



EUROPEAN
COMMISSION

HIGH REPRESENTATIVE OF THE
EUROPEAN UNION FOR
FOREIGN AFFAIRS AND
SECURITY POLICY

Brussels, 25.3.2015
SWD(2015) 67 final

JOINT STAFF WORKING DOCUMENT

Implementation of the European Neighbourhood Policy in Jordan Progress in 2014 and recommendations for actions

Accompanying the document

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

Implementation of the European Neighbourhood Policy in 2014

{JOIN(2015) 9 final}
{SWD(2015) 63 final}
{SWD(2015) 64 final}
{SWD(2015) 65 final}
{SWD(2015) 66 final}
{SWD(2015) 68 final}
{SWD(2015) 69 final}
{SWD(2015) 70 final}
{SWD(2015) 71 final}
{SWD(2015) 72 final}
{SWD(2015) 73 final}
{SWD(2015) 74 final}
{SWD(2015) 75 final}
{SWD(2015) 76 final}
{SWD(2015) 77 final}

1. OVERALL ASSESSMENT AND RECOMMENDATIONS FOR ACTION

This document reports on the progress made in the implementation of the EU-Jordan European Neighbourhood Policy (ENP) Action Plan between 1 January and 31 December 2014. Developments outside this period are taken into consideration where relevant. This report is not a general assessment of the political and economic situation in Jordan. Information on regional and multilateral sector processes is contained in the Partnership for Democracy and Shared Prosperity progress report.

Jordan has been considerably affected by the ongoing armed conflicts in Syria and Iraq, which has exacerbated a situation already complicated by the Arab–Israeli conflict and the decades-long presence of Palestinian refugees. In addition to the refugee influx, the conflicts led to a loss of trade routes, markets and energy supply. Jordan has shown great resilience in the face of regional crises and continued to remain a moderate and tolerant regional key-player with a stabilising role both regionally and internationally, including through its work in the United Nations Security Council. Its domestic stability has been preserved in spite of the significant threats that the crises in Syria and Iraq have posed to its security, and its political and socio-economic situation.

Since the beginning of the Syrian crisis, the EU has allocated more than EUR 300 million to support Jordan, which included more than EUR 145 million in humanitarian assistance and EUR 66 million in development support during 2014. In response to the spread of radicalism across the region, Jordan took on an important role in addressing extremism. It joined the international coalition against Da'esh, engaged in positive efforts at the highest level to mobilise Sunni countries in the fight against radical ideology, and took steps to engage its citizens in countering the violent narrative of Da'esh ideology. Accordingly, Jordan supported the territorial integrity of Iraq and strengthened security cooperation with its government. In this framework, Jordan could further promote a balance between preserving national security and facilitating progress on freedoms and social and other rights.

At the Association Council held in October 2014, the EU and Jordan agreed to start a regular **security** dialogue to review the situation and find ways of strengthening cooperation on counter-terrorism. The EU High Representative for Foreign Affairs and Security Policy/Vice-President of the European Commission (HR/VP), Catherine Ashton, and the Member of the European Commission responsible for Enlargement and European Neighbourhood Policy, Štefan Füle, visited Jordan in October 2014. In November the new HR/VP Federica Mogherini, also visited Jordan. She had an audience with His Majesty, the King of Jordan, Abdullah II and met the Minister of Foreign Affairs, Nasser Judeh. The Members of the European Commission for European Neighbourhood Policy and Enlargement Negotiations, Johannes Hahn, and for Humanitarian Aid and Crisis Management, Christos Stylianides, visited Jordan in January 2015.

Taking this particular background into account, Jordan continued to make progress on deep and sustainable democracy. The jurisdiction of the Independent Election Commission was expanded to municipal and other elections. A new legal framework for political parties was proposed. Steps to strengthen the impartiality and effectiveness of the judiciary were taken and the government stepped up its efforts to combat corruption. Jordan made progress on other governance-related issues in particular by merging public institutions and reducing public expenditure.

In the areas of human rights and fundamental freedoms, 2014 was a year of mixed results in Jordan. Influenced by regional developments, there was no tangible development on the freedom of the media, and the government did not take any steps to further strengthen the freedom of association or the freedom of assembly. The policy dialogue between the government and civil society organisations (CSOs) was not strengthened either. There was limited progress on the fight against ill-treatment and torture and on women's rights. There was a clear setback in December, when Jordan cancelled its *de facto* moratorium on the death penalty and executed eleven people. The EU called upon the Jordanian authorities to re-apply a moratorium as a first step towards abolishing the death penalty.

On the economic side, Jordan performed laudably well on implementing stability-oriented reforms. The economy remained resilient despite a series of existing challenges and external shocks, in particular due to the influx of refugees from Syria and Iraq. Jordan and the EU made good progress on the preparatory process to initiate negotiations on a Deep and Comprehensive Free Trade Area (DCFTA).

Signature of the joint declaration establishing a Mobility Partnership between the EU, its participating Member States and Jordan on 9 October 2014 is a step towards closer cooperation in the field of migration and mobility. In the partnership, the EU and Jordan commit themselves to ensuring that migration is managed as effectively as possible, allowing for specific actions to further improve the situation of migrants, in particular asylum-seekers.

Taking the difficult and complex regional situation into account, Jordan made some progress on implementing the ENP Action Plan. The action plan was adopted in 2010, and was followed by the Arab uprising, instability in the region and conflicts in Iraq and Syria. This resulted in new security and socio-economic challenges for the country, which affected the action plan's implementation. At the Association Council of October 2014, the EU and Jordan agreed that it was time to assess future EU-Jordan relations and priorities for a new action plan. Jordan's progress on deep and sustainable democracy, migration and mobility, and the perspective to start negotiations on a DCFTA are noteworthy. The human rights situation should be improved simultaneously, however. The execution of 11 individuals sentenced to the death penalty was a clear and regrettable setback.

The EU recognises the key role Jordan played as co-chair of the Union for the Mediterranean (UfM).

On the basis of the assessment of the progress made in 2014 on implementing the ENP, Jordan should focus its work in the coming year on:

- re-applying a moratorium on the death penalty;
- further improving the political electoral system, to reflect the outcomes of national dialogues and the key recommendations of the 2013 EU Election Observation Mission;
- improving the active and constructive participation of citizens in political processes by amending the 2008 law on civil societies, and creating a more conducive environment for civil society organisations, trade unions and NGOs in order to advocate the needs of their constituents to political decision-makers;
- continuing to strengthen a fair, independent and efficient judiciary system in line with the strategy launched in January 2014, in particular by establishing clear and objective criteria for appointing and assessing judges;

- encouraging cooperation with Eurojust and nominating a contact point to facilitate closer judicial cooperation with Eurojust;
- ensuring balance between legitimate concerns of national security and each individual's right to peaceful expression of opinion by refraining from referring journalists and citizens to the State Security Court on terrorism charges;
- addressing the issue of the equal treatment of women, including determined action to combat violence against women by following up on the pledges made when joining the UN Women's COMMIT initiative;
- continuing to eradicate and properly sanction acts of torture and other cruel, inhuman or degrading treatment or punishment. Jordan should take the necessary steps towards the eventual ratification of the Optional Protocol to the Convention Against Torture (OPCAT);
- continuing cooperation with the EU to ensure an effective implementation of the Mobility Partnership including the necessary preparations for negotiating agreements on visa facilitation and re-admission;
- launching negotiations on a DCFTA.

2. POLITICAL DIALOGUE AND REFORM

Deep and sustainable democracy

Constitutional amendments were adopted by the parliament in August. The amendment to Article 67 expands the jurisdiction of the Independent Election Commission (IEC) with regard to the management and supervision of municipal and other elections. In July 2014, the IEC presented its strategic plan for 2014-17 and an update of the voters' database, carried out with the support of the EU. The amendment to Article 127 assigns the King sole authority to appoint and discharge the chairman of the Joint Chiefs of Staff and the director of the General Intelligence Department. The government stated that the constitutional amendment was necessary in order to re-establish the Ministry of Defence and to ensure that the army and the General Intelligence Department remain professional and apolitical.

A new draft law on **political parties** was submitted to the parliament in May. It is expected to ease certain requirements for founding or joining a political party. The 2012 electoral law remained in force, with the government announcing a new draft electoral law to be presented in early 2015 to further enhance political life. The performance of political blocs in the lower house of parliament remained inconsistent and highly diversified.

There was no change to the legislation governing the **freedom of association**. The registered number of associations has increased considerably in recent years. They still face problems of unclear and restrictive legal definitions on funding, dissolution, and general bureaucracy.

Provisions on **the freedom of assembly** continued to be defined in the 2011 public gatherings law. Demonstrations against domestic and regional affairs took place throughout 2014, and in most cases were peaceful.

The **freedom of the media** remained a sensitive issue in Jordan, closely related to the **freedom of expression**. Jordan ranked 155th out of 197 countries in the 2014 Freedom House Freedom of the Press Index, a drop of 10 compared with its ranking in 2013. The 2012 press and publications law remained in force. Several media objected to the requirement that a licence needs to be granted by the authorities, though some media outlets have rectified their status to comply with the law. In July the authorities blocked access to nine unregistered news websites. Arrests of journalists continued. In June the prosecutor of the State Security Court raised terrorism charges against the owner and 13 journalists working for the Iraqi TV-station Al-Abasiya three days after they had been arrested. The charges were lifted and the journalists were freed.

A high degree of self-censorship continued to exist among the media in Jordan. Amendments to the press association law were adopted in June. They removed some restrictions on joining the Jordan Press Association, expanding the scope of who can officially be recognised as a journalist in Jordan. Another amendment guaranteed that the authorities cannot dissolve the Jordan Press Association. In July the EU signed a EUR 3 million contract with UNESCO on support to media, aiming to strengthen an enabling regulatory and institutional environment and build capacity for an independent, quality-based media sector.

In January 2014 the Ministry of Justice launched its 2014-16 strategy to improve the effectiveness and independence of the **judiciary**. The strategy for the sector as a whole, the 'judicial upgrade strategy', remained unchanged. In September parliament adopted a new judicial independence law. A key element is the transfer of authority regarding the appointment of judges from the government to the Judicial Council. In February 2014 a new automated system was introduced to monitor and ultimately minimise **detention** periods. The High Institute for the Judiciary of Jordan should continue to be actively involved in the activities of the Euro-Arab judicial Training Network.

The government continued its work on combating **corruption**. Jordan ranked 55th out of 175 countries included in the 2014 Transparency International Corruption Perception Index, advancing eleven spots compared with last year's ranking (66th out of 177 in 2013). However, corruption remained an issue of general concern to the public, causing a lack of trust in public institutions. Implementation of the anti-corruption strategy adopted in 2013 continued. In April parliament adopted amendments to the anti-corruption law. These expand the definition of corruption to include money laundering and illicit enrichment. Also in April, a regulation protecting whistle-blowers, witnesses and informants in corruption cases was adopted. It entails the establishment of a special unit within the Anti-Corruption Commission to process requests for protecting individuals who have information on corruption and laying the ground for a future witness-protection programme. In June the illicit fortunes law was adopted. The law makes it obligatory for all ministers, Members of Parliament, judges, heads of public institutions and other officials to disclose information on their financial assets to a special unit in the Ministry of Justice. In 2013 the Anti-Corruption Commission handled 230 cases of suspected corruption, of which 74 were referred to the Prosecutor General. Jordan began to implement the National Integrity System.

Other human rights and fundamental freedoms

As a follow-up to the 2013 UN Universal Periodic Review, in April 2014 Jordan set up a technical committee to draft a national plan for human rights, which addresses the need to review national legislation in order to bring it in compliance with international agreements

and human rights conventions. In June 2014, Jordan's authorities announced that they would produce a guidebook entitled 'Know Your Rights' to raise public awareness about citizen rights.

In December Jordan cancelled its *de facto* moratorium on the **death penalty**. Eleven people, all sentenced to death in 2005 and 2006, were executed by hanging. This change to the application of the death penalty came after no executions had been carried out since 2006. It is estimated that 113 prisoners, including 12 women, are currently on death row.

In March 2014 two amendments to Article 208 of the penal code were adopted with the aim of categorising all types of **torture** as illegal. However, the amended Article 208(1) is limited to acts of torture that are inflicted in order to obtain confessions to a crime, while the amended Article 208(2) leaves room for broader interpretation, though omitting 'mental' torture. In June 32 Members of Parliament submitted a memorandum calling for tougher penalties for offenders who commit crimes of torture. Jordan's penal code categorises crimes of torture as a misdemeanour and is therefore incompatible with the requirements of United Nations Convention against Torture (UNCAT) to which Jordan is a party. The EU encourages Jordan to move forward with the ratification of the Optional Protocol to the Convention Against Torture (OPCAT). The EU launched two projects to strengthen civil society organisations, to increase the protection of groups vulnerable to discriminatory torture and ill-treatment, and to include UN standards for preventing torture in the domestic legal framework.

Jordan continued to play its long-term role in promoting religious coexistence and its support for the **freedom of religion or belief**. No steps were made towards lifting Jordan's remaining reservations to the UN Convention on the Elimination of All Forms of Discrimination against Women. In the 2014 Global Gender Gap Index, Jordan ranked 134th out of 142 countries monitored (in 2013, it had ranked 119th out of 136 countries). In February 2014 Jordan signed a memorandum to join the UN Women's COMMIT initiative to end violence against women.

The draft youth justice law was approved by parliament in September 2014. The law increases the age of criminal responsibility from 7 years to 12, to be more in line with international standards. It aims to apply restorative justice instead of punitive measures in cases involving young people, who are classified as those between 12 and 18 years of age. It further limits the administrative burden of youth justice courts. The EU launched two projects to support the **rights of children**. Child labour and underage marriages continued to exist, particularly among Syrian refugees. The Ministry of Labour increased the number of inspection campaigns to combat child labour.

Other governance-related issues

Parliament adopted amendments to the **public administration law** in March 2014, merging a number of public institutions to increase performance and limit public expenditure. The Anti-Corruption Commission and the Ombudsman Bureau remained independent institutions. Service guides were finalised for five government agencies.

The government continued to underline the importance of the **decentralisation** of public services as a critical element of Jordan's reform drive. In April 2014, it adopted a by-law for governorate councils that indicate an increase in the number of local councils at governorate level. The by-law does not devolve further powers to the local level.

In March 2014 the ‘EU support to **civil society** organisations’ programme, a part of the ‘democratic governance’ programme, was launched. With a budget of EUR 3.5 million, the programme aims to strengthen policy dialogue between the government and civil society organisations and to improve their technical and advocacy capacity. In July the EU and its Member States adopted a three-year roadmap for EU engagement with civil society in Jordan, including specific priorities and measures to be taken before 2017.

In 2014 Jordan hosted two regional civil society meetings that aimed to create systems for sustained regional-level dialogue between civil society, Jordan’s authorities, and the EU. One meeting took place in March with more than 60 participants from Jordan and the Euro-Mediterranean region, and one in October with over 50 participants. The EU strongly supported this regional initiative. The Member of the European Commission responsible for Enlargement and European Neighbourhood Policy, Štefan Füle, participated in October’s meeting.

Cooperation on foreign and security policy, regional and international issues, conflict prevention and crisis management

In January 2014 Jordan began its two-year non-permanent membership of the United Nations Security Council (UNSC). Jordan and the EU continued to remain aligned on a number of issues related to **foreign and security policy**, many of which were addressed in the UNSC. Jordan played an important, moderate and facilitating role on a number of international issues, including the Middle East peace process and in the international community’s response to developments in neighbouring Syria and Iraq. In September 2014 Jordan was again granted the southern co-presidency of the Union for the Mediterranean (UfM), until September 2016.

The armed conflict **in Syria** continued to present a significant challenge to Jordan’s security. A number of attempts by armed groups to cross the border to Jordan were intercepted. In principle, Jordan maintained its open-border policy towards refugees, though cases of *refoulement* have been documented. More than 46 000 Syrian refugees were registered in Jordan in 2014, bringing the total of registered Syrian refugees in the country to 622 000. In April 2014, a new refugee camp was opened in Azraq.

Since September 2014, the protection environment for Syrian refugees in Jordan deteriorated, with cases of forced return to camps and to Syria including cases of deportation and *refoulement* of vulnerable persons. New policies limiting assistance to non-camp refugees, such as the health decree ending free access to primary health care and restrictions on the registration of refugees as asylum seekers, are of concern and led to an increase in the number of refugees returning to camps or to Syria.

The refugee influx has substantial political and socio-economic implications, with the country’s community resources, infrastructure and social services largely overstretched. Rising rents and competition for jobs contributed to growing tensions between refugees and host communities. In recognition of the burden placed on the country, the EU allocated more than EUR 300 million for humanitarian support and development assistance to Jordan since the beginning of the crisis, supporting programmes that benefit both Jordanians and Syrian refugees. This allocation does not include bilateral aid from EU Member States. In April a regional EU development and protection programme for refugees and host communities (with a budget of EUR 26 million) was launched in Jordan, Lebanon and Iraq. In May the EU supplied Jordan’s border guards with 23 vehicles to facilitate the continued safe passage of

refugees from the border to the refugee camps. EUR 20 million of EU support are being used for various measures to improve the security conditions of refugees. The deterioration of the security and humanitarian situation in **Iraq** has further added concerns to regional stability, including for Jordan.

Jordan, Lebanon and Iraq continued to strengthen their trilateral cooperation with the EU in the area of **chemical, biological, radiological and nuclear (CBRN) disaster prevention, preparedness and response**. Jordan plays an active role in this field as it hosts the Middle East's regional secretariat of the EU CBRN centres of excellence. Jordan benefits from a number of EU-funded regional projects that aim to build capacity in a range of CBRN-related areas. Jordan and the EU agreed on an action plan for an EU-funded project on the export control of **dual-use goods**.

3. ECONOMIC REFORM AND SOCIAL REFORM AND DEVELOPMENT

Jordan's **economy** grew by an estimated 3.2%¹ (compared with 2.8% in 2013). However, Jordan continued to be negatively affected by a number of **exogenous shocks**, including the cessation of its gas supply from Egypt, lower earnings from tourism, and weaker investment, as well as the direct impact of the Syrian refugee crisis. These caused substantial rises in fiscal expenditure, strained labour markets, inflationary pressures, and a widening balance of payments deficit. Inflation was still moderate in 2014, with consumer prices rising by 2.7 % in September 2014.

Against these adverse conditions, **macroeconomic stability** was supported by a consistent fiscal consolidation plan and prudent monetary policy. Thanks to measures already taken by the government in 2013, e.g. subsidy reforms, and the strong inflow of foreign grants, the fiscal deficit narrowed further to an estimated 9% of GDP in 2014, from 9.4 % of GDP in 2013. Higher tax receipts supported a significant rise in current and capital spending enhancing fiscal consolidation efforts. The current account deficit (including grants) is estimated to have narrowed to 7.3% of GDP in 2014 from 10.3% of GDP in 2013, reflecting higher than expected grants and a strong performance in potash and fertiliser exports. In addition, Jordan benefited from the ongoing 36-month stand-by arrangement (agreed with the IMF in 2012 and worth USD 2 billion). It also agreed a macro-financial assistance programme of EUR 180 with the EU, which aims to alleviate pressure on the balance of payments in conjunction with the IMF programme.

The **social security** law, a critical element for the sustainability of social security coverage, was adopted in January. At the end of 2014, social security coverage stood at 67.9% of the population. In February, Jordan accepted parts V, VI, IX and X of the **Social Security Minimum Standards Convention (C102)**, which entered into force in March 2015.

Jordan continued to face significant challenges in **job creation and employment**. The **unemployment** rate was estimated at 12.6% in 2014, at the same level as for 2013. However, Jordan's **female labour-market participation** was expected to fall further, continuing a downward trend since 2009 and making it one of the lowest in the world. To address mismatches between the labour market supply and demand, the authorities' actions included the launch of sector-specific surveys, and the development of **sectoral human resource**

¹ For sources and detailed figures, see Statistical Annex accompanying the reports; figures without sources are forecasts by Commission services.

development plans and a labour market information system, with the EU's assistance. A new **employment and technical and vocational education and training strategy** for 2014-20 and an implementation plan were adopted, and the Ministry of Labour ran three national employment campaigns in 2014.

The Ministry of Social Development continued to implement the 2013-20 **poverty reduction** strategy, which aims to reduce the poverty rate to 7% by 2020. The IMF and World Bank reported that 14.3% of Jordanians live below the poverty line and that a further 18.6% were vulnerable to poverty in 2014. The government maintained consumption subsidies and income support schemes available to low-income households.

Labour standards remained unchanged, and Jordan did not take any steps to ratify the International Labour Organisation's Convention No 87 on 'freedom of association and protection of the right to organise'.

4. TRADE-RELATED ISSUES, MARKET AND REGULATORY REFORM

The EU-28 was the second most important trading partner, with total trade in goods amounting to EUR 4.0 billion in 2014.

Preparations for launching negotiations on a DCFTA continued, with progress made on the scope of negotiations and the level of ambition to be pursued. An external contractor carried out a sustainability impact assessment of the potential implications of the DCFTA, including a stakeholder consultation in Jordan.

A national **export strategy** for 2014-19 was approved in May, and aims to boost the export potential of Jordan's small and medium-sized enterprises (SMEs), improve export development, and further promote a conducive business environment for exports.

As regards the **free movement of goods**, Jordan continued to work towards setting up an adequate institutional and legal basis for the three priority sectors (electrical products, gas appliance and toys) identified for future negotiation of an agreement on conformity assessment and acceptance of industrial products. However, the **standardisation and metrology** law is still pending approval at parliament. In April Jordan introduced a standard customs user fee for all imports, leading to discussions on whether this fee should continue to be applied to preferential imports under the Association Agreement with the EU.

As regards the **investment climate**, parliament adopted a public-private partnership law in September. A new investment law was enacted and published in October, and set up two investment councils to manage national strategy and policy formulation and work-plan implementation. The entrepreneurship and **SME** growth strategy, which had been prepared in 2013, was presented to stakeholders in January, but is still waiting for the government's endorsement.

Progress was made on improving **financial services**, as the Central Bank of Jordan formally accepted responsibility for regulating and supervising the microfinance sector in accordance with best international practice. In June, the Central Bank finished drafting the first microfinance by-law. The EU supported the sector's further development through a EUR 29 million budget support programme and a EUR 6 million complementary programme.

Under the EU-funded IMP-MED project, Jordan prepared a national integrated **maritime policy** (IMP) work plan, set specific national IMP targets and identified specific IMP-related technical assistance needs.

In the area of **taxation**, parliament adopted a new income tax law in December. The law introduces an increase in tax on profits in the banking and other sectors, and fines for late payments. In addition, the authorities raised direct taxes on a number of services and goods. Fees, mainly on visas and residency permits, were introduced or increased to raise revenue and limit the budget deficit.

The joint 2014 evaluation on SME policy² highlighted challenges to be addressed by the country, including strengthening creditor rights, implementing and monitoring the new bankruptcy law, stronger coordination between ministries, developing entrepreneurial learning for all levels of education, and the adoption and implementation of an effective export promotion strategy.

In the area of **statistics**, an EU Twinning project helped bring the national accounts in line with the SNA 2008 international methodology, including the informal sector in GDP and other key statistics. For the first time, Jordan has collected information on migrants through an innovative survey, including a special questionnaire on the situation and intentions of forced migrants (refugees). First results will be available in 2015.

The EU twinning project with the Jordanian **Audit** Bureau helped improve external auditing procedures by producing a draft manual. The Audit Bureau and the Ministry of Finance agreed to review national-level work on reforming internal control and external audit.

5. COOPERATION ON JUSTICE, FREEDOM AND SECURITY

Following up on the EU-Jordan Dialogue on **Migration, Mobility and Security**, a joint declaration establishing a Mobility Partnership between Jordan, the EU and its participating Member States was signed on 9 October 2014. Work on drawing up a list of identified actions and specific projects to implement the partnership have started.

On **trafficking in human beings**, the government approved a decision to turn a 2 000-square-metre government-owned building in Amman into a shelter for victims of human trafficking. The new centre is expected to open in the first half of 2015. In cooperation with the Ministry of Labour and the International Organization for Migration (IOM), the EU funded a workshop in April to strengthen national capacity for recognising cases of human trafficking and providing better protection to migrant workers. The counter-trafficking unit (CTU) continued to work on capacity-building measures with international partners. However, only a few of the 113 cases referred to the public prosecutor by the CTU since 2009 have resulted in convictions. The government announced that it would produce a comprehensive strategy to regulate all measures and procedures relating to migrant workers and enable the authorities to take legal action against violators.

In February the **anti-money laundering** unit signed a memorandum of understanding with the UK's Financial Intelligence Unit; in June it also signed one with Belgium's financial intelligence processing unit, for legal assistance in criminal matters. The anti-money

² "SME Policy Index The Mediterranean Middle East and North Africa 2014 Implementation of the Small Business Act for Europe" (SBA)".

laundering and counter-terrorism financing national plan (2013-15) was adopted and includes a strategic goal of reviewing national legislation on combatting money laundering and terrorism financing in accordance with international standards.

In June Jordan adopted amendments to the 2006 **anti-terrorism** law. These were introduced with the objective of being able to respond to an expected influx of fighters returning from Syria and to the regional threat of extremist groups. Since its adoption, several individuals have been prosecuted in the State Security Court under the amended provisions on charges such as ‘membership of a terrorist organisation’ or ‘attempting to incite terrorism’. International and local civil society organisations have voiced concerns that the broad definition of what constitutes a terrorist act could be used for prosecuting peaceful political speeches or assemblies.

6. TRANSPORT, ENERGY, ENVIRONMENT, CLIMATE CHANGE, INFORMATION SOCIETY, RESEARCH AND DEVELOPMENT AND INNOVATION

In April 2014, the Ministry of Transport proposed a 20-year long-term national **transport** strategy, which at the end of the year still had not been approved by the government. A memorandum of understanding was signed with stakeholders on providing information to Jordan’s transport data warehouse. At the second EU-Jordan preliminary joint committee meeting under the Euro-Mediterranean Aviation Agreement, both sides expressed satisfaction with the functioning of the agreement, which was being applied on an administrative basis pending its formal entry into force.

Efforts aimed at long-term diversification of **energy** supply continued, together with projects agreed with the IMF on reforming the energy sector before 2017. The Natural Resources Authority was merged with the Ministry of Energy and Mineral Resources, and the Electricity Regulator Commission’s mandate was upgraded to include nuclear energy and minerals.

Jordan’s heavy dependence on costly energy imports continued to cause major economic difficulties. Energy imports which already amounted to 17% of GDP in 2013, increased by 74% year-on-year in the second quarter of 2014 due to the import of petroleum products to replace gas imports from Egypt. With instability in Iraq hampering the preparation of the planned Basra-Aqaba pipeline, new plans were announced for the possible import of gas from the Gaza Strip, Cyprus and Israel. In addition, a liquefied natural gas terminal in Aqaba, funded by the Gulf Cooperation Council, was expected to be ready in early 2015. Agreements to build an oil derivatives terminal in Amman and on power generation using shale oil were also signed.

The Atomic Energy Commission (AEC) continued its assessment of the proposed site near Amra as the future site of a nuclear power plant. The EU continued to support the AEC on legal and regulatory international standards. In August, the International Atomic Energy Agency presented a satisfactory evaluation on the preliminary work carried out. Jordan and Saudi Arabia signed an agreement on nuclear cooperation.

Construction of the first wind energy project in Tafilah started in 2014. This 117-megawatt project is the first renewable energy project in Jordan; its funding includes a significant contribution from the European Investment Bank. In March Jordan signed all the related contracts and power purchase agreements for the first round of renewable energy projects.

Twelve contracts were concluded, and have a total capacity of 200 megawatts, mainly from solar-generated electricity in the south of the country. In October the International Finance Corporation finalised a USD 207.5 million loan to fund the construction of seven solar plants in Jordan. In November, parliament approved a renewable energy law, which makes all materials used for implementing renewable energy and energy efficiency systems tax exempt.

The Ministry for Environment set up a special unit responsible for **climate change** to act as a national focal point and to coordinate activities with all line institutions. In June Jordan started working on its intended nationally-determined contribution for the 2015 Climate Agreement. The regional EU-funded Clima South project supported Jordan's work, including on a project proposal for a nationally-appropriate mitigation action in Jordan Valley. Moreover, the Ministry for Environment actively supported the strengthening of regional cooperation on climate action in the Mediterranean region by acting as co-chair of the newly-established Union for the Mediterranean Climate Change Expert Group.

As regards the **environment**, the Ministry for Water and Irrigation presented in January 2014 a plan to alleviate the impact of the Syrian refugee influx on the water sector by integrating the needs of refugees in national figures. In June amendments to the water authority law were adopted, with stricter penalties for violators of water networks, illegal wells and pollution of water resources. The authorities continued their work on combatting illegal wells and rehabilitating water networks throughout the year. Jordan continued to actively participate in EU-financed regional programmes, including the 'sustainable water integrated management' programme and those falling under 'Horizon 2020' for the depollution of the Mediterranean and SWITCH-Med, which is helping Jordan to draft its national action plan for sustainable consumption and production. The EU Neighbourhood Investment Facility is supporting host communities on waste management activities to face the influx of refugees. As co-president of the Union for the Mediterranean (UfM), Jordan also played a vital role in the UfM's successful ministerial meeting on the environment and climate change, held in Athens in May.

On **information society**, a proposal is being put forward to review the Jordanian telecoms law, including provisions addressing the convergence between telecommunications and audiovisual services, reviewing national regulator mandates, and promoting safe access to internet content. However, no progress can be reported on its adoption. In January 2014 a by-law was passed on e-signatures and trusted services. In February, the Telecommunication Regulatory Commission chaired and hosted the plenary assembly meeting of the Euro-Mediterranean Regulators Group. In September, a national strategy for 2013-17 was presented, and aims to increase internet penetration in Jordan from the current 63 % to 85 % by 2017.

'Horizon 2020' and the 'support to **research** and technological development' programme were launched in Jordan in June, and focus on four key areas (water, energy, food and health), in line with national research priorities. A series of 'Horizon 2020' thematic brokerage events also took place in Jordan, promoting cooperation with EU partners. A project funded by the 7th EU Framework Research Programme resulted in the establishment of the first cancer bio-bank in Jordan and the whole Middle East region (KHCCBIO). With the support of the World Bank, the Higher Council for Science and Technology developed a national innovation strategy for 2014-17. In September the SESAME's 800-million-electron volt booster went into operation, making it the first high-energy accelerator in the Middle East. Jordan invested EUR 220,000 in the first joint call launched by the EU funded project for alignment of research programmes Euro-Mediterranean - ERANETMED.

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

In the framework of broader **education** reform, Jordan, with the EU's support, took measures in the areas of teacher training, pre-school education in underprivileged areas, and improving special-needs education programmes. In addition, the construction of six new schools was started and will be finalised in two years. Pre-qualification tests were introduced for new teachers starting in the profession. A review of the assessment system, including the Tawjihi (General Secondary Certificate Examination), is still pending despite the growing necessity for reform. The EU supported the government's efforts to address the impact of the Syrian crisis in Jordan. At the end of the school year, nearly 120 000 refugee children were registered in the formal education system and around 70 000 students were in the informal system through UN agencies and NGOs. A management information system is being implemented through UNESCO in order to aggregate national data and planning.

With regard to employment and **technical and vocational education and training (E-TVET)** a new E-TVET strategy for 2014-20 was adopted and the E-TVET Council approved a TVET qualifications framework. The E-TVET sector, including a new component on youth consultation, was subject to the bi-annual Torino Process assessment carried out by the European Training Foundation in June 2014. A new 'employment and social inclusion' programme building on the results of the current one is planned for 2015-18.

Jordan participated in the **Tempus** programme with 23 on-going projects, eight of which were coordinated by Jordanian universities. 284 Jordanian students and staff were selected within partnerships supported by **Erasmus Mundus** and one student received scholarships to participate in a joint master.

One organisation was selected for funding under the **Marie Skłodowska-Curie actions (MSCA)** under 'Horizon 2020'. Youth and youth organisations benefitted from **Erasmus +**, with 364 participants in mobility projects and 36 in a project for young people and decision-makers in the youth field. In June the second Arab-Euro Conference on Higher Education took place in Amman, with the participation of 200 presidents of Arab and European universities.

Cooperation on MedCulture and Euromed Audiovisual programmes continued in the framework of the 'creative industry project' in Jordan

In November the government adopted an amended 2015-19 **health** strategy that aims to improve services in accordance with public demand and encourage investment in the health sector to advance medical tourism. Jordan nominated a national correspondent for relations with the European Centre for Disease Prevention and Control (ECDC) and participated in the National ECDC Correspondents' meeting in May.