

EN



Programming of the European Neighbourhood Instrument (ENI) - 2014-2020

-

**Single Support Framework for EU support to Jordan
(2017-2020)**

Introduction

Jordan is a resource-poor country, with no oil or gas resources, limited agricultural land and scarce water resources, with its economy primarily dominated by services (70% of GDP, 75% of jobs) and remittances (14.5% of GDP). Between 2004 and 2015¹, its population has leaped from 5.3 to 9.5 million, of which 31% are not Jordanians and 42% are under 15 years of age. With a total of 2.8 million refugees, Jordan has the 2nd largest number of refugees per capita in the world². Still with these challenges, progress in human development has been outstanding, thanks to consistent levels of spending on education, health, pensions and social safety nets. In nominal terms, GDP per capita increased from USD 1,163 in 2000 to USD 5,422 in 2014. Income inequalities have been attenuated: its GINI³ coefficient is similar to that of OECD members in average. The regional crisis in Iraq and Syria broke this virtuous circle and compounded Jordan's structural challenges. Since 2011 unemployment is increasing; trade balance deficit was multiplied six-fold, the net public debt has grown from USD 24.86 (80% GDP) in 2012 to USD 34.78 billion (94% of GDP) in 2015; education outcomes are regressing. If its Human Development Index (HDI) value in 2015 was above the average of Arab countries, it has been stagnating since 2012.

The official unemployment rate was 13% in 2015; for people aged 15-24 it reached 26.7% for men and 53.3% for women. Total workforce participation (40%) and women participation in the labour force (12.6%) are among the lowest in the world. Whereas the higher education system has made significant progress in enrolments rates in the past ten years, the highest unemployment rate is among university and college graduates. There is indeed an oversupply of university graduates and a chronic undersupply of skilled craftsmen and technicians, compounded by the negative perception of society towards vocational work. The labour market accommodates a relatively high number of foreign workers crowding out Jordanians from some unskilled and low-skilled jobs. 40 to 45% of employment is estimated to be in the informal sector. To absorb the new entrants into the labour force, Jordan would need to increase employment by an estimated 400,000 jobs by 2020, which would require an average annual GDP growth of 6%.

In recent years, significant improvements were made in the area of justice. The constitutional amendments of 2011 included provisions to reinforce the separation of powers and the independence of a part of the judiciary, creating the Constitutional Court, and establishing the Judicial Council as an independent institution. The Law on the Independence of the Judiciary adopted in 2014 further enhanced the separation of powers between authorities. A law on juvenile justice was adopted the same year, calling for the establishment of specialised juvenile justice system, separate from the adult penal system. In some areas, however, progress remains inadequate, i.e. governance of the Judicial Council, access to justice, time of litigation, gender discrimination in cases of domestic violence. Jordan ranks among the less corrupt countries in the Arab world on the Transparency International Index, ranking 57th out of 176 countries in 2016. Yet nepotism and favouritism (*wasta*) continue to be widespread social practices, especially in the public sector. In the area of human rights a number of setbacks have been reported recently, both on the legislative side and in the implementation. Those include anti-terrorism legislation which in practice has led to a constrained space for media/freedom of speech and reduced space for civil society. Another breaking of the moratorium on the death penalty which was in place from 2006 to 2014 with executions in March 2017, illegal detentions and reported cases of torture have also been witnessed.

¹ Data from the last census. Non-Jordanians include migrants and registered refugees.

² Of which 664,118 refugees (Syrian, Iraqi, Somali, Sudanese, Yemeni) registered with UNHCR (as of 2015, latest global data available) and 2,175,491 Palestine refugees registered with UNRWA.

³ The Gini Coefficient is a proxy for income or wealth distribution of a nation's residents, and the most commonly used measure of inequality.

While heavily impacted by the Syria crisis and situated in a region in turmoil, Jordan has upheld a remarkable level of stability. Still, it is to be noted that Jordan is the 5th country in the world with the largest number of citizens fighting in Syria and has the 3rd highest ratio of fighters per capita. On the one hand, and thanks to its preventive security policy, no major incidents took place in Jordan since the 2005 bombing of three hotel lobbies. On the other hand, the several terrorist attacks that occurred in 2016 indicate that threats to security exist and addressing them should remain a priority.

1. EU Response

1.1. Strategic objectives of the EU's relationship with the partner country

The stabilisation and resilience building of neighbouring countries, particularly by boosting economic development, are the EU's main political priorities outlined in the European Neighbourhood Policy (ENP) review of 2015 and in the Global Strategy for the European Union's Foreign and Security Policy (Global Strategy)⁴. These are reflected in this programming document for the period 2017-2020 through increased focus on economic governance, rule of law and social sectors, and on a stronger cooperation on security with Jordan. These are among the joint priorities for cooperation as set out in the ENP review. Jordan has long been a key partner for the EU in the region. This has been reconfirmed through the EU-Jordan Partnership Priorities and the Compact and at the Brussels Conference on the Future of Syria and the Region⁵ where Jordan's crucial role is crucial in the context of the response to the Syrian crisis has been underlined including through mutual commitments. Jordan is engaged in countering violent extremism and is also part of the international coalition fighting Da'esh.

Jordan guarantees a safe environment to refugees, including some 658,000 registered Syrian refugees and has provided access to education as well job opportunities, with the support of the international community. Jordan will continue to face resilience challenges over the coming years, with the combination of domestic and regional factors presenting increased risks for stability and development. This Single Support Framework (SSF) is aimed at supporting Jordan in addressing these risks, enhancing resilience and moving forward with improved development perspectives. It is one instrument within the large EU toolbox that focuses on the bilateral relationship in the framework of the European Neighbourhood Policy and the agreed EU-Jordan Partnership Priorities and Compact. For instance, the actions proposed in the SSF are designed in complementarity with humanitarian interventions and other interventions as captured in the Joint Humanitarian Development Framework (JHDF).

Also, the External Investment Plan could be considered for upscaling or complementing Government-planned interventions (e.g. water, transport, waste management).

In 2016, the EU and Jordan agreed on three interlinked priorities within the Partnership Priorities. The first focuses on strengthening cooperation on regional stability, security including counter-terrorism. The second aims at Jordan's macro-economic stability and enhancing its social and economic development, in line with *Jordan 2025: A National Vision and Strategy* (hereafter: *Jordan 2025*), in addition to enhancing Jordan's resilience to deal with the impact of the Syrian crisis. Strongly linked to these two, the third proposed partnership priority focuses on supporting efforts to strengthen governance, the rule of law, democratic reform and human rights.

⁴ http://www.eeas.europa.eu/archives/docs/top_stories/pdf/eugs_review_web.pdf

⁵ Decision n° 1/2016 of 19 December 2016 of the EU - Jordan Association Council agreeing on the EU-Jordan Partnership Priorities, including the Compact; <http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1501065843569&uri=CELEX:22016D2388>

Beyond the national development objectives, the present cooperation strategy will also aim to help Jordan progressing towards mutually agreed commitments at regional level, which include the joint orientations devised in the framework of the Union for the Mediterranean, notably in the areas of Energy, Transport, Environment, Climate Change, Employment and Women Empowerment.

Joint Programming

The objectives of EU programming for the period 2017-2020 aims at maximising the impact of EU action by ensuring synergies between the EU and its Member States (including agencies and development banks). EU development partners in Jordan have responded positively to the drafting of a Joint Analysis which should lead to Joint Programming. Though Member States followed closely the drafting of the SSF, it is not yet the product of Joint Programming.

Defining avenues towards an effective division of labour and the synchronisation of programming cycles and indicative financial allocations will remain challenging given the volatile context and the multiplicity and overlap of planning tools, financial instruments and coordination structures. Nevertheless, the momentum generated might yield fruits in a near future and reinforce perspective for joint efforts with the Member States and, in line with the Council Conclusions of May 2016 on stepping up Joint Programming, sector analyses will be carried out jointly with Member States to inform programme design and possibly foster delegated cooperation or joint implementation.

1.2. Choice of sectors of intervention

The current SSF provides overall continuity from the previous SSF 2014-2017 and builds on the achievements of and lessons learned from its implementation, in particular the important advances made through EU-funded programmes in the justice sector, democratic governance, private sector development and the management of energy and natural resources. As far as the latter is concerned, given the strong pick up in renewable energy generation from the private sector it has been decided to discontinue support under ENI bilateral financing. The other SSF's areas of intervention remain valid and feature within the new sectors of intervention. Moreover, in view of the situation on the ground and of regional and global developments, regional security and the fight against terrorism and violent extremism now feature among the priority sectors in the SSF 2017-2020.

Each of the proposed priority sectors under the SSF stems directly from the EU's revised Neighbourhood Policy and the Partnership Priorities. Resilience and stabilisation are the overarching political priorities of the EU cooperation with Jordan. These are to be advanced through a continued focus on good governance and rule of law, enhancing economic development, stronger cooperation on security and cooperation to preventing radicalisation. In line with the new European consensus on development⁶, a rights-based approach to development cooperation, encompassing all human rights, will be implemented in all interventions. In the same context and linked to the approach fostering innovation under the SSF interventions will take advantage of the potential of digital technologies to leverage impact. Focus on youth and stronger gender balance will be ensured across the different areas of intervention as it is critical to achieving inclusive, equitable and sustainable development for present and future generations. The priority sectors under the SSF are fully in line with key objectives in the government's strategic planning documents, in particular Jordan 2025. Moreover, the EU Gender Action Plan⁷, the EU Jordan Mobility Partnership

⁶ The New European Consensus on Development – 'Our World, Our Dignity, Our Future, Joint Statement by the Council and Representatives of the Governments of the Member States meeting within the Council, the European Parliament and the European Commission: https://ec.europa.eu/europeaid/sites/devco/files/european-consensus-on-development-final-20170626_en.pdf

⁷ <https://europa.eu/capacity4dev/public-gender/minisite/eu-gender-action-plan-2016-2020>

signed in 2014⁸ and the *EU Country Roadmap for engaging with Civil Society* will be duly taken into account in implementing the SSF.

The "fewer and bigger approach", concentrating EU assistance on a few strategic sectors through a limited number of major programmes, was initiated under the previous SSF and will be pursued with a view to maximise impact and limit transaction costs.. Five budget support programmes were phased in between 2014 and 2017. They will be evaluated at mid-course to assess the opportunity to remain engaged in related sectors.

Sector 1: Enhancing Jordan's social and economic development (indicative 60% of total budget)

"For a country like Jordan that lacks mineral resources or other natural advantages, prosperity, stability, and well-being depend almost entirely on the talents of its enterprises and its people" says Jordan's Human Resources Development Strategy 2016-2025. Resting on four pillars (i) early childhood education and development (ii) basic and secondary education (3) technical and vocational education (4) higher education, the Strategy *"will ensure current and future generations develop the skills and capability they need to live happy and fulfil lives, and collectively realise the ambition of a prosperous and resilient Jordan."* Against the background of an influx of around 200,000 additional Syrian children in school age since 2012, with the vast majority enrolled in the public school system, continuing supporting basic and secondary education is critical as education outcomes are regressing and infrastructure is crumbling. Particular attention will be given to the quality of education and to a proper learning environment. A new phase to the on-going technical and vocational education programme could be envisaged as a result of the mid-term evaluation set for 2018. In the area of social protection, particular attention will be given to existing social protection and poverty reduction policies and instruments, with a focus on the performance of social safety nets. Assistance will be provided as well to improve the quality of social services provided to the vulnerable categories.

Although the government places private sector development at the core of its strategy to address current economic and social tensions, international indices show that overall the quality of the business environment has deteriorated significantly in recent years. Research and innovation figure prominently in *Jordan 2025*, confirming the vision of the Jordan National Innovation Strategy 2013-2017 to "create an innovation-based economy in Jordan". In this context, EU assistance may be extended to support innovation ecosystems and promote further cooperation between research and innovation centres and small and medium enterprises. *Jordan 2025* identifies eight priority clusters to drive growth and job creation⁹. A particular focus should be put on initiatives contributing to enhancing the resilience of vulnerable economic sectors to the impacts of climate change – a potential multiplier of the current socio-economic pressures in the country in the near future.

Support could also be extended to enhance the quality and occupational value of higher education given the high unemployment rates amongst university graduates, the imperative to ensure linkages with the industrial and service sectors but also the critical contribution of universities in increasing national research and innovation capacities. In this respect, Jordan's participation to the Erasmus+ Programme and the Horizon 2020 could be instrumental. The EU will continue to support the development of the private sector with the view of creating the conditions to enhance its growth, attract investment, including from Jordanian diaspora, promote job creation and facilitate access to the European markets. In particular, the EU will accompany the Government and the private sector in the implementation of the recent EU-Jordan decision on the relaxation of the Rules of Origin

⁸ http://europa.eu/rapid/press-release_IP-14-1109_en.htm;

⁹ Construction and Engineering, Transport and Logistics, Tourism and Events, Healthcare, Life Sciences, Digital and Business Services, Educational Services, Financial Services.

regime¹⁰. Support to facilitate and monitor its implementation will be continued and lessons learned will be instrumental for the mid-term review of the new scheme, set for 2020.

Sector 2: Strengthening the rule of law (indicative 20% of total budget)

Jordan's Justice Sector Reform Strategy 2017-2021 aims to strengthen judicial independence, support and institutionalise the policy dialogue that contributes to a more efficient judicial system by introducing structural changes, simplifying the procedures and improving the information technology infrastructure of the courts. With a strong focus on family law and individual rights, Jordan's Comprehensive National Plan for Human Rights 2016-2025 lays the ground for reform in order to live up to most international standards. It intends to develop a national policy for the protection and promotion of human rights and fundamental freedoms and to cement the national accomplishments achieved in that field.

Building on previous programmes, the EU will assist the Government of Jordan in enhancing the rule of law by upholding democratic principles, in particular the principles of separation of powers, right to a fair trial and access to justice, including for migrants and refugees in Jordan¹¹. Fully acknowledging Jordan's security concerns and objectives¹², the EU has confirmed that security and human rights objectives are mutually reinforcing. Efforts will therefore be exerted to enhance dialogue between justice and security actors, associating civil society organisations as well. To that end, the recommendations of the Royal Committee on strengthening the rule of law in Jordan and the key goals of the Comprehensive National Plan on Human Rights provide an appropriate framework.

Sector 3: Upgrading border management and preventing violent extremism (indicative 10% of total budget)

The terrorist attacks that occurred in 2016 indicate that threats to security exist and addressing them should remain priority. The regional spill over of violent extremism should be taken into account, but domestic factors contributing to violent radicalisation are also important. Security is a new area for EU-Jordan bilateral cooperation. Within the EU-Jordan Partnership Priorities, the Jordanian authorities agreed to include the strengthening of the cooperation on regional stability, security including counter-terrorism. To develop a coherent approach, increase the visibility of the EU in this field and to further implement the conclusions of the Counter-Terrorism workshop of March 2016, the EU should articulate its support mainly around one programme which could be integrated border management. This would also allow the EU to work with all relevant security agencies at the same time, promote an integrated approach and avoid potential dispersion of actions.

The EU and Jordan also agreed on operational conclusions including counter-terrorism, fight against violent extremism and radicalism, border management and aviation security as priorities of cooperation for the years to come. To promote stability and development these topics will have to

¹⁰ Decision N° [1]/2016 of the EU-Jordan Association Committee of 19/07/2016 amending the provisions of Protocol 3 to the Euro-Mediterranean Agreement establishing an Association between the European Communities and their Member States, of the one part, and the Hashemite Kingdom of Jordan, of the other part, concerning the definition of the concept of 'originating products' and the list of working or processing required to be carried out on non-originating materials in order for certain categories of products, manufactured in dedicated development zones and industrial areas, and connected with generating employment for Syrian refugees and Jordanians, to obtain originating status. Decision N° [2]/2016 of the EU-Jordan Association Committee of 19/07/2016 proposing actions by the EU-Jordan Association Committee regarding the implementation of the relaxation of the rules of origin. <http://eur-lex.europa.eu/search.html?qid=1501065487627&text=eu-jordan%20agreement%20on%20rules%20of%20origin%20association%20committee&scope=EURLEX&type=quick&lang=en>

¹¹ Prosecution rates and instances of appeal to higher courts are extremely low - National Anti-Trafficking Committee, 2015

¹² Most recently in the context of the EU-Jordan Association Committee (19 July 2016) and the EU-Jordan sub-committee on human rights (24 October 2016)

be channelled through a holistic approach, which addresses root causes and avoids inadvertently exacerbating drivers of violent extremism. This means entailing a rule of law perspective in security issues with a focus on respect of human rights and fundamental freedoms, as well as the inclusion of other strategic horizontal issues, such as the empowerment of women and youth. Moreover, a contribution to the implementation of the Government's strategy on countering violent extremism, once approved, will be considered.

2. Financial overview

The indicative allocation for 2014-2020 is EUR 567.0 million - EUR 693.0 million.

The indicative allocation for 2017-2020 is EUR 335.5 million - EUR 410.1million.

The indicative breakdown by sector is the following:

SSF 2017-2020	<i>Indicative amounts</i>	<i>% of total allocations</i>
Sector 1: Enhancing Jordan's social and economic development	<i>EUR 201.3 million – EUR 246.0 million</i>	<i>60%</i>
Sector 2: Strengthening the rule of law	<i>EUR 67.1 million – EUR 82.0 million</i>	<i>20%</i>
Sector 3: Upgrading border management and preventing violent extremism	<i>EUR 33.6 million – EUR 41.0 million</i>	<i>10%</i>
Complementary support for capacity development	<i>EUR 16.8 million – EUR 20.5 million</i>	<i>5%</i>
Complementary support for civil society	<i>EUR 16.8 million – EUR 20.5 million</i>	<i>5%</i>

Jordan may benefit from supplementary allocations provided under the umbrella programmes. Such supplementary allocations will be granted on the basis of progress towards deep and sustainable democracy and implementation of agreed reform objectives contributing to the attainment of that goal. Jordan is also eligible for support under a number of other EU instruments, such as the Instrument Contributing to Stability and Peace¹³, EU Humanitarian Aid¹⁴, CFSP measures and CSDP missions and operations, the European Instrument for Democracy and Human Rights¹⁵, the Partnership Instrument¹⁶, the Instrument for Nuclear Safety Cooperation¹⁷, Macro-Financial Assistance¹⁸, Development Co-operation Instrument thematic programmes¹⁹ and external actions under EU internal programmes e.g. research and innovation (Horizon 2020)²⁰, energy, transport, education and youth (Erasmus+)²¹ and culture (Creative Europe)²².

¹³ http://ec.europa.eu/dgs/fpi/documents/140311_icsp_reg_230_2014_en.pdf

¹⁴ <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=URISERV%3Ar10001>

¹⁵ <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32014R0235>

¹⁶ http://ec.europa.eu/dgs/fpi/documents/pi_mip_annex_en.pdf

¹⁷ <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32014R0237>

¹⁸ https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/international-economic-relations/macro-financial-assistance-mfa-non-eu-partner-countries_en#documents

¹⁹ <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32014R0233>

²⁰ <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32013R1291>

²¹ <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32013R1288>

²² <http://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX%3A32013R1295>

3. EU support per sector (max. 3 pages)

3.1 Sector 1: Enhancing Jordan's social and economic development (indicative 60% of total budget)

3.1.1 The following overall and specific **objectives** will be pursued:

The **overall objective** is to contribute to the development of an equitable and inclusive society in Jordan.

The specific objectives will be:

Specific Objective 1 To contribute to the reduction of unemployment amongst Jordanian youth through education and private sector development

Specific Objective 2 To contribute to the reduction of income and social inequalities.

3.1.2. For each of the specific objectives the main expected **results** are:

For Specific objective 1: Improved basic and secondary education; Improved technical and vocational education; Strengthened innovation ecosystems; climate change resilience and adaptation taken into account in policy development and planning.

For Specific objective 2: Enhanced policy framework and governance of the social protection system; Improved quality of social services through professionalising social workers; Strengthened role of civil society organisations in the development, monitoring and evaluation of social protection policies.

3.1.3. For each result, the main **indicators** are:

For Specific objective 1: Percentage of satisfaction amongst teachers, pupils and parents; Jordan's scores in TIMSS and PISA²³; Proportion of teachers who are licensed (disaggregated by gender); Proportion of students following technical and vocational paths in post-secondary education; Percentage of firms offering formal training; Jordan ranking on the Venture Capital & Private Equity Country Attractiveness Index; Number of patents applications and registrations, spin-out companies, joint ventures and technology licenses (disaggregated by gender); Number of new companies established by young entrepreneurs

For Specific objective 2: Proportion of grievance and redress cases raised under the social cash transfer programme recorded in the Monitoring and Information System (MIS); Proportion of social protection programmes utilising the single registry; Proportion of social workers who have occupation licenses; Proportion of referred cases of gender and sexual based violence against women and children that are investigated and sentenced; Proportion of associations that exchange data and information with the Ministry of Social Affairs and among each other; Number of research and policy papers submitted by associations and their coalitions

3.1.4. **Donor coordination and policy dialogue** are:

For Specific objective 1: The education donor consultation group has been established in 2012 during the second phase of the education reform programme led by the World Bank. Currently it is being co-chaired by the United Kingdom and Germany and meets every 3 months ad minima. The group focuses on the education system at large, the Syrian refugee situation and school construction. Coordination has culminated in the establishment of a Common Results Framework between donors and the Ministry; the EU is financing the independent monitoring missions reviewing progress in the sector. Coordination and policy dialogue in the area of technical and vocational education is nascent as donors showed interest in the sector only recently. It takes place within the framework of the on-going EU budget programme. The informal private sector

²³ TIMSS: Trends in International Mathematics and Science Study; PISA: Programme for International Student Assessment.

development donor coordination group is meeting twice a year and is currently chaired and coordinated by the EU Delegation. The chair function is rotating among the donors. More involvement of the Government in the private sector development coordination will be sought. Close cooperation is taking place between the EU, several Member States, the World Bank and the United States of America to facilitate the implementation of the new agreement on the Rules of Origin and foster Jordanian exports to Europe.

For Specific objective 2: Coordination and policy dialogue in the area of social protection is taking place within the framework of the response to the Syria crisis, more particularly through the joint sector task forces established in 2015 by the Government and gathering the line ministry, key donors, United Nations agencies and civil society organisations.

3.1.5. The *partner country's authorities* **financial and policy commitments** are:

For Specific objective 1: Jordan's key asset is its human capital and its educated youth. The Human Resources Development Strategy 2016-2025 marks a renewed commitment of the country to reform the education system despite the pressure exerted by a massive influx of refugees from neighbouring countries. In terms of budget allocation, education is one of the top priority sectors within the Executive Development Plan 2016-2018 (6th out of 13 sectors) and the Jordan Response Plan for the Syria Crisis 2017-2020 (1st of 13 sectors). Donors have committed to cover the costs borne by the Ministry of Education to provide education to Syrian children until the school year 2018/2019. Early 2016, the Government approved the "Jordan Holistic Approach to the Syrians Crisis", renewing its commitment made in the National Entrepreneurship and SME Growth Strategy 2014-2018 to foster private sector development, through improving the business environment and boosting domestic and foreign investments. To that end, it relies extensively on the technical and financial assistance of the international community.

For Specific objective 2: Jordan social protection policy framework remains fragmented, with a myriad of programmes implemented by the public and non-profit sectors. If key legislations have been promulgated recently to address specific vulnerable groups (2014 Juvenile Law, 2017 Law on the rights of persons with disabilities), the founding law of the Ministry of Social Development dates back to 1956. Although the Ministry's expenditures are due to decrease by 11% between 2014 and 2018, Jordan's social assistance expenditures as a percentage of GDP appear significantly high compared to other countries in the region (2.4% in 2014 against 0.6% in Tunisia or 0.7% in Saudi Arabia). Social protection ranks 2nd out of 13 sectors in the Jordan Response Plan.

3.1.6. **Environmental assessment**

When needed, the appropriate type of environmental assessment will be carried out²⁴. Objectives related to climate adaptation, resilience and mitigation will be taken into account throughout the intervention.

3.1.7. The overall **risk assessment** of the sector intervention is:

For Specific objective 1: For Education, the main risks are (i) fragmented reform system, multiplicity actors operating and insufficient government coordination; (ii) sufficient financial resources are not allocated; (iii) lack of public trust in the Strategy (iv) the Ministry is reluctant or unable to involve parents and teachers. For Innovation, the main risks are (i) fragmented innovation ecosystem, multiplicity of strategies and actors and insufficient government coordination; (ii) lack of legislative framework and low investment in research and development; (iii) limited capacity and participation of public and private stakeholders to support innovation initiatives; (iv) brain drain of innovative and creative people; (v) weak access to finance and support for innovative start-ups; (vi) limited interaction between academia and business.

²⁴ See guidelines <https://europa.eu/capacity4dev/t-and-m-series/document/integrating-environment-and-climate-change-eu-international-cooperation-and-development-tow>

For Specific objective 2: The main risks are (i) commitment and access to information; (ii) commitment to gender equality; (iii) reluctance of external stakeholders to create pressure for positive reforms; (iv) the Ministry is reluctant or unable to implement reform and to involve non-governmental organisations (NGOs).

3.2 Sector 2: Strengthening the rule of law (indicative 20% of total budget)

3.2.1 The following overall and specific **objectives** will be pursued:

The **overall objective** is the enhancement of the rule of law in Jordan by upholding democratic principles, in particular the principles of separation of powers, right to a fair trial and access to justice.

The specific objectives will be:

Specific Objective 1 To contribute to the development of a more independent, transparent, accountable, accessible and efficient justice system

Specific Objective 2 To contribute to ensure a human and fair treatment of citizens subject to judiciary proceedings

3.2.2. For each of the specific objectives the main expected **results** are:

For specific objective 1: Enhanced independence of the judicial power; A more efficient, transparent and integrated criminal justice sector gradually integrating the crimes against national security in line with Jordan's international human rights commitments; Improved service delivery through the support to the modernisation and management of the judiciary and security sectors

For specific objective 2: Improved conditions and reduced ill treatment in penitentiary institutions and police custody; A system of alternative sanctions is in place as well as an enhanced capacity of rehabilitation and reintegration mechanisms for inmates; A justice system that fully safeguards the universal human right to a fair and impartial trial, as established in international conventions is in place

3.2.3. For each result, the main **indicators** are:

For Specific objective 1: Public perception of judicial independence; Percentage of all detainees who have been held in detention for more than 12 months awaiting sentencing or a final disposition of their case; Availability of performance guidelines and of a performance monitoring system that holds judges accountable for unnecessary delays in proceedings, case backlog, or absenteeism; Availability of free legal assistance for indigent defendants including refugees (disaggregated by gender).

For Specific objective 2: Number of violent deaths per 1,000 prisoners (disaggregated by gender); Proportion of judicial implementation of alternative sanctions; Jordan ranking for the subfactor - Due process of law and rights of the accused.

3.2.4. **Donor coordination and policy dialogue** are:

In addition to the EU, the most important donor in the justice sector is USAID, which has been financing large-scale interventions for several years. Other donors are France, the United Kingdom, Germany, Denmark, the Netherlands, and Sweden. The EU chairs a donor coordination group and promotes policy dialogue. Broad involvement of the government, civil society organisations, the bar association, is essential. The EU Delegation also leads the human rights working group with EU Member States, which convenes twice a month.

3.2.5. The *partner country's authorities* **financial and policy commitments** are:

Recently, successive actions have been carried out to improve standards and legislation in the sector. In spite of the current regional crises the state has raised its commitment to enhance the level

of governance and rule of law standards. Commitment to reform the justice sector is reflected in the current Justice Sector Reform Strategy which has recently been reprioritised and enhanced through the recommendations issued in 2017 by the Royal Committee on the rule of law. In recent years some steps have been taken to incorporate international standards on human rights inside national legislation. A Comprehensive National Plan for Human Rights 2016-2025 does lay the ground for reform in order to live up to these standards.

3.2.6. **Environmental assessment**

When needed, the appropriate type of environmental assessment will be carried out.

3.2.7. The overall **risk assessment** of the sector intervention is:

The main risks are (i) lack of commitment by the government to implement the national strategies on justice reforms and human rights; (ii) insufficient capacity from key stakeholders to implement and monitor the reforms. A close monitoring by donors and ongoing policy dialogue with the government will help mitigate these risks.

3.3 **Sector 3: Upgrading border management and preventing violent extremism (indicative 10% of total budget)**

3.3.1 The following overall and specific **objectives** will be pursued:

The **overall objective** is to contribute to counter the terrorist threat, the return or transit of foreign fighters and the associated transnational crime and to address in an inclusive way (governmental and non-governmental actors) the root causes leading to violent extremism. The specific objective will be:

Specific Objective 1: To strengthen the overall integrated smart border management including counterterrorism capacity of national security agencies and organisations, in particular Law Enforcement Agencies and Border Guards

Specific Objective 2: To enhance Government's efforts to prevent and counter violent extremism and support local actors' resilience and capacity for customised approaches and strategies

3.3.2. The main expected **results** are:

For Specific objective 1: National security agencies and organisations are able to counter the flow of foreign fighters and transnational crime in compliance with national legislation and international law; Agencies are able to quickly respond to security incidents, including at the border, in a coordinated and rapid way; Integrated border management approach as already partially practiced at sea-side and at the main international airport is expanded to all border crossing points.

For Specific objective 2: Enhanced institutional capacities to coordinate, implement and monitor the responses to violent extremism; Effective government response in priority areas of vulnerability deriving from the National Strategy; Strengthened local capacity to identify, design, and coordinate community responses to prevent violent extremism; Enhanced state-citizen relationship in priority areas through a right balance between centralised and decentralised approaches

3.3.3. For each result, the main **indicators** are:

For Specific objective 1: Number of integrated (intra-service and inter-agency) risk analyses conducted; number of detected cases related to the flow of foreign fighters and transnational crime; Effectiveness and number of joint communication and command structures established; Effective intra-service and inter agency law enforcement; Effective cooperation with the private sector (carriers, freight forwarders, customs brokers etc.) in the field of movements of persons and/or goods number of detected incidents on the one hand and facilitation (decreased required time) of the border crossing for unsuspecting passengers and goods

For Specific objective 2: Indicators will be extracted from the National Strategy for Preventing and Countering Violent Extremism due to be approved by the Government in 2017

3.3.4. **Donor coordination and policy dialogue** are:

In 2014, in the context of the EU-Jordan Association Council, Jordan and the EU concluded that security and the fight against terrorism are a priority in their partnership. In March 2016, at the EU-Jordan workshop on security and counter-terrorism, four areas of cooperation were identified, notably countering violent extremism (CVE), countering the financing of terrorism, aviation and border security and new challenges such as human trafficking, foreign terrorist fighters and firearms smuggling. Besides, in line with the EU Global Security Strategy, continuous dialogue between the EU and Member States is taking place at least monthly at the Security Operational Reference Group. Quite understandably, there are no forum between the Government and the international community on this topic. An informal technical donor coordination group on CVE has been recently established by the EU, the United Kingdom and the US.

3.3.5. The *partner country's authorities* **financial and policy commitments** are:

Jordan's financial commitment is significant. Military expenditures represented 4.3% of GDP in 2015, against an average of 2% for upper middle income countries. In 2016, military expenditures represented 31% of current expenditures. The estimated manpower is at least 110.000 in the military, 40.000 in the public security department and more than 20.000 in the Gendarmerie and Civil Defence Department – in addition to the General Intelligence Department. As an important part of the Jordanian efforts are a direct consequence of the regional security situation and its commitments within the international coalition countering terrorism, Jordan expects that the strategies and plans it draws for its security apparatus will continue to receive international community's support.

3.3.6. **Environmental assessment**

When needed, the appropriate type of environmental assessment will be carried out.

3.3.7. The overall **risk assessment** of the sector intervention is:

The main risks are (i) borders, most likely the eastern and northern ones, become military zones, where no civilian authorities have a clear and authoritative mandate and a military logic is predominant; (ii) no real preparedness to initiate a regular intra-service and interagency cooperation in the form of intra-service management of processes and regular interaction between Government's security agencies; (iii) absence of gender-based approach in the management of human resources.

4. Complementary support for capacity development and institution building

Complementary support for capacity development and institution building will be included to address essential elements of good governance, other than those addressed through the sector interventions mentioned above and in line with the priorities expressed in the EU-Jordan Partnership Priorities and Compact. An important area which deserves further support is transparency in the use of public resources. EU's interventions may particularly aim at enhancing the integrity and the transparency of public procurement and fostering parliamentary oversight throughout the budget cycle. The Jordan Department of Statistics (DoS) will produce updated indicators on poverty, labour force and other related subjects, fostering accurate monitoring on the basis of reliable data. Thanks to international statistical cooperation Jordan is improving the quality of its data, which will foster transparency. With a view to build confidence in the integrity and fairness of the procurement system, the EU may assist in rationalising the current legislative and regulatory framework; establishing a central institution for policy-making functions in the area of public procurement; providing capacity building for the private and public sectors in public procurement and introducing effective complaint mechanisms for challenging procurement

decisions. On parliamentary oversight, the EU may assist in increasing the scope of legislative scrutiny of budgets and in improving the timing of the scrutiny of audit reports²⁵.

Jordan has adopted a National Integrity Charter accompanied by an Executive Plan to enhance the National Integrity System in the Kingdom. Its ambition is to address public demand for fighting corruption, favouritism and nepotism, but a number of economic and political reforms related to strengthening public confidence in the state are also set to follow. Some of the critical components of successful programs have been those that placed emphasis on promoting access to information, civil service reform, civil society participation, and advocacy.

5. Measures in favour of civil society

Working strategically with civil society including social partners will allow fine-tuning actions to local realities, achieving a more reliable risk analysis, and subsequently more sustainability and legitimacy of EU programmes. Civil society will therefore be systematically involved in policy dialogue and consulted in all sectors of intervention and support will be streamlined in the three aforementioned priorities. Given the importance of civil society in the provision of social and judiciary services, if human rights will be streamlined within the rule of law's intervention, specific support will be provided through the *European Instrument for Democracy and Human Rights* and the *European Endowment for Democracy* to contribute to the implementation of the EU Jordan Human Rights and Democracy Strategy 2016-2020.

Through this Civil Society provision, a specific allocation of 5% will be earmarked for targeted support to the implementation of the EU Gender Action Plan and the EU Civil Society Roadmap for Jordan. This is envisaged through a two-pronged programme aiming at, on the one hand enhancing women economic empowerment and on the other hand, contributing to an active, vibrant and pluralistic civil society in rural areas by strengthening community-based organisations including access to culture. If relevant, additional support will continue to be provided through the *Civil Society Organisations / Local Authorities in Development* programme under the Development Cooperation Instrument (DCI).

Attachments

1. Sector of intervention framework
2. Indicative timetable for commitment of funds

²⁵ The latter aspect is particularly relevant as it is part of general conditions on budget transparency and oversight that needs to be fulfilled for Jordan to maintain its eligibility to budget support.

Attachment 1. Sector of intervention framework ²⁶

Sector 1: Enhancing Jordan's social and economic development		
<i>Specific objective 1: To contribute to the reduction of unemployment amongst Jordanian youth through education and private sector development</i>		
<u>Expected Results</u>	<u>Indicators</u> ²⁷	<u>Means of verification</u>
a) Improved basic and secondary education	<p>a1) Percentage of Grade 1-10 aged children enrolled in schools Baseline (2015): Total 98%; Male: 97%; Female: 98%; Syrian refugees: 61.6% Target (2020): Total: 100%; Syrian refugees: 80%</p> <p>a2) Jordan's scores in TIMSS and PISA Baseline: TIMSS (2011): Science 449, Math 406; PISA (2012): Science 409; Math 386, Reading 399 Target TIMSS (2019) Science 489, Math 446; PISA (2018) Science 439, Math 416, Reading 429</p> <p>a3) Proportion of teachers who are licensed (disaggregated by gender) Baseline (2016): 0% Target (2020): 20% of new teachers</p>	<p>Annual Report from the Human Resources Development (HRD) Results and Effectiveness Unit</p> <p>a2) TIMSS: International Association for the Evaluation of Educational Achievement</p> <p>PISA: OECD</p> <p>a3) Annual Report from the HRD Results and Effectiveness Unit</p>
b) Improved technical and vocational education	<p>b1) Proportion of students following technical and vocational paths in post-secondary education Baseline (2010): < 11% Target (2020): 16%</p> <p>b2) Percentage of firms offering formal training Baseline (2013): 3.4% Target (2020) 19.7%</p>	<p>b1) Annual Report from the HRD Results and Effectiveness Unit</p> <p>b2) World Bank Enterprise Survey</p>

²⁶ The results, indicators and means of verification presented in this Annex are indicative. They will be specified in the corresponding action documents which will be elaborated annually for adoption by the Commission.

²⁷ References: a1 to b2: *A National Strategy for Human Resources Development 2016-2025*, Appendix B; c2: *Jordan 2025: A National Vision and Strategy*, Second Section.

<p>c) Strengthened innovation ecosystems</p>	<p>c1) Jordan ranking on the Venture Capital & Private Equity Country Attractiveness Index Baseline (2016): Rank 59, Score 54.8 Target to be determined</p> <p>c2) Ranking on Global Competitiveness Index Baseline (2014): 64 Target (2017) 60; (2021) 55</p> <p>c3) Number of patents applications Baseline (2015): 140 Target to be determined</p> <p>c4) Number of new companies established by young entrepreneurs Baseline and target to be determined</p>	<p>c1) Venture Capital & Private Equity Country Attractiveness Index Annual Report²⁸</p> <p>c2) World Economic Forum Global Competitiveness Report</p> <p>c3) Annual statistical country profile issued by the World Intellectual Property Organisation²⁹</p> <p>c4) Ad hoc report issued by the EU technical assistance</p>
<p><i>Specific objective 2: To contribute to the reduction of income and social inequalities</i></p>		
<p><u>Expected Results</u></p>	<p><u>Indicators³⁰</u></p>	<p><u>Means of verification</u></p>
<p>a) Enhanced policy framework and governance of the social protection system</p>	<p>a1) Proportion of grievance and redress cases raised under the social cash transfer programme recorded in the MIS Baseline and target to be determined</p> <p>a2) GINI Index Baseline (2014): 37.6 Target (2021): 31.0</p>	<p>a1) Ad hoc report issued by the EU technical assistance</p> <p>a2) Department of Statistics</p>
<p>b) Improved quality of social services through professionalising social workers</p>	<p>b1) Number of social workers who have occupation licenses Baseline (2017): 600 Target (2021): 1200</p> <p>b2) Proportion of referred cases of gender and sexual based violence against women and children that are investigated and sentenced Baseline and target to be determined</p>	<p>b1) Ad hoc report issued by the EU technical assistance</p> <p>b2) Ad hoc report issued by the EU technical assistance</p>

²⁸ <http://blog.iese.edu/vcpeindex/>

²⁹ http://www.wipo.int/ipstats/en/statistics/country_profile

³⁰ References: a2, b1, c1: *Jordan 2025: A National Vision and Strategy*, Second Section.

<p>c) Strengthened role of civil society organisations in the development, monitoring and evaluation social protection policies</p>	<p>c1) Number of associations that exchange data and information with the Ministry of Social Affairs and among each other Baseline (2017): 30. Target (2021): 60 c2) Number of research and policy papers submitted by associations and their coalitions Baseline and target to be determined</p>	<p>c1) Ministry of Social Affairs c2) Ad hoc report issued by the EU technical assistance</p>
--	---	--

Sector 2: Strengthening the rule of law		
<i>Specific objective 1: To contribute to the development of a more independent, transparent, accountable, accessible and efficient justice system</i>		
<u>Expected Results</u>	<u>Indicators</u>	<u>Means of verification</u>
<p>a) Enhanced independence of the judicial power</p>	<p>a1) Public perception of judicial independence Baseline and target to be determined a2) Jordan score on the Status Index, Rule of Law – Independent judiciary Baseline (2016) Score 6 Target to be determined</p>	<p>a1) Ad hoc report issued by the EU technical assistance a2) Bertelsmann Stiftung’s Transformation Index Report³¹</p>
<p>b) A more efficient, transparent and integrated criminal justice sector gradually integrating the crimes against national security in line with Jordan's international human rights commitments</p>	<p>b1) Percentage of all detainees who have been held in detention for more than 12 months awaiting sentencing of their case, as per Jordanian legislation and international human rights standards Baseline and target to be determined b2) Availability of performance guidelines and of a performance monitoring system that holds judges accountable for unnecessary delays in proceedings, case backlog, or absenteeism Baseline and target to be determined</p>	<p>b1) Ad hoc report issued by the EU technical assistance b2) Ad hoc report issued by the EU technical assistance</p>
<p>c) Improved service delivery through the support to the modernisation and management of the judiciary and security sectors</p>	<p>c1) Number of people directly benefitting from legal aid programmes supported by the EU (disaggregated by gender) Baseline and target to be determined</p>	<p>c1) Ad hoc report issued by the EU technical assistance</p>

³¹ <http://www.bti-project.org/en/index/>

<i>Specific objective 2: To contribute to ensure a human and fair treatment of citizens subject to judiciary proceedings</i>		
<u>Expected Results</u>	<u>Indicators</u>	<u>Means of verification</u>
a) Improved conditions and reduced ill treatment in penitentiary institutions and police custody	a1) Number of violent deaths per 1,000 prisoners (disaggregated by gender) Baseline and target to be determined	a1) Annual report of Amnesty International ³² , Annual Human Rights Report of the US State Department ³³ , Statistics of World Prison Brief ³⁴
b) A system of alternative sanctions is in place as well as an enhanced capacity of rehabilitation and reintegration mechanisms for inmates	b1) Proportion of judicial implementation of alternative sanctions Baseline and target to be determined	b1) Ad hoc report issued by the EU technical assistance
c) A justice system that fully safeguards the universal human right to a fair and impartial trial, as established in international conventions is in place	c1) Jordan ranking for the sub-factor - Due process of law and rights of the accused Baseline (2016): Regional Rank 3/7; Global rank 82/113 Target to be determined	c1) World Justice Project - Rule of Law Index, Factor 4: Fundamental Rights ³⁵ (

Sector 3: Upgrading border management and preventing violent extremism		
<i>Specific objective 1: To strengthen the overall integrated smart border management including counterterrorism capacity of national security agencies and organisations, in particular Law Enforcement Agencies and Border Guards</i>		
<u>Expected Results</u>	<u>Indicators</u>	<u>Means of verification</u>
a) National security agencies and organisations are able to counter the flow of foreign fighters and transnational crime in compliance with national legislation and international law	a1) Number of integrated (intra-service and inter-agency) risk analyses conducted in view of mitigating negative impact and structurally reducing specific cases; number of detected cases related to the flow of foreign fighters and transnational crime Baseline and target to be determined	a1) Ad hoc report issued by the EU technical assistance
b) Agencies are able to quickly respond to security incidents, including at the border, in a coordinated and rapid way	b1) Effective government response in priority areas of vulnerability deriving from the National Strategy Baseline and target to be determined	b1) Ad hoc report issued by the EU technical assistance

³² <https://www.amnesty.org/en/countries/middle-east-and-north-africa/jordan/>

³³ <https://www.state.gov/j/drl/rls/hrrpt/>

³⁴ <http://www.prisonstudies.org/country/jordan>

³⁵ <http://data.worldjusticeproject.org/>

<p>c) Integrated border management approach as already partially practiced at sea-side and at the main international airport is expanded to all border crossing points</p>	<p>c1) Effective intra-service and inter agency law enforcement (number of reported cases, criminal and commercial records) Baseline and target to be determined</p> <p>c2) Effective cooperation with the private sector (carriers, freight forwarders, customs brokers etc.) in the field of movements of persons and/or goods number of detected incidents on the one hand and facilitation (decreased required time) of the border crossing for unsuspecting passengers and goods Baseline and target to be determined</p>	<p>c1) Ad hoc report issued by the EU technical assistance</p> <p>c2) Ad hoc report issued by the EU technical assistance</p>
---	--	---

Specific objective 2: To enhance Government's efforts to prevent and counter violent extremism and support local actors' resilience and capacity for customised approaches and strategies

<u>Expected Results</u>	<u>Indicators</u>	<u>Means of verification</u>
<p>a) Enhanced institutional capacities to coordinate, implement and monitor the responses to violent extremism</p> <p>b) Effective government response in priority areas of vulnerability deriving from the National Strategy</p> <p>c) Strengthened local capacity to identify, design, and coordinate community responses to prevent violent extremism</p> <p>d) Enhanced state-citizen relationship in priority areas through a right balance between centralised and decentralised approaches</p>	<p>Number of individuals directly benefitting from EU supported programmes that specifically aim to support cve, peace building and/or crisis/conflict prevention</p>	<p>UNODC Homicide Statistics</p> <p>Annual progress report issued by the competent authority</p>

Attachment 2. Indicative timetable for commitments of funds

The indicative allocation for 2014-2020 is EUR 567.0 million - EUR 693.0 million.

The indicative allocation for 2017-2020 is EUR 335.5 million - EUR 410.1million.

	Indicative allocation	2017 (EUR M)	2018	2019	2020
SECTOR OF INTERVENTION – Enhancing Jordan’s social and economic development	60% EUR 201.3 million – EUR 246.0 million	53	X	X	X
SECTOR OF INTERVENTION – Strengthening the rule of law	20% EUR 67.1 million – EUR 82.0 million	20	X		
SECTOR OF INTERVENTION – Upgrading border management and preventing violent extremism	10% EUR 33.6 million – EUR 41.0 million		X	X	
Complementary support for capacity building and institution building	5% EUR 16.8 million – EUR 20.5 million	8			X
Complementary support in favour of civil society (if applicable)	5% EUR 16.8 million – EUR 20.5 million	7	X	X	X
TOTAL COMMITMENTS	100%	88			