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**Report on EU-JORDAN relations in the framework of the revised ENP (2017-2018)**

## COUNTRY REPORT (May 2017-May 2018)

### EU-JORDAN Partnership

#### Introduction

Over the past year Jordan has remained committed to political reforms, the rule of law and respect for human rights and fundamental freedoms — despite a challenging domestic economic situation and regional instability. In the region, Jordan has continued promoting stability, moderation and inter-faith tolerance. The EU and Jordan have cemented and built on their strong partnership and solid diplomatic relationship throughout this period.

Overall, Jordan has remained politically and socially stable in the face of persistent economic, social and security challenges. The economic situation is not improving, however, and the presence of refugees continues to put pressure on the country's scarce resources. The situation in southern Syria and the lack of progress in the Middle East Peace Process pose major security concerns. Jordan stepped up its efforts to promote equitable growth and enhance long-term economic sustainability. It managed to generate benefits both for vulnerable Syrian refugees and for Jordanian households, in line with the country's socioeconomic vision (*Jordan 2025*), the Jordan Economic Growth Plan (2018-2022) and the Jordan Response Plan for the Syria crisis 2018-2020.

The EU and Jordan continued implementing the EU-Jordan Partnership Priorities and Compact adopted in 2016<sup>1</sup>. Cooperation under the Partnership Priorities is structured around three mutually reinforcing objectives: (i) macroeconomic stability and sustainable and knowledge-based growth; (ii) strengthening democratic governance, the rule of law and human rights; and (iii) regional stability and security, including counter-terrorism. Cooperation has also been pursued on cross-cutting issues such as migration and mobility, and on the economic, social and political inclusion of vulnerable groups, including young people and women. The Compact seeks to improve the living conditions of refugees and their host communities. Efforts to achieve this received a boost at the second Brussels Conference on 'Supporting the Future of Syria and the Region' (the Brussels II Conference), co-chaired by the EU and the UN on 24 and 25 April 2018<sup>2</sup>. The conference saw the international community renew its efforts and strengthen its political, financial and humanitarian commitment to support the Syrian people, refugees and host countries most affected by the crisis.

Against this backdrop, the EU has kept supporting the implementation of the decision to relax the rules of origin for Jordan<sup>3</sup>. To date, the results in terms of additional investment, exports and employment creation have been modest. Both sides have therefore exchanged views on options to strengthen the scheme and make it more flexible, to publicise its benefits to

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<sup>1</sup> JOIN(2016) 41 final ANNEX 1; ST12384/16 ADD1, 20.9.2016, ANNEX.

<sup>2</sup> Co-chairs' declaration of the conference available at <http://www.consilium.europa.eu/en/press/press-releases/2018/04/25/brussels-ii-conference-on-supporting-the-future-of-syria-and-the-region-co-chairs-declaration/>

<sup>3</sup> Decision No 1/2016 of the EU-Jordan Association Committee of 19 July 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 (OJ L 233, 30.8.2016, p. 6).

potential investors in the private sector, and to take forward more general initiatives to improve the investment climate, which would likely have wider spillover benefits for the economy.

The very good relations between the EU and Jordan are reflected in a number of high-level meetings during the reporting period. His Majesty King Abdullah II met with the President of the European Council on 17 September 2017 in New York and with the High Representative/Vice President (HRVP) on 15 April 2018 during the Arab Summit. Foreign Minister Safadi was hosted at the Foreign Affairs Council on 26 February 2018 and met with the HRVP on three occasions: on 31 January 2018 in Brussels; on 18 March 2018 in Rome during the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) conference; and on 25 April 2018 in Brussels during the Brussels II Conference. Commissioner Hahn visited Amman in March 2018. Key bilateral meetings during this period included: the 12<sup>th</sup> session of the EU-Jordan Association Council (10 July 2017); the first meeting of the EU-Jordan economic cluster (5-7 December 2017); the 11<sup>th</sup> meeting of the Subcommittee on Human Rights, Democratisation and Governance (14 February 2018); and the first meeting of the EU-Jordan security cluster, including the 7<sup>th</sup> meeting of the Subcommittee on Justice and Security (15 February 2018)<sup>4</sup>.

## **1. Strengthening cooperation on regional stability and security, including counter-terrorism**

### *1.1 Foreign and security policy*

Jordan remains a key EU partner in the Middle East for its foreign and security policy. The two parties agreed in the Partnership Priorities to cooperate more closely on security. This includes more structured dialogue on issues such as counter-terrorism, security, judicial cooperation and integrated border management, along with civil protection and disaster management. Furthermore, Jordan has shown interest in participating in Common Security and Defence Policy missions and in the EU's Hybrid Risk Survey.

Because of its geographical position, Jordan continued to play an important role in international efforts to tackle the Syria crisis and in the Middle East Peace Process. In the talks on Syria, Jordan maintained its push for a political solution to resolve the conflict and to promote stability in the southern de-escalation zone. It also continued to monitor conditions for the reopening of a border crossing with Syria to increase humanitarian access, revitalise the economy and facilitate the safe, voluntary and dignified return of refugees once conditions are ripe, while seeking economic opportunities for possible future reconstruction. In January 2018, the UN conducted a one-off humanitarian operation from Jordan to alleviate the critical situation of over 50 000 Syrians stranded in dire conditions at the Jordanian-Syrian border (Rukban). A limited number of war wounded and people requiring medical care were allowed into Jordan through the western border.

The Middle East Peace Process remains at the top of Jordan's foreign policy agenda and His Majesty King Abdullah II is personally engaged in efforts to revitalise it. On 6 December 2017, Jordan condemned the United States' decision to recognise Jerusalem as the capital of Israel and the US embassy move as a violation of UN Security Council resolutions and the UN Charter.

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<sup>4</sup> [https://eeas.europa.eu/delegations/jordan/39904/eu-jordan-joint-statement-11th-meeting-subcommittee-human-rights-democratisation-and\\_en](https://eeas.europa.eu/delegations/jordan/39904/eu-jordan-joint-statement-11th-meeting-subcommittee-human-rights-democratisation-and_en)

On 15 February 2018 the security cluster, including the 7<sup>th</sup> meeting of the EU-Jordan Subcommittee on Justice and Security, looked at developments on security-related topics, notably regional conflicts and firearms. A substantial part of the agenda was dedicated to: counter-terrorism; preventing/countering violent extremism; foreign terrorist fighters; integrated border management, including aviation security; and the fight against money laundering and terrorism financing. This highlighted the importance of security in EU-Jordan cooperation. In addition, a number of expert missions visited Amman during the reporting period to discuss some of these topics (such as the mission on 13 and 14 November 2017 to discuss legislation relating to firearms control and possession).

### *1.2 Fight against terrorism and violent extremism*

The EU and Jordan have taken work forward in three areas: (i) preventing and countering violent extremism, (ii) countering terrorism financing, and (iii) aviation and border security, which involves EU specialised agencies. The EU and Jordan have also agreed to intensify cooperation to tackle the challenges of human trafficking, foreign terrorist fighters and firearm smuggling.

In May 2018 the EU completed the implementation of its funded programme on countering violent extremism<sup>5</sup>, which had two components. The first component provided support to the work of the relevant unit at the Ministry of Culture, to enable it to devise and develop positive narratives to counter terrorist propaganda and to undertake a comprehensive study into the drivers behind violent extremism. The second component focused on strengthening the state-citizen relationship, using a bottom-up approach. The EU fully supports the Aqaba process, initiated and led by His Majesty King Abdullah II.

The EU has also stepped up its support on security, counter-terrorism and organised crime in bilateral and regional programmes with the different security departments and agencies in Jordan, including the Public Security Directorate, the Gendarmerie, the Civil Defence Directorate and the Jordanian Armed Forces<sup>6</sup>. As part of security sector reform in the country, the Jordanian authorities are developing relevant strategies.

### *1.3 Border management*

Developments in Syria, and to a lesser extent Iraq, have given the Jordanian Armed Forces a greater role in tackling the growing security threats at the Jordanian borders and within the country. After several security incidents and terrorist attacks the year before, 2017 and 2018 were calmer in security terms. To address security concerns, Jordan and the EU have focused on capacity-building efforts under the umbrella of an integrated border management

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<sup>5</sup> Commission Implementing Decision C(2015) 4896, 14.7.2015.

<sup>6</sup> The following programmes have been agreed or implemented over the reporting period: bilateral programmes: ENI 2017 / 389-871 "Enhancing the capacities for disaster risk reduction and for national crises management including the coordination of international response in Jordan"; ENI 2017 / 389-629 "Capacity building of public security directorate / borders and residence department"; ENI 2013 / 336-152 "Strengthening the Working Methodologies of the Public Security Directorate (PSD) in Jordan" ICSP 2018 / 395-995 "Youth Empowerment: Media and Information Literacy as a response to prevent hate and violent extremism"; ICSP 2017 / 384-904 "Support the national efforts in managing migration flows and refugee influx in the context of the Syria crisis"; ICSP 2016 / 372-161 "Equipment and Renovation of Facilities - Strengthening Resilience to Violent Extremism in Jordan"; ICSP 2016 / 372-058 "Youth Advancement for a Peaceful and Productive Tomorrow"; ICSP 2015 / 371-864 "Technical assistance to support the Government of Jordan's effort to prevent violent extremism"; regional programmes: ICSP 2017 / 394-210 "EU/MENA Counter-Terrorism Training Partnership 2 (CEPOL CT 2); ICSP CT Mena ENI EUROMED Justice IV; CyberSouth – Cooperation on cybercrime in the Southern Neighbourhood; EuroMed Police.

approach, starting with a project to support the reopening of the Karameh-Trebil border crossing, while paying special attention to counter-terrorism.

## **2. Promoting economic stability, sustainable and knowledge-based growth, quality education and job creation**

### *2.1 Macroeconomic issues*

The economy continued to show resilience in the face of persistent exogenous shocks and the spillover effects of the conflicts in Syria and Iraq. However, regional instability took its toll on growth. Real GDP grew by 2 % in 2017, the slowest growth rate since 2010. This was triggered by a strong performance from the mining and quarrying sector, contrasted with a contraction in the building sector. Growth is expected to pick up only moderately, to 2.3 %, in 2018-2019 on the back of large infrastructure projects. The result has been a steep rise in unemployment to 18.4 %<sup>7</sup> in the first quarter of 2018. This compares with figures of 15.3 % in 2016 and 11.9 % in 2014, highlighting the need for a better business environment and robust labour policies.

Jordan's relative stability and favourable geographical position could help sustain investment once stability returns to the region. However, more structural efforts to increase competitiveness and reduce business costs are necessary to attract foreign direct investment, which increased only marginally from USD 1.54 billion in 2016 to USD 1.66 billion in 2017. The Government has also announced that it will offer Jordanian citizenship to foreign investors hoping to attract investments primarily from countries such as Iraq.

Fiscal consolidation continued despite the weak growth. The fiscal deficit, including foreign grants, fell to 2.6 % of GDP in 2017, from 3.2 % in 2016. However, excluding foreign grants (which suffered a 15.3 % decline in 2017) the 2017 fiscal deficit amounted to 5.1 % of GDP, indicating the vulnerability of the fiscal position. According to the 2018 budget, the fiscal deficit is expected to narrow further to around 1.8 % of GDP, supported by a second wave of reductions in exemptions from general sales tax and the removal of subsidies on essential commodities (including bread), all implemented in January 2018. However, fiscal risks in a low-growth environment are present, as indicated by the 0.7 % fall in income tax revenue in 2017. The adoption of a new, broad-based income tax law would be fundamental in sustaining the pace and fairness of fiscal adjustment; the law in force in May 2018 was extremely narrow and failed to make income taxation sufficiently progressive and fair. Recognising the importance of a more broad-based law, on 21 May 2018 the Government submitted a new draft law to the Parliament. However, the draft met with strong resistance, despite the fact that it continued to exempt individuals who earned up to twice the GDP per capita from paying income tax.

Jordan's gross public debt stood at 95.3 % of GDP at the end of 2017, slightly up on the 2016 figure of 95.1 %. It is expected to remain close to this level in the coming years.

Despite the adjustment of previous years, the current account deficit widened from 9.5 % of GDP in 2016 to an estimated 10.6 % of GDP in 2017. This happened on the back of a higher trade deficit (partly due to higher oil prices), which outweighed the increase in the surplus in

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<sup>7</sup> This figure reflects a new methodology used by the Jordanian Department of Statistics (DoS) for measuring unemployment, following recommendations by the International Labour Organisation. Therefore, it may not be fully comparable with the figures for 2016 and earlier.

the services account (supported by improved tourist revenues). Meanwhile, excluding grants, the current account deficit widened also, from 12.8 % in 2016 to 13.3 % of GDP in 2017, prompting the need for speedier structural reforms and further support from the international community.

Macroeconomic stability has been underpinned by a three-year International Monetary Fund (IMF) Extended Fund Facility programme of USD 723 million, agreed in August 2016. After a first successful review in July 2017 the Fund disbursed a total of Special Drawing Rights (SDR) 102.93 million (about USD 141.9 million) under the programme. Discussions on the second programme review proved more protracted than envisaged, and were not finalised during the Fund's mission in May 2018.

The first tranche of EUR 100 million of the second EU Macro-Financial Assistance programme of EUR 200 million (in loans, with a low fixed interest rate of 0.75 %) was made available to Jordan in October 2017. As with the IMF programme, the conditions for the second tranche led to implementation delays. Thus, in May 2018 Jordan and Commission services were still discussing how to fulfil the remaining conditions.

## *2.2 Trade and private sector-related matters*

### *Trade*

In 2017, Jordan was 61<sup>st</sup> on the list of the EU's main trading partners, accounting for 0.1 % of the EU's total trade with the world. Total trade in goods between the EU and Jordan in 2017 amounted to EUR 4.476 billion. The EU imported EUR 358 million in goods from Jordan in 2017, mostly chemicals (38.2 %) and textiles and clothing (13.3 %). EU exports to Jordan, which amounted to EUR 4.118 billion, were led by machinery and transport equipment (33.6 %), followed by agricultural products<sup>7</sup> (20.2 %) and chemicals (14.7 %).

Boosting EU-Jordan trade relations was discussed at the EU-Jordan Subcommittee on Trade in Amman on 6 December 2017, meeting as part of the economic cluster. Since the decision relaxing the rules of origin in July 2016 came into effect<sup>8</sup>, 11 companies have received authorisation to export under the scheme. Four of them, in the plastics and ready-made garments sectors, have exported goods worth EUR 2.3 million in all to Spain, Cyprus, France, Belgium and Hungary under this decision. The EU supports the Jordanian Ministry of Industry, Trade and Supply and the Chambers of Industry and Commerce in their activities aimed at raising awareness of the scheme. Jordanian companies were present at a buyers' forum in Frankfurt in February 2018 and representatives from the textile sector attended Tex-World in Paris, with the support of the World Bank. Jordan has requested additional flexibilities from the scheme, and the EU has informed Jordan that it is consulting internally with a view to revising the scheme.

Both sides also discussed the potential benefits of concluding the revision of the Regional Convention on pan-Euro-Mediterranean preferential rules of origin<sup>9</sup>. On trade and export incentives, the Government of Jordan is also preparing a five-year national export strategy, with chemicals, infrastructure, ICT, tourism and services among the priority sectors.

On trade-related assistance, the EU continued to provide direct and indirect assistance. A grant supporting implementation of the free trade agreement between Egypt, Jordan,

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<sup>8</sup> Decision No 1/2016 of the EU-Jordan Association Committee of 19 July 2016, mentioned above.

<sup>9</sup> OJ L 54, 26.2.2013, p. 4.

Morocco and Tunisia known as Agadir Agreement<sup>10</sup> is expected to deliver progress on trade in services, market access and customs at regional level. On technical assistance, in January 2018 the EU launched a 18-month twinning project of EUR 1 million with the Jordan Standards and Metrology Organisation focusing on capacity-building for accreditation and market surveillance. In this context, in March 2018 the EU and the Government of Jordan signed a EUR 10 million financing agreement, which will provide technical assistance and support to small and medium-sized businesses in innovative sectors and monitor labour standards for companies eligible to export under the relaxed rules of origin.

#### *Private sector development and business environment*

Improvement of the business environment has resulted in Jordan gaining 15 places (to 103 out of 190 countries) in the World Bank's *Doing Business 2018* report; however, issues around access to credit, insolvency and investor protection remain challenging.

Jordan's international partners, including the EU, believe that market reforms will unlock the Jordanian economy's growth potential. In this regard, in 2017 a new *Code of Governance Practices of Policies and Legislative Instruments in Government Departments* and a new inspection law were adopted. The code applies to laws, regulations, instructions and decisions, any amendments to them, and any public policies enacted by all governmental departments. The new code has delivered significant progress by introducing a risk management tool in four government institutions.

A healthier investment climate will also be crucial if Jordan is to take advantage of the opportunities created by initiatives such as the European External Investment Plan<sup>11</sup>. This new instrument provides financial leverage to governments, other public institutions, private investors and public development finance institutions in sectors needing additional investment, such as small and medium-sized businesses, sustainable energy and urban development. Working in three strands, the EU will: (i) provide a unique EUR 1.5 billion innovative guarantee and a EUR 2.6 billion regional investment platform<sup>12</sup>, (ii) offer technical assistance to improve the quality of human capital and investments, and (iii) continue to work hand-in-hand with Government and the private sector to propose and implement reforms to make countries like Jordan attractive investment destinations.

The External Investment Plan will complement some of the EU's sectoral budget support and grants and has the ability to attract foreign direct investment for factories producing goods that can be exported to the EU under the rules of origin scheme.

The Brussels II Conference welcomed the United Kingdom's intention to host an international conference with Jordan in London to showcase Jordan's economic reform plans, its aspiration to build and enable a thriving private sector, and to mobilise support from international investors and donors.

#### *2.3 Renewable energy, energy efficiency, climate change and sustainable natural resource management*

Under Jordan's Vision 2025 and its national climate strategy and target (Nationally Determined Contributions) of 2015, several initiatives are ongoing on energy and energy-efficiency. These

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<sup>10</sup> Agreement for the Establishment of a Free Trade Zone between the Arabic Mediterranean Nations (Agadir Agreement), signed in Rabat on 25 February 2004.

<sup>11</sup> Commission Communication COM(2016) 581, 14.9.2016.

<sup>12</sup> These figures are for the whole plan and not specifically earmarked for Jordan.

activities are now supported by the Green Growth Plan, launched in May 2017 to encourage the public and private sectors towards investment in the green economy, while reducing dependence on energy imports. Jordan is progressing in the implementation of its monitoring, reporting and verification obligations under Article 13 of the Paris Agreement, and is preparing a project in cooperation with the World Bank. The National Climate Change Committee serves as national platform for the integration of multi-stakeholder dialogue and planning.

The EU has continued to play a prominent role in Jordan's green energy development. The latest bilateral support is provided under the Renewable Energy and Energy Efficiency Programme in Jordan. A mix of sectoral budget support, project and technical assistance has supported Jordan's efforts on energy efficiency, in line with its national priorities. By the end of the first quarter of 2018, 10 000 solar water heaters had been installed in Jordan.

In water management, the EU has provided a EUR 20 million grant to the West Irbid Wastewater Network<sup>13</sup> under the EU Regional Trust Fund in Response to the Syrian Crisis.<sup>14</sup> The grant intended to run alongside the World Bank Global Concessional Financing Facility, to which the EU is also contributing. Moreover, the EU remains actively committed to supporting implementation of the Red Sea-Dead Sea Project, including through its Neighbourhood Investment Platform. The EU supports the Government of Jordan's holistic approach. This involves better management of water resources, fewer water losses and higher water supplies using more reclaimed water.

The EU has also exponentially increased its support for solid waste management. It has helped Jordan prepare a robust and ambitious national strategy on solid waste management. A new EUR 100 million support programme for the strategy was signed at the end of 2017. It will help build new facilities and rehabilitate existing ones; it is based on the 'reduce, re-use and recycle' principle embedded in the strategy and is in line with EU policies for the sector.

During the reporting period, the EU provided technical support to Jordan through regional EuroMed projects and encouraged cooperation with EU transport agencies to implement the Regional Transport Action Plan for the Mediterranean Region 2014-2020 as adopted by the Union for the Mediterranean (UfM)<sup>15</sup>. Jordan remains involved in the UfM process to develop a trans-Mediterranean transport network and connect it to the European network (TEN-T). New opportunities and potential new routes opened up for EU and Jordanian air carriers under the EU-Jordanian Aviation Agreement, signed in 2010<sup>16</sup>.

Furthermore, along with the European Commission, Jordan co-chairs the UfM Blue Economy Working Group, which promotes cooperation on the blue economy and maritime policy among UfM countries. A related cooperation avenue on maritime affairs exists through the EU project "*Facility for Regional Policy Dialogue on Integrated Maritime Policy*" (IMP Facility, 2016-2019), where Jordanian officials are receiving technical support to elaborate national maritime policy priorities and participate in regional initiatives.

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<sup>13</sup> EUTF contribution to the West Irbid Wastewater Network construction project, approved in the 7th Operational Board meeting of the EU Trust Fund in response to the Syrian crisis on 06.12.17.

<sup>14</sup> Commission Decision of 10 December 2014 on the establishment of a European Union Regional Trust Fund in response to the Syrian crisis, "the Madad Fund" (C(2014) 9615 final), and Commission Decision of 21 December 2015 amending Decision C(2014)9615 final on the establishment of a European Union Regional Trust Fund in response to the Syrians crisis, "The Madad Fund" C(2015) 9691 Final.

<sup>15</sup> Adopted by the EuroMed Transport Forum in March 2015.

<sup>16</sup> The number of non-stop routes between EU and Jordan has increased in 2017 (18 routes compared to 14 in 2016) and 2018; new companies have entered the market in 2017.



## *2.4. Education, employment and employability*

Six new schools were completed in 2017 under the EU's existing EUR 33 million budget support programme to boost the education reform strategy in teacher training, pre-school education in underprivileged areas and special needs education. A newly adapted Education Strategic Plan 2018-2022 was recently adopted.

With the agreement on the relaxation of the rules of origin now in place, the EU signed a EUR 1 million contract with the International Labour Organisation on monitoring labour standards and match-making for employers willing to export to the EU under the scheme.

Under the Erasmus+ programme, during the reporting period 8 capacity-building projects involving Jordanian universities were selected. These projects support the national higher education modernisation agenda. Over the same period, 69 mobility projects linking European and Jordanian universities were selected, enabling 452 Jordanian students and staff to travel to Europe, and 316 European ones to travel to Jordan. In addition, eight master's degree students received Erasmus Mundus full Master scholarships. Furthermore, 307 Jordanian young people, volunteers and youth workers participated in youth exchanges, training activities and dialogue with policy makers in Europe under the "non-formal education strand" of Erasmus+. Finally, Jordan joined the eTwinning Plus scheme (under Erasmus+) as of January 2018. During the initial phase, 50 Jordanian schools/100 Jordanian teachers have engaged in virtual cooperation with their peers in Europe and other neighbouring countries participating in the scheme.

Some 300 disadvantaged Jordanian students also started their master's degree courses at university and in vocational training under EU Trust Fund measures for action on the Syria crisis.

## *2.5 Culture, research and innovation*

On 10 November 2017 the EU and Jordan signed an international agreement on Jordan's participation in the Partnership for Research and Innovation in the Mediterranean Area – PRIMA (agreement in force since January 2018)<sup>17</sup>. The main objective of this ten-year initiative, which is partly funded by the EU's research and innovation programme Horizon 2020, is to devise new research and innovation approaches to improve water availability and sustainable agriculture production in a region heavily distressed by climate change, urbanisation and population growth.

By addressing the effects of climate change and unsustainable resource management, PRIMA will contribute to tackling the drivers of migration and forced displacement. In addition, Horizon 2020 has selected for funding in 2018 three research and innovation projects that address the issue of forced displacement, including in Jordan<sup>18</sup>. With a budget of EUR 3 million each, these projects bring together EU researchers as well as researchers from Jordan and other third countries with a view to identifying solutions for protracted displacement situations. Furthermore, during the reference period, 11 Jordanian researchers benefited from Marie Skłodowska-Curie fellowships to pursue their research abroad.

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<sup>17</sup> Decision (EU) 2017/1324 of the European Parliament and of the Council of 4 July 2017 on the participation of the Union in the Partnership for Research and Innovation in the Mediterranean Area (PRIMA) jointly undertaken by several Member States, OJ L 185, 18.7.2017, p. 1.

<sup>18</sup> Projects will be funded under the Horizon 2020 call for proposals MIGRATION-08-2018: Addressing the challenge of forced displacement.

SESAME, the Synchrotron-light for Experimental Sciences and Applications in the Middle East, was officially opened in May 2017 by Commissioner Moedas and His Majesty King Abdullah II. Located in the Jordanian city of Allan, SESAME is a unique research installation and science for peace initiative in the Middle East, which connects scientists from nine countries in the region. The EU is a major financial contributor to SESAME, with over EUR 20 million.

During the reporting period, an increasingly large and broad range of EU cultural activities promoted cultural diversity, youth and creativity, and the local cultural dimension. Jordan has benefited from two EU regional programmes that supported Jordan's cultural policy reform, promoted investment and the development of cultural operators' business capabilities as well as the development of cluster initiatives in cultural and creative industries.

The European Union has funded the project 'EU Cultural Initiatives in Jordan' implemented by the European Union National Institutes for Culture (EUNIC) Jordan, supporting Jordanian cultural actors and creative cultural industries in the country, promoting cultural exchanges and mobility of artists between EU Member States and Jordan, and celebrating the European Year of Cultural Heritage 2018.

Jordan is also involved in a cultural cooperation project (almost EUR 0.5 million) financed under the Creative Europe programme, which engages European and Middle Eastern artists in exploring questions of migration, community cohesion, intercultural socialization and collective identity-building.

## *2.6 Response to the Syrian refugee crisis*

Jordan continues to be affected by the Syria crisis<sup>19</sup>. The international community has continued to honour its commitments to Jordan in 2017, and the pledges made at the first Brussels conference in April 2017 have been largely fulfilled and in some cases exceeded<sup>20</sup>. According to data of the Government of Jordan, contracted grant funding to the Jordan Response Plan for the Syria crisis in 2017 amounted to two-thirds of requested funding. This share includes USD 653.7 million for refugee programmes and USD 758.4 million for resilience. Budgetary support totalled USD 306.8 million. On the EU side, the EU Trust Fund in response to the Syrian crisis remains one of the main EU instruments to support Jordan in addressing the consequences of the Syrian crisis.

Following on from the commitments made during the Brussels conferences, the Government of Jordan instituted a set of reforms to help refugees gain access to the formal labour market. Syrians living in camps are able to request and obtain work permits and look for work outside the camps.

However, in the first 5 months of 2018, which fall under the reporting period, only just under 20 000 work permits had been issued to Syrian refugees. The overall number of work permits since January 2016 was over 103 000. Work permits in themselves do not include an integrated social/health/insurance package. The new law on health of January 2018, under which Syrian refugees are not covered by health insurance and must pay 80 % of the standard fees, weakens the incentives to seek legal, declared work.

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<sup>19</sup> There were 666 113 registered Syrian refugees living in Jordan as of 24 May 2018, in addition to the 2 175 491 Palestine refugees already living in the country.

<sup>20</sup> See the Brussels conference financial tracking report from April 2018, available at [https://www.consilium.europa.eu/media/33790/supporting-syria-and-the-region\\_post-brussels-conference-tracking-proces.pdf](https://www.consilium.europa.eu/media/33790/supporting-syria-and-the-region_post-brussels-conference-tracking-proces.pdf)

The Government of Jordan has waived the cost of work permits until June 2018 and loosened restrictions on moving across sectors (such as agriculture, support services or bakeries). It has removed the need for a work permit sponsor in the agriculture and construction sectors. And it has waived the requirement to produce documents detailing technical qualifications in order to obtain a work permit in the construction sector. On 30 May 2018 the Government further clarified that Syrian refugees were excluded from the quotas designed to reduce the number of non-Jordanian migrants in Jordanian industry. On 4 March 2018, the Jordanian interior ministry and the UN High Commissioner for Refugees (UNHCR) launched an exercise to give formal status to Syrian refugees residing informally in urban areas in Jordan.

The Brussels II Conference reiterated the international community's commitment to Syria's sovereignty, independence, unity and territorial integrity, and to the safety and security for all citizens. It also pointed out that the conditions for returns, as defined by the UNHCR and international refugee law, had yet to be met, and that any organised return of Syrian refugees should be voluntary and take place in safety and dignity. The international community acknowledged and commended the huge efforts made by neighbouring countries and their citizens, in particular Jordan, in hosting millions of refugees from Syria.

### **3. Strengthening democratic governance, the rule of law and human rights**

#### *3.1 Democracy and good governance*

Jordan has continued to make steady progress in building a deep and sustainable democracy. In several areas, legislative or executive steps had led to better governance and increased participation (including decentralisation, governorate elections and justice/rule of law reforms). On 15 August 2017, local and governorate council elections took place. The latter were the first of their kind in Jordan and marked a first step in Jordan's moves towards greater decentralisation. These moves are designed to increase people's interest in politics regional politics and shift the sometimes excessive focus on regional issues in the national Parliament to the more relevant regional level. Local observers, with support from the EU, found both elections to have been conducted according to international standards.

The EU stepped up its work with Jordan on projects in this area, notably with the funding of a multi-annual programme to support the Independent Election Commission, as well as to strengthen the country's parliamentary and political party system.

#### *3.2 Human rights*

The country took legislative and executive steps to give more protection to individual rights in areas such as women's empowerment and closing the gender gap. At the same time, according to non-governmental organisations and journalists, the Government continued restricting the space for the freedom of expression and association in the country, citing security concerns, in light of regional instability and the presence and activities of terrorist groups. During the reporting period, the EU was engaged in a regular dialogue with the authorities to obtain assurances that the laws were being applied proportionately, and to underline the importance of finding a balance between legitimate national security concerns and the respect for international obligations. As in previous years, the EU called on Jordan to re-instate the de facto moratorium on the death penalty, with a view to ultimately abolishing it. Human rights defenders and civil society organisations (CSOs) continued to cite cases of alleged torture and ill-treatment in police and state security facilities. There were reports also of specific issues around the rights of Syrian and Palestine refugees, particularly refugees housed in temporary facilities, who are subject to movement restrictions. The regular

dialogue at political and senior official level reached a milestone on 14 February 2018 with the 11<sup>th</sup> meeting of the EU-Jordan Subcommittee on Human Rights, Democratisation, Rule of Law and Governance. At this meeting, the parties acknowledged the positive steps taken and the ongoing challenges yet to be addressed in line with international obligations. It was agreed that the EU would continue to support Jordan's National Human Rights Plan 2016-25, while Jordan would strengthen the environment for CSOs to work as drivers for positive change. Jordan committed to concrete deliverables in the following areas: discrimination against women, independence of the judiciary, multilateral issues and treatment of migrant workers.

Women continued to experience discrimination, mainly due to the lack of comprehensive legislation on gender equality. Jordan maintained reservations to the Convention on the Elimination of all Forms of Discrimination against Women<sup>21</sup> (mainly around inheritance, divorce, child custody and social security). It abolished Article 308 and amended the related articles of the Penal Code, which had allowed rapists to marry their victims to escape punishment. While this represents a positive step towards enhancing women's rights, further progress on gender equality is needed.

Jordan's civil society remains active. However, legislative and bureaucratic factors hamper its full participation in public life and shaping policy. In this context, the EU has called for a balanced and targeted use of legislative and administrative provisions to regulate CSOs, in full compliance with international law. Furthermore, even though the right to privacy enjoys constitutional protection, there has not been progress towards the adoption of legislation concerning the rights to privacy and personal data protection during the reporting period, following the public consultation of 2016. The adoption by Jordan of legislation on privacy and data protection is also relevant in the context of facilitating operational cooperation on law enforcement with Jordan.

Throughout the reporting period, Jordan continued to play its long-standing role in promoting peaceful religious coexistence and supporting the freedom of religion or belief.

National stakeholders (CSOs and Government) were particularly engaged over the course of the year in preparing their respective contributions to the Universal Periodic Review (UPR), which will take place in November 2018.

EU-funded human rights projects during the reporting period focused on empowering women and youth, giving CSOs a greater role and improving access to justice.

### *3.3 Rule of law*

Jordan continues to work towards democracy based on the rule of law. His Majesty King Abdullah II extended the 2017 summer parliamentary session for the Chamber to adopt necessary legislation. This process resulted in 14 new laws and bylaws in several key areas, including the new Penal Code and a major law on the independence of the judiciary. Efforts to make the judiciary more independent are moving ahead. They include, for instance, a stronger role for the Judicial Council, which now has a secretariat. However, committing both financial and human resources to reform remains challenging.

The new penal/criminal procedures law provides for alternative sanctions to reduce pre-trial detention. New implementation arrangements will make greater use of community sanctions

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<sup>21</sup> The Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) was adopted by the UN General Assembly by resolution 34/180 of 18 December 1979.

and other alternatives to detention, especially for vulnerable categories of people such as minors. Measures are being developed to avoid administrative detention of women at risk. Through budget support, combined with a regular policy dialogue, the EU and Jordan have engaged in a strong partnership on judicial reform.

The use of the State Security Court is still raising concerns.

#### **4. Cross-cutting priority: implementing the Mobility Partnership**

Under the EU-Jordan Mobility Partnership, the three-year EU-funded Support Project to the Mobility Partnership between the European Union and Jordan<sup>22</sup> was initiated on 1 January 2016 to work on two fronts. The first seeks to improve the Jordanian foreign ministry's outreach to and engagement with Jordanian expatriates. The second focuses on preventing trafficking in human beings and prosecuting more traffickers. The negotiations started in 2016 under the Mobility Partnership on visa facilitation and the readmission of third-country nationals have not been resumed.

#### **5. EU financial assistance**

Financial support under European Neighbourhood Instrument bilateral cooperation assistance for the period 2017-2020<sup>23</sup> focuses on:

- enhancing Jordan's social and economic development;
- strengthening the rule of law;
- upgrading border management and preventing violent extremism;
- supporting capacity-building; and
- supporting civil society.

The indicative allocation is between EUR 335.5 and EUR 410.1 million.

In addition, the EU maintained its financial support for Jordan in response to the Syrian crisis, totalling EUR 1.2 billion since 2011, out of which EUR 215 million from the EU Trust Fund in response to the Syrian crisis. This includes humanitarian assistance, together with longer-term resilience and development support in areas such as education, livelihoods, water, sanitation and health, plus macro-financial assistance, addressed to Syrian refugees and Jordanian host communities.

#### **Concluding remarks**

Continued EU support in the form of policy dialogue, financial assistance and specific projects will contribute towards a secure, democratic and economically strong Jordan. In particular, EU assistance in carrying out political and economic reforms will strengthen the country's sustainable and inclusive development, also bearing in mind Jordan's huge efforts in hosting Syrian refugees. Support on border security and counter-terrorism issues will also maintain and boost confidence in the country.

As the world celebrates 70 years of the Human Rights Universal Declaration and Jordan is engaging in the United Nations UPR process, the country is working to move political and economic structural reforms forward. It is doing so in keeping with its commitment to human

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<sup>22</sup> Project NEAR-TS/2015/370-216, funded under decision C(2014) 7585 of 22.10.2014.

<sup>23</sup> As detailed in the EU Single Support Framework for Jordan for 2017-2020, adopted on 9.11.2017 — see C(2017) 7350.

rights, democracy and the rule of law, as enshrined in the Association Agreement, the cornerstone of a bilateral EU-Jordan partnership founded on common values and interests.