

ACTION FICHE FOR JORDAN

1. IDENTIFICATION

Title	Support to the implementation of the Action Plan (SAPP) – ENP/2007/019/571		
Total cost	<i>EUR 10 million</i>		
Aid method / Management mode	Project approach – <i>decentralised</i>		
DAC-code	43010	Sector	Multisector aid

2. RATIONALE

The entry into force of the Association Agreement on 1 May 2002 introduced a new dimension of enhanced EU-Jordan cooperation in the political, economic and social spheres. The EU-Jordan relationship has been strengthened by the implementation of the European Neighbourhood Policy (ENP) and the signing of the EU-Jordan Action Plan on 11 January 2005. The Action Plan, adopted for a period of five years, determines key areas where specific measures could be taken to strengthen and develop the EU-Jordan partnership.

Jordan has shown a real commitment to the Action Plan and has begun implementation through advancing in the approximation of Jordanian legislation, norms and standards to those of the EU. It is clear, however, that more needs to be done to translate commitments into concrete progress.

2.1. Sector context

In recent years, Jordan has embarked on an ambitious process of political reform whilst maintaining commitment to developing the EU-Jordan partnership through the ENP.

In November 2005, Jordan published its National Agenda, a long-term programme that commits Jordan's current and future governments to reform. The main objective of the National Agenda is "to improve the quality of life of Jordanians through the creation of income-generating opportunities, the improvement of standards of living and the guarantee of social welfare". The agenda covers all the main development areas under eight themes: Political Development and Inclusion; Justice and Legislation; Investment Development; Financial Services and Fiscal Reform; Employment Support and Vocational Training; Social Welfare; Education, Higher Education, Scientific Research and Innovation; Infrastructure Upgrade. It contains broad strategies, policies and quantifiable objectives in an integrated way, which will provide general guideline actions to the Government in the years to come.

In order to consolidate support for the objectives of the National Agenda, and at the same time give Jordanian society ownership of the reform process, the authorities developed a second initiative under the slogan *Kulluna al Urdun* ("We Are All

Jordan”) aiming at bringing together various representatives of Jordanian society to debate the future of the country.

EU-Jordan cooperation and notably the ENP Action Plan aims to support national reform objectives while further integrating Jordan into European economic and social structures. Significant efforts have been undertaken to bring the Association Process rapidly up to speed. Intense institutional cooperation between Jordan and the EU enables experts from both sides to agree on specific measures and deliverables and discuss possible obstacles. In addition to the Association Council and Association Committee, nine technical subcommittees, covering all the key areas of the Action Plan, have been activated for that purpose.

Despite the measures undertaken by the Government of Jordan to improve public sector management, the institutional and administrative capacity remains weak. The promotion of good governance, the fight against corruption, efforts to reduce bureaucracy and the process of democratisation remain a challenge for the country.

As for the economy, key challenges are ensuring macroeconomic stability, reducing the public deficit, stimulating economic activity (addressing in particular obstacles to exports and investment), reducing the high unemployment rate and strengthening efficiency and effectiveness in infrastructure management.

2.2. Lessons learnt

The Support to the Association Agreement Programme was initially developed in 2002 to enhance Jordan's capacities to take full advantage of the EU-Jordan Association Agreement in the area of trade. The demand-driven approach led to the broadening of programme objectives in the design of SAAP II, moving from economic and technical issues related to trade, to other areas of cooperation identified in the Action Plan and to new priorities emerging from the subcommittee dialogue.

A mid-term review of SAAP confirmed the relevance and impact of the programme and each project under it. Deficiencies in the start-up were corrected during implementation, thanks also to considerable efforts by the Ministry of Planning and International Cooperation to build capacity within the Project Administration Office (PAO), enabling the PAO to manage its planning, coordination and management tasks.

The availability to the Government of Jordan of an Operational fund to be utilised in a flexible and dynamic way to support the implementation of the Association Agreement and of the Action plan has proved to be critical in upgrading the Jordanian public institutions and in the approximation of policies and regulations in the sectors concerned.

The Fund allows for adapting actions to take account of progress made and newly identified priorities. In addition, the Fund offers the possibility to adapt the implementation methodology - technical assistance or twinning - to the institutional capacity and needs of the final beneficiary, thus increasing the efficiency of the assistance delivered and the sustainability of the results achieved. Complementary support in upgrading the laboratory and infrastructure of the final beneficiaries has

allowed the EC to have a comprehensive approach towards identified problems, increasing the effectiveness and sustainability of the aid.

2.3. Complementary actions

The SAPP is complementary to the other programmes identified in the Country Strategy Paper. It covers, on demand and without overlap, specific needs of the Jordanian administration, and facilitates reform in chosen areas and, where relevant, regulatory approximation with the EU.

In particular, SAPP complements EC support provided through budget support programmes (Structural Adjustment Facilities, Support to Poverty Reduction through Local Development, Sector Reform Facility, Support to the Implementation of Kulluna al Urdun and Support to Public Finance Management Reform).

SAPP activities will be coordinated with the activities implemented under the "Service Modernisation Programme", the "Trade and Transport Facilitation Programme" and the "Support to Enterprise and Export Development Programme".

The assistance mobilised through TAIEX (Technical Assistance Information Exchange) missions will be complementary to SAPP activities. TAIEX is an instrument that, on the basis of the request from the beneficiary country, can quickly mobilise short-term public assistance to address well identified, focused and targeted problems in the field of approximation, application and enforcement of EU legislation.

The new SIGMA (Support for Improvement in Governance and Management) Programme, due to be launched in 2008, will offer further support to Jordan in its reform efforts. The programme aims to support partner countries in the following areas:

- Legal and administrative frameworks, civil service and justice; public integrity systems
- Public internal financial control, external audit, anti-fraud and management of EU funds
- Public expenditure management, budget and treasury systems
- Public procurement
- Policy-making and coordination
- Better regulation

2.4. Donor coordination

The proposed project is fully in line with the Paris Declaration, since the "on demand" mobilisation of assistance allows the EC to fully align the project to Jordanian national priorities, the implementation through Jordanian public structures respects the aid effectiveness principle and the donor coordination mechanism in

place in Jordan, that will be maintained during the whole project implementation, allows donors to coordinate and harmonise their actions.

The "Donor/Lender Consultation Group (DLCG)" continues to meet regularly. The DLCG is a process initiated in Jordan in 2000 that aims to facilitate dialogue on priorities and programmes in Jordan, reviewing assistance to the country and improving the harmonisation of operational activities with a view to maximising effectiveness and efficiency. The EC assumed the chairmanship at the end of 2007.

In parallel, the Ministry of Planning and International Cooperation (MOPIC) established nine donor coordination working groups in July 2007. The groups aim at providing a "structured and technical level dialogue with donors on Jordan's development needs and priorities". They include representatives from MoPIC, the line ministries and the donors, and have met several times.

In addition, regular coordination meetings with donors, and EU Member State participation in the subcommittees, ensure mutual information and avoid overlap in the assistance programmes. A "Matrix of EU Development Assistance", providing information by sector on ongoing programmes and projects financed by the EU Member States and the EC, is regularly updated by the EU Member State Embassies and the EC Delegation in Jordan.

Coordination with the World Bank and the EIB is achieved under the Strategic Partnership Agreement between the three institutions, launched in 2004.

3. DESCRIPTION

3.1. Objectives

The overall objective of the programme is to support the Jordanian administration in the implementation of the EU-Jordan Action Plan.

The project purpose is to improve the capacities of the relevant Government of Jordan institutions to meet the commitments made in the context of the EU-Jordan Association Agreement and the ENP Action Plan.

3.2. Expected results and main activities

The project aims to put at the disposal of the Government of Jordan, an "Operational Fund" to be utilised in a flexible and simple manner in order to draw resources to assist the Government of Jordan in the implementation of the Action Plan.

The Programme aim to achieve the following results:

- (1) Knowledge of the EU-Jordan Association Agreement and the ENP Action Plan is spread among line ministries facilitating EU-Jordan dialogue and negotiations
- (2) Increased efficiency and effectiveness of the public administration in implementing the EU-Jordan AA and ENP Action Plan

- (3) Further approximation of the Jordan legislative framework with that of the EU

The definition of priorities in the course of project implementation will pursue a double objective:

- (a) Ensure continuity with initiatives undertaken in the context of SAAP I and II;
- (b) Support the Jordanian authorities to respond to the needs jointly identified by the EU and the Jordanian authorities in the different subcommittees.

At this stage, the following areas of activity are under consideration:

Standards and Conformity Assessment

Additional support could be provided to the Jordan Institute for Standards and Metrology building on the twinning project findings and recommendations. Specific areas of support could include the development and implementation of a country master plan for signing the Agreement on Certification, Assessment and Acceptance of industrial products (ACAA) and the strengthening of the institutional capacities of the newly established Jordan Accreditation Commission to function in accordance with international best practice in the field.

Sanitary and Phyto-sanitary standards

Additional support could be provided to the Ministry of Agriculture and the Jordan Food and Drugs Administration, building on the twinning project findings and recommendations. Specific areas of support could include the development of a specific disease surveillance programme, border inspection points and quarantine, a phyto-sanitary control programme and improving the effectiveness and professional development of the Jordanian Plant Health and Seeds Inspection Service

Statistics

Although already identified as a potential beneficiary of SAAP, the statistical sector has not yet received assistance. A project targeting the strengthening of the operational and analytical capacity of the Jordanian Department of Statistics could be envisaged.

Public Sector Reform

As a follow-up to ongoing short-term technical assistance, a more comprehensive project supporting the Ministry of Public Sector Development (MoPSD) and/or the National Institute of Training to increase their effectiveness in human resource management and to provide training to the Jordanian Public Sector could be designed.

Follow-up assistance to the ongoing twinning in the Customs Administration and in the Ministry of Industry and Trade could also be considered.

The order of priorities in the intervention logic and identification of new priorities to be addressed during the life of the project will be defined together with the Jordanian authorities. Special attention to crosscutting issues will be paid in this phase and during the identification of the specific projects.

In addition, SAPP will keep financing the EU Affairs Officers Network, a network created in 2006 on the joint initiative of the EC Delegation and the Ministry of Planning and International Cooperation. Its aims are: assisting the European Partnership Section at MoPIC and the Line Ministries in the preparations for EU-Jordan events; ensuring an awareness of EU-Jordan related policies and matters among the personnel of the line institution; assisting the line institution in implementing the commitments within the EU-Jordan Association Agreement and ENP Action Plan. It also contributes to promoting the visibility of EU assistance.

3.3. Stakeholders

The project will target the entities of the public sector responsible for the implementation of the Association Agreement and the ENP Action Plan. Below (points 1 and 2) are the ministries and institutions that have been beneficiaries under SAAP and SAAP II.

The list of potential stakeholders can be classified into three groups:

Stakeholders who have benefited from long-term assistance under SAAP

They include the Jordan Institution for Standards and Metrology (JISM), the Royal Scientific Society (RSS), the Ministry of Agriculture (MoA), the Jordan Food and Drugs Administration (JFDA), the Ministry of Industry and Trade (MoIT), the Customs Department (CD), the Jordan Security Commission (JSC), the Ministry of Environment (MoEnv), the Ministry of Justice (MoJ), the National Energy Research Centre (NERC), the Public Security Directorate (PSD). Most of these institutions have already proved their commitment to reform and comply with EU standards, as well as their capacity to absorb a twinning project. MoE, MoJ and RSS have strengthened their institutional capacity through technical assistance programmes and are now ready to absorb the obligations and responsibilities entailed in a twinning project.

(4) Stakeholders who have benefited from short-term assistance under SAAP

They include, among others, the Ministry of Public Sector Development (MoPSD) and the National Institute for Training (NIT), the Ministry of Labour (MoL) and Jordan Enterprise (JE). These institutions actively cooperate with EU experts and have implemented most recommendations. Priority areas for further support have already been identified.

(5) New Stakeholders

The Department for Statistics has been confirmed as a potential beneficiary. Based on the experience gained by the current cooperation with MEDSTAT, the Department of Statistic confirms its commitment to implementing the Action Plan obligations and is ready to absorb long-term assistance, including twinning.

The above does not constitute an exhaustive list. Following the approach already developed in evaluating proposals for supporting specific projects under SAPP, the Jordanian authorities and the Commission will take into account the priority actions identified under the EU-Jordan Action Plan in the context of the European Neighbourhood Policy, as well as the conclusions of the various technical subcommittees.

3.4. Risks and assumptions

Assumptions:

- The EU-Jordan political dialogue continues and technical subcommittees are held regularly.
- Jordanian authorities remain committed to the reform agenda and the implementation of the commitments in the Action Plan.
- The Ministry of Planning and International Cooperation dedicates sufficient resources to the implementation of the programme, in identifying priorities and suitable means of implementation.
- Line ministries and institutions accept to channel requests for assistance, as per the priorities identified in the technical subcommittees, through the MoPIC.
- There is the will and sufficient resources in line ministries and institutions to address issues related to the implementation of the Action Plan.
- The EU is able to provide timely answers to requests for assistance from the Jordanian administration.

Risks:

- Security concerns hamper Jordan's reform efforts.
- A lack of or a too weakly coordinated approach amongst the wide variety of stakeholders prevents the reform process being coherent and comprehensive.
- A lack of agreement by the stakeholders regarding the priorities and methodologies to be used in the implementation of the action.
- A lack of commitment in the Jordanian administration to follow up project recommendations and translate them into legal texts (laws and regulations).

3.5. Crosscutting Issues

Crosscutting issues will be analysed in detail during the identification phase of the specific projects.

It can be anticipated that, in line with SAPP objectives, good governance will be an issue systematically addressed in the design of the specific projects.

Particular attention to environmental sustainability was given in the implementation of SAAP I and SAAP II, where specific projects to strengthen the institutional capacities of the Ministry of Environment and to develop and enforce environmental legislation based on EU and international legislative standards were developed. Follow-up assistance can be considered as an individual project and/or a crosscutting issue during the identification phase of specific projects, where relevant.

Gender analysis will be elaborated in project design. In a country like Jordan, where, on the one hand, a number of educated and skilled women participate in the political, social and economic life of the country, and, on the other, many women are still subject to the traditional patriarchal power relations, the gender perspective will assume particular interest and relevance.

4. IMPLEMENTATION ISSUES

4.1. Implementation method

The project will follow the same implementation modalities of SAAP I & SAAP II: decentralised project management in the framework of a financing agreement signed by the European Commission and the Ministry of Planning and International Cooperation, with ex-ante control.

The Ministry of Planning and International Cooperation, which is the National Coordinator, will be the Beneficiary and Implementing Agency for the project.

The Authorising Officer considers that the conditions of Article 56.2 of the Financial Regulations have been met for decentralised management by the Government of Jordan, following evaluations of these conditions in 2004 and 2007. The Commission controls ex ante the contracting procedures for procurement contracts >50.000 EUR and all grant contracts, and ex post the procurement contracts • 50.000 EUR.

Through the programme estimates, payments are decentralised for operating costs and contracts up to the following ceilings:

Works	Supplies	Services	Grants
< EUR 300 000	< EUR 150 000	< EUR 200 000	• EUR 100 000

The Authorising Officer ensures that, by using the model of financing agreement for decentralised management, the segregation of duties between the Authorising Officer and the Accounting Officer of the decentralised entity will be effective, so the decentralisation of payments can be carried out within the limits specified above.

4.2. Procurement and grant award procedures

All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the Commission for the implementation of external operations, in force at the time of the launch of the procedure in question.

The essential selection and award criteria for the award of grants are laid down in the Practical Guide to contract procedures for EC external actions. Twinning activities will be managed in line with the Twinning procedures laid down in the 2007 Common Twinning Manual. All programme estimates must respect the procedures and standard documents laid down by the Commission, in force at the time of the adoption of the programme estimates in question.

4.3. Budget and calendar

The budget of the project, which is 100% financed by the Commission, is broken down as follows (on an indicative basis):

Management Fund	EUR 1 000 000
Operational Fund	EUR 8 500 000
Audit and Evaluations (*)	EUR 200 000
Contingencies (**)	EUR 300 000
TOTAL	EUR 10 000 000

(*) to be managed directly by the EC;

(**) may only be used with the prior written agreement of the EC.

The Management Fund includes provisions for the European Affairs Officers Network.

It is anticipated that the project will be implemented through grant agreements (mainly twinning) and technical assistance contracts. Supply contracts could be approved if complementing ongoing activities under technical assistance or twinning. The specific budget for each action will be decided during the identification phase of each specific project.

It is expected that the first procurement procedures will be launched immediately after the signing of the financing agreement. A first identification mission for the programme will be launched in 2008 financed from SAAP II. It will focus on the follow-up of ongoing or recently completed twinning projects in the field of standards and conformity assessment and sanitary and phyto-sanitary standards.

The project will be implemented during the 48 months following the signing of the Financing Agreement.

4.4. Performance monitoring

Monitoring of the specific projects will be carried out by PAO staff, the focal points and the EC Delegation.

Specific indicators for SAPP could be the rate of disbursement of the Operational Fund and the percentage of projects achieving at least three-quarters of planned results.

Specific performance indicators for each specific project to be financed under SAPP will be developed during the formulation phase of that project.

4.5. Evaluation and audit

Internal financial monitoring will be carried out by the PAO. The PAO will undertake internal audits and evaluations as necessary as part of their quarterly progress reports. A local audit will be contracted by the PAO to carry out quarterly audits and Annual Programme Estimates.

The project will be the subject of an external audit every 12 months, to be undertaken by independent auditors directly contracted by the EC.

The audit missions should verify the following:

- The correctness of financial information submitted in the 4 quarterly reports;
- The legality and regularity of all contracts or similar legal commitments concluded during the previous year;
- The legality and regularity of all payments made;
- The soundness of the control framework in which the project is carried out;
- The management of the PAO.

If irregularities are found by the audit missions or during other controls, the provisions of Article 103 of the Financial Regulation for the general budget adopted by Council Regulation N. 1605/2002 and amended by Council Regulation n° 1995/2006 should apply.

Two independent evaluations - one after two years' of implementation and another at the end of the project - will be carried out by the contractor(s) recruited by the EC.

4.6. Communication and visibility

Appropriate communication and information activities will be planned and implemented by the Programme Administration Office and the beneficiaries of each specific project under the programme, in line with Commission guidelines for the visibility of external operations. These activities will target both Jordanian public institutions and the Jordanian public at large, with the aim of promoting a wider understanding of the relationship between Jordan and the EU in the context of the European Neighbourhood Policy.