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Implementation of the European Neighbourhood Policy in Jordan Progress in 2011 and recommendations for action

Accompanying the document

JOINT COMMUNICATION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS

Delivering on a new European Neighbourhood Policy

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1. OVERALL ASSESSMENT AND RECOMMENDATIONS

This document reports on progress made on the implementation of the EU-Jordan ENP Action Plan between 1 January and 31 December 2011, although developments outside this period are also taken into consideration when deemed relevant. It is not a general review of the political and economic situation in Jordan. For information on regional and multilateral sector processes in the context of the Partnership for Democracy and Shared Prosperity, readers should also refer to the Partnership for Democracy and Shared Prosperity progress report.

2011 was a politically and economically challenging year for Jordan: three successive governments in nine months, a worsening economic outlook, increasing unemployment, a deepening budget deficit, the decline of foreign investments and increasing energy supply costs all add up to a volatile picture. In contrast to other countries in the region, protesters in Jordan did not call for regime change but rather for reform of the existing political system. Demonstrations initially focused solely on economic claims but gradually developed a more political agenda. Calls for greater political participation, government accountability and transparency have featured as often in the protesters' declarations as calls for increased job opportunities.

Despite the difficult context, Jordan made an important quality leap in its political reforms' process through the adoption in September of far-reaching constitutional amendments. The latter address a number of priorities agreed in the framework of the new EU-Jordan ENP Action Plan negotiated in 2010, in particular the establishment of an independent electoral commission, greater accountability of the government, the empowerment of political parties through the revision of legislation and the prohibition of torture. In other cases, the amendments go beyond Jordan's ENP Action Plan commitments, i.e. the establishment of the Constitutional Court, limitation of the government's ability to enact provisional (temporary) law and new, more restrictive, rules on the dissolution of the Parliament.

The Public Gatherings Law which entered into force in May introduced some positive changes in terms of freedom of expression and assembly. As far as freedom of the press is concerned, journalists and online media had confrontations with security agencies, notably when reporting on demonstrations. Journalists were verbally and physically attacked and news websites were closed down. Jordanian authorities were criticised for hounding journalists and for failing to hold police accountable. Although the fight against corruption is high on the government agenda, corruption remains widespread.

Following a period of modest growth and gradual recovery from the global financial crisis throughout 2010, the Jordanian economy was affected by the Arab Spring events and the conflict in neighbouring Syria, notably through the external sector and the fiscal-policy response to domestic social pressures. The emergency fiscal measures adopted by the government in early 2011 could possibly interrupt progress towards fiscal consolidation, while delaying reforms in the public subsidy system. At the same time, the development and modernisation of the tax system remains a challenge and a major objective of the public finance management reform program supported by the EU.

Jordan continued to focus on the enhanced use of renewable energy sources.

The Protocol for the Dispute Settlement in bilateral trade that entered into force in July 2011 constitutes a concrete achievement of EU-Jordan cooperation. Technical preparations for ACAA negotiations progressed but adoption of the corresponding laws did not. The reforms of public finance management advanced in some respects

The first meeting of the Jordan-EU Task Force took place on 22 February in Jordan. The Task Force has been established to deepen the EU-Jordan relations, support and encourage the political and economic reforms and enhance effective coordination between the EU and its Member States, as well as other European and international bodies.

In recognition of the efforts already made by the government, Jordan will receive an additional financial envelope of EUR 70 million to be made available in 2012, of which EUR 30 million immediately, through the new Support for Partnership, Reform and Inclusive Growth (SPRING) programme, focusing on good governance and economic growth (notably support to small and medium-sized enterprises and vocational training).

On the basis of this year's report and with a view to sustained implementation of the ENP Action Plan in 2012, Jordan is invited to:

- Adopt the law creating an independent electoral commission, the electoral law, the political parties' law and the law on the establishment of the constitutional court, and ensure their effective implementation.
- Intensify the fight against corruption as it undermines the country's political, economic and social development.
- Increase efforts to eradicate violence against women and to promote their integration in politics, socio-economic life through promoting women entrepreneurs, women's participation in the labour market and in education, in line with the recommendations listed in the preliminary report issued in October by the UN Special Rapporteur on discrimination against women.
- Strengthen the independence and impartiality of the judiciary as well as its administrative capacity, including strengthening the financial and administrative independence of the Judicial Council.
- In the light of the constitutional amendment outlawing torture, proceed with the ratification of the Optional Protocol to the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment.
- Prevent any kind of interference in mainstream and online news portals, to ensure the freedom of the press.
- Ratify the regional Convention on pan-Euro-Mediterranean Rules of Origin.
- Pursue regulatory convergence to support efforts to increase exports and to prepare an Agreement on Conformity Assessment and Acceptance of industrial products and, eventually, a Deep and Comprehensive Free Trade Agreement.
- Implement the recently adopted plans for improved internal audit and control in the Audit Bureau and the Ministry of Finance.

- Continue to develop renewable energy sources.

2. POLITICAL DIALOGUE AND REFORM

Towards Deep and Sustainable Democracy

Influenced by other countries in the region, Jordan also witnessed in 2011 mass demonstrations calling for political and economic reforms and fight against the endemic corruption spreading at different levels. In response to the evolving domestic political context and increasing demand for reforms, HM King Abdullah set up the National Dialogue Committee and the Royal Committee on Constitutional Review in March and April respectively.

The **National Dialogue Committee**, chaired by the Senate President Taher Al Masri, included over 50 representatives of political parties, journalists, lawmakers and civil society. The Islamic Action Front was invited but declined to take part. The National Committee was tasked with putting forward consensus based drafts for the electoral and political parties' laws. In June, it presented a number of proposals including: the establishment of an independent electoral commission overseeing the elections process (in lieu of the Ministry of Interior); a new draft law making it easier to form political parties; and in order to encourage participation, the decrease of the number of people required to found a party was cut from 500 to 250, including at least 25 of whom have to be women.

The **Royal Committee on Constitutional Review**, chaired by Ahmad Al-Lozi, former PM and President of the Senate, was entrusted with reviewing the Constitution. In August, the Committee submitted its recommendations to Parliament. At the end of September, after introducing several changes, the Parliament endorsed **42 constitutional amendments** which entered into force on 1st October.

The **constitutional amendments** represent a **step forward** for Jordan on its path of political reform. They are in line with the priorities agreed under the new EU-Jordan ENP Action Plan negotiated in 2010. Some of the main amendments include:

- Establishment of a Constitutional Court
- Establishment of an independent commission to oversee and manage elections
- Enhancement of civil liberties: any infringement of rights and public freedoms or of private life becomes a crime punishable by law
- Prohibition of torture
- Limitation of the government's ability to enact provisional (temporary) laws
- Abolition of military trials for civilians and limitation of the jurisdiction of the State Security Court
- A system of greater accountability for ministers
- Reinforcement of judicial independence

- New rules on dissolution of the Lower House; extension of the ordinary session of the Parliament; suppression of the right to hold dual nationality for Jordanian ministers and MPs
- The suppression of the King's prerogative to postpone elections: however, the sovereign retains the right to appoint the Prime Minister (and all senators).

In his government-policy statement of 23 November to the Lower House, PM Al-Khasawneh announced that the electoral and political parties' laws and the one on the establishment of the Constitutional Court would be submitted to the Lower House for debate in January, February and March 2012 respectively. On 27 December 2011, the government adopted the Independent Electoral Commission Law which was submitted two days later to the Lower House for debate. The Law establishes an independent body to organise and supervise of elections. At the time of writing, the Law is still being debated by the Parliament and therefore subject to possible amendments. The draft law does not provide for adequate financing for the new body.

These draft laws represent the backbone of the ongoing political reform process. Their adoption by the Parliament should pave the way for consolidating the institutions safeguarding democracy, good governance and the rule of law, as well as ensuring to genuine political pluralism and to the empowerment of political parties. The implementation of these laws is a key requirement for meeting the aspirations of the Jordanian people.

The EU will provide assistance to Jordan to 'Support Democratic Governance' under a financing agreement signed in December. In that context, support will be provided to the Lower House to fulfil its legislative and oversight role and to engage in policy dialogue with civil society.

In October, the government announced that the **municipal elections** (due in December) were postponed *sine die* and that the new Municipalities Law would be revised.

The revised Public Gatherings Law mentioned in last year's report was adopted by the Parliament in March and entered into force in May. The Law introduces some positive changes in terms of **freedom of expression and assembly**. The organisers of public gatherings no longer need the approval of the Ministry of Interior and the clause setting the maximum number of organisers at seven was also removed. Moreover, organisers are now required only to notify the authorities 48 hours prior to the event. However, the National Centre for Human Rights (NCHR) took the view that some of the amendments were not in line with the Constitution and the relevant International Conventions to which Jordan is party. It called for setting up objective and specific limits the authority of the governor to break up a gathering and requested that the governor and the security forces be required to consult with the organisers in the event of any breach of security or public order before breaking up the gathering.

As regards **freedom of the press**, mainstream and online news portals still had confrontation with security agencies on several occasions notably when reporting on demonstrations. In February, Ammon News online news website was hacked and closed down for a few hours allegedly for publishing a statement by the 'Group of 36'. In 2011, several journalists were verbally and physically attacked by thugs and/or security forces at four major demonstrations. The Centre for Defending the Freedom

of Journalists stated that the attacks on journalists which took place in July were ‘premeditated, intentional, and systematic’. International non-governmental organisations (NGOs) criticised the Jordanian authorities for hounding journalists and for failing to hold police accountable.

In April, the government endorsed a seven-point code of conduct regulating the government’s relationship with the media. Unlike the 2010 code of conduct, it allows journalists to work in the public sector. The Press and Publications Law, in force since October, focusses mainly on e-media and gives news websites the option to register and receive the benefits of access to state press briefings.

The spread of **corruption** in Jordanian society remains **a matter of serious concern**. Jordan’s ranking in the 2011 Transparency International **Corruption Perceptions Index** deteriorated from 50th in 2010 to 56th in 2011. During the reporting period, the fight against corruption remained a key priority of the successive governments with however limited tangible results. King Abdullah underlined on several occasions that combating corruption is a priority and any public institution can be subject to scrutiny by the Anti-Corruption Commission. A number of scandals allegedly involving senior politicians were reported in 2011.

In September 2011, the Lower House adopted the Anti-Corruption Commission Law, introducing inter alia a fine (of between 30,000 and 60,000 Jordanian Dinars) for those charged with character assassination. The relevant article, strongly criticised by the press, politicians and activists, was eventually rejected by the Senate in early January 2012.

A EUR5 million EU budget-support intervention for the security sector will promote the rule of law and the accountability and transparency of law enforcement, in order to strengthen democratic and good governance and to foster a civilian culture in the security sector.

Other human rights and governance-related issues

In June 2011, Jordan became a member of the UN Human Rights Council. EU-Jordan cooperation in the multilateral context has further developed. Jordan also supported a number of EU initiatives in the UN context, e.g. the UN resolution on EU work in the UN General Assembly.

Since May 2006, Jordan has continued to apply a *de facto* moratorium on the application of the **death penalty**. Jordan has not ratified the 2nd Optional Protocol to the International Covenant on Civil and Political rights.

International and local NGOs urged the Government in May to take steps to prevent **torture** ‘in the light of allegations of severe abuse’ of detainees. The National Centre for Human Rights (NCHR) also called on the government to sign the Optional Protocol to the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment in the light of the positive constitutional amendment adopted at the end of September outlawing torture.

Jordan needs to make additional efforts to eradicate **violence against women**, also by introducing further measures to promote their integration into politics, the economy, education and employment areas.

Children born to Jordanian women married to foreigners still cannot acquire Jordanian citizenship thus depriving them of the right to public education and healthcare. Similarly their foreign husbands do not enjoy same civic rights as Jordanian men married to foreigners. According to local NGO figures, approximately 66,000 Jordanian women are married to foreigners and those with children need to obtain security clearances, residence permits and medical reports for their 'foreign' children.

The temporary Law on **honour crimes** (introduced by the Government in 2010) was endorsed by the Lower House in January 2011 and adopted by the Senate in March.

In September, a new **Municipalities Law** entered into force. The law allows the creation of municipalities 'for communities where the population exceeds 5,000, provided that half the community members are in agreement'. However, in a large number of cases the Minister of Municipal Affairs was forced by popular pressure to establish new municipalities without the consultation process required by the Law. In early October, 63 MPs signed a statement criticising the government for its policy of redrawing municipal boundaries. In mid-October, the government decided to increase the tax on fuel and derivatives from 6 to 8% in order to finance the new municipalities. The law increases women's quota from 20% to 25% of municipal and council positions.

Cooperation on Foreign and Security Policy, regional and international issues, conflict prevention and crisis management

The EU-Jordan **political dialogue** on foreign and security matters has further developed notably at the most senior level, with a frequency never achieved before.

Jordan remains an active supporter of a comprehensive solution to the Middle East Peace Process, also by facilitating direct talks between the Palestinians and Israelis as part of the Quartet process.

3. ECONOMIC AND SOCIAL REFORM

Macroeconomic framework and functioning of the market economy

The political turmoil caused a slowdown in exports, remittances and foreign direct investment (FDI) inflows in the first quarter of 2011. This was mitigated by the rebound of key economic sectors during the rest of the year and real GDP growth attained 2.5% (against 2.3% in 2010). Inflation fell to 4.5 % on average, compared to 5% in 2010, largely due to the absence (since January 2011) of pass-through of international oil prices to domestic markets and prudent monetary policy measures.

Rising global commodity prices combined with weak performance of the tourism sector (-20%) and workers' remittances (-4.5%) have contributed to considerably widening the current account deficit to 9.5% of GDP for 2011. Net capital inflows have shown a downward trend following Jordan's sovereign-debt downgrading in

February and November. FDI inflows declined from 6.2% of GDP in 2010 to 5.4%. The Amman Stock Exchange index fell by nearly 12% in comparison to its level at the end of 2010.

The budget deficit reached 6.1% of GDP in 2011 following implementation of expansionary fiscal policies and reduced public revenues, up from 5.4% in 2010, while the public debt increased slightly to 68.5% of GDP (against 66.8% in 2010). Several external and domestic factors have taken their toll on the state finances. For example, the repeated terrorist attacks on the pipeline in Egypt used to export gas to Jordan and Israel are estimated to have cost the state budget 1.8 billion Jordanian dinars (JD) (or about 8% of GDP) in 2011 due to the need to use alternative sources of energy (diesel and fuel oil). Financial-market conditions have remained sound overall, partly due to the dinar being pegged to the US dollar and the adoption by the Central Bank of Jordan (CBJ) of good-governance regulations. In order to encourage commercial bank lending, the Bank raised its key interest rates by 25 basis points.

Jordan has advanced with reforms to improve the **business environment**, including by strengthening the legal framework for public private partnerships. According to the World Bank 'Doing Business 2012' report, Jordan now ranks 95th out of 183 countries following progress in the areas of starting a business, dealing with construction permits, registering property and trading across borders. To further support private sector development, the CBJ has recently issued new temporary regulations to facilitate the access by small and medium-sized enterprises (SMEs) to bank credit.

Employment and cohesion policy

The unemployment level, at 12.9% of the labour force, showed a modest increase in comparison to 2010 levels (12.5%). The highest unemployment rates were recorded in the age groups 15-19 and 20-24 years, some 34% and 27% respectively. Participation by women in the labour market (15%) remains one of the lowest in the world. Structural problems continue to hamper the labour market in Jordan, such as a continuing trend towards declining real wages and a low skills/low-productivity balance, due to the presence of large numbers of low-paid foreign workers (around 24% of the total workforce in 2011). The annual labour growth rate is estimated at 4% to 5%. A significant number of new jobs go to non-Jordanians

Following a participatory approach led by the Social Security Corporation, Jordan adopted a national employment strategy in May 2011. However, the related action plan is still being finalised and will be launched in second quarter of 2012. In addition, the capacity and resources to co-ordinate and implement the strategy are lacking. A poverty pockets empowerment programme was launched in June 2011, benefitting 32 regions classified as the most deprived.

In the area of **social protection**, social-security coverage has progressed well since its start in 2008. In 2011, all the governorates were reached by the programme, achieving coverage of more than 60% of all (formal) workers at the end of 2011. Maternity and unemployment insurance schemes, adopted in 2010, became operational as of September 2011. The strategy to be adopted by the Social Security Corporation for the period 2014-2016 was approved in December 2011; EU technical assistance contributed to this outcome.

In terms of **social rights**, Jordan established a National Pay Equity Committee in July 2011, co-chaired by the Ministry of Labour and the Jordanian National Women's Commission. The Committee aims to promote women's participation in the labour market, particularly through implementation of international labour standards on equal remuneration and non-discrimination.

A substantial package of measures was drawn up to strengthen social rights, provide decent working conditions and ensure that **labour standards** comply with International Labour Organisation (ILO) commitments. Jordan has not ratified the 1948 ILO Convention on Freedom of Association and Protection of the Right to Organise; nor do government regulations on labour unions comply with international standards.

Rights of migrant workers in general and of domestic workers in particular lack proper protection and measures to enforce legislation on this issue are still insufficient.

4. TRADE-RELATED ISSUES, MARKET AND REGULATORY REFORM

The EU was for many years Jordan's leading trade partner and main source of imports. Since 2008 it has become Jordan's second trade partner - behind Saudi Arabia - covering 15.5% of total trade and 2.1% of Jordanian imports. Total trade with the EU amounted to approximately EUR3.5 billion in 2011. The EU was Jordan's largest source of imports (20.1%) and the seventh largest destination of exports (3.7%). Conversely, Jordan ranked 65th among EU's trade partners, which resulted in a chronic and significant trade deficit with the EU, amounting to EUR 3,25 billion in 2011).

Tariff dismantling proceeded as planned in the EU-Jordan Association Agreement. The Jordanian Customs Department issued in May 2011 a circular on the further tariff dismantling for the industrial products imported from the EU listed under Annexes III and IV, and the Annex to Protocol 2. Another positive development was the entry into force of the EU-Jordan dispute settlement Protocol in July 2011.

During 2011, minor trade barriers persisted, namely on issues related to sanitary and phyto-sanitary issues. Jordan continued to impose safeguards on imports of ceramic tiles.

Jordan informed the EU that the Council of Ministers has taken the decision on 14/12/2011 to cease the safeguard measure imposed on the imported ceramic tiles and entered into force on 16 December 2011.

In February 2011 Jordan agreed with the EU on the scope of future negotiations on trade in services and establishment. These negotiations will be embedded in the framework of the Deep and Comprehensive Free Trade Agreement negotiations, for which the EU Council mandated the Commission in December 2011.

The **customs** administration co-ordinates, under the single window concept, work of all agencies operating at the border. The number of companies participating in the 'Golden List' programme, facilitating trade for compliant authorised economic

operators, increased in 2011 up to 34. The implementation of pre-arrival processing of declarations was pending. Jordan achieved most of the objectives of the 2008-2010 Strategic Plan: facilitating movement of goods and persons (90%), and developing the customs infrastructure and general performance (93%). In July 2011, Jordan signed the regional Convention on pan-Euro-Mediterranean preferential rules of origin. Jordan did not implement its new Customs Law yet.

The Gulf Cooperation Council (GCC) welcomed Jordan's request for accession in May 2011. Depending on the degree of Jordan's participation, the adaptation of the Jordanian regulations to those of the GCC could involve changes in several areas, including the mechanisms for **customs** regulations and the reduction of duties, which would reduce customs revenues because customs duties in Jordan are higher than in the GCC states.

In the area of **free movement of goods and technical regulations**, preparations to negotiate an Agreement on Conformity Assessment and Acceptance of Industrial Products (ACAA) continued. Jordan had chosen electrical products, toys and gas appliances as priority sectors. Amendments to the law on standards and metrology as well as a draft accreditation law have been presented to the newly elected Parliament. Their adoption has been pending since 2008.

A twinning project started in October 2011 in order to support the Jordanian Standards and Metrology Organisation implementing the 2009 Road Map for the conclusion of the ACAA. It will also cover the reorganisation of the market surveillance system.

In the area of **sanitary and phyto-sanitary issues**, Jordan pursued work on a new food law, aiming at approximation with EU standards. Cooperation with the EU, including through twinning and TAIEX, focused on phyto-sanitary capacity building, the strengthening of laboratories, better meat hygiene during slaughter and staff training.

No changes in the rules on the **establishment** were introduced and 100% foreign ownership is still banned in transport, insurance agents, travel agencies and tour operators.

The Parliament has not yet dealt with the amendments to **company law** (to reduce the minimum capital of limited liability companies from 30.000 dinars to 1 dinar and to shorten the registration period).

Jordan's **business environment** suffered from high energy prices (see energy section). Jordan's ranking in the World Bank's 'Doing Business 2012' report shifted only marginally from 95th to 96th. A significant improvement took place in the trading across borders ranking from 74th to 58th. An Economic National Dialogue Committee was established in May to formulate proposals to improve the business climate and review fiscal policy.

No significant developments were observed in the area of **accounting** and **auditing**. With EU support, Jordan conducted a study on **services** in 2011 that helped the government to identify priority areas for its service-competitiveness strategy: health

tourism, engineering, business services, education, creative industries, and transport and distribution.

The Central Bank of Jordan adopted Implementation Regulations for the establishment of a Credit Bureau, which will facilitate the provision of **financial services**.

Other key areas

The Income and Sales **Tax** Department adopted new information systems and audit techniques including the new Audit Tracking System at the Large and Medium-Size Taxpayer Directorates.

The 2011 revised **Competition** Law entered into force in October, authorising the government to regulate food prices and markets.

Jordan's record on **intellectual property rights** (IPR) is improving but a large proportion of videos and software sold in the marketplace continues to be pirated. Jordan is examining ways to strengthen IPR enforcement, including granting enforcement officers ex-officio authority to seize pirated items and bring cases against violators. Jordanian customs procedures to combat IPR infringements are to a large extent aligned with EU ones.

Jordan changed its 2010 decision to merge the three **procurement** departments in Ministry of Finance, Ministry of Public Works and Housing and Ministry of Health. In July 2011, experts were tasked to finalise a unified by-law suitable for the work of the three procurement departments, and in harmonization with the international standards.

Jordan continued introducing international standards and best practices e.g. in the area of migration statistics, and improved its IT infrastructure according to the National **Statistical** Strategy 2008–2012.

Concerning **public internal financial control**, the Ministry of Finance and Audit Bureau signed in March 2011 a Memorandum of Understanding, ultimately leading to withdrawal of the Audit Bureau from the pre-payment audit after the establishment of financial control units in the public institutions under the guidance of the Ministry of Finance. SIGMA supported the Audit Bureau to implement its Strategic Plan 2011-2015 and the Ministry of Finance to elaborate a Road Map Activity Plan for the reform of the internal control and the internal audit system. In November 2011, the Audit Bureau made for the first time its Annual Audit Report (of 2010) public and accessible on its website.

Jordan participated in implementing the 2011-2012 industrial cooperation work programme that Euro-Mediterranean Industry Ministers adopted on 11-12 May 2011 in Malta. However, progress in implementing the Euro-Mediterranean Charter for Enterprise was hampered by the budget deficit.

There is no consolidated **enterprise policy**. Very slow progress has been recorded in the development of a comprehensive export-promotion strategy that was finalised in August 2011. The Government focused its effort in 2011 on a mechanism to encourage bank lending to SMEs. A \$250 Million loan-guarantee mechanism is being

established. In March 2011, the Government announced an SME Fund (\$150-200 million) to create income-generating opportunities outside the capital.

5. COOPERATION ON JUSTICE, FREEDOM AND SECURITY

Although Jordan is not a signatory to the 1951 **Refugee** Convention, it has given hospitality to a very large community of refugees from the occupied Palestinian territories and Iraq. Moreover, according to UN sources, Syrians continue to arrive in Jordan and by the end of 2011 some 2 500 Syrians were registered with the UNHCR. However, the number of Syrians fleeing to Jordan has been increasing since then.

In December 2011, two EU-funded projects were put in place with the aim of improving working and living conditions of **migrant workers**.

On the occasion of the EU-Jordan Social and Migration Working Group in June 2011, Jordan expressed interest in engaging in a **Dialogue on Migration, Mobility and Security**, (which includes the option of concluding a Mobility Partnership), as offered by the EU to southern Mediterranean countries.

With reference to **money laundering**, Jordan continues to seek participation in the Egmont Group.

Jordan is a transit country for **drugs** trafficking from Iraq. Measures were taken to increase public awareness about drugs.

In the area of **judicial cooperation**, Jordan has not yet acceded to the 1980 Hague Convention on the Civil Aspects of International Child Abduction or the 1996 Convention on Parental Responsibility and the Protection of Children. Jordan has not taken steps either to accede to the Council of Europe conventions on the Transfer of Sentenced Persons and on Cybercrime with their respective Additional Protocols.

6. TRANSPORT, ENERGY, ENVIRONMENT, THE INFORMATION SOCIETY, RESEARCH AND INNOVATION

Jordan continued to implement the National Transport Strategy 2009–2011. In January 2011, Jordan, Syria, Lebanon and Turkey agreed to develop a joint sectoral outlook for economic integration through unified **transport** legislation to comply with EU and international standards. The Parliament ratified altogether four laws, of which one is permanent (on Land transport regulatory Commission) and three temporary laws, (namely: the Laws on Railroads establishing the Jordan Railway Corporation, on Passenger Public Transport). The budgetary situation of Jordan, as well as the international debt crisis has hindered the progress of major infrastructure projects (like the National Railway Network) negotiations with lenders. Maintaining a high level of aviation safety in Jordan is of utmost importance; cooperation between Jordan and EU continues to strengthen aviation oversight.

Energy-dependent Jordan pursued efforts to reduce the import bill and to diversify energy supply. It took steps towards the use of more domestic resources (gas, oil shale, uranium for nuclear energy generation, renewables) and explored gas import options (Liquid Natural Gas, Iraqi imports). 2011 was marked by several interruptions

of Egyptian gas imports when sections of the import pipeline were blown up. This led to a considerably higher energy bill and electricity tariffs. In December 2011, Jordan and Egypt signed a new gas supply agreement. Jordan agreed with Iraq an increase in oil imports. Jordan continued liberalisation of the oil sector and the expansion of the refinery. Jordan implemented energy efficiency measures in public facilities. Preparations for the development of renewable energy facilities were pursued. These efforts are instrumental in developing the Mediterranean Solar Plan. The EU supports capacity building in wind energy and concentrated solar power. Jordan took further steps towards its first nuclear power plant. Following the Fukushima nuclear accident, the issue of future nuclear power generation was widely debated in the country. Preparations to build a nuclear research reactor continued.

Jordan launched work on the third national report under the UN Framework convention on **Climate Change** (UNFCCC). Sub-regional cooperation (Israel, Jordan, occupied Palestinian territory) was launched on the impact of climate change on water availability. No new Clean Development Mechanism project was registered at the UN level, leaving the number of registered projects at two. Jordan is being encouraged to build capacity and engage in the new carbon-market mechanism to be developed following the UNFCCC Conference of the Parties 17th meeting. Jordan is also encouraged to fully implement the Cancun and Durban agreements and in particular to devise a low-carbon development strategy including updating information on targets or actions that it will implement.

Jordan started updating its strategic **environment** plan, with a view to further mainstreaming environment in relevant sectors. It launched an action plan for management of electronic waste as well as works on the third national communication under the UN Framework convention on Climate Change (UNFCCC). Jordan is encouraged to build capacity and engage in the new carbon market mechanism to be developed following the UNFCCC COP 17. Jordan is also encouraged to fully implement the Cancun and Durban agreement. The government adopted a water resource reallocation policy to regulate distribution between governorates and demand sectors, including substitution of fresh water resources with treated waste water. Jordan still needs to clarify its next intended steps with regard to the ratification of the Gaborone amendment to the Convention on International Trade in Endangered Species (CITES). The EU provided technical assistance for updating the environment law.

In the field of **civil protection**, Jordan intensified the cooperation with the countries from the region and the exchange of best practices with the EU in the field of disaster prevention, preparedness and response through its participation in the EU Programme for Prevention of, Preparedness for, and Response to natural and man-made disasters.

The **Telecommunication** Regulatory Commission (TRC) concluded a market review, which enables the TRC to impose regulatory obligations on any operator found to be dominant in the relevant markets. These are: Fixed Broadband Market, Mobile Market, Fixed Narrowband and Dedicated Capacity Market. Mobile market leader Zain launched 3G network services in March 2011 that has resulted in quick elimination of Jordan Telecom Group, 3G monopoly of the market (first 3G license was granted to Orange Mobile in 2009). Alternative technologies for providing broadband service are being deployed (i.e. Wi-Max, Mobile Broadband and Cables), leading to further competition among service providers. A twinning project

"Institutional strengthening of the Telecommunications Regulatory Commission in Jordan" started in September 2011.

In the area of **research and innovation**, the High Council for Science and Technology is finalising the draft of a National Science and Technology Innovation Policy and Strategy 2012-2016. The 2nd phase of the Support to Research and Technological Development and innovation initiatives and strategies programme was officially launched in 2011 with an EU Contribution of EUR5 million. As regards the participation of Jordan in the 7th Framework Programme, up to mid-October 2011, Jordan had 21 signed grant agreements, involving 28 participants and benefiting from an EU contribution of EUR 2.7 million. The participation of Jordan in the Framework Programme is satisfactory considering the low number of inhabitants and researchers in comparison with other Mediterranean Partner Countries. The main thematic areas of main interest are Environment (including Climate Change), Information and Communication Technologies, Food, Agriculture, Fisheries and Biotechnologies and Marie-Curie Actions.

7. PEOPLE-TO-PEOPLE CONTACTS, EDUCATION AND HEALTH

Reform efforts in basic and higher **education**, and in the vocational education and training sector (VET) need to be better integrated and coordinated specially at the policy level. Education reform continued steadily, with the increase of net enrolment rates in secondary education (up to 75% in 2011), a successful parental involvement programme in preschool education and the roll-out of a school-based development and improvement programme. In March 2011, the Government endorsed a new teacher policy framework (which is still to be implemented) and endorsed the establishment of the teachers' union. However, changes in leadership, a shortage of classrooms especially in urban areas, important transfers of students from private to public schools and a lack of attention given to knowledge-society skills, had a negative impact on efforts to improve the quality of education. In December, the EU signed a new financial agreement over EUR 23 million to support the multi-donor support programme to the National Education Strategy (ERfKE II – Education Reform for the Knowledge Economy).

In the higher education field, the Ministry of Higher Education and Scientific Research prepared an executive development programme for 2011-2013, aimed at increasing the quality of higher education delivery, strengthening the education-research nexus and securing adequate funding. Brain drain continued to be a major problem in 2011, with many professors and researches leaving to work in the Gulf countries.

EU-Jordan higher education cooperation progressed well, with Jordan using exchange opportunities offered by the **Erasmus Mundus** programme. Two new projects involving 10 Jordanian universities were selected in 2011, leading to the planned mobility of 80 students and staff (52 of these mobility schemes were financed out of the additional EU funding allocated under the review of the European Neighbourhood Policy). Three additional **Tempus IV** projects involving Jordanian universities were selected. Only three institutions and two Jordanian researchers participated in 2011 in the **Marie Curie** scheme aimed at fostering international research collaboration.

In the **vocational education and training** sector, the Centre for Accreditation and Quality Assurance still lacks a legal basis and there is no clarity about the provision of funding. An EU budget-support programme started at the end of 2010, with the aim of providing new momentum to the VET sector reform process and supporting the development of training of excellence in key innovative sectors (including renewable energy and energy efficiency, water and the environment). The European Training Foundation continued its support to engage social partners in human capital development and contributed to the reform process of career-guidance development.

Jordan participated in the **Euro-Med Heritage** Programme in projects concerning the management of ancient theatre complexes, youth outreach and education and the promotion of **cultural** heritage. One new Jordanian proposal was selected under the **Euro-Med Audiovisual** programme.

In May 2011, Jordan adopted a youth strategy for 2011-2015, drawn up by the Higher Council for Youth. Authorities are already considering a revision of the strategy for 2012, given the lack of a participatory approach in its formulation and failure to take into account the new employment strategy. The number of young Jordanians and Jordanian youth workers benefitting from the exchange opportunities provided by the **Youth in Action** programme more than doubled, from 63 in 2010 to 132 in 2011. One new Jordanian project was selected in the **Euro-Med Youth** Programme IV.

Jordan continued **health** sector reform and updated the Health Strategic Plan 2008-2012. It participated in the EU-supported 'Episouth Plus' project aimed at increasing health security in the Mediterranean region and South East Europe.