

Jordan partnership paper

Conference document

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1. The partnership between the Government of Jordan (GoJ) and international community strengthened over the course of 2017 and delivered a set of benefits to both vulnerable Syrian refugees and Jordanian households. Building on the commitments agreed in London in February 2016 and detailed in the Jordan Compact (JC), this partnership reinforces the resilience of vulnerable communities, whilst addressing the humanitarian needs of Syrian refugees. In overseeing a paradigm shift in how to respond to protracted displacement crisis, the holistic approach of the response in Jordan is widely viewed as a model of global best practice.

2. The success of this partnership is dependent upon the international community acknowledging Jordan's role in hosting Syrian refugees, and the GoJ and international community meeting the reciprocal commitments under the JC. This is a global public good necessitating fair burden sharing with support provided to Jordan being proportionate to Jordan's carrying capacity and the impact of continuing regional conflict and instability, external shock and prevailing economic conditions. Moreover, the reciprocal commitments under JC will depend on the Government of Jordan and the international community delivering mutually and holistically on their commitments as set out in the JC. The international community acknowledges that the GoJ's ability to implement its commitments is proportional to the support extended by Jordan's development partners and other international partners.

3. In 2017, the international community, as part of their JC commitments, maintained significant levels of funding with USD 1.7 billion committed to the Jordan Response Plan (JRP), representing two-thirds of the funding requirements. Similarly, other flows of support, including concessional financing and budgetary support were maintained. As a result, **the international community's financial commitment to Jordan in 2017 exceeded that of previous years**. In upholding its commitments, the GoJ expanded access to education and jobs for Syrian refugees and in doing so, advanced efforts that seek to transform the refugee challenge into a development opportunity (Part I).

4. As the Syria crisis moves into its eighth year, Jordan is reaching its limits in carrying capacity under the current conditions and is under an IMF Extended Funding Facility (EFF) programme which limits fiscal space. Assistance to Jordan must consider the high proportion of refugees living in host communities, the relatively low per capita income of

Jordan, stressed levels of available resources like water, the cost of developing infrastructure and public services, and threats to social cohesion.

5. The GoJ and international community are committed to finding practical solutions to the multi-faceted issues that remain, particularly in the areas of inclusive and equitable economic growth and job creation, livelihoods, education and social protection. Both parties will continue to work together in a spirit of partnership and fair responsibility sharing, in an effort to further strengthen Jordan's long-term resilience, fiscal stability, and its ability to support both host communities and Syrian refugees, with particular focus on vulnerable populations including women and youth (Part II).

6. The international community reaffirms long-term political and financial support to Jordan. As per the JC commitments, (i) sustained funding is made available to the Jordan Response Plan 2018-2020 which covers both humanitarian and resilience needs of refugees and host communities with increased support to host communities' priority capital expenditure projects; (ii) a sustained level of grants and concessional loans, including budget-support, made available on a multi-year basis; and (iii) increased use and delivery of assistance through national capacities to implement assistance projects, cash assistance and purchases of national goods and services adding maximum value to the Jordanian economy. The international community will seek to maintain grant funding to JRP at 2017 level and continue to work on expanding the donor base and use existing mechanisms, such as Trust Funds, including the EU Regional Trust Fund in response to the Syria crisis, Global Concessional Financing Facility (GCFF), Macro Financial Assistance (MFA), Development Policy Loans (DPLs) to provide concessional financing for budget support in addition to the EU External Investment Plan (EIP).

7. The international community will seek to provide additional resources, preferably in the form of multi-year commitments, inclusive of grants and budget support, concessional finance as per JC commitments. This is consistent with both the aims of the JC and the IMF call to assist Jordan in dealing with its financing gap, including by seeking to front-load support to the GCFF in Jordan. The international community will continue to provide financial and technical assistance to support Jordan's reform process under the Executive Development Programme, inclusive of the Jordan Economic Growth Plan (2018-2020), and Jordan's National Human Resources Development Strategy.

8. Jordan is committed to continue improving the business and investment environment as well as continuing its fiscal adjustment and structural reforms in line with the Jordan 2025 Vision, Jordan Economic Growth Plan and the ongoing Extended Fund Facility Programme (EFF) with the IMF. Jordan is also committed to delivering on vertical and horizontal reforms outlined in the five-year Equitable Growth and Job Creation Policy Reform Matrix being developed with the support of the World Bank and key development partners of Jordan.

PART I - Implementation of Commitments

9. The situation in Jordan in 2017 showed progress though the external environment remained challenging. As a result, it is appropriate to review progress against commitments, whilst briefly highlighting an emerging set of priorities associated with an evolving operational environment.

10. Through the JC, the GoJ committed to a set of reforms that aim to mitigate the impact of the Syria crisis, whilst the international community has pledged to maintain appropriate levels of multi-year funding in the form of grants and loans, including concessional financing; an increased flow of investments; and support to export development and facilitated access to the EU market under the EU-Jordan Association Agreement and the Joint Decision on simplified Rules of Origin (RoO).

Delivery on Financial Pledges

11. The international community has continued to honour its commitments to Jordan over the past year. According to GoJ data, contracted grant funding to the JRP in 2017 amounted to two-thirds of requested funding. This percentage includes USD 653.7 million committed to refugee programmes and USD 758.4 million for resilience. Budgetary support totalled USD 306.8 million.

12. In addition, as bilateral aid, contracted grants and concessional financing packages reached USD 1.93 billion helping to address some of Jordan's budgetary needs and development priorities, as well as its long-term stability and prosperity objectives. In total, contracted aid to Jordan in 2017 amounted to USD 3.65 billion¹.

Key Policy Developments in 2017

Reforms for Economic Growth and Development (including Livelihoods)

13. With the support and engagement of the international community, the GoJ intensified efforts to promote equitable growth and enhance long-term economic sustainability, in line with the country's socio-economic vision (Jordan 2025); the Jordan Economic Growth Plan (2018-2022); the IMF EFF; EU MFA programme; as well as other bilateral donor support programmes.

14. In increasing the formal participation of Syrian men and women in the Jordanian labour market, the GoJ has instituted a set of reforms that facilitate refugee access to the formal labour market. This has served to enhance household income and self-reliance in a manner that complements job creation for Jordanians, formalises informal employment, and avoids compromising Jordanian jobs. Syrians living in camps are able to request and obtain work permits and seek employment opportunities outside the camps. The GoJ has also waived the cost of work permits; loosened restrictions on moving from one sector to another (agriculture, support services, bakeries); removed the need for a work permit sponsor in the agriculture and construction sectors; and waived the need for documents detailing technical qualifications required to obtain a work permit in the construction sector.

15. To match the skills present within the Syrian refugee workforce with employment opportunities, the international community has cooperated with the GoJ in establishing Employment Centres, in both Za'atari and Azraq camps, as well as directorates across Jordan. These centres match both Jordanians and Syrian refugees with potential employers as per labour legislation and facilitate the issuance of work permits, which allow refugees to move into and out of camps, provided that work permits are renewed every 30 days. These centres also assist employers in meeting export requirements as per the RoO scheme.

16. In 2017 as a result of policy reforms, the GoJ issued 46,717 work permits of which 5% were issued to women. This takes the total number of work permits issued to April 2018 to 99,433 out of which 45,850 are currently active as of April 2018.

17. In line with previous commitments, the GoJ with the support of the international community has launched reforms that aim to enhance Jordan's competitiveness as an investment destination. The GoJ's continued efforts to improve the business environment have resulted in Jordan jumping 15 ranks places in the World Bank Doing Business Report of 2018. This aggressive reform approach is expected to further improve Jordan's ranking in the upcoming 2019 report.

18. To lessen the impact of regional volatility on Jordan's trade flows, the implementation of the Rules of Origin agreement with the EU continued. To date 11 companies are eligible to export to the EU under the agreement and four of them (in the plastics, packaging, textile and engineering sectors), have already completed export shipments to European countries with a total value of EUR 2.3 million.

Education

19. The Ministry of Education (MoE) has developed a costed, results-based five-year Education Strategic Plan (ESP) that reinforces Jordan's commitment to Leaving No One Behind and preventing a lost generation of Syrian children. This is directly related to the National Strategy for Human Resource Development and seeks to operationalise aspects of it. The ESP will guide national efforts to provide inclusive, quality education to all girls and boys.

20. In 2017, the MoE committed to the provision of free certified education for all children, regardless of their registration status or nationality. This includes Syrian children without Ministry of Interior (Mol) service cards.

21. The strength of the partnership between the GoJ and international community in the education sector has delivered the following key results: 130,668 children enrolled in schools for the school year 2017/2018; 252 schools operated under double-shift education to accommodate Syrian children (207 in host communities and 45 in camps); 8 new government schools opened in camps; and an additional 7,436 teachers and administrative staff were recruited to respond to the increased student caseload. The international community has also provided maintenance to 1,098 schools reaching around 36,000 Syrian and approximately 420,000 Jordanian students.

22. In 2017, the GoJ with the support of the international community has accelerated access to innovative and flexible certified education to help refugee children and youth continue their studies and/or catch-up and re-enter education. Psycho-social support to students and families was also strongly supported. 2,601 students aged 9-12 years were enrolled in 99 catch-up centres in double-shift schools. 3,242 students attended the drop-out programme and 2,548 have received access to post-secondary educationⁱⁱ.

Protection

23. Working with UNHCR, the GoJ is pursuing the comprehensive registration of Syrian refugees. This has led to an increase in the number of UNHCR registered Syrian refugees with a Ministry of Interior (Mol) service card. To date, approximately 400,000 registered refugees in urban areas, or 78% of those eligible, have been issued Mol cards. In implementing a commitment agreed in Brussels in 2017, the GoJ is undertaking a campaign to regularise the status of Syrian refugees whose presence in urban areas is unauthorised.

24. In accordance with the commitments made at the 2017 Brussels Conference, the GoJ introduced additional safeguards aimed at addressing refoulement resulting in the reduction of deportation during the second half of 2017.

PART II - Addressing Challenges Ahead in a Spirit of Enduring Partnership

25. In evolving the response in Jordan, the international community will support processes that strengthen national capacities, ownership and leadership, and cost effectively deliver a needs and rights-based approach. This approach includes all members of Jordan's population, and focuses on promoting women's empowerment and providing greater opportunities for youth. Shifting towards a more developmental approach, however, in no way suggests a diminution of the humanitarian needs of Syrian refugees, and both parties will continue to provide vital humanitarian and protection support.

26. The Syria crisis continues to impact the economic, environmental and social stability of Jordan, and has prompted a complex multi-year, multi-sectoral response. Eight years into the response, the international community will support the GoJ in assessing the appropriateness of the existing response model, making adaptations, where necessary, to ensure it remains aligned to a dynamic and changing operating environment. Linked to this, the GoJ, in cooperation with international donors, is supporting key elements of the GoJ's Jordan 2025, Agenda 2030 and the recently signed UN Sustainable Development Framework. At a national level, the GoJ and international community will identify the best modality to keep assessing progress against mutual commitments made in London and Brussels.

Reforms for Economic Growth and Development (including Livelihoods)

27. The international community commits to continue maintaining levels of financial support to meet both humanitarian and resilience needs. It will work with the GoJ in mobilising additional sources of funding, including through grants, the GCFF, the EU European Investment Plan and other private sector sources. Future funding support should be aligned with objectives and conditions under Jordan 2025, the World Bank Equitable Growth and Job Creation Development Policy, the IMF EFF and the EU MFA.

28. The GoJ confirms its commitment to promoting livelihoods and decent work for Jordanians and Syrian refugees, including women in a manner that complements job creation for Jordanians. Women's inclusion will notably be achieved by: i) improving tracking systems for financial allocations made to livelihoods programmes impacting women; ii) increasing the use of gender disaggregated data for the monitoring of assistance programmes targeting Jordanian and Syrian women; and iii) the continuing government reforms to enhance the economic empowerment of women.

29. The GoJ will create stronger synergies between public sector entities, the private sector and donors, in an effort to continue improving the business environment and attract investment. To complement this action, the international community will provide additional targeted firm-level assistance and innovation support programmes, aimed at increasing Jordanian firms' export capability in sectors where the country has a competitive advantage in the global market. It also includes a renewed commitment by the international community to encourage and facilitate the flow of investments to Jordan, whilst supporting economic growth and job creation for Jordanians and Syrians in a manner that formalises the informal employment and without displacement of Jordanian employment.

30. The GoJ will ensure regulatory predictability, with the aim of reducing red tape and costs for investors. This includes the development of incentives for business formalisation, streamlining the process for company registration, adopting a stable legal infrastructure for insolvency, corporate taxation, bank lending, as well as developing non-bank financial institutions, and reducing the administrative burden for companies requiring an export license.

31. The EU, in partnership with the GoJ, will continue to assess the performance of the RoO scheme, and seek to review the terms to further simplify and maximise the benefits to Jordan's export sector in a timely manner. The EU and the international community will continue to provide technical assistance to the GoJ in support of its efforts to align Jordanian legislation to international product quality standards. The EU and international community commit to engaging the private sector and encouraging trade and investment partnerships with their Jordanian counterparts. The GoJ will continue to raise awareness of the benefits of the scheme for the Jordanian private sector, while fostering a predictable regulatory framework which would enable more companies to participate in the scheme and meet the minimum threshold for Syrian refugees employment.

32. To help Jordanian companies benefit from trade liberalisation instruments, the GoJ will restructure the export development and facilitation framework in partnership with the private sector. This will improve support to Small and Medium Enterprises and the competitiveness of Jordanian exporters, while raising awareness of export opportunities, such as the simplified RoO scheme, and providing assistance to exporters. The GoJ will ensure that there is no overlap in the mandate of institutions involved in trade promotion.

33. The GoJ reaffirms its commitment to continue easing access for Syrian refugees into the formal labour market in a manner that complements job creation for Jordanians. Specifically, the GoJ will consider expanding the sectors and occupations open to Syrian refugees, mainly at technical level, with a particular focus on women's participation, in a way that does not create competition with Jordanians. At the same time, the international community acknowledges the adverse economic conditions Jordan faces, which limits the economy's ability to create sufficient jobs for Jordanians and Syrian refugees, and reaffirms its commitment to actively contribute towards efforts to increase inclusive growth and expand job creation.

34. The GoJ will create a clear framework for the set-up of joint ventures between Syrians and Jordanians, especially focusing on women and youth, making sure that the rights of both parties are upheld, ownership clarified and access to finance facilitated.

35. The GoJ will create the conditions for Syrians to participate in municipal works, through private sector employment on a contract basis, for projects funded by donors that offer opportunities for both Jordanians and Syrian refugees in areas with a high ratio of non-Jordanian workers.

Education and Health

36. The GoJ supported by the international community will implement and monitor the Education Strategic Plan (ESP) 2018-2022. The main objectives of this Plan are: to improve the access and quality of education; to enhance learning opportunities for children between the ages of 5-7; and to increase the efficiencies of the education system, including the coordination of donors and other development partners and the tracking of numbers of school-age Syrian refugees living in Jordan that need to be supported.

37. The GoJ, with the support of the international community, will provide quality education opportunities for all children regardless of their nationality, gender or status. This includes access to public education in a safe and inclusive environment. Building on the achievements of the past two years, the GoJ and international community commit to:

- a. improved **access** through expansion of infrastructure to reduce overcrowding and double shifting, universalisation of Kindergarten, expansion of non-formal education, and provision of school transport;
- b. improved **quality** of education and improved learning outcomes for children, through training and proper teacher certification, education technologies, addressing violence and social cohesion in schools, and supporting children with disabilities; and
- c. improved **efficiency** of the education system through strengthening policy, planning and EMIS functions of the MoE.

38. The GoJ, with the support of the international community, will implement key employment-related aspects of the National Strategy for Human Resource Development, including Technical Vocational Education and Training (TVET), with a particular focus on youth. In delivering this strategy the GoJ will actively link educational approaches to employment strategies which serve to enhance job creation.

39. The international community will support the GoJ in advancing the achievements of the education sector, and appropriately applying best practise and lessons learnt to other priority sectors, in particular health and social protection.

40. In the health sector, the GoJ and international community commit to review health system approaches and develop a long-term strategy and costed action plan that is sufficiently supported. This will afford Syrian refugees equitable access to national health care systems and provide life-saving interventions to all.

Protection

41. The GoJ and international community remain committed to working on maintaining protection for refugees and creating opportunities for durable solutions. This includes increasing the resettlement opportunities and expanding access to complementary pathways to third countries, through family reunification, scholarships and/or labour mobility.

42. The GoJ will continue to issue birth, marriage and death certificates, and MoI service cards to enable refugees to safely reside in communities. The GoJ, supported by the international community, will continue and expand the registration, the documentation and the regularisation exercise of the Syrian refugees in order to help them become more resilient and self-reliant.

43. The international community and the GoJ will actively engage in building the conditions that would allow Syrian refugees to return to their country, in accordance with applicable norms of international law and the principle of non-refoulement, when conditions in Syria are conducive.

ⁱ As per Ministry of Planning and International Cooperation (MoPIC) tracking system

ⁱⁱ As per UNICEF data