EUROPEAN UNION

Brussels, 22 February 2012
A 74/12

EU-Jordan Task Force - Co-chairs conclusions

The first meeting of the joint Jordan-European Union (EU) Task Force took place on 22 February in Amman, under the joint chairmanship of the Jordanian Prime Minister, Awn Khasawneh and Catherine Ashton, High Representative of the EU for foreign affairs and security policy, and Vice President of the European Commission with the participation of Minister of Foreign Affairs Nasser Judeh, and other members of the Jordanian Government, Members of European and Jordanian Parliaments, the EU Special Representative for the Southern Mediterranean Bernardino León, as well as representatives of EU Member States, international financial institutions and the private sector.

The Task Force was the occasion for the EU to send a strong signal of support for Jordan during its historic journey towards enhancing democratic rights, social justice and economic opportunity as key features of its society. The EU stands ready to support Jordan in this challenging economic context so that growth and development support the political reform programme. The Taskforce meeting is designed to accelerate and deepen the strong relationship in the framework of the Advanced Status action plan and will act as a catalyst to ensure effective coordination by the EU and its Member States, as well as other European and international bodies.

The Task Force meeting was preceded on 21 February by meetings with civil society, political parties and business representatives. Forging a partnership for democracy, key Jordanian representatives were joined by European partners, also including European Political Foundations, to foster dialogue and initiate programs on political education and leadership to support party development and encourage citizen participation in political life and institutions. The Task Force presented its findings at the official session devoted to political dialogue and the implementation of the reform process.

P R E S S

FOR FURTHER DETAILS:
Michael Mann +32 498 999 780 - +32 2 299 97 80 - Michael.Mann@eeas.europa.eu
Maja Kocijancic +32 498 984 425 - +32 2 298 65 70 - Maja.Kocijancic@ec.europa.eu
COMM-SPP-HRVP-ASHTON@ec.europa.eu
www.eeas.europa.eu

EN

An ever closer partnership

Over the years, Jordan and the European Union have consolidated a strong partnership, in particular in the framework of the Neighbourhood Policy and of the Union for the Mediterranean. Jordan and the EU share the objective of the promotion of peace, stability and prosperity and the overarching values for the respect of the rule of law, human rights and good governance.

The European Union and Jordan have made significant strides in building an outward-looking partnership, rooted in thriving political links, a shared attachment to deep democracy and the consolidation and expansion of trade and people-to-people links. It is a partnership in which civil society plays a key role in ensuring an equitable and inclusive society. This year, Jordan and the EU celebrate the tenth anniversary of the entering into force of the Association Agreement, and in October 2010, our relationship shifted into a higher gear with the Advanced Status" partnership and the new EU-Jordan ENP Action Plan.

In a context of democratic transformations and reforms, the EU has opened a new chapter in its engagement with the region. The work of the Task Force represents an additional step in the development of a new relationship, based on a mutual commitment to closer integration.

Providing greater support to partners engaged in building deep and sustainable democracy is the cornerstone of the new approach outlined by the EU in the new ENP Strategy adopted in May 2011. The new ENP is based on differentiation, mutual accountability and more for more.

Jordan's political reform path:

The Jordanian government briefed the Task Force on the ongoing process of political reforms and the detailed timeline of their implementation, emphasising their potential to transform the institutional set-up of the country. For Jordan 2012 will be the year of delivery. Jordan is committed to pursuing a sustained pace of reforms which are vital for the consolidation of the institutions deepening democracy and the rule of law. The Task Force underlined the need to ensure increased public participation and grass-roots involvement in the decision-making process and to respond positively to the legitimate expectations that Jordanian citizens have in holding fair and transparent elections.

The EU strongly commends the leadership of His Majesty King Abdullah II bin Al Hussein and the efforts of the Jordanian Government and Parliament. It endorses the efforts already made in the course of 2011 and encourages to build further on these foundations for a stronger democracy. The Task Force agreed that adoption of remaining legislation is of paramount importance. The EU emphasised that it stood ready, together with Member States and other partners notably the Council of Europe, to provide further technical expertise, if requested. The principles of democracy and good governance will underpin joint reform programmes on the constitutional court and justice sector, public administration and the wider economy.

Both sides discussed Jordan's commitment to conducting free, fair and fully transparent elections, and to take all necessary measures towards this objective.

The Task Force underlined that fighting **corruption** is essential to cement the rule of law and democracy, and boost economic growth. In this context, the EU and Jordan have launched a twinning arrangement with the Anti-Corruption Commission (ACC) to enhance transparency and strengthen law enforcement mechanisms. This will build on the extensive co-operation already underway in the all-important field of public financial management.

The Task Force reiterated their wish to further develop exchanges between the Jordanian and the European Parliaments, notably among political groups, and through the EU-Jordan Parliamentary Committee.

The Taskforce welcomed the debriefing by civil society and political party representatives on the key findings of their discussions. They emphasised the progress achieved after His Majesty King Abdullah II assumed his power in 1999, where Jordan had witnessed its first steps towards a path to greater democracy and more opportunities for citizens to meaningfully engage in political life. Notably the role of the civil society had been instrumental in helping the country to organise and hold parliamentary and municipal elections in regular intervals. The participation of women as voters, activists, candidates and elected officials had also grown. The capacity of Jordanian civil society organisations to advocate for more transparent and representative government institutions and policies had increased. The civil society's role was crucial in promoting women candidates and active youth participation.

Building on these achievements the role of the civil society should be further encouraged as it is crucial for political culture and progress of reforms. Jordan is still faced with some challenges which have to be addressed. To this end, the strengthening of the civil society is a crucial element in order to help the Jordanian people address these shortcomings, support grassroots organisations to enhance Jordanian citizens political participation in order to ensure the success of the democratisation process.

Reinforced co-operation from the European Union:

Both sides agreed that the main economic priority at this stage is **job creation by enhancing inclusive growth**. All programmes and contributions from EU institutions, member states, the private sector and international partners should contribute to this end. Employment means sustainable growth but also inclusiveness, social cohesion and moreover dignity for citizens.

The EU and Jordan will launch a **dialogue on economic reforms** to enhance competitiveness, including such key areas as attracting inward investment, boosting innovation and encouraging business start-ups and expanding SMEs. Greater **transparency and accountability** in taxation and the management of public finances will also be a priority.

The EU welcomed Jordan's commitment to implementing the measures agreed in the **ENP Action Plan**, based upon Jordan's objectives of political and economic reform and further integration into European economic and social structures.

Facilitation of trade and investment and creation of jobs:

The development of trade and economic relations is a key aspect of the deepening of the bilateral relations. In December 2011, the Council of the European Union gave the Commission the mandate to open bilateral negotiations with Jordan with a view to establishing a "**deep and comprehensive free trade area**". The Task Force welcomed the launch of the preparatory process in the coming weeks, which would also identify specific needs to be addressed on both sides and encourage substantive negotiations to start as soon as possible after its completion, The meeting with the business community reported that in order to facilitate access for Jordanian goods and services to the EU market, a review of the rules of origin to meet the capabilities of the Jordanian industrial sector is required.

The Task Force welcomed the EU's commitment to working with Jordan to further reduce technical barriers to trade. It noted that the offer to negotiate and conclude an Agreement on Conformity Assessment and Acceptance of Industrial Products (ACAA) was all the more relevant as the two parties sought to further deepen their bilateral trade relations. To reinforce the Jordanian legislative framework and the quality infrastructure, Jordan has started the approximation of horizontal legislation in the fields of standards, metrology, conformity assessment and accreditation, in addition to market surveillance. Moreover, the approximation of vertical legislation in the priority sectors of electrical equipment, gas appliances and toys has already started and in good progress

The Task Force also welcomed the **active participation of CEOs** from Europe and encouraged them to explore potential investment opportunities that would strengthen the links between the EU and Jordan. Transport is of particular importance given the need for greater mobility that will improve access to job opportunities, promoting economic growth and increased cohesion between the regions. The **energy and water** sectors are also of strategic importance to the development of Jordan. The Task Force welcomed the contribution from leading executives in these sectors with a view to promoting further investment that can improve Jordan's access to secure, affordable and sustainable sources of water and energy as well as other natural resources essential to enhancing economic growth.

Small and medium-sized enterprises (SMEs) will remain the lifeblood of the Jordanian economy and essential to ensuring that the benefits of prosperity are widely shared around the country. The Task Force confirmed it will take a range of measures to improve their business environment and create the conditions for growth. The Jordanian Government and the EU signed **financing agreements** on the occasion of the Task Force for two new projects with a total EU contribution of €20 million, as previously committed to promote the **growth of SMEs** this year. One focuses on SMEs, micro-enterprises, and women entrepreneurs particularly outside Amman, while the other supports research and innovation benefiting in particular small companies. These projects reflect key priorities of EU co-operation with Jordan, which has as an objective the unleashing of potential at the local level and the establishment of a framework that provides incentives for local development.

Financial and Technical Assistance:

The Task Force noted that support for SMEs is just one of the priorities that the EU focuses on through its co-operation. The European Union and its Member States provide wide-ranging **technical and financial assistance** to Jordan, aligning support, in the spirit of partnership, to Jordan's own growth and reform plans. Support from the EU itself, provided principally through the European Neighbourhood Partnership Instrument (ENPI), targets in particular four fields: political reform, human rights, media, and justice; trade, enterprise and investment development; sustainability and inclusivity of growth; and institution-building and public administration reform. The EU has made **€223 million** available for bilateral co-operation with Jordan for the period 2011 to 2013, as per the National Indicative Programme (NIP) 2011-2013.

In order to support implementation of key reforms in a difficult macro-economic context, the EU will make available in 2012 **an additional amount of €70 million, in line with the principles of the Communication of March 2011, making available €30 million immediately,** through the new programme **SPRING** (Support for Partnership, Reform and Inclusive Growth). Support will focus on a limited number of priorities with particular emphasis on good governance and economic growth (notably SME support and vocational training).

The SPRING allocation brings the total of bi-lateral EU grant funds available to Jordan for 2011 to 2013 to **nearly €300 million**.

In 2011, in agreement with the Jordanian Government and as per NIP 2011-2013, the EU committed €111 million instead of the €71 million foreseen, by **bringing forward commitments** foreseen for 2013 in order to address priority needs. The frontloaded allocations of €40 million, of which €20 million will be used for two programmes targeting SMEs, and €20 million to an ongoing programme supporting Public Financial Management, thus increasing the programme budget to €65 million.

Other funds committed for which financing agreements were signed in 2011 included targeted renewable energy (€35 million), education reform (€23 million), democratic governance (€10 million), improved water resources for low income communities (€10 million), and supporting local economic development (€5 million), in addition to ongoing support for the implementation of the ENP Action plan through the provision of technical assistance and support for twinning initiatives designed to build public administration capacity.

A substantial part of assistance is provided through **sector budget support**, which is accompanied by high level policy dialogue and assistance to improve public financial management.

Jordan participates in a range of **regional programmes** supported by the EU, including Euromed Police, Euromed Justice, Euromed Youth, Euromed Audiovisuel, Euromed Migration, and Euromed Heritage.

Civil society capacity building is a priority for both the EU and Jordan, and €650,000 is available in 2012 for projects in Jordan in the framework of the new Neighbourhood Civil Society Facility. More that **30 projects** with civil society are ongoing, supported through the European Instrument for Democracy and Human Rights (EIDHR) and the Non-state Actors programme.

The Task Force noted that more than ten **EU Member States** have bi-lateral co-operation programmes with Jordan, or regional programmes that involve Jordan. The EU and its Member States are committed to co-ordinating closely their initiatives in the interests of aid effectiveness and to maximise the benefits of co-operation.

Member State support to Jordan is provided through soft **loans and grants,** covering a wide range of sectors. These include the environment, renewable energy and energy efficiency, as well as water and transportation; good governance, and constitutional and political reform; SME development, trade-related assistance, and tourism. EU Member State support is also provided in the sectors of education and vocational training, local development, and the promotion of gender equality. Co-operation funding ceilings mainly in the form of soft loans is also available from the EU Member States at an estimated indicative amount up to **€1.2 billion** for the period 2011 to 2013**.**

Investing in Jordan:

The **European Investment Bank** (EIB) is currently working, in close cooperation with the Jordanian authorities, on an extensive pipeline of already identified new projects, with estimated lending activities of up to €**400 million** over the next two years thus **more than doubling the current level of annual lending.** The EIB intends to focus the bulk of its activities on key infrastructure projects (urban transport, railways, energy, environment, water), PPPs including in the Renewable Energy Sector, private sector projects, SMEs and risk capital. In order to comply with the borrowing requirements of the Jordanian Government, a blending with substantial grant elements from the European Commission is essential in order to offer a competitive European financing package.

In addition to the various financial initiatives to be made available by various IFIs, the Task Force acknowledged that the European Commission will reinforce the financial allocation of the **Neighbourhood Investment Facility** (up to €100 million) that could also finance investment projects in Jordan in partnership with the private sector.

Jordan, now a fully-fledged member of the **European Bank for Reconstruction and Development** (EBRD), will also be eligible for EBRD investments helping to implement the programmes of economic reforms. It is expected that EBRD investments will build up over 2-3 years to an annual volume that compares with countries of similar size in Eastern Europe, which could range up to €300 million depending on needs and opportunities in any given year.

The Secretariat of the Union for the Mediterranean (UfM) and Jordanian authorities are exploring all the opportunities aimed at creating new job opportunities and at supporting SMEs as well as in the fields of energy and transport.

Promoting business and "people to people" links, mobility, and know-how exchange:

Building on the productive discussions that took place in the Task-Force meeting, European and Jordanian entrepreneurs will establish a "**business to business" forum** in order to foster commercial relationships and strengthen EU-Jordanian economic relations in areas of mutual interest, by creating a strong, sustainable and expanding dialogue of business leaders. The Taskforce welcomed the report of the Business Community meeting that took place the previous day.

In order to promote "**people to people**" contacts, the Task Force called on EU Member States and Jordan to make full use of all facilitations foreseen under their existing visa legislations to simplify the conditions and procedures for issuing visas, in particular to students, researchers, business people and to bona fide frequent-travellers. The EU will fully support this process by taking appropriate initiatives, notably in the framework of local Schengen cooperation.

Moreover, taking into consideration the European Council conclusions of 24 June 2011, the Task Force underlined the importance of the EU and Jordan starting without delay a dialogue on **migration, mobility and security** which pending a Council decision, would lead to the conclusion of a **Mobility Partnership**. A mission led by DG HOME will travel to Jordan in the coming weeks to hold exploratory talks.

The Task-Force looks forward to finalising the Protocol to the Association Agreement, allowing Jordan to participate in **Union programmes**. The signature of the Protocol will be another important step towards closer bilateral EU-Jordan cooperation and dialogue, underpinning Jordan's reform efforts.

The EU and Jordan will continue dialogue on Jordan's participation in the work of **EU agencies** and programmes, and jointly identify key priorities for further efforts and support.

Jordan has been a frontrunner in the Mediterranean region in the use of **twinning arrangements** since 2004. The Task-Force took note that this instrument, conceived for targeted co-operation between EU Member States public administrations and sister organisations in ENP partner countries in strengthening their administrative and judicial capacity, has been as well as effective in helping the Jordanian administration implementing the relevant sectoral strategies and adapting its legislation to EU and international standards. It has led to lasting professional partnerships that have brought the EU and Jordan closer together.

The EU also welcomes a stronger Jordanian participation in its programmes to promote exchanges in higher education. 160 universities and training institutions have already visited Amman to raise awareness and 14 **Tempus** projects with Jordanian higher education institutions are already under way towards their modernization, mainly through university cooperation projects. More will follow with the planned budgetary reinforcement of €6.5 million for South Mediterranean countries in 2012. Jordan will also be a major beneficiary of the recent doubling of the **Erasmus Mundus** budget for Southern Mediterranean countries, facilitating additional partnerships between universities and greater mobility of students and academic staff from that region.

The Task Force noted with concern the plight of the tens of thousands Syrians in Jordan, having fled their country. The European Commission has so far made available €3 million for humanitarian relief for the victims of the ongoing violence in Syria residing in Jordan and Lebanon. The EU commended the Jordanian Government for keeping the border with Syria open to allow Syrians to pass freely, for making available accommodation for Syrian families, for preparing camps, and for allowing an estimated 5,500 Syrian children to attend Jordanian state schools.

Investing in the future

With a view to guaranteeing a concrete follow up to the commitments, and because of the need for closer coordination, the Task Force decided the following:

- The EU and the Jordanian Government will continue to meet on a regular basis to assess the progress and implementation of the recommendations agreed by the Task Force.
- The joint bodies established under the Association Agreement will monitor and follow-up the implementation of the Task Force's recommendations. In particular, the EU-Jordan Association Council is foreseen to take place before the end of the first semester of 2012.
- It was agreed to organise a second meeting of the Task Force in 2013.