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**Report on EU-JORDAN relations in the framework of the revised ENP**

## **COUNTRY REPORT (March 2015 – April 2017)**

### **EU-JORDAN Partnership**

#### **Introduction**

Jordan is a key partner for the EU at UN, regional and bilateral level in particular for its role in promoting stability, moderation and inter-faith tolerance in the Middle East. The EU and Jordan have a strong partnership across many sectors and have been linked by an Association Agreement since 2002 (advanced status since 2010).

Jordan is facing economic, social and security challenges. In particular, Jordan is hosting more than 658,000 registered Syrian refugees (around 10% of the Jordanian population before the Syria crisis), as well as other refugee populations. Nevertheless, the Kingdom's political and social stability has broadly been maintained, as demonstrated by the parliamentary elections in September 2016. Incentivised and supported by agreements signed with the International Monetary Fund (IMF) and the EU Macro-Financial Assistance (MFA), Jordan has designed policies to address the challenges to the country's economic fundamentals and to tackle key issues, such as unemployment, especially among youth and women, and social inequalities.

In line with the revised European Neighbourhood Policy, the EU and Jordan adopted in December 2016 the EU-Jordan Partnership Priorities and the EU-Jordan Compact 2016-2018. Through the Partnership Priorities, the EU and Jordan have confirmed their ambition to further strengthen their engagement towards each other, setting a strategic agenda around three themes. The first focuses on strengthening cooperation on regional stability and security, including counter-terrorism. The second aims to strengthen Jordan's macro-economic stability and to enhance Jordan's social and economic development. The third priority, strongly linked to the first and second, focuses on supporting efforts to strengthen governance, the rule of law, democratic reform and respect for human rights.

The objective of the EU-Jordan Compact, which addresses the impact of the Syria crisis, is to improve the living conditions of the host communities and the refugees temporarily staying in Jordan. The EU-Jordan Compact includes mutual commitments through which both sides fulfil the pledges made in February 2016 at the London conference on supporting Syria and the region. These commitments were reinforced at the Brussels Conference on Supporting the Future of Syria and the Region on 5 April 2017, including in view of strengthening Jordan's resilience and of sustaining employment creation and inclusive economic growth.

The Partnership Priorities also build on the Government of Jordan's national strategies, in particular "Jordan 2025: a National Vision and Strategy" (hereafter: Vision 2025). "Vision 2025" is a ten-year socio-economic blueprint aimed at "improving the welfare of citizens and the basic services to them, creating a balanced society where opportunities are available to all and the gap between governorates is bridged". Some of the priorities outlined in "Vision 2025" include: (i) addressing high levels of unemployment, particularly for women and

youth, (ii) reducing poverty, notably in disadvantaged regions and (iii) increasing investment. "Vision 2025" recognises that private sector development will be a key driver in addressing each of these priorities and identifies a series of high value sectors such as digital economy, business services and medical tourism that have the potential to attract investment, create quality jobs and promote inclusive growth. In this regard, EU-Jordan cooperation is fully aligned with this strategy.

Overall, good EU-Jordan relations were reflected in a number of highest-level meetings. For instance, EU Principals (EU Presidents and Commissioners) met Queen Rania in January 2016 and King Abdullah II in March 2016. High Representative/Vice President (HR/VP) Mogherini visited Jordan in March 2016 and March 2017; Commissioner Hahn co-chaired the Union for the Mediterranean (UfM) Ministerial under Jordan and EU co-presidency on Development from 30 June to 1 July 2016; Commissioner Thyssen co-chaired the UfM Ministerial on Employment and Labour (27 September 2016). On 19 July 2016, the 10<sup>th</sup> EU-Jordan Association Committee inter alia adopted the decision on a temporary simplification of the EU Rules of Origin, with a view to creating job opportunities for Jordanians as well as Syrian refugees. In addition, the Association Committee reviewed the EU-Jordan bilateral cooperation in a number of areas including political and economic reform, security, mobility, and human rights. Finally, the Conference on Supporting the Future of Syria and the Region, hosted by the EU on 5 April 2017, reconfirmed the strong commitment of the EU, the international community and Jordan to a sustained partnership, including in enhancing resilience and sustaining development in view of the impact of the Syria crisis.

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

### *1.1 Foreign and security policy*

Jordan has remained a key partner in the Middle East for the EU in terms of foreign and security policy. Jordan has been playing an active role in support of the multilateral agenda: Jordan was an active member of the UN Security Council in 2014-15; Jordan (with Ireland) was co-facilitator of the New York Declaration of the UN General Assembly Summit on Migration in September 2016; Jordan is part of the International Syria Support Group (ISSG) and has been co-chairing the Union for the Mediterranean since 2012 with the EU. Jordan has pursued a moderate, consensus-seeking role in international politics, which includes engagement in preventing and countering extremist ideology and fighting violent extremism and terrorism. King Abdullah II is involved in international discussions on countering violent extremism and radicalisation, including through the Aqaba process. In March 2017, Jordan successfully hosted the 28<sup>th</sup> Summit of the League of Arab States, which was also attended by HRVP Mogherini.

At the regional level, Jordan has also played an active role. Jordan's priorities on the Syria conflict have been to avoid conflict spill-over, to defeat Da'esh and its affiliates (Jordan takes part in the anti-Da'esh coalition) as well as mitigate the effects of the crisis in Jordan. On the Middle East Peace Process (MEPP), Jordan continues to be an active proponent of the need to find a sustainable solution based on UN Security Council Resolutions leading to a two-state

solution. Jordan's special role in preserving the Islamic holy sites in Jerusalem has been a key mitigating factor throughout the reporting period.

Jordan hosts the secretariat of the EU Chemical, Biological, Radiological and Nuclear (CBRN) Risk Mitigation Regional Centre of Excellence. Also, the EU has committed support for training of CBRN first intervention medical staff and for setting up a new legislation on strategic trade control of dual use materials and technologies.

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

At the EU-Jordan Counter-Terrorism/Enhanced Security workshop of 15 March 2016 the EU and Jordan agreed to take work forward in three domains: countering violent extremism (CVE); countering the financing of terrorism; aviation and border security, including through the involvement of the EU's specialised agencies. The EU and Jordan also agreed to intensify cooperation in order to tackle the challenges of human trafficking, foreign terrorist fighters and firearms smuggling.

The EU has funded a CVE programme with two components. The first supports the work of the CVE Unit in the Ministry of Culture that entails the development and structuring of the Unit, the building up of a network between appropriate departments, the development of positive alternative narratives, aimed at countering terrorist propaganda as well as a comprehensive study on the drivers behind violent extremism in Jordan. Results of this study are expected in summer 2017. The second component focuses on strengthening the state-citizen relationship, using a bottom-up approach. It supports both the national level as well as the community level in four specific locations: Salt, Ruseifeh, Maan, and East Amman.

The European Union has also stepped up its support through bilateral and regional programmes to the different security departments and agencies, including the Public Security and Civil Defence Department and the Jordanian Armed Forces. Projects have included: disaster risk reduction, crisis management, criminal threats, border management and the control of firearms.

Developments in Iraq, but mostly in Syria have led to increased responsibilities for the Jordan Armed Forces in order to tackle the increasing security threats present at the Jordanian borders and within country. Jordan was subject to several security incidents and terrorist attacks in 2016 (Ruqban in June 2016, Baqa'a in June 2016, Al-Jafr in November 2016, Karak in December 2016). Hence, to address these growing security concerns, Jordan and the EU have agreed to focus on capacity building efforts in the field of Integrated Border Management and counter-terrorism.

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

### *2.1 Macro-economic issues*

Due to prudent macroeconomic policies and with important support from the international community, the Jordanian economy has proven resilient in recent years despite several

exogenous shocks (major disruptions in gas flows from Egypt, the Syria conflict, regional tensions). However, continuing conflicts and tensions in the region have affected tourism, trade and business confidence, resulting in a slowdown of GDP growth to 2.1% in 2016, from 2.4% in 2015. Consumer prices fell by 0.8% in 2016, reflecting sharp declines in fuel and transport prices. Helped by lower oil prices, the overall fiscal deficit was estimated at around 3.6% of GDP in 2016 down from 5.4% of GDP in 2015. The primary fiscal deficit (excluding grants received, as well as interest paid and transfers made to the national electric power company, NEPCO, and the Water Authority of Jordan, WAJ) was estimated at 3.5% in 2016, down from 5.2% in 2015.

Despite lower exports and tourism inflows, the decline of oil prices also contributed to the reduction of the current-account deficit (excluding grants) which nevertheless still remains high at 12.6% of GDP in 2016 (compared to 12.3% in 2015).

Despite the economic slowdown, fiscal consolidation advanced following a set of measures taken by the authorities in 2016 to reduce the public deficit and limit the increase in public debt (amounting to 0.8% of GDP). Nevertheless, Jordan's fiscal position continues to be fragile and dependent on foreign grants, which amounted to around 3% of GDP in 2016. Due to substantial borrowing from foreign donors, as well as the issuance of sovereign bonds, Jordan's gross public debt increased in November 2016 to 95.6% of GDP, from 93.4% at the end of 2015. According to the IMF, the public debt's dynamics can remain sustainable, provided that the country continues to deliver on medium-term fiscal adjustments, with the support of the international community. Important challenges remain: economic growth remains below its potential; the refugee crisis weighs on the economy and public finances and, most importantly, unemployment has continued to increase. After declining to 11.9% in 2014, it rose to 13.1% and 15.8% respectively in 2015 and end of 2016. Unemployment remains particularly high amongst young people and women (35.5% and 25.2%, respectively).

Macroeconomic stability has been underpinned by a new three-year IMF Extended Fund Facility (EFF) programme of USD 723 million, agreed in August 2016. Following a request from the Jordanian authorities, a second EU MFA programme of EUR 200 million was approved by the EU Council and European Parliament on 14 December 2016, in line with the EUR 2.39 billion pledge made by the EU at the 'Supporting Syria and the Region' conference held in London on 4<sup>th</sup> February 2016. As part of the same decision, the European Commission committed to submitting a proposal for a third MFA operation, if appropriate, following the successful conclusion of the second MFA and provided that the usual preconditions for this type of assistance are met.

The second MFA programme, pending the conclusion of a Memorandum of Understanding (MoU) with the Government of Jordan, follows the successful implementation of the first MFA operation of EUR 180 million in loans which was fully disbursed in 2015.

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

The EU is Jordan's largest trading partner, accounting for 16.9% of its trade in 2015. In 2016, Jordan was the EU's 58<sup>th</sup> trading partner representing 0.1% of the EU's total trade with the world. Total trade in goods between the EU and Jordan in 2016 amounted to EUR 4.4 billion. The EU imported EUR 338 million in goods from Jordan in 2016, mostly chemicals (31%) and machinery and transport equipment (20.8%). The EU exports to Jordan are dominated by machinery and transport equipment (32%), followed by agricultural products (21.7%) and chemicals (15.3%). Two-way trade in services amounted to EUR 1.4 billion in 2015 with EU import of services representing EUR 0.5 billion and exports EUR 0.9 billion.

The enhancement of EU-Jordan trade relations was discussed at the 6<sup>th</sup> meeting of the EU-Jordan Subcommittee on Industry, Trade and Services on 7 December 2015. Different issues were addressed, including the reform of the investment and procurement regimes in Jordan, the multilateral World Trade Organisation (WTO) agenda, technical cooperation as well as the relaxation of rules and origin notably in view of the impact of the Syria crisis on Jordan's economy. Related issues pertaining to customs controls and regional cooperation including the Agadir Agreement were discussed at the 8<sup>th</sup> meeting of the EU-Jordan Customs Cooperation Subcommittee on 15 June 2015. Throughout the discussions and at the 7<sup>th</sup> meeting of the EU-Jordan Subcommittee on Agriculture and Fisheries on 2 October 2015 as well, the scope for increased technical cooperation was underlined.

The EU and Jordan signed an agreement to simplify the Rules of Origin (RoO) for 52 industrial categories in July 2016. Producers in Jordan exporting to the EU now benefit from the same rule of origin scheme as Least Developed Countries, provided certain conditions are met. This means that in order for a product to be considered Jordanian, new and more flexible rules apply in comparison to those agreed under the EU-Jordan Association Agreement. The purpose of the relaxed regime is to encourage Jordanian exports to the EU, enhance investments and create job opportunities in Jordan's formal sector for both Jordanians and Syrian refugees. The measure is in place for a period of ten years and covers 18 development zones and industrial areas; it requires benefiting companies to employ a minimum percentage of Syrian refugees (15% of the workforce in a respective production facility over the first two years of the agreement, 25% thereafter).

By April 2017, six factories had obtained authorisation to export under the RoO scheme and more were being supported through a Quick Wins Pilot Project. The Pilot Project has identified 21 factories that will be provided with technical assistance and matchmaking with EU buyers and distributors to enable them to export to the EU. Four employment centres have been established in Amman, Irbid, Zarqa, and Mafraq, in view of matching available labour skills with appropriate job opportunities in production facilities covered by the RoO decision and to ensure that 15% of employees in these factories are Syrian workers.

### **Private sector development and improved business market**

Jordan's international partners, including the EU, have identified three areas in which market reforms would unlock the growth potential of the Jordanian economy.

First, the transparency and predictability of the regulatory framework for business should be increased, in view of enhancing a friendly business environment and tackling the widespread informal sector. This would involve improved public accountability and public service delivery as well as better communication towards the private sector on the legislation in place in particular sectors. The Government of Jordan is currently looking into these issues in order to take adequate policy measures.

Second, the business and investment environment should be enhanced, notably by improving the insolvency law, easing the start of a business, cutting red tape pertaining to licensing and permits delivery. This would increase Jordan's capacity to attract Foreign Direct Investment (FDI) and encourage European investors to consider Jordan as an investment destination. The EU Budget Support Programme on Microfinance operated together with the Central Bank of Jordan to facilitate the access of Micro, Small and Medium Enterprises (MSMEs) to funding.

Thirdly, streamlining of inspections is necessary. A draft inspection law is foreseen under the IMF EFF programme to streamline inspection mandates and processes. The Inspection Law has been drafted but is yet to be adopted by Parliament. Similarly, a number of non-fiscal benchmarks are awaiting implementation, including the implementation of a risk-based framework for Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) supervision of banks and money exchange firms.

Some of those regulatory measures have also been taken up in the framework of the IMF programme.

The Financing Agreement for an EU programme in support of private sector development in Jordan was signed by the Government of Jordan in December 2016 and its implementation started in early 2017. The programme - worth a total of EUR 55 million - includes a EUR 41 million Budget Support Measure and two complementary actions aimed at both supporting the Government in implementing "Vision 2025" and promoting the private sector. The overall objective of this programme is to increase income and employment, promote women and youth's social economic inclusion, and facilitate economic development in disadvantaged regions of the country.

### *2.3. Renewable Energy, Energy Efficiency, Climate Change and Sustainable Natural Resource Management*

In the field of energy generation, Jordan has witnessed major changes since March 2015, with an increase of installed capacity of 500 Megawatt by the end of 2016, mostly from solar photovoltaic (PV) stations. Jordan marked a milestone in May 2016 by launching the Liquefied Natural Gas Terminal in Aqaba, enabling to supply gas corresponding to 80% of the country's electricity needs. With regard to electricity prices, the Government continued to implement the agreement with IMF to remove subsidies, and linked further price rises to the oil barrel price exceeding USD 55. For oil derivatives, in early 2017 the Government authorised two companies to start importing oil derivatives from abroad.

In the field of energy efficiency, the EU has provided support to Jordan, to enhance energy efficiency within major electricity consuming sectors including water pumping and transport. The EU has continued to play a prominent role in Jordan's green energy development. The latest bilateral support programme with Jordan, "Renewable Energy and Energy Efficiency Programme in Jordan (REEE II)" builds on REEE I and other EU bilateral support. A mix of sector budget support, project and technical assistance modalities facilitated continued support to energy efficiency in Jordan, further to Jordan's national priorities set within the country's 2007-2020 and 2015-2025 sector strategies and plans.

On climate change and environmental mainstreaming, the Government presented its intended nationally determined contributions report (INDCs) in 2015, prior to the Paris COP. This climate action plan includes an unconditional greenhouse gas emission reduction target of 1.5% by 2030 and an additional target of 12.5%, conditional to international support. Jordan ratified the Paris agreement in 2016 and participated positively in the Marrakesh COP of 2016. Jordan also adopted a Green Growth plan in autumn 2016, and has focussed its investments within the following sectors: energy, waste management, tourism, water, transport and agriculture, with an aim to enhance green economy development.

The EU has supported the development and implementation of sustainable energy policies, in view of mitigating the risk of climate change. A regional EU-funded project has contributed to mainstream the Sustainable Energy Action Plans (SEAP) concept at municipal level. Furthermore the EU has supported Jordan in the implementation of its national waste management strategy adopted in November 2015. The EU has provided funding to increase the capacity for the treatment of urban waste water, to alleviate the increased demands on the existing infrastructure impacted as well by the significant refugee presence in Jordan.

Also, in the area of water management, the EU has pledged EUR 40 million in initial support to the Red-Dead Sea Project, pending a positive conclusion of the environmental impact assessment.

The 7<sup>th</sup> EU-Jordan Subcommittee on Transport, Energy and Environment of 16-17 March 2015 reviewed EU-Jordan cooperation in the respective areas. Both the EU and Jordan provided updates on relevant strategies and policies, confirming the mutual commitment to sustain cooperation where appropriate.

The EU provided technical support to Jordan through regional EuroMed projects and stimulated cooperation with EU Transport agencies to implement the Regional Transport Action Plan for the Mediterranean Region (RTAP) 2014-2020 as adopted in the Union for the Mediterranean framework. Jordan was also involved in the development of the regional transport network (the Trans-Mediterranean transport Network). Furthermore, Jordan is also involved in the Union for the Mediterranean process related to the development of the Blue Economy in the Mediterranean.

#### *2.4. Education, Employment and Employability*



For the period 2012-2018 the EU has committed EUR 374 million to the education sector in Jordan in the field of basic education, technical and vocational education and training (TVET) as well as higher education, targeting both Jordanians and Syrians.

The EU has a tradition of supporting the Jordanian primary and secondary education sector. Since 2011, the EU has funded a Budget Support Programme of EUR 33 million aimed at strengthening the education reform strategy in the areas of teacher training, pre-school education in underprivileged areas and special need education. Within this programme six new schools will be built by 2017.

Between 2013 and 2015, the EU provided EUR 35 million in support of TVET, with a focus on the design of a qualification framework and mapping out a future strategy. This programme was succeeded in 2015 by a EUR 52 million Budget Support programme, which focuses on strengthening the coordination of the TVET system and includes EUR 6 million in technical assistance for a service contract which is currently under tender procedure.

### *2.5 Culture, Research and Innovation*

Within the Higher Education sector, Jordan participated in the 3rd South Med regional dialogue in Brussels in 2016. Under the Erasmus+ programme, in the period 2015-2016, 23 capacity building projects involving Jordanian universities were selected for an amount of EUR 11.8 million, to support the national higher education modernisation agenda. Also, 102 mobility projects linking European and Jordanian universities were selected, targeting the mobility of around 1200 students and staff. 15 Master students have benefited from Erasmus Mundus full scholarships.

In the non-formal education field, the Erasmus+ youth strand has supported the mobility of 780 young people, volunteers and youth workers to Europe while around 388 participants were hosted in Jordan.

Additional support in the field of education for Syrian refugees has been made available through special measures for Syria and the EU Regional Trust Fund (Madad). This support targeted basic and vocational education as well as higher education. In total EUR 105 million have been allocated for the period 2013-2019 as budget support to the Ministry of Education which covers the education needs of around 130,000 children. Some 5,000 underprivileged Jordanian and Syrian students benefit from interventions in the field of vocational training. Separately, 1,800 students from this target group benefit from different higher education programmes.

Jordan's reform efforts in the area of education and vocational education and training, were also in line with the points put forward by the King in his 7<sup>th</sup> Discussion Paper issued in April 2017.

The EU has supported research and innovation in Jordan since 2007 in order to increase Jordan scientific and technological capacity by promoting applied research conducted by academia and private sector (Industrial and SMEs). With the "Support to Research, Technological Development and Innovation in Jordan programme – Phase I and II" (SRTD I

and II), the EU has provided support to bridge the gap between science and business in Jordan and to increase the contribution of the country's research and technological development and innovation sectors to national economic growth and employment. Over 120 researchers received EU grants to develop and commercialise innovative ideas. A network of Technology Transfer Offices was established throughout the country to help future researchers combine science and business. The programme also created opportunities for integration into the European Research Area and for networking with national, regional and international stakeholders.

Under Horizon 2020 Jordanian entities have participated in programmes under eight grants and have benefited from an EU contribution amounting to EUR 1 million. Also, more than 200 innovators were trained on how to make the best use of Horizon 2020.

In February 2017 Jordan reaffirmed its commitment to join the forthcoming Partnership for Research and Innovation in the Mediterranean Area (PRIMA), a major initiative with a total budget of almost EUR 500 million which aims to foster regional cooperation in research and innovation on food systems and water resources. Exploratory talks between Jordan and the EU have been ongoing since early 2017 in preparation of an envisaged international agreement which would enable Jordan to join PRIMA on equal footing with other Participating States (including relevant EU Member States and third countries associated to Horizon 2020).

In addition, the EU provided support to SESAME (Synchrotron–Light for Experimental Sciences and Applications in the Middle East), a unique research installation in the Middle East connecting scientists from 9 different countries of the region. SESAME and other actions in which the EU and Jordan have cooperated were also discussed on 14 April 2015 at the 7<sup>th</sup> Subcommittee meeting on Research and Innovation.

In the field of culture 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.

## *2.6 Response to the Syrian refugee crisis*

Jordan is one of the countries in the region most affected by the Syria crisis. According to the 2015 population census, which was carried out by the Department of Statistics, about 1.3 million Syrians live in Jordan, out of which 658,000 are registered with UNHCR (around 10% of the Jordanian population). The EU has been at the forefront in providing humanitarian assistance and advocating protection for the populations affected by the Syria crisis. More than 77% are women and children and approximately 85% of the refugees live outside camps. 90 % of the Syrian refugees living outside camps are reported to live below the Jordanian absolute poverty line of JOD 68 /person/month. Also, it is estimated that about 131,000 Syrian refugees have not completed or have been unable to update their government registration.

Overall, Jordan's basic public services in the sectors of health, education, water and sanitation, municipal services, solid waste and electricity supply have been put under considerable pressure to respond to the increasing demands. Despite that pressure, Jordan has made progress with support of the EU and other donors in setting a model to address the needs of both host communities and Syrian refugees. As agreed at the London Conference on Syria and the Region of 4 February 2016, the Government of Jordan has started to open up livelihood opportunities for Syrian refugees in Jordan (including derogation periods for requesting residence, delivery of 42,000 work permits to Syrian refugees by April 2017 and implementation of the relaxed Rules of Origin) and has now enrolled 125,000 Syrian students in the formal education system. It has also hired 3,200 new trained teachers employed in double-shift schools and around 2,500 new teachers in single shift schools.

Following a terrorist attack at the North Eastern border of Jordan with Syria in June 2016, a large number of displaced Syrians remained stranded in extremely poor conditions at the northern border in the makeshift camps of Ruqban and Hadalat. Aid delivery at 'the berm' has been irregular and subject to strict security limitations by the Jordanian authorities.

The EU-hosted Brussels Conference on Supporting the Future of Syria and the Region in April 2017, confirmed the international community's continued support to Jordan and Syria's other neighbours in enhancing the country's resilience and sustainable economic growth in light of the impact of the Syria's crisis. The Conference co-chairs on behalf of the international community agreed with Jordan on a number of mutual commitments in view of reaching those goals. At the Conference, Prime Minister Al-Mulki underlined the heavy impact of the continued Syria refugee crisis and called for continued support for Jordan's Response Plan for the Syria Crisis. He also called for sustained international support to implement investment and business reform, in line with Jordan's Vision 2025, in order to boost inclusive economic growth. The EU reaffirmed both its support for Syrian refugees and Jordanian host communities and its long-term political and financial support to Jordan including its intention to support inclusive growth and job creation through cooperation programmes and technical assistance.

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

#### *3.1 Democracy and good governance*

Jordan continued to make gradual progress towards a deeper and more inclusive democracy during the reporting period.

Parliamentary elections were held on 20 September 2016 and were assessed by the EU Election Observation Mission as generally well-administered and inclusive. The legislative framework needs to be further improved, in particular regarding the universality and equality of the vote. The voter turnout was close to 36% of the electorate. More than half of the Parliamentarians are new. While the aim of the new electoral system was to engender a party-based system, political parties (9 with 30 seats out of 130) remain a minority. The parliament includes 20 women, five of whom were directly elected (15 through reserved seats).

The Parliament plays a limited role in policy formulation, which remains mainly in the hand of the directly appointed executive. The next electoral steps for Jordan will be the elections of municipal and governorate councils which are expected to be held in August 2017.

The legal framework includes the 2016 Law on the Election of the Chamber of Deputies (LPE), the Law on Political Parties (LPP) and the Executive Instructions of the Independent Elections Commission. The new legislation, fully or in part, built on a number of recommendations provided by the 2013 EU Election Observation Mission (EOM).

In 2016, a EUR 15 million comprehensive democratic governance programme was initiated, consisting of: support to the Independent Election Commission; technical assistance to the Parliament, the political party system and civil society. Through this programme, the EU intends to support Jordan's political reform process which aims to consolidate democracy and to promote inclusiveness in policy and decision making processes, with a strong focus on women and youth.

In order to provide the government and society as a whole with good quality statistical information to increase evidence-based decision-making as well as transparency and accountability of the government, the EU facilitated a Peer Review of the Jordanian statistical system, which was carried out in February 2017. The peer review report will provide a number of recommendations to further enhance the services of the Department on Statistics.

### *3.2. Human rights*

Security is still a major concern for the country, especially in light of regional instability and the presence and activities of Da'esh in its proximity. Based on these security concerns, extraordinary measures were taken. Non-governmental organisations (NGOs) and journalists have reported that freedoms of expression and association were challenged by the use of counterterrorism provisions.

However, some positive steps were undertaken in the judiciary field with regard to the respect of human rights; the prison penalties and pre-trial detention were reduced in the draft Penal/Criminal Procedures law; the anticorruption law was updated by adding definitions of new criminal offences and improving protection of witnesses and informants. A Royal Council on the reform of the judicial system was established. King Abdullah II also presented a Royal Discussion Paper "Rule of Law and Civil State", outlining a roadmap on how to reach a civil state where law applies to all. Lastly, the Comprehensive National Plan for Human Rights 2016-2025 and a subsequent Executive Plan of the Ministry of Justice were published. The legal framework on human trafficking was improved; and the Jordanian Integrity and Anti-Corruption Commission (JIACC) was established by merging the Anti-Corruption Commission and the Ombudsman office.

A de facto moratorium on death penalty, already interrupted with executions in 2014 and 2015, was further eroded in March 2017 when 15 people (of which 10 convicted of terrorism) were executed by hanging. Around 100 people are currently estimated to be on death row.

Cases of alleged torture and ill-treatment in police and state security facilities continued to be reported by human rights defenders and Civil Society Organisations (CSOs).

Women continued to experience discrimination mainly due to the lack of a comprehensive legislation on gender equality. In the Global Gender Gap index for 2016, Jordan ranked 134 out of 144 countries. Jordan maintained reservations (mainly in the field of inheritance, divorce, child custody and social security) to the Convention on the Elimination of all forms of Discrimination Against Women (CEDAW). Although the proportion of women has increased in the newly elected Parliament (from 12 % to 15 %), the representation of women in the Cabinet has dropped to only two female ministers out of 30.

Jordan's civil society remained active, and the number of registered CSOs increased substantially. However, challenges remained for Jordan civil society's full participation in public life and policy formulation – due to legislative and bureaucratic obstacles as well as issues of capacity and coordination within civil society itself. The impact of the Cabinet resolution of 6 April 2017 subjecting CSOs to the provisions of the Anti-Money Laundering and Counter-Terrorism Financing Law can be assessed in future reports.

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

The 10th EU-Jordan subcommittee on Human Rights, Democracy and Governance was held in October 2016. The EU, while acknowledging the security challenges in Jordan and the region, highlighted, amongst others, the importance of upholding the freedom of expression and the freedom of association and assembly and space for civil society, and stressed that the best antidote for radicalisation is an open society where human rights and fundamental freedoms are respected.

The EU-funded projects contracted during the reporting period, focused on reinforcing the capacity of civil society and media as well as the National Centre for Human Rights, supporting democratic governance, strengthening child protection and promoting the empowerment of women.

### *3.3 Rule of law*

Jordan continued to work towards a Rule of Law based democracy. The trend to make reference to precedence of international law over national legislation was continued in a number of decisions by various courts; new articles to strengthen the legal aid framework were inserted in the draft Penal Procedure Code and doubling of the funding for legal aid was noted in the budget for the Ministry of Justice.

The establishment of an impartial, effective and well-functioning judicial system is one of the major milestones in achieving the objectives of the Justice Reform Strategy and the Criminal Justice Strategy. A number of results can be noted so far, mainly: the adoption of the Juvenile Law and the establishment of juvenile courts and the establishment of a Legal Aid unit within the Ministry of Justice. The reform process already shows a greater integration amongst key players in the judicial field and greater operational independence with agreed coordination of

the key institutions. Through budget support, combined with a regular policy dialogue, the EU and Jordan have engaged in strong partnership on justice reform.

The "Committee for Developing the Judiciary and Enhancing the Rule of Law" presented its judicial reform plan to the King in February 2017, with a view to improving the performance and integrity of the judiciary. Questioning the practice of lenient sentences for rapists if they marry their victims and for perpetrators of honour killings invoking "family honour" as a reason for murdering female relatives, the Committee inter alia recommended amendments to the Penal Code. The Government proposed in April 2017 to amend the Penal Code and scrap Article 308 accordingly.

The use of the State Security Courts as well as the informal use of tribal law system alongside the formal legal system raises human rights concerns.

#### **4. Cross-cutting priority: Mobility partnership implementation**

Several initiatives were developed in the context of the EU-Jordan Mobility Partnership, signed in October 2014 and in which the EU together with 16 Member States participate. For instance, in July 2016 a three-year project financed by the EU and implemented by the International Centre for Migration Policy Development (ICMPD) was launched addressing trafficking of human beings and engaging with Jordanian expatriate communities abroad. Also under the Mobility Partnership framework and further to a mandate given by the EU Council, the EU and Jordan started in November 2016 formal discussions on Visa Facilitation and Readmission of persons residing without authorisation.

#### **5. EU Financial assistance**

The financial allocation for EU-Jordan bilateral cooperation under the ENI bilateral assistance (Single Support Framework, SSF) in the reporting period (March 2015 – April 2017) amounted to EUR 200 million and focused on: Private Sector Development, Solid Waste management, Enhanced Democratic Governance, Renewable Energy and Energy Efficiency. The EU is now in the process of defining its ENI bilateral assistance for 2017-2020, in line with the EU-Jordan Partnership Priorities and Compact. The SSF 2017-2020 is expected to be adopted by October 2017.

Furthermore, in order to mitigate the spill-over effects of the Syria crisis and to enhance the resilience of the country, additional dedicated EU funding has been committed during the same reporting period to support Jordan in tackling immediate and mid-term challenges:

- EUR 166 million in humanitarian assistance to Syrian refugees;
- EUR 15 million from the Instrument Contributing to Stability and Peace (IcSP) to address logistical, capacity-building and security needs deriving from the refugee crisis and to strengthen resilience to growing domestic radicalisation;
- EUR 186 million, mainly in the education, livelihoods and water, sanitation and hygiene sectors, including EUR 116 million from the EU Trust Fund in response to the Syrian crisis;
- EUR 380 million for two subsequent programmes of macro-financial assistance.

## **Concluding remarks**

This year marks the 15 year anniversary of the entry into force of the Jordan-EU Association agreement.

The EU will continue to provide assistance for the implementation of political and economic reforms necessary to provide long term sustainability to the country. The Partnership Priorities and the Compact provide the required framework for the strategic development of EU-Jordan cooperation in the coming years. Through policy dialogue, financial assistance, and concrete projects, including in collaboration with international partners, the EU will continue to support measures aiming at improved governance, the rule of law, economic development, security, and migration to contribute to a secure, democratic and economically strong Jordan. Furthermore, the EU will ensure a follow up for the implementation of the agreement which simplified the rules of origin and therefore allows Jordanian goods to more easily enter the European markets. Progress in achieving the identified priorities in the above mentioned frameworks will be monitored through various thematic subcommittee meetings that will be organised in clusters in order to enhance their effectiveness.

Jordan, will continue to work to enhance political and economic structural reforms in line with the EU-Jordan mutual commitment to human rights, democracy, and the rule of law, as enshrined in the Association Agreement, the foundation of a bilateral partnership based on common values and interests.