as

outlined above. Major challenges, however, remain regarding the envisioned outcomes of the above-mentioned programmes, especially regarding gender equality on the ground. In the design and implementation of some programmes, including private sector development and E-TVET, more explicit and systematic attention could have been given to gender issues. With some exceptions, environment and climate change generally have not been given due attention in the response strategy and programme to achieve measured outcomes, leading to measurable impacts, even if in the support to sectors such as energy (with renewable energy and energy efficiency as central themes) and water (with efficient water use) environmental concerns should have been taken centre stage. Climate change themes have been addressed basically through regional types of projects with different institutions, but not with the Ministry of Environment.

4.3.2 Specific conclusions by evaluation question

EQ-6 Sustainable private sector development

- SC-6.1 In the context of trade liberalisation, enterprises' competitiveness has been at the heart of the EU support to PSD in line with the ENP and Association Agreement strategies. There however is little evidence of thorough consultation and involvement of the private sector (financial sector and industry) and of a comprehensive analysis of SME preparedness to trade liberalisation. For a number of allocation decisions the formulation process was (too) short. This, in first instance, was the consequence of externally driven events and processes, as the Arab spring and with it the urgency of assigning SPRING allocations to programmes that were already in implementation and/or could be topped up.
- SC-6.2 The most used modality of EU intervention for PSD has been the direct financial / non-financial support at micro-level (addressed directly to SMEs with grants through a local intermediary, JEDCO). This resulted in positive results in the short term – especially for increased employment, but less for the stated purpose (modernisation / upgrading in the frame of trade liberalisation) and with mixed results for sustainability and long term impact (according to the two surveys done until now). This also has been due to the sometimes unsatisfactory selection of beneficiaries. Less success can be reported in addressing the issues of the financial sector (as far as the JSMP loan guarantee fund is concerned, there is no record of any beneficiary of a bank loan) while some positive achievements were achieved for the support to innovation through the joint work between the SRTD and JEDCO.
- SC-6.3 JEDCO, set up with EU support as specialised agency to service SMEs, has brought about positive results especially for the consolidated capacity to offer technical assistance to MSMEs, but less for the real long-term impact on the businesses regulatory environment. The positive achievements documented for the services offered outside Amman have been however appreciated as the basis for future engagements to support marginal regions. JEDCO, with TA support, has prepared a proposal for a national SME strategy financed through EU that is now discussed in the working group elaborating the “*Economic Blue Print for Jordan*”, an initiative led and coordinated by MOPIC.
- SC-6.4 The interventions made by the EU IFIs (especially EIB and EBRD) in the PSD sector in first instance are noteworthy for their sheer size (more than EUR 500 million of total investments – 10 times the total amount committed in the CSP), but also for their attempts to strengthen overall alignment and coherence with the EU strategy. They for example provided actual support to sustainable energy projects, to the production of export commodities, all with a substantive employment component and localisation outside of Amman. They also started working with local banks for SME loans and set up venture capital funds to support innovative start-ups.
- SC-6.5 Until quite recently, in the PSD sector mainly ad-hoc policies were implemented in Jordan in a rather reactive way, leading to lack of coordination and not exceptionally to initiatives not

aligned with each other. Lessons learnt indicate that adequate institutional capabilities are essential to make possible an effective identification and implementation of interventions supporting firm upgrading, possibly through intermediaries as business organisations, chambers of commerce and industry, and the like.

EQ-7 Trade, transport and investment facilitation

- SC-7.1 *A) Trade:* Jordan followed the path toward trade liberalisation that came with the financial support offered by International Finance Institutions (IFIs), but up to now it has not been able to completely exploit these new opportunities. The interventions geared to deepening trade and economic relations should have provided the conditions for increasing investments from EU side and increased exports to EU from Jordan side to reduce the very large trade deficit. The approach also included trade liberalisation as tool for the modernization and upgrading of the Jordanian economy, through increased competitiveness following the opening to the international markets. On the contrary, the opening created some distortions caused by the increase in imports not balanced by the exports and the flow of FDI mostly towards non-productive sectors and portfolio investments. These investments directed mainly to non-tradeables did not contribute to the type of economic transformation that is required to upgrade and diversify to higher value added production.
- SC-7.2 *B) Foreign Direct Investment:* The rather frequent changes in tax / investment laws increase the sense of instability when it is known that stability and clarity in the business environment are the main motivations for international investors. Some national strategies regarding export and trade do not appear to be aligned in terms of their selection of policies, priorities and intervention sectors. Unless stability in the investment environment (that includes tax reform and incentives) is reached, Jordan cannot expect to attract investors outside real estate and short term portfolio investments.
- SC-7.3 With reference to the trade with the EU, the expected increase of the exports to EU countries that should have benefited from the better trade regulations and reduction of Technical Barriers to Trade (TBT), did not materialize.
- SC-7.4 When the Trade and Transport Facilitation (TTF) budget support programme was conceived, it was believed that this large programme would have a major impact not just in Jordan itself but would provide an example to the region. A certain lack of ownership by the Ministry of Transport (MoT), together with a too lean preparation and institutional weaknesses not fully assessed and/or corrected in the process, could be considered amongst the main reasons of its failure to drive this programme forward and achieve its ambitious objectives. Some positive results (the Long Term Transport Strategy, the equipment for customs, the upgrading of MoT personnel) should be capitalized, as transport remains a resource for the country: it accounts for about 11 percent of GDP and earns foreign exchange. Jordan is well placed to serve as a regional logistics hub, thanks, besides the geo-location and the stability, to an existing road network.
- SC-7.5 *C) Transport:* The Long Term National Transport Strategy (LTNTS) correctly mentions environment / energy efficiency as criteria to be included in the analysis and insists on the opportunities for public-private sector partnerships (PPP). The same applies for the core proposal of the strategy regarding the renovation and upsizing of the rail network, which can attract private investors. One of the main questions remains how to sustainably attract the interest and effective participation of the private sector in a number of future investments, as it is quite certain that the public budget alone will not have the resources to fund the foreseen large investments (in excess of EUR 5.5 billion).
- SC-7.6 *D) Synergies:* It is interesting to note that the LTNTS could have good synergies with the European Investment Bank (EIB) plans to support Jordan road development (see Road 15 improvement and the other planned interventions).

EQ-8 Education and employment

- SC-8.1 EU support contributed to significant progress in the achievement of education sector goals, and in particular for students with special needs. The distinctive style of EU funding modality of budget support, coordinated with other Development Partners, made MoE effectively and sustainably benefiting from the support, as Medium-Term Expenditures Framework (MTEF) planning became a national requirement and mandated to be implemented for all budget preparation within MoE.
- SC-8.2 EU contribution to the improved education sector in Jordan is noticeable, but this is mainly in quantitative terms (e.g. access indicators). Substantive challenges still remain with regard to qualitative aspects (curricula, didactic methods, teachers training, etc.). New technologies have been insufficiently taken into account in the reform strategy and programme implementation. Teachers' social standing and their career perspectives and development have not been addressed in an adequate manner, which negatively affected the whole education system. The number of learning contact hours, literacy and mathematics prominence in curricula remain challenges to be addressed on a priority and urgent basis.
- SC-8.3 Indicators selection and target setting for the education and E-TVET sectors have not been a participatory, inclusive process, with insufficient involvement of the key stakeholders.
- SC-8.4 There are a number of governance⁵⁹ issues, as a diversity of entities, public and private, are operating the TVET sector. However, there is a lack of coordination between them in policy setting and strategy development. In addition, there is a very weak actual representation from the private sector, the social partners and civil society as there generally are few mechanisms for these partners to invest in the TVET sector. Fragmentation of the education and training services provision leads to duplication of work and waste of resources, as well as non-aligned vocational programmes.
- SC-8.5 E-TVET sector reform has many stakeholders. The limited coordination between the providers causes lack of transparency, overlap and waste of resources. In their attempt to better respond to the labour market and to the need to cooperate more closely with the private sector, the three line ministries need to coordinate and cooperate closer. There is also a need for a stronger shared / common leadership with improved actual ownership of strategies, programmes and interventions, in order to be able to provide a relevant and continued supply of quality education and training addressing the needs of the labour market and the economy at large.⁶⁰ The selected indicators do not allow to assess or/ measure progress in reform processes which take time and are strongly dependent on broader environment factors This pertains in particular to the on-going and intensifying crises in the region with massive influx of refugees, putting enormous strains on the Jordan education system.
- SC-8.6 There is limited progress so far in E-TVET reform to enhance employability of youth and women, despite the substantive resources foreseen and actually made available under the EU response strategy. EU support to the E-TVET sector is facing major setbacks particularly on measures to increase the participation of women in the formal sector, as it is one of the benchmarks for the E-TVET Sector Budget Support.
- SC-8.7 Despite the development of new ambitious strategies and action plans and the introduction of various individual reforms to enhance the relevance of the E-TVET system, little actual progress has been made in reaching a coordinated implementation of the E-TVET reform process. Amongst others, this is caused by the lack of commitment and ownership of the different stakeholders, the frequent cabinet changes (6 times in last 3 years) and lack of

⁵⁹ E-TVET Strategy, Abridged version as per the request of E-TVET Council Directorate, 09 February 2014

⁶⁰ Based on the latest available information (end Oct. 2014), it is understood that at present the actual status is one of leadership expected from / provided by the E-TVET Council, as the Higher Council for HRD is not yet operational. Different options for improved governance of the E-TVET sector are being considered at present.

capacities in planning, budget allocation according to priorities, and results oriented implementation and performance monitoring.

- SC-8.8 E-TVET sector reform and programme implementation is hindered by a complex governance and institutional framework that involves three ministries (and its related councils) operating separately from each other (and suffering from severe island / kingdom syndromes). The added value of the creation of an additional layer (the National Employment Strategy unit) as umbrella is still to be proven, as its mandate and functions are not clear, bringing with it the danger of creation of a parallel institution / arm.
- SC-8.9 Improved policy, planning, financing and performance based resource allocation through a coordination mechanism for the three councils (MoE, MoHE, and ETVET) concerned is aimed at by the creation of the Higher Council for Human Resource Development. Also this initiative still needs to prove its added value.
- SC-8.10 Vocational education still has a relatively low standing profile in Jordanian society (generally considered for drop-outs of the regular academic education stream) and needs to be addressed by a massive public campaign. There is an urgent need for a comprehensive social protection and socio-economic upliftment strategy and programme as broader framework for the E-TEVT sector.

EQ-9 Sustainable, environment friendly energy and water solutions

- SC-9.1 In general, sector reform indicator targets are met formally, both with regard to the support to the energy and water sectors. But this does not necessarily reflect actual policy framework reforms on the ground, raising concerns regarding the effectiveness and sustainability of the reform processes. Reform indicators are very general and they put strong emphasis on policy, regulatory and institutional setting issues. These indicators, however, generally do not cover operational aspects, such as detailed plans of action in each pertinent work area, means of ensuring networking and partnership development, incentive policy, market strategy, stakeholder mobilization methodology outside government spheres or details regarding capacity building efforts required. The overall success in duly covering the overall umbrella environment dimension is less evident.
- SC-9.2 EU support made positive contributions to regulatory and institutional reforms as well as to capacity building in both the energy and water sectors. However, this is less evident for the overall umbrella level of sustainable, environment friendly solutions.⁶¹
- SC-9.3 Benefits from EU Sector Budget Support (SBS) are restricted to Government and Government affiliated organisations. Private sector organisations have been excluded from EU reform support (including for example the Energy Service Companies (ESCO's), the electricity utilities, financiers), while these will be actually spearheading reform implementation. Originally, the non-public sector partners were scheduled to benefit from the pilot projects model that was planned for 2014, but in reality the first contact / entry point to enhance the development of the sector at policy level, the first contact / entry point was in the public sector.
- SC-9.4 The EU interventions in the water sector commenced with a focus on support to the institutional restructuring of the sector. This was carried out in a participatory manner with the Ministry of Water and Irrigation, and built on a large body of previous work. The implementation of the core reform agenda in the water sector has been stalled by political factors and resulting changes in leadership within the Ministry during virtually the entire 2007-2013 period under review. This has affected the overall and institutional capacity of the Ministry as illustrated in different studies and reports. Despite those hurdles, and in the light of the fact that the EU interventions were not sufficiently designed to achieve sustainable reform

⁶¹ To provide a further detailed picture, it needs to be acknowledged that at the onset, way back in 2006 at the start of the new EU country support cycle, the support given to the Ministry of Environment at the early stage of its establishment was strategically targeted, and resulted in the EU Environment Commissioner pointing at Jordan as a good environment model in the EuroMed region during the 2006 ENP Ministerial meeting in Cairo.

but rather to advance further, it can be concluded that EU support contributed to the reform process in a manner that the momentum for reform has become more or less irreversible. The necessary groundwork to continue this reform process in the coming cooperation period has been duly prepared. Accordingly, one can conclude that the EU interventions in the water sector in Jordan were satisfactory in terms of their direct results achievement, whereas this is less evident as far as outcomes and impact on the ground are concerned.

- SC-9.5 As far as the umbrella thematic area of environment is concerned, the EU interventions did also well focus on the institutional support to the Ministry of Environment. Although some positive outcomes of this support have been noted, the direct bilateral support to the Ministry of Environment was limited and did not continue. The EU interventions benefiting the environment were mostly accommodated through regional programmes with a component in / affecting Jordan or through the horizontal / thematic budget line of Environment and Natural Resources. Although the Ministry of Environment is the focal point for all environmental issues in Jordan, in many instances it proved not being aware of the EU regional or thematic projects having a bearing on / being implemented in Jordan. This is mostly due to changing human resources within Ministry, yet the Delegation did diversify the support under the SAPP programme to reach different partners.
- SC-9.6 Technical Assistance and project based interventions are strongly appreciated by the benefiting agencies / institutional entities concerned. As shared by interviewed key stakeholders concerned, these intervention mechanisms provide more transparency and clarity compared to Budget Support. Execution organisations face difficulties in benefiting from Sector Budget Support (SBS) due to lack of knowledge, weak ownership / involvement in the process and lack of clarity / transparency in the cooperation framework.
- SC-9.7 Complementarity of EU with other development partners' support in the water and energy sectors has been ensured to a certain degree through specific donors' initiatives on an ad hoc / case specific basis. In general however, division of labour (DoL) and sectoral coordination between the various donors is not satisfactory. MoPIC lacks the mandate and the necessary institutional and human capacity to efficiently play this role. At EU's end, a clear DoL and synergies were arrived at with regard to the water sector, leading to a non-coverage of the water sector as focal area in the second NIP under the CSP for the period 2011-2013, because of its well coverage by an EU Member State (Germany) already.
- SC-9.8 The Ministry of Energy and Mineral Resources' (MoEMR's) institutional and human capacity is insufficiently developed in relation to its policy making, strategy development and overall implementation coordination and supervisory roles and responsibilities. The Ministry of Environment (MoENV) also faces problems with the limited budget it operates and the limited number of regular staff it actually consists of. In the past few years, the Ministry relied on the (scattered) support and cooperation of the donor community. These combined factors prevented to take optimal advantage from EU Support.
- SC-9.9 There is no substantive evidence that climate mitigation and adaptation issues have been systematically or consistently addressed in the EU support programmes to the water and energy sectors on the whole.
- SC-9.10 Regarding sustainability and environmental concerns, there is weak institutional, strategic and programmatic coordination between the Ministry of Environment on the one hand and the Ministry of Energy and Mineral Resources and the Ministry of Water and Irrigation on the other hand. This has been observed in relation to the whole 2007-2013 cycle and signified another factor preventing optimal benefiting from EU Support.

5. RECOMMENDATIONS

The summary Figure 9 on page 58 on the configuration of logical links between the evaluation questions findings, conclusions and recommendations especially focuses on the links between the general conclusions and the overall recommendations. The three clusters of overall recommendations with specific recommendations are as follows:

- Cluster 1: Strengthening of overall strategic orientation and focus (covering EQs 1 and 3)
- Cluster 2: Enhancing strategic pathways (covering EQs 2, 4 and 5)
- Cluster 3: Ensuring stronger sectoral and thematic outcomes and impact on the ground (covering EQs 6, 7, 8 and 9)

5.1 Cluster 1 recommendations on overall strategic orientation and focus

5.1.1 Overall recommendations

OR-1 *Strengthen further alignment and update the EU-Jordan cooperation strategy in line with the upgraded Upper Middle Income country status of Jordan and exploit the potentials this brings with it in terms of stronger auto-financed sustainable, inclusive and equitable development financed from internally generated resources.*

- Tap more systematically into available national resources as Upper Middle Income country in order to contribute to the achievement of sustainable, inclusive and equitable development goals to combat inequality.
- Pursue this through broadened support to strengthening of income distribution strategies and programmes and/or reinforcement of social security or social protection provisions.⁶²
- The encompassing goal of the new response strategy should be combating the rising structural inequality in Jordan society.
- Design and support broadened and better performing vertical mobility systems and programmes for deprived but socially mobile persons who aim at sustainably escaping the poverty trap through decent, gainful wage employment and/or entrepreneurial self-employment.

OR-2 *Further improve the fine balance between immediate security considerations and the long-term development political dialogue and cooperation strategy objectives and outcomes.*

- Avoid the trap of stability concerns being confused with and/or used as pretext for justifying the status quo, as this undermines security and stability itself in the longer run.
- Keep the remarkable strategic and operational responsiveness in flexibly adapting to changes in the regional context.
- In the broader context, keep appreciating the country's extreme hospitality vis-à-vis the almost recurrent streams of refugees caused by the regional crises and its efforts to facilitate sustainable solutions.

⁶² Under chapter 5.2.8 hereafter, more specific recommendations in this connection are presented for the E-TVET sector and the social protection and social security thematic areas.

5.1.2 Specific recommendations

EQ-1 Strategic alignment and flexibility⁶³

- SR-1.1 Ensure that the existing alignment of the EU-Jordan response strategy with the key national policy dialogue and development objectives and priorities included in the key GoHKoJ policy and strategy documents is also more solidly reflected at the actual operational level on the ground. This should be ensured through further strengthened and effective result-based programme management and monitoring along the targeted results indicators derived from the response strategy and programme.
- SR-1.2 Avoid that stability concerns are confused with and/or used as pretext for justifying the status quo, as this undermines the very security and stability itself in the longer run. At the same time, it is essential to keep appreciating the country's extreme hospitality vis-à-vis the almost recurrent streams of refugees caused by the regional crises.
- SR-1.3 Explore means of further strengthened alignment and updating of the EU-Jordan cooperation strategy with Jordan's status and abilities as Upper Middle Income country, including more systematically tapping into available national resources as UMI country. Ensure that such encompassing sustainable socio-economic upliftment and fight against inequality strategy and programme is compliant with the following basic features:
- Broadening of social safety nets;
 - Necessarily combined programmes on social protection and sustainable socio-economic uplifting from the poverty trap;
 - Skills upgrading for sustainable, gainful and decent employment (both self-employment / MSMEs and wage employment);
 - Expansion of and more inclusive social security system coverage;
 - Strengthening of tripartite, social dialogue;
 - Strengthened roles and responsibilities for non-state actors and the private sector in policy dialogue and the design and implementation of concrete interventions;
 - Based on further strengthened public finance management (PFM) as enabler, enabling more inclusive, effective and efficient delivery of social services on the ground and more egalitarian income distribution;
 - Fiscal policy strengthening in support of reform and of fight against inequality programmes.
 - The theme's scope, however, obviously should be much broader than PFM, which is just an enabler, and preferably is to be integrated and operationalized as a recurrent theme of the new Single Support Framework 2014-2017, especially in relation to component 1 "Reinforcing the rule of law for enhanced accountability and equity in public service delivery" with also strong links to the private sector development strategy component.
- SR-1.4 Provide assistance to explore, design and operationalise maximum national auto-financing mechanisms for such programmes, commensurate with Jordan's status as Upper-Middle Income Country, based on European know-how, good/best practices and lessons learnt.
- SR-1.5 Strengthen procedural and institutional provisions to ensure improved consistency between the regional and national components of the EU response strategy on the one hand and with the overall ENP framework on the other, with the aim of enhancing the complementarity and mutually reinforcing effects of both main components of the EU-Jordan cooperation strategy and programme.

⁶³ The recommendations regarding strategic alignment and flexibility are mainly of a general, encompassing nature and therefore are included already under the just preceding chapter 5.1.1 on overall recommendations.

SR-1.6 Further expand EU-Jordan cooperation in support to the Social Security Corporation (SSC), other related services and tripartite set-ups to enable the equitable and inclusive expansion (vertically and horizontally) and qualitative improvement of the social protection systems and programmes. The aim is to better serve the youth, women and vulnerable groups by ensuring their coverage under the social security system or through social safety nets. Explore the feasibility of blending instruments and mechanisms e.g. with European Finance Institutes and EU Member States agencies to finance these massive programme needs.

EQ-3 Democratic governance

SR-2.1 Explore alternative ways and means to further strengthen the complementarity and mutually reinforcing effects of policy/political dialogue and development cooperation interventions in the broad areas of democratic governance. And further strengthen the procedural and institutional basis for their coordination, if not further integration (both within EUD and with GoHKJ).

SR-2.2 Ensure that the formal meeting of legislative or procedural benchmarks and compliance with “administrative” democratic governance targets do not become an end in themselves. It is necessary to keep the focus on effective, inclusive and sustainable outcomes and on the impact on society, the economy and the population in general. This impact on the ground should constitute the ultimate yardstick for measuring success of the cooperation strategy and programme. It is understood that this impact depends on so many other factors in the necessary enabling environment other than those directly linked to any specific intervention. These broader framework factors necessarily will need to be taken duly into consideration when making any impact assessment of the EU-Jordan cooperation and of any of the specific interventions therein.

SR-2.3 Ensure stronger ownership / involvement of civil society in democratic governance policy dialogue, processes and interventions, at all levels and at all stages of the reform cycle. To this end, keep supporting CSOs as empowered actors in political dialogue and national and local development processes through further capacity strengthening. Particularly focus support⁶⁴ on membership organisations which are duly anchored at grassroots level, but at the same time support their federating and apex structure building to enhance their leverage in advocacy and democratic governance reform processes.

SR-2.4 Give more prominence to local government and governance issues, both in the political dialogue and in the development cooperation interventions.

SR-2.5 Further “mainstream” support to the security sector in applying the rule of law and focus on reinforcing the rule of law for enhanced accountability and equity in public service delivery. Such public sector rule of law initiatives should be matched by corporate governance programmes to ensure that governance programme impact pervades both the public and private sectors in a balanced, equitable and mutually strengthening manner.

SR-2.6 In general, give a more prominent place to the reinforcement of the rule of law for enhanced accountability and equity in public service delivery as focal cooperation thematic area.

⁶⁴ As currently implemented since February 2014 to a certain extent through the Democratic Governance Programme (AAP 2010) – Component 3 on Support to CSOs.

5.2 Cluster 2 recommendations on strategic pathways

5.2.1 Overall recommendations

OR-3 *Prioritize strategies and interventions that directly target and benefit the underprivileged and vulnerable segments of society so as to ensure that they have better and sustained access to public services and to gainful, decent and sustainable employment.*

- Ensure that this support package targeting the underprivileged and vulnerable segments of society includes social coverage under the Social Security Corporation or benefits from social safety nets as (temporary) back-up in order to be able to sustainably emancipate from the poverty trap.
- Pursue E-TVET as a key component of a comprehensive, inclusive and equitable strategy and support programme of progressive social inclusion, protection and security with strong proactive activation features to sustainably uplift vulnerable groups and individuals from the poverty trap and extreme inequality.
- Pursue a broad programme set-up based on lessons learnt from the past and explore financial blending with European IFI and Member States agencies having expressed in principle interest in such set-up.
- Recognize and maximize the substantive role of the private sector and pursue tripartite mechanisms for this purpose, making this a concerted effort of both the public and private sector partners in Jordan as Upper Middle Income country.

OR-4 *Further optimize the complementary and mutually reinforcing strengths of political / policy dialogue and development interventions as the two fundamental components of the EU-Jordan cooperation strategy, in a symbiotic way to bring about the effective and sustainable reform aspired for.*

OR-5 *EU together with its Member States should play a more predominant and proactive role in the aid coordination and policy dialogue of development partners with key public and private stakeholders in Jordan.*

- As such, ensure increased overall aid effectiveness, enhanced division of labour, synergies and improved visibility.

5.2.2 Specific recommendations

EQ-2 Coordination, complementarity and coherence

SR-3.1 It is recommended that EU plays a more pro-active and prominent leadership role amongst the development partners at least in those areas where the EU value added is well known and recognized, considering the very substantive overall amounts committed and allocated for the EU-Jordan cooperation. This particularly pertains to development partners' coordination and division of labour matters, covering all phases of the strategizing, planning, implementation and monitoring and evaluation cycle.

SR-3.2 Contribute more actively and robustly to the development and operationalisation of an effective performance planning, measurement, monitoring and evaluation framework and system to monitor and follow up on the policy results as well as to assess the reform outcomes and impact.

SR-3.3 Further explore and support the activation of substantial synergy and blending opportunities with EU IFIs (EIB and EBRD) and MS agencies (incl. KfW, AFD, etc.). Besides the large amounts invested already, there is room for stronger complementarities and scale upgrading

(PSD venture capital, transport, sustainable energy, water) and for innovative, sustainable impact generation opportunities (e.g. social protection and upliftment fund).

- SR-3.4 Facilitate blending mechanisms in a concerted effort to maximize the leverage of grants towards loans and larger programmes/projects and promote the use of shared conditionalities (for example on reduction of subsidies, tax reform, investment law, democratic governance reforms) between EU Member States, especially when EFIs are involved as a first step for the construction of blending mechanisms.
- SR-3.5 Revitalize and further strengthen the Development Assistance Group (DAG) and other EU-MS coordination structures and processes, spearheaded by the Delegation, to ensure further strengthened coordination, coherence and complementarity of the strategies and interventions of the EU and its Member States present in the country.
- SR-3.6 Facilitate the participation of the non-government actors into the aid coordination system at the appropriate level. A good starting point for this can be at the sub-sector level.

EQ-4 Public institutions strengthening

- SR-4.1 Further strengthen a demand based response system in the field of public sector reform strengthening but avoid fragmented approaches. At the same time, ensure that demands are duly anchored in an encompassing overall results-oriented and performance-based public sector reform strategy and programme, spearheaded by a duly mandated and capacitated central entity.
- SR-4.2 Provide resources for public financial management (PFM) reforms as planned through the 2014 Support to public finance and public administration reforms, conditional to stronger results orientation and performance.
- SR-4.3 Enhance mobilisation of expertise for public sector institutional strengthening through SAAP/SAPPs modalities. However, since these interventions tended to be relatively isolated initiatives, pursue and provide support to a comprehensive public institutions strengthening strategy and programme spearheaded by a duly mandated and empowered agency.
- SR-4.4 Explore the feasibility of promoting South-South development cooperation arrangements in the light of the increasing recognition that this (i) in principle promotes greater ownership of development processes; (ii) maximizes exchange of practical lessons learnt and good / best practices through learning from each other; (iii) promotes regional cooperation and integration; and (iv) allows to further the commitments taken by the EU (and other donors) following the Paris Declaration and through the Accra Agenda for Action.
- SR-4.5 Further explore the potential and benefits of triangular North-South-South cooperation through privileged centres of excellence in the South as (peripheral) network hubs, mutually beneficial for both the North and South partners in a win-win environment.

EQ-5 Aid modalities mix and efficiency

- SR-5.1 Ensure that Budget Support (BS) programmes are tailored to the specific sector context and are framed within a strategic and flexible partnership in relation to the reforms in question. Increasing efforts should be made to ensure that BS programmes are prepared through studies and thorough consultations with government officials at the different levels as well as with civil society, with a view to focusing attention on the priority needs and ensuring the full understanding of the budget support instrument by all concerned parties. A strong involvement of technical assistance to prepare for and accompany budget support operations is equally recommended.
- SR-5.2 Before engaging in any budget support cooperation modality, ensure that the necessary enabling environment factors and conditions are fulfilled in advance as preconditions to ensure value for money, cost-effectiveness and cost-efficiency, as during the preparatory

phase for budget support interventions, actual leverage for reform commitments and implementation is highest.

- SR-5.3 Pursue the use of complementary inputs to contribute to shaping of reforms (as done in the case of the justice sector) which could also lead to the progressive updating of the performance assessment frameworks (matrices of conditionalities). This will make budget support more effective.
- SR-5.4 Ensure careful targeting and sequencing of indicators in close coordination with all key parties concerned. Focus performance assessment matrices on a limited number of key areas. Formulate indicators for the successive BS tranches releases to accompany and monitor the aspects of the reform process to be supported, with more emphasis on the outcomes / impact on the ground. Depending on the sector and on the specific objectives pursued, include indicators that address the expected level of expenditure in relation to specific sectors, sub-sectors or activities (thus moving from results management to more encompassing performance management covering all levels of the results chain from inputs to impact).
- SR-5.5 Further strengthen performance monitoring and evaluation systems as well as domestic accountability, in first instance from an (internal) programme management strengthening perspective, rather than from a more "classical" (external) accountability perspective. It is recommended to strengthen integrated performance planning, monitoring and evaluation (PPME) systems at central level encompassing aid effectiveness, efficiency and economy in a balanced manner and based on targeted performance indicators measurement at all levels of the intervention logic. In so doing, ensure a close horizontal collaboration with the sectoral and thematic line ministries and agencies on technical and quality assurance aspects. Assure alignment of the M&E systems at intervention level with the overall umbrella PME system to avoid duplication of efforts and reduce transaction costs. At the same time, support a comprehensive human and institutional capacity strengthening drive on the part of all the main performance monitoring and evaluation system proponents.

Ensure that the quality of the provisions for implementation of sector specific performance planning, budgeting, measurement and monitoring and evaluation is thoroughly assessed and supported through policy dialogue and when needed through complementary capacity building efforts when budget support is considered as the modality to intervene in any given sector.

- SR-5.6 With a view to enhancing accountability while at the same time supporting civil society, further pursue the possibility of involving non-state actors / civil society organisations as watch-dogs of public policies and reform efforts. This should include the provision for a complementary envelope to SBS interventions to finance the complementary monitoring and assessment of the supported public policies through the active involvement of civil society, as for example is currently being tested in the Good Governance and Development Contract.

5.3 Cluster 3 recommendations on sectoral and thematic outcomes and impact on the ground

5.3.1 Overall recommendations

- OR-6** *Concentrate support to reform processes in all sectors on actual reform impact on the ground.*
- OR-7** *Make general and more explicit use of performance planning, budgeting, measurement and monitoring & evaluation systems derived from results frameworks to ensure more effective and efficient management for development results of interventions in order to further strengthen impact on the ground.*

- Ensure ownership of such systems by the implementing line ministries and agencies and spearheaded by the duly mandated central government entity(ies) concerned.
- Strengthen human and institutional capacities at all levels to effectively achieve such ownership.
- Ensure that any continued support of the EU to public finance management (PFM) and/or other public institutions strengthening programmes has this as base rationale and as overall, encompassing strategic theme.

OR-8 Give more explicit and priority attention to cross-cutting issues, both in the development interventions and the political dialogue strategy components of the cooperation:

- See to it that this priority attention especially pertains to gender as cross-cutting issue pervading the whole EU-Jordan cooperation.
- Consistently ensure the mainstreaming of environment and climate change in all programmes, and particularly those in the energy and water sectors.
- Ensure that democratic governance and institution building continue to be focus areas of the EU-Jordan cooperation in the period to come, with capitalization and consolidation of the achievements from the prior cooperation period, and with stronger focus on programmes ownership and institutionalisation aspects and on ultimate impact on the ground.

5.3.2 Specific recommendations

EQ-6 Sustainable private sector development

- SR-6.1 Ensure support to private sector development with a special focus on the most promising sectors based on sectoral studies updates, to promote increased competitiveness and job creation. Reduce the risk of a possible unbalance between these two objectives by linking to / tie-ups with the education sector and E-TVET in particular.
- SR-6.2 Pursue systematically new ways, processes and modalities for sustainable private sector development (e.g. as venture capital, amongst others) which are (more) market conform and discontinue any dole-out direct financial / non-financial support at the micro level of individual enterprises, whatever their size or phase of operations.
- SR-6.3 Give particular attention to and ensure the strengthening of the necessary enabling environment (regulatory, fiscal, financial markets, exchange rate, trade liberalisation related, customs, performance based incentive schemes, venture capital etc.) for sustainable private sector development and proactively pursue public-private sector partnership and innovative financial blending ventures.
- SR-6.4 Especially consider and proactively pursue strategic programmatic tie-ups and joint ventures with the European financial institutions such as EBRD and EIB and with Member States agencies such as KfW, AFD, DFID, amongst others, which have proven to be interested in such undertakings, with the objective of maximising the multiplier effect of grants.
- SR-6.5 Strategize PSD support in such way that the basic needs of business entrepreneurs are more adequately met in a qualitative and integrated manner by tackling the present fragmentation of the business enabling environment through proactive, concerted steps toward a new integration at higher level.
- SR-6.6. Develop an instrument (backed with financial support and TA) targeted specifically at Jordanians working abroad to reverse the “brain drain” and increase the supply of skilled labour and thereby help the domestic economy modernize and compete globally.

EQ-7 Trade, transport and investment facilitation

- SR-7.1 Give priority to supporting the development of an effective, streamlined institutional setting for investors by addressing the existing overlapping mandates and institutional arrangements of different government agencies acting in the area of investment policy, innovation and competitiveness.
- SR-7.2 Further strengthen support to regulatory approximation as there are initial signs of success, but ensure that this process is accompanied by negotiations on trade, including services and other priority sectors for Jordan exports.
- SR-7.3 Facilitate the finalisation and approval of the public-private partnership (PPP) law⁶⁵ and the preparation of the related regulatory framework as a matter of priority. To that end, explore concrete PPP opportunities in the transport sector as there are revenue-generating projects that are clear candidates for PPP (tolled highways, dry port installations, public transport) and where EU investors have a solid and long history of successes. To that effect, further coordinate with EIB which already has declared its interest in supporting the implementation of the transport strategy, and create space for blending opportunities with NIF as credible framework.
- SR-7.4 Explore the opportunities provided under the Long Term National Transport Strategy particularly with regard to Jordan being well placed to serve as regional logistics hub thanks to its comparative advantages emanating from its geographical and geo-political setting and relative stability, and further pursue the synergy possibilities with the EIB plans to support Jordan road development.
- SR-7.5 Give special attention to and proactively pursue the promotion of regional co-operation, which remains essential for the transport strategy to be successful (incl. TTF Secretariat, EIB Regional Integration through Trade and Transport Corridors three-year initiative, etc.).

EQ-8 Education and employment

- SR-8.1 Broaden support to the education sector. This is necessary in quantitative terms because of the massive influx of refugees and the enormous strains these cause on the local public services especially in the host communities. This is also in particular necessary in qualitative terms with regard to teachers' education and different other quality issues. The most prominent are: lifelong learning, career development and status upgrading, modern teaching methods, updated curricula with longer contact hours and broadened provisions for mathematics and literacy, gender issues, decentralisation, strengthening of school management and involvement of parents and communities in education issues.
- SR-8.2 Take a stronger proactive stand and engagement in the reform of the E-TVET sector particularly with regard to a simplification of its governance and management structure and make the (sub-) sector more cost-efficient and cost-effective, and support the development and operationalisation of a results based monitoring and evaluation system anchored in Jordan's National Employment Strategy 2011-2020.
- SR-8.3 Give special attention to the upliftment of the overall standing of TVET in society alongside and at par with "academic" secondary education and to its enhanced overall quality. Particularly focus on the "E" employment (both self-employment and wage employment) component of the integrated E-TVET approach and duly ensure gender sensitivity both in strategies and operations.

⁶⁵ The updated draft PPP law will now go to the Lower House of Parliament, before it is ratified by royal decree http://www.eversheds.com/global/en/what/articles/index.page?ArticleID=en/Energy/ce_jordan_ppp_update_140909

SR-8.4 Ensure gender equity and equality in social protection and other related legislation and ensure their effective implementation. To that effect, support the empowerment of the Gender Unit in the Ministry of Labour and other key entities concerned to effectively assume their role and fulfil their mandate of strengthening gender sensitive policy making and strategizing. It is also essential to supervise their actual implementation in the field of Technical and Vocational Education and Training and the education-work link in general, with the aim of effectively enhancing women employability.

EQ-9 Sustainable, environment friendly energy and water solutions

SR-9.1 Strengthen the focus on renewable energy and energy efficiency as well as efficient water use as strategic objectives of the EU-Jordan cooperation in these cooperation sectors, in case prioritized. More explicitly and inclusively cover environmental and climate change concerns as cross-cutting issues pervading all EU-Jordan policy dialogue and cooperation activities in these sectors.

SR-9.2 With water being an extremely scarce resource in Jordan and with the massive influx of refugees having a detrimental impact on this already extreme scarce resource, further explore the desirability and feasibility of reintroducing support to the water sector and its reform in particular (e.g. related to efficient water use) as a key component / focal area of the coming EU response strategy. This assessment should be done in close coordination with the Member States to ensure optimum division of labour and synergies.

SR-9.3 Further prioritize support to enhanced energy efficiency and renewable energy, especially since the cost of energy represents a disproportionately high segment of both household and industry expenditures. Hence the plea for a continued focus on renewable energy and energy efficiency.

SR-9.4 In case EU support in the energy and/or water sectors is extended via the sector budget support aid modality, ensure that such support is directly and unequivocally related to the implementation of well-defined, results-oriented and monitorable action plans and achievement of reform process and results targets. Reform indicators should include / cover, amongst others: (i) detailed plans of actions in each pertinent work area, (ii) means of ensuring networking and partnership development, (iii) incentive policies, (iv) market and PPP strategies, (v) stakeholder mobilization methodology outside government spheres, and (vi) details regarding capacity building efforts required.

SR-9.5 Ensure that any support to sectoral reform in the energy sector duly caters to institutional and human capacity strengthening of private sector organisations which are excluded from direct EU reform support (including for example Energy Service Companies – ESCO's, electricity utilities, financiers), especially since these are / will be actually spearheading reform processes and their implementation.

SR-9.6 Ensure consistently the mainstreaming of environment and climate change in all programmes in the energy and water sectors.