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**THIS ACTION IS FUNDED BY THE EUROPEAN UNION**

**ANNEX II**

to the Commission Implementing Decision on the Annual Action Programme in favour of the Hashemite Kingdom of Jordan for 2024

**Action Document for “InclusiVision JO: Social Inclusion for All in Jordan (الرؤية التضامنية)”**

**ANNUAL ACTION PLAN**

This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation, and action plan/measure in the sense of Article 23(2) of NDICI-Global Europe Regulation.

**1. SYNOPSIS**

**1.1. Action Summary Table**

<b>1. Title OPSYS Basic Act</b>	InclusiVision JO: Social Inclusion for All in Jordan (الرؤية التضامنية) Annual Action Programme in favour of the Hashemite Kingdom of Jordan for 2024 OPSYS business reference: ACT-62606 ABAC Commitment level 1 number: JAD.1413917 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe).
<b>2. Economic and Investment Plan (EIP)</b>	Yes
<b>EIP Flagship</b>	Yes; EIP flagship 1 “Support to social sectors, education, skills and health”
<b>3. Team Europe Initiative</b>	No
<b>4. Beneficiar(y)/(ies) of the action</b>	The action shall be carried out in the Hashemite Kingdom of Jordan.
<b>5. Programming document</b>	Multiannual Indicative Programme (MIP) for Jordan for the period 2021-2027 <sup>1</sup>
<b>6. Link with relevant MIP(s) objectives/expected results</b>	Priority 3: Support to Human Development
<b>PRIORITY AREAS AND SECTOR INFORMATION</b>	
<b>7. Priority Area(s), sectors</b>	Other Social Infrastructure & Services (160)

<sup>1</sup> C(2022)3821

<b>8. Sustainable Development Goals (SDGs)</b>	Main SDG: 1 End poverty in all its forms everywhere Other significant SDGs: SDG 5 (gender equality); SDG 10 (reduced inequalities within and among countries)			
<b>9. DAC code(s)</b>	16010 – social protection – 100%			
<b>10. Main Delivery Channel</b>	Recipient Government (Central Government) – 12001 Private Sector Institution - 60000			
<b>11. Targets</b>	<input type="checkbox"/> Migration <input type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input type="checkbox"/> Human Rights, Democracy and Governance			
<b>12. Markers (from DAC form)</b>	<b>General policy objective</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Participation development/good governance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Aid to environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Nutrition	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>Policy objectives</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	EIP	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	EIP Flagship	YES <input checked="" type="checkbox"/>		NO <input type="checkbox"/>
	Tags	YES		NO
	transport	<input type="checkbox"/>		<input checked="" type="checkbox"/>
	energy	<input type="checkbox"/>		<input checked="" type="checkbox"/>
	<b>13. Internal markers and Tags</b>			

environment, climate resilience	<input type="checkbox"/>	<input checked="" type="checkbox"/>
digital	<input type="checkbox"/>	<input checked="" type="checkbox"/>
economic development (incl. private sector, trade and macroeconomic support)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
human development (incl. human capital and youth)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
health resilience	<input type="checkbox"/>	<input checked="" type="checkbox"/>
migration and mobility	<input type="checkbox"/>	<input checked="" type="checkbox"/>
agriculture, food security and rural development	<input type="checkbox"/>	<input checked="" type="checkbox"/>
rule of law, governance and public administration reform	<input type="checkbox"/>	<input checked="" type="checkbox"/>
other	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Digitalisation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Tags	YES	NO
digital connectivity	<input type="checkbox"/>	<input checked="" type="checkbox"/>
digital governance	<input checked="" type="checkbox"/>	<input type="checkbox"/>
digital entrepreneurship	<input type="checkbox"/>	<input checked="" type="checkbox"/>
digital skills/literacy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
digital services	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Connectivity	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tags	YES	NO
digital connectivity	<input type="checkbox"/>	<input checked="" type="checkbox"/>
energy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
transport	<input type="checkbox"/>	<input checked="" type="checkbox"/>
health	<input type="checkbox"/>	<input checked="" type="checkbox"/>
education and research	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Migration	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Reduction of Inequalities	<input type="checkbox"/>	<input checked="" type="checkbox"/>
COVID-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>

### BUDGET INFORMATION

<b>14. Amounts concerned</b>	<p>Budget line(s) (article, item): 14.020110 Southern Neighbourhood</p> <p>Total estimated cost: EUR 26 000 000.00</p> <p>Total amount of EU budget contribution EUR 26 000 000.00</p> <p>of which:</p> <p>EUR 18 000 000 for Budget Support</p> <p>EUR 8 000 000 for Complementary Measures</p>
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<b>MANAGEMENT AND IMPLEMENTATION</b>	
<b>15. Implementation modalities (management mode and delivery methods)</b>	<p><b>Direct management</b> through:</p> <ul style="list-style-type: none"> <li>- Budget Support: Sector Reform Performance Contract</li> <li>- Procurement</li> </ul> <p><b>Indirect management</b> with the entity(ies) to be selected in accordance with the criteria set out in section 4.4.2</p>

## 1.2. Summary of the Action

In 2019, the Government of Jordan (GoJ) launched the National Social Protection Strategy (NSPS) 2019-2025, in an ambitious effort to establish a comprehensive, transparent and just social protection system. The NSPS represents an overarching framework to maximise synergies and ensure effectiveness across 21 different ministries and government institutions, under the stewardship of the Ministry of Social Development (MoSD). For the first time, it brought together social assistance, social services, social insurance and labour market policies under one umbrella. The NSPS seeks to enhance coverage and provide better outcomes for the most vulnerable groups through improved targeting, strengthened institutional capacity, and enhanced coordination. As the first phase of the NSPS draws to a close, GoJ has started preparing a second phase of the NSPS, which will run from 2026-2030. This second phase is expected to build on the lessons-learned, records of achievements, and continuing challenges from the first phase.

The overall objective of this programme will be to enhance the social inclusion of some of Jordan’s most vulnerable groups, namely female and male persons with disabilities (PwDs) and parentless children<sup>2</sup>. These groups are often confined to “institutions” or care centres, excluded from broader Jordanian society, and benefit of enjoying their full human, social and economic rights. Therefore, this programme will seek to build on previous and ongoing EU interventions in the social protection sector. In particular, it will build on the achievements of Jordan’s De-Institutionalisation Strategy for PwDs, which seeks to transition PwDs out of care centres and place them in community or home-based settings adapted to their specific needs. It will consider whether this type of approach can be applied to other categories, such as parentless children, to foster social cohesion and help them reach productive adult lives, contributing meaningfully to society and the Jordanian economy. The programme will adopt a gender-sensitive approach throughout its implementation to pay specific attention to the additional challenges faced by female PwDs and parentless girls.

The programme will also seek to strengthen Jordan’s social protection system as a whole, by supporting the implementation of the NSPS through a sector budget support programme, and by providing complementary support to accompany the government in implementing policy reforms and building institutional capacities. The sector reform agenda is currently at an important point, with NSPS gearing up for a second phase of implementation. EU support will help consolidate momentum and build on key lessons learnt. Building on progress and previous EU interventions, focus will be on improving strategic planning, enhancing governance, strengthening capacities, revising the legal framework, and strengthening monitoring/accountability systems.

The Specific Objectives supported by this programme will include the following:

1. De-Institutionalisation of persons with disabilities (PwDs) and parentless children is advanced.
2. Better quality social services for all are advanced.

The latter entails in particular enhancing Ministry of Social Development operational capacities with regards to digitalisation, governance, legal frameworks, and monitoring & evaluation and accountability systems.

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<sup>2</sup> Parentless children is a generic term throughout this document to refer to a number of categories of vulnerable children in Jordan; in Jordan, alternative phrases used are “orphans” or “children in need of protection and support”. This includes orphans (children whose two parents have passed away), but also children from families who cannot provide them protection and support (for instance, the head of household is imprisoned, is seriously ill, or left the household) and children born out of wedlock.

This programme will directly respond to the priorities identified in the “Multiannual Indicative Programme” (MIP) for Jordan for 2021-2027<sup>3</sup>, notably “Priority 3: Support to Human Development” which focuses on the inclusion and empowerment of vulnerable people, as well as the 2021-2027 EU-Jordan Partnership Priorities<sup>4</sup>. Through the present action, social-economic inclusion of female and male PwDs includes their access to the labour market, but also increased employment opportunities in the local social care sector as demand for new services will increase. This intervention is relevant for the 2030 Agenda, and will contribute primarily towards the progressive achievement of SDG 1 (No poverty), as well as support to SDG 5 (Gender equality) and SDG 10 (Reduced inequalities). The Action is designed from the perspective of ‘leave no one behind’ with its intention to broaden the perspective of the De-Institutionalisation process in Jordan and promote a more inclusive social protection system, which prevents the most vulnerable from falling through gaps.

This Action constitutes a continuation of EU’s support to the social protection sector in Jordan and the NSPS phase I in particular. The added value of this continued support lies not only in establishing the EU as a trusted partner of reference for the Jordanian counterparts in the sector, but also in providing much needed drive and continuity behind an important reform process that will, in the long run, contribute meaningfully towards reducing inequalities in Jordanian society and allowing vulnerable Jordanians access to their human, social and economic rights. In the context of Jordan’s Economic Modernization Vision (EMV; 2022), the NSPS is the translation of Guiding Principle no. 8 that suggests that economic growth needs to benefit all, notably through enhanced inclusion of marginalized segments of Jordan’s resident population in social programme reforms.

This Action is also in line with the EU’s New Agenda for the Mediterranean<sup>5</sup>, in particular Policy Area 1 - Human development, good governance and the rule of law, where promoting international social and labour rights, as well as international labour standards as classified by the International Labour Organization (ILO) are among the key action points.

### **1.3. Beneficiaries of the action**

The Action shall be carried out in the Hashemite Kingdom of Jordan, which is included in the list of ODA recipients.

## **2. RATIONALE**

### **2.1. Context**

Jordan is grappling with the effects of multiple international, regional and local crises that have affected its economy since the late 2000s. These include the global financial crisis of 2007/2008, political upheavals in neighbouring Syria and Iraq (since 2011/2013) which disrupted traditional trade relations and led to a massive influx of refugees in Jordan, the COVID-19 pandemic in 2020/2021, and the 2022 the Russian War of Aggression against Ukraine which triggered a rise in inflation and concerns regarding food security. Most recently, the conflict in the Gaza Strip has produced negative economic consequences for Jordan, affecting Jordan’s tourism and foreign direct investments sectors.

This succession of crises has also put significant strain on Jordan’s social protection (SP) sector, leaving the country little time to recover between shocks. GDP growth is currently at a low 2.2% (from 8.6% in 2008), the unemployment rate among Jordanians is at 22% (compared to 13% in 2008), inflation rates have increased from 0.3% in 2020 to 4.2% in 2022, and informal employment remains rampant at over 50% among Jordanians and 80% among non-Jordanian workers. Accordingly, in 2023, the World Bank revised its classification of Jordan from an upper-middle income country to a lower-middle income country, the only such country to receive a downward classification.

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<sup>3</sup> C(2022)3821

<sup>4</sup> UE-RHJ 3304/22 ADD 1

<sup>5</sup> JOIN(2021) 2 final.

Against this backdrop, Jordan's social protection sector remains segmented into **contributory** and **non-contributory systems**:

- The contributory SP system is composed of social security, attached to formal employment and managed by the **Social Security Corporation (SSC)**, as well as private or public health insurance schemes.
- Non-contributory SP to poor/vulnerable Jordanians is divided into various separate cash transfer and/or in-kind assistance programmes managed by several entities. These include:
  - o The **National Aid Fund (NAF)** that distributes cash to poor Jordanians (household income under the poverty line);
  - o The **Ministry of Social Development (MoSD)** that assists specific vulnerable categories, including the elderly, women, persons with disabilities, orphans and juveniles through specialized services.
  - o The **Ministry of Religious Endowments (Awqaf)** that supervises the charity activities of its Zaqat committees – though the volume of this is smaller in comparison.
  - o And separately, **UN institutions and international humanitarian organisations** which also provide cash and in-kind assistance to refugees (primarily Syrian, but also other nationalities).

Jordan's SP system – covering multiple vulnerable groups – is thus somewhat scattered. Accordingly, efforts to bring the various (national) segments of SP into a more comprehensive, inclusive and efficient system materialized under the **(first) National Social Protection Strategy (NSPS)** that covers the period 2019-2025. The NSPS is an inter-ministerial strategy, which aims to break the intergenerational cycle of poverty, provide a universal social protection platform, through the activation of three strategic pillars:

1. *Opportunity*: self-sufficiency and private sector enhancement through governmental promotion of decent work conditions and social security coverage;
2. *Dignity*: targeted temporary social assistance to non-economically sufficient citizens, allowing them to maintain a basic level of consumption;
3. *Empowerment*: provision by the government of universal and high-quality basic services including education, health care, and specific social services to vulnerable special-needs individuals such as persons with disabilities, vulnerable women, parentless children, elderly and juveniles (in conflict with the law), in order to allow them to remain integrated within their families and communities.

Furthermore, the strategy aims to enhance transparency and accountability, to support the most disadvantaged categories within the Jordanian population, and create synergies between the many stakeholders involved under the NSPS, including the MoSD, the NAF, the Ministry of Health and the SSC.

As of 2023, the MoSD (with the support of EU, UNICEF and other stakeholders) has begun preparing the **(second) phase of the NSPS (expected to run from 2026-2030)**, based on lessons-learned, records of achievements, and ongoing challenges. While it is still early to lay out the precise contents of the next NSPS (2026-2030), and it is largely expected to build on the structure of the first phase, some new features have begun taking shape (some of which derive directly from the COVID-19 experience):

- The above-mentioned three strategic pillars will be maintained and updated, and a fourth pillar on *Resilience* added. This Shock Responsive Pillar will prepare against external shocks, including pandemics and climate change threats, in order to strengthen the resilience of the social protection system as a whole.
- MoSD, which is the institutional anchor of the next NSPS, has assured that all programs linked to the reform process under NSPS I will be taken over and followed through under NSPS II. Key indicators from NSPS I will resume their relevance under NSPS II.

- During discussions in 2023, MoSD ensured that the next iteration of the Jordan Response Plan (JRP) for the Syria crisis<sup>6</sup> is anchored firmly into the NSPS for where it concerns social services, while de facto all those resident in Jordan already have access to MoSD social service centres at the local level.

The next NSPS (2026-2030) will be aligned to the priorities outlined under the Government's Economic Modernization Vision (EMV) launched in 2022. While the Vision is mainly focused on economic growth objectives, it remains guided by the principle of "Comprehensiveness" (guiding principle no.8) which suggests that economic growth needs to benefit all, notably through enhanced inclusion of marginalized segments of Jordan's resident population in social programme reforms. In other words, the Vision aims to prevent social marginalisation and promote better inclusion of all in society, notably through increased employment opportunities.

Since 2017, several EU-supported initiatives have been launched to help Jordan meet the objectives set by the NSPS. These include a sector budget support programme aimed at supporting the ministries involved in implementing the NSPS, and a programme addressing capacity-building of CSOs, improved physical infrastructure of social care centres and development of a Management Information System for the MoSD and strengthening governance of MoSD and professionalization of social workers. Significant efforts under both programmes were also made to advance Jordan's **De-Institutionalization Agenda** for persons with disabilities (see below 2.2. "Problem analysis"). Furthermore, under the EU Regional Trust Fund in Response to the Syrian crisis ("Madad"), the EU has provided significant technical assistance to the NSPS in order to strengthen the overall national social protection system, including the set-up of a "graduation" pilot in order to transition cash assistance beneficiaries (both refugees and vulnerable Jordanians) towards sustainable livelihoods. Finally, the EU will continue providing support via special measures in the context of the Syrian refugee response – in order to strengthen social assistance to refugees in complementarity with Jordan's national social systems.<sup>7</sup>

## 2.2. Problem Analysis

### Short problem analysis

The financial and technical challenges that continue to undermine Jordan's social protection system, combined with the deterioration of Jordan's economic conditions, deepen the risk that vulnerable groups become even more socioeconomically marginalized. In line with the priorities identified in the NSPS, Jordan intends to promote the integration of the most marginalized segments of the Jordanian resident population within their communities, so that they may experience their full social and human rights. At a later stage, this may then facilitate their integration into the local labour market and achievement of their full economic rights, in line with the central objective of the EMV of improved quality of life for all citizens<sup>8</sup>. According to the results of a recent (EU supported) statistical bulletin on social protection, Jordan has made important achievements towards the goal of universal social protection, with over one in three residents in the Kingdom (34.1%) covered by national social protection mechanisms during 2021, reaching as high as 45.2% of Jordanians, including direct and indirect recipients of national cash and in-kind support programmes, as well as individuals insured through contributory Social Protection mechanisms. Children and PwDs are identifiable as particularly at risk. Up to one in four children in Jordan (24.9%) are estimated to receive at least one type of benefit during 2021, including cash and in-kind,<sup>7</sup> contributory and tax-financed benefits. Overall, 14.6% of all children in Jordan received some form of cash support during 2021, either in the form of child benefits or as indirect coverage of tax-financed family benefits (NAF). One in six Persons with Disabilities (PWD) (16%) is

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<sup>6</sup> The current NSPS mentions in a footnote that refugees will be integrated under the next phase of the strategy. At present, refugees already have access to some social services, but social protection systems for refugee populations remain managed under a parallel system.

<sup>7</sup> See: Special Measure in favour of the Hashemite Kingdom of Jordan for 2023 and 2024: "Action Document for EU Support to Social Inclusion in Jordan under the Syria Response".

<sup>8</sup> <https://www.jordanvision.jo/en/site/quality-life>

estimated to have received disability benefits during 2021. For Jordanian PWDs, the share is 22.2% overall, with coverage by tax-financed schemes roughly double the coverage for contributory schemes at 15.3% and 6.8%, respectively.

A preliminary review and analysis was conducted to identify those groups most at risk and most in need of support, and with which the EU could have a value-added in providing targeted support (while also gauging the contributions of other donors in the sector<sup>9</sup>). This Action has identified three vulnerable groups among the right holders in particular to serve as the Action's target beneficiaries: **Persons with disabilities (PwDs), parentless children, and juveniles (in conflict with the law)**. Juveniles are targeted indirectly through increasing security in juvenile care centres under MoSD. Within these groups, women and girls are particularly at risk and need support. So far, efforts to promote their social inclusion in Jordan have been predicated on two types of correlated interventions:

- **De-institutionalisation (De-I)**; which aims to transform the residential care system into an inclusive, alternative care system whereby residents<sup>10</sup> living in these centers will return to their households (or foster households) and be fully integrated into the local communities.
- **Professional social support services**; Jordan is in the process of adopting new legislation to set minimum legal standards/accreditations for social workers in order to improve the quality of service delivery in the field of social work.

Each of the target groups has traditionally been managed along different modalities and temporalities:

- **For persons with disabilities**, the “National Strategy on Deinstitutionalisation for People with Disabilities” is inscribed in the Law on the Rights of Persons with Disabilities Number 20 for the Year 2017. It is based on the premise that De-I restores human rights, including the right to live independently, have individual autonomy and enjoy freedom of choice; research has shown that the De-I approach has much better outcomes for PwDs, enabling them to enjoy life within a community, and enhancing their individual capacities and quality of life.<sup>11</sup> Jordan is the first country in the Arab region to pioneer this De-Institutionalization approach, demonstrating its real commitment towards the better treatment of persons with disabilities. Financially speaking, it is also a cheaper solution than institutionalising PwDs within government owned and operated care centres.<sup>12</sup>

The De-I process that began to be implemented by the Ministry of Social Development in November 2023 provides for the full transfer of about 1,470 female and male children, youth and adults with disabilities from 34 residence institutions<sup>13</sup> to relatives or foster families during the 2024-2027 period. Current care centres will be turned into day-care centres and one residence centre will be maintained for the 40-60 “severe” PwD cases that cannot be managed by the community. It is expected that 15 new day-care centres will need to be established throughout the country. Estimates on the cost of operating these daycare centers (including staff salaries, running costs, specialized facilities, equipment, etc.) range between 70,000 JD and 145,000 JD per centre (depending on whether the daycare centre will provide the bare minimum in terms of services or provide more comprehensive services). Besides providing direct financial support to host families (approximately 300 JD/month per PwD, with up to 800 JD/month per family), the De-I process also involves equipping host families with necessary medical equipment, assisting in the renovation of (family) residences to make them accessible and providing them with

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<sup>9</sup> For instance, some other target groups, e.g. working women, will be covered through other donor interventions such as the World Bank's sizeable USD 250 M loan to support the establishment of nurseries (as a means of boosting female economic participation).

<sup>10</sup> For instance: McCarron M, Lombard-Vance R, Murphy E, et al. Effect of deinstitutionalisation on quality of life for adults with intellectual disabilities: a systematic review. *BMJ Open*. 2019;9(4):e025735. Published 2019 Apr 25.

<sup>11</sup> For instance: McCarron M, Lombard-Vance R, Murphy E, et al. Effect of deinstitutionalisation on quality of life for adults with intellectual disabilities: a systematic review. *BMJ Open*. 2019;9(4):e025735. Published 2019 Apr 25.

<sup>12</sup> The annual cost of operating the five government-run centres for PwDs is estimated at 8 million JD annually, with the cost per individual PwD housed full-time estimated at 800-1000 JD/month. Once the alternative care regime is set in place, and after initial investments (e.g. equipment or adaptations of homes) are accounted for, then the cost per individual is expected to be reduced to between approximately 300-400 JD/month per PwD.

<sup>13</sup> 27 of these institutions are privately-run, 5 are government-run and 2 are voluntary sector organisations; 60% of those who are residing in private institutions are non-Jordanians, for the most part PwDs from the Gulf region, and it is not entirely clear what plans the Government has in mind for them.

technical and psychosocial training. The De-I approach will also necessitate the full and informed agreement of the host families, which entails dedicated outreach, awareness raising, and training. Last but not least, some 400 PwDs who were on “waiting lists” to join the government-run centers must also be considered; with the newly adopted De-I regulations, these individuals have also become eligible for financial and complementary support, and so consideration will need to be given to how best to include them in the De-I process.

- **Parentless children**<sup>14</sup> (0-18 years) represent a population of about 72,000 female and male individuals, 23,000 in need of some kind of psychosocial, educational and/or material support. Only a small segment, with no identifiable parents, are currently hosted in 19 orphanages (4 public, 15 managed by CSOs) that provide care and shelter.<sup>15</sup> Since the mid-1960s, De-I processes have attempted to re-house parentless children in foster families<sup>16</sup>, with little success due to the weak financial support provided to foster families by the MoSD (50 JD/month), and due to the proven reluctance of foster families to host children with coloured skin or with diseases. As a result, the number of children being fostered remains relatively low.

Many fostered children find themselves repeatedly moving from one foster family to another, which has been detrimental to their psychosocial development. Other challenges in the institutionalised system first lie in the substandard state of most orphanages’ infrastructure (dilapidated buildings, lack of recreational spaces) and the transfer of children from one institution to another based on age until they reach 18 years (twice for girls; three times for boys). In this respect, one of the objectives of the MoSD is to reduce the number of changes that children go through, by expanding the size of the primary female orphanage (or finding a new site) so that it can house all girls 0-18, and consolidating the male orphanages to two sites (such that boys are only transferred once). Another challenge pertains to the educational status of institutionalised children (especially amongst boys aged 15-18), many of whom have dropped out of school.

Against this backdrop, it is important to strengthen the non-contributory social protection system operated by the Ministry of Social Development, in order to avoid vulnerable groups falling through the cracks and to maintain the positive outcomes and impact of previous SP programmes to promote disability-inclusive social protection and to provide a crucial foundation for universal child disability benefits - with a view to progress to universal child benefits. The following SWOT table lays out the opportunities and risks involved in having the MoSD improve its services qualitatively and quantitatively for a more inclusive approach.

	POSITIVE	NEGATIVE
INTERNAL	<p><i>Strength</i></p> <p>The MoSD staff has been well-trained and capacitated in past years, notably as a result of the previous EU SP Action.</p> <p>Improvements in the MoSD physical and digital infrastructure (also under the EU previous SP Action) were much needed considering the dilapidated state of MoSD operated buildings, and lack of resources to improve these.</p> <p>Awareness and commitment within the MoSD and the Jordanian authorities as a whole on the</p>	<p><i>Weakness</i></p> <p>Multiplication of social care services (via NGOs, via international organisations etc.) outside of the quality control of MoSD with different levels of support provided to beneficiaries.</p> <p>High costs associated with continued provision of social care services to beneficiaries through the non-contributory schemes.</p> <p>Insufficient budget for additional running costs involved in expanding MoSD coverage for the sake of improved inclusion.</p>

<sup>14</sup> Parentless children is a generic term throughout this document to refer to a number of categories of vulnerable children in Jordan; in Jordan, alternative phrases used are “orphans” or “children in need of protection and support”. This includes orphans (children whose two parents have passed away), but also children from families who cannot provide them protection and support (for instance, the head of household is imprisoned, is seriously ill, or left the household) and children born out of wedlock.

<sup>15</sup> Following their stay in the orphanage, orphans (18+) continue to receive material and educational support.

<sup>16</sup> The concept of adoption is forbidden by Islam. However, taking care of a child and assuming guardianship is not only permissible but encouraged, and done in the form of “foster care”.

	need to reform systems in line with international best practices is high (e.g.; the De-I for PwD process that has been promoted since 2017 by Jordan’s executive and legislative bodies).	Absence of a structured donor coordination mechanism under MOSD leadership to avoid overlap and strengthen synergies.
EXTERNAL	<p><i>Opportunity</i></p> <p>Start of the new NSPS 2, which will continue to strengthen inter-ministerial coordination in the social protection sector and build on previous achievements.</p> <p>Current engagement of several donors in supporting the MoSD carry out its multi-level mandate, and opportunity to enhance coordination and align policy approaches across donors (including in context of SPPG group chaired by EU).</p> <p>Apparent interest of concerned families about the merits of the De-I approach.</p>	<p><i>Threat</i></p> <p>Possible re-focus of donor support, away from social sectors in favour of infrastructure and economic development actions.</p> <p>Potential overlap of donor-supported activities due to a saturated landscape of support agencies and actions.</p>

Identification of main stakeholders (duty bearers) and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action.

- **Ministry of Planning and International Cooperation (MoPIC)** holds overall responsibility for the coordination of overall priorities across the line ministries; MoPIC also works as a liaison between donors and international organisations, and the ministries and government institutions.
- **Ministry of Social Development (MoSD)** is responsible for facilitating the policy dialogue and the coordination of social protection policies. MoSD is also in the lead for coordinating and implementing the National Social Protection Strategy (NSPS) (2019-2025) which aspires that all Jordanians enjoy a dignified living, decent work environment, and empowering social services.<sup>17</sup> The MoSD is also responsible for regulating social services for specific vulnerable groups.
- **National Aid Fund (NAF):** NAF is responsible for administering the social assistance programmes for the most vulnerable groups of the Jordanian populations. NAF’s forward-looking priorities are unifying cash assistance programmes (based on vulnerability/multidimensional poverty index) and economic empowerment/graduation.
- **Specialised public institutions** such as the Higher Council for the Rights of Persons with Disabilities (HCD) or the National Council for Family Affairs (NCFA) have played a key role in supporting local and international SP actors in strategic planning, policy-making formulation, and regulatory/operational coordination in order to serve specific vulnerable categories.
- **International Organisations and Non-Governmental Organisations**, under their respective mandates, provide technical support to government institutions in the social protection sector.
- **Civil Society Organisations (CSOs)**, including community-based and national NGOs, provide the most vulnerable people with services for social protection and inclusion.
- **International partners:** the number of actors in the social protection sector in Jordan is relatively high, making donor coordination a major endeavour. The Social Protection Partners Group (SPPG) meets quarterly to coordinate positions and discuss relevant policy issues, but lacks MoSD involvement. Since September 2023, the EU has once again taken up co-chairmanship of the group, together with the ILO.

### 2.3. Lessons Learned

Findings from ROMs as well as observations gathered during implementation of previous and ongoing support have produced the following lessons learned:

<sup>17</sup> <https://www.unicef.org/jordan/media/2676/file/NSPS.pdf>

**Relevance of actions and building on previous achievements:** Through its previous interventions in the sector, the EU succeeded in delivering high added value and branding itself in certain aspects of social protection, such as “De-Institutionalisation”, “Professionalisation of Social Work” and working with civil society organisations. However, there remains significant scope to continue building on these previous programmes. For instance, while significant work was done to develop legislation and licensing regulations for social workers, develop university curriculums, and provide training to upskill social workers, further work still needs to be done for this to fully trickle down to the grassroots level and improve the level of service delivery in care centres across the country.

**Limited technical capacities:** Experience under previous programmes has highlighted a continuous need to accompany the MoSD in strengthening the coordination of implementation of the NSPS across the 21 government institutions involved. While MoSD spearheads the Ministerial Committee overseeing the NSPS, an overall strategic direction and stringent planning of operations and financial resources is required to sustain the good implementation of the NSPS across the country and deliver on the mandate of including vulnerable groups across the board.

**Value of small-scale infrastructure works:** Small-scale infrastructure works to renovate and enhance social care centres and provide IT equipment were highly appreciated by the MoSD, and crucial in the effort to support MoSD’s digitalisation. By law, the MoSD cannot purchase furniture/supplies/vehicles, which is a hugely limiting factor for operations, and there is very limited margin for small-scale infrastructure works like renovations or physical improvements to buildings in the MoSD budget. Therefore, dedicating a small budget of an overall programme to this type of intervention can be hugely impactful.

**Sustainability continues to be a challenge:** One important lesson learned from previous programmes, is linked to the paradox of expanded inclusion: improving MoSD services requires additional human and financial resources, which the MoSD is often unable to plan for. Through support of previous EU programmes, the MoSD introduced provisions to budget for De-Institutionalisation/“Accommodation Alternatives” for PwDs in 2023, worth JD 1,035,000 for the year. While this amount remains insufficient to finance fully the De-I Agenda, it was an important first step. Furthermore, CSOs can also play an important role in ensuring the sustainability of interventions, by filling gaps that the government cannot fill and providing much needed services at the local level. It is important to continue fostering and working with civil society to guarantee qualitative social care services across the country.

**Challenges of donor coordination:** The MoSD receives significant technical and financial support from a number of different donors. Coordinating, managing and reporting on these different sources of support represents a huge task for the MoSD. Therefore, it is imperative to continue mapping out the different areas of support the government receives, and closely coordinating with other donors and partners to avoid duplication and foster synergies between the different interventions. The EU is in a key position to support MoSD in this regard through its current co-chairmanship of the Social Protection Partners’ Group (SPPG) alongside ILO.

**Budget support as a highly incentivizing tool:** The “EU Support for the Social Inclusion and Empowerment of Vulnerable Jordanians” (ENI/2020/42604) was the EU’s first sector budget support programme for the social protection sector in Jordan. It supported the implementation of two key sector strategies, namely the National Social Protection Strategy and the De-Institutionalisation Strategy, and reinforced the MoSD’s ownership of these policies. One important lesson learned for any future social protection budget support programme is to consolidate MoSD’s leadership of the NSPS, and work with the MoSD to strengthen coordination mechanisms. The budget support operation did succeed in maintaining a solid policy dialogue between the EU and MoSD throughout its lifetime.

## 2.4. Additional Areas of Assessment

### 2.4.1. Public Policy

Jordan has continued to take great strides in reforming the social protection sector and implementing the “National Social Protection Strategy 2019-2025”, which comprehensively brings together social assistance, social services, social insurance and active labour market policies under one single umbrella. The NSPS was positively assessed as being both relevant and credible throughout the implementation of the sector budget support programme “EU Support for the Social Inclusion and Empowerment of Vulnerable Jordanians” (ENI/2020/42604), which ran from 2021 to 2024. The Royal Court and Government of Jordan have shown great commitment to this Strategy, working to align it to the Economic Modernization Vision and already preparing a Second Phase of the strategy<sup>18</sup>, which will last from 2026 to 2030.

The second phase of the NSPS will build on the achievements of the first phase, and be based on lessons-learned, records of achievements, and continuing challenges. It is expected to maintain the first phase’s three strategic pillars (“Opportunity”, “Dignity”, and “Empowerment”), while adding a fourth pillar on “Resilience” in response to Jordan’s experience during the COVID-19 pandemic. This new Shock Responsive Pillar will prepare against external shocks, including pandemics and climate change threats, in order to strengthen the resilience of the social protection system as a whole. MoSD has confirmed that key indicators under NSPS I will be taken over by NSPS II, thus ensuring continuity and momentum for the reform process.

Domestic financing to the social protection sector remained quite stable over the past three years, very much in line with GoJ objectives and the NSPS as a key government priority. The state budget spent an estimated JD 2,061,281,000 on “social protection” in 2022, which amounted to 19.52% of the general budget.<sup>19</sup> The financing of the NSPS itself proves a bit harder to calculate, given that the Strategy is cross-sectorial and involves 21 separate ministries/institutions, each with its own budget.

Looking ahead, there are prospects for continued positive developments with regards to policy financing for the social protection sector. In addition to the work being currently done to cost the NSPS, an equity-focused public expenditure review for the social protection sector is underway. This initiative, which is also financed under the Madad programme, intends to give a clearer picture in the future of how much public financing is actually being provided to the social protection sector and the quality of the current spending. The analysis will seek to independently assess whether the government’s budget for social protection is adequate, efficient, equitable (particularly for vulnerable groups/gender/regions) and in line with the NSPS. It will also provide recommendations on alternative policy options that could help to maximise the impact of public financing. The Ministry of Finance is being closely associated to the review, and it expected that to be finalized in mid-2024, in order to inform the next phase of the NSPS and ahead of the adoption of this Action.

In terms of governance of the current strategy, the NSPS is supervised by a Higher Steering Committee at ministerial level, led by the MoSD and consisting of relevant ministries. Day-to-day implementation is left to the three Technical Committees (one established per pillar) and an Implementation Support Unit (ISU), housed in the MoSD. Out of recognition of the crucial role of civil society and NGOs in filling social sector gaps, some select civil society organisations participate in the Higher Steering Committee; a larger role for civil society, as well as the private sector, is foreseen under the next phase of the strategy.

The ISU acts as the focal point for the coordination of all activities related to the NSPS and is in the lead for monitoring and evaluation (M&E) of the strategy, by liaising with the 21 separate entities involved in the NSPS through a network of focal points. Efforts to strengthen the current M&E system of the strategy are

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<sup>18</sup> Preparations for the second phase of the NSPS were officially launched in March 2024 by H.E. Minister for Social Development, Wafa Bani Mustafa. The second phase is being prepared by UNICEF under the EU-funded Trust Fund (“Madad”) project “Towards an Inclusive National Social Protection System and Accelerating Decent Job Opportunities” (T04.235);

<sup>19</sup> <https://gbd.gov.jo/Uploads/Files/gbd/law-min/2023/en/2.pdf>

ongoing<sup>20</sup>, in order to better measure progress at impact level, weed out statistical errors, simplify reporting mechanisms, and facilitate evidence-based decision-making; the M&E system is expected to be carried through to the next phase of the strategy. Finally, the ISU is responsible for delivering an Annual Progress Report on the implementation of the strategy.

Despite a slow start in implementation in 2020 and 2021 due to the COVID-19 pandemic, since 2022 implementation of the NSPS has been ongoing in earnest with significant achievements to date under all three pillars. The NSPS specifically targets a number of vulnerable groups, notably women and girls, PwDs, and children. Where it remains to be seen how inclusive the next phase of the strategy will be is with regards to non-Jordanians and refugees, who were not considered under the first phase of the Strategy.<sup>21</sup>

In conclusion, the current policy is sufficiently relevant and credible for budget support contract objectives to be largely achieved. Therefore the policy can be supported by the Commission with the proposed budget support contract.

#### 2.4.2. Macroeconomic Policy

Jordan has weathered well a series of shocks over the past few years, maintaining macro-stability and moderate economic growth thanks to adept policy making and sizable international support. Prudent fiscal and monetary policies have reduced deficits, strengthened reserve buffers, preserved financial stability, and maintained market confidence in a challenging global and regional environment. Significant progress has also been made in implementing structural reforms.

Overall, the authorities have been successful in maintaining macro-stability and, despite the challenging environment, Jordan's economy is growing, albeit at a modest pace of 2–3 percent per year. Inflation, which had picked up in the wake of the rise in commodity prices, has since fallen, as commodity prices eased and in response to the tightening of monetary policy. Nonetheless, Jordan still faces considerable challenges in an uncertain external environment. Risks to the outlook are large, including from a possible escalation of the conflict in Gaza. Global economic fragmentation, weak and uneven global growth, as well as climate change all pose considerable threats.

The previous arrangement under the Extended Fund Facility (EFF) approved in March 2020 was designed to help Jordan rebuild buffers and address long-standing structural obstacles to growth, as well as challenges from hosting over 1 million Syrian refugees. The external environment turned out to be more difficult than originally envisaged, first as the pandemic hit and later with Russia's aggression against Ukraine and the subsequent rise in commodity prices, and most recently Israel's war in Gaza. Meanwhile, while notable progress in fiscal consolidation achieved under the 2020 EFF arrangement, public debt is still elevated and above pre-pandemic levels, and gross financing needs are large.

Bringing down the traditionally high **unemployment rate** and increasing labour market participation are important structural challenges in Jordan. In 2023, the unemployment rate slightly decreased to 22.3% in Q3 2023 (22.9% in 2022). Unemployment remains high especially for women, youth and university graduates, with women's labour force participation rate (around 14% in 2023) being one of the lowest world-wide.

On 10 January 2024, the IMF approved a new four-year arrangement under the Extended Fund Facility (EFF) with Jordan, for an amount equivalent to SDR 926.37 million (about USD1.2 billion and equivalent to 270 percent of Jordan's quota), to support the country's economic and financial reform programme. The new arrangement replaces and succeeds the previous EFF arrangement that was approved in March 2020 and that was set to expire in March 2024. The interest and fees Jordan would pay for the new EFF are expected to be

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<sup>20</sup> The EU is providing technical assistance to strengthen the M&E system of the strategy under the Madad programme.

<sup>21</sup> The first phase of the NSPS (2019-2025) mentions in a footnote that refugees will be integrated under the next phase of the strategy, though this remains to be seen.

above 8%, i.e. above the rate of an April 2023 Eurobond issuance (7.5% for USD 1.25 billion; maturity of 5 <sup>3</sup>/<sub>4</sub> years).

The European Commission has proposed for a new Macro-Financial Assistance (MFA) operation to Jordan worth up to €500 million.

**Economic growth** has remained stable albeit relatively low (compared to regional peers), over the past years, and is expected to only slowly pick up. Following the contraction during the pandemic, GDP recovered at 2.2% growth in 2021 and 2.5% in 2022; growth expectations for 2023 were slightly revised downward to 2.6%, following the outbreak of the Israel-Gaza war in Q4. The sectors that contributed most to economic growth in 2023 were agriculture, manufacturing, tourism and mining, reflecting the still strong role of these sectors in the economy but also the rebound in tourism. While economic growth has generally remained stable, it is not strong enough to lower the very high unemployment. Important structural challenges remain to boost economic growth, in particular with respect to private sector development, where deficiencies in the business environment, access to finance, labour market flexibility and public administration persist.

**Inflation** decelerated considerably in 2023, with average inflation at 2.1% in 2023 (4.2% in 2022). Price increases moderated in response to the tightening of monetary policy and lower commodity prices. The Central Bank of Jordan (CBJ) raised its policy rates in 10 steps from 2.5% in March 2022 to 7.5% in July 2023. The CBJ decisions were necessary given the JOD's peg to the USD, to be in line with the US Federal Reserve's monetary tightening and avoid pressures on capital flows, and indeed contributed to the moderation of inflationary pressures.

The **fiscal situation** remains challenging, with structurally high deficits feeding into the already high level of debt. Total public sector debt (excluding debt holdings by the Social Security Corporation, SSC) stood at 88.7% of GDP in 2023, slightly down from 90.8% of GDP in 2021, as nominal GDP growth outpaced the increase in debt. Adding debt holdings by the SSC, public sector debt reached 111.5% of GDP in 2023, after having continuously increased over the past decade (from 84.5% of GDP in 2013). In its report on the new Extended Fund Facility (EFF) arrangement with Jordan (January 2024), the IMF assessed Jordan's public debt level as sustainable; stating further that while debt sustainability risks remained, the authorities' policy efforts and the development partners' ongoing commitment to Jordan would constitute important safeguards. The fiscal deficit stood at 5.1% for the first eight months of 2023 (4.6% of GDP in 2022), roughly in line with the average fiscal deficit of the past five years. Public sector revenue increased by 5.4% during the first eight months compared to the same period a year earlier, on the back of higher income and profit tax collection. Total expenditure grew by 2.9%, driven by higher interest payments, military expenditure and compensation of civil sector employees. In April 2023, Jordan successfully issued Eurobonds for USD 1.25 billion, despite the tightening of global financing conditions. The issuance has a maturity of 6 years at 7.5% and was oversubscribed six times, allowing the government to increase the initially sought amount.

On the external side, Jordan experiences chronic **external deficits**, driven by the persistent deficit in trade in goods, which reflects Jordan's dependence on energy, food and machinery imports. Main export items over the past years have been phosphoric acid, potash and phosphates, which have benefitted from increased demand following Russia's invasion of Ukraine. Overall, the current account deficit averaged around 6.5% of GDP in the past five years, with larger deficits in 2021-2023. Most recently, the current account deficit narrowed to 7.1% of GDP in H1 2023 (from 13% in H1 2022), on the back of an increased trade in services surplus driven by increasing tourism revenue amid the ongoing tourism rebound. Strong remittances (around 8% of GDP over the past years) from abroad also contribute to mitigating the current account deficit. The CBJ's gross **foreign reserves have remained strong**. Total foreign reserves amounted to USD 17.3 billion at the end of September 2023, covering an estimated 7.6 months of imports of goods and services.

While Jordan's **credit rating** BB- (elevated vulnerability to credit risk) with Stable Outlook has been confirmed by Fitch in November 2023. Jordan's ratings are supported by a record of macroeconomic stability, progress in fiscal and economic reforms, and resilient financing linked to the liquid banking sector, public pension fund and international support. The ratings are constrained by high government debt, weak growth,

risks stemming from domestic and regional politics, a sizeable current account deficit and net external debt that is higher than rating peers. The war in Gaza has increased geopolitical risks given the uncertainty regarding the conflict's duration and the potential for the conflict to escalate. In Fitch's view, near-term risks are mitigated by strong multilateral and bilateral official support, including military and economic assistance from the US, reduced exposure to food and energy price volatility and potential supply disruptions.

Regarding **the banking sector and financial stability**, the banking sector in Jordan continued to maintain sound financial indicators and, hence, a high capability of withstanding shocks and high risks. The IMF Financial Sector Assessment Program (FSAP), which completed in March 2023, found that the banking sector appeared broadly resilient, and that Jordan's financial sector had withstood a series of large external shocks well. Moreover, banks were assessed to be well-placed to withstand further shocks, given high levels of system-wide regulatory capital and robust earnings. Non-performing loans stood at 5%, similar to previous years. The robust growth of credit to private sector observed in 2022 (as mitigation of COVID-19 impact) has slowed down in 2023 year in response to the tightening of monetary conditions and stood at 2½ percent y-o-y in September 2023.

At its Plenary meeting of October 2021, the Financial Action Task Force, (FATF) added Jordan on its list of "Jurisdictions under Increased Monitoring". This decision was based on the Mutual Evaluation Report of the MENAFATF from November 2019. Consequently, in January 2022, Jordan has been included to the EU list of high-risk third countries for **Anti Money Laundering and Terrorism Finance (AML/CFT)** purposes. The new Money Laundering and Terrorist Financing Law entered into force in mid-September 2021, and was already addressing many shortcomings related to the legislative aspects. Between 5-7 September 2023, the FATF carried-out a joint mission with the European Commission (represented by DG FISMA) to assess the level of implementation of Jordan's action plan. The compliance mission established that the high level of commitment remains in place, the progress are concrete as well as sustainability is ensured, which led Jordan's delisting from the AML/CFT "grey list". The new EU AML list (removing Jordan)<sup>22</sup> has in February 2024 entered into force.

At its annual revision of country classifications in July 2023, the **World Bank downgraded Jordan's economy** from upper-middle-income (UMIC) status to lower-middle-income (LMIC) classification. Jordan has moved between the two categories in the recent past: it was classified as UMIC in 2016, then downgraded to LMIC in 2017 and then upgraded again in 2018 until its reclassification now. Jordan's GNI/capita is in the border zone between the two categories and any change can modify its classification. The WB defines lower-middle-income countries by a per capita national income ranging from USD 1,136 to 4,465. Jordan's reclassification this year was reportedly driven by an upward revision of Jordan's population (+8.6% to 11.3 million) by the UNPD reflecting new data from the latest population census. Jordan is the only country with a downward classification change this year. The reclassification could affect guarantees and interest rates on international loans and might negatively impact the perception of Jordan as an investment destination, consequently affecting the private sector.

In conclusion, the authorities are pursuing a stability-oriented macroeconomic policy and the eligibility criterion is met.

### **2.4.3. Public Financial Management**

A **PEFA assessment** has been carried out in 2021 through EU support. The final report was received from the assessors in the beginning of December and was validated by stakeholders in June 2022. PEFA check has been also issued by the PEFA Secretariat. The Government finalised - with donor assistance - the PFM Reform Strategy in October 2022, which is based on the most recent PEFA findings as well as IMF Fiscal Transparency Evaluation FTE (2021).

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<sup>22</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32024R0163>

The **new Public Financial Management Strategy**<sup>23</sup> (2022-2025) aims to identify the government's direction regarding the development and reform of public finance mechanisms in line with national goals and government priorities and the financial reform programme agreed with the International Monetary Fund IMF, to improve public finance performance, strengthen fiscal discipline and promote economic growth and raise the standard of living for citizens. Hence, this strategy is a continuation of previous strategies that the government, led by the Ministry of Finance and the concerned authorities have implemented during the past years.

The new strategy consists of five strategic pillars targeting a total of 12 sub-pillars, as follows:

### **Strategy Pillars:**

The strategy consists of five key pillars:

#### 1. Budget Reliability and Execution

- Increasing Domestic Revenues
- Public Procurement and Tenders Management
- Improving Cash Management

#### 2. Public Finance Transparency

- Dissemination of Financial Reports
- Budget Law Documents

#### 3. Financial Forecasting

- Macroeconomic and Financial Forecasting

#### 4. Asset and Liability Management

- Public Investment Management
- Public Debt Management

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- Public Assets Management

#### 5. Control

- Internal Audit
- External Audit – Audit Bureau
- Accounting and Reporting

The strategy also attaches activities to achieve the goals with a timeline. The strategy is also costed and indicates the stakeholders; it is therefore satisfies the criteria described in PEFA Volume IV manual.

In line with the IMF programme and the wider policy framework, there is a strong commitment from the authorities **to improve tax administration and public financial management**, not just to improve budget outcomes but to increase public trust. GoJ is implementing its revenue mobilisation plan developed with the support of the IMF's Fiscal Affairs Department (FAD) in 2021. The plan encompasses both tax policy and administration, including a focus on implementing recent and ongoing legislative reforms.

Under public finance management, fiscal policy measures, the GoJ made significant progress toward closing tax loopholes, while ISTD has made substantial inroads into improving compliance. Building on the substantial progress in recent years, the Government aims at continuing to increase revenue collection by further broadening the revenue base, including by further reducing remaining exemptions where feasible, and improving compliance in line with the revenue administration reform plan, notably by increased digitalization of taxpayer services and data capture and analysis.

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<sup>23</sup> [https://www.mof.gov.jo/ebv4.0/root\\_storage/en/eb\\_list\\_page/pfm\\_strategy\\_\(2022-2025\).pdf](https://www.mof.gov.jo/ebv4.0/root_storage/en/eb_list_page/pfm_strategy_(2022-2025).pdf)

Going forward, the **tax administration reform** plans of the GoJ include: (i) upgrading the Income and Sales Tax Department's (ISTD) IT infrastructure, including a new Integrated Tax Administration System (ITAS); (ii) expansion of the application of the new transfer pricing rules (currently it is applicable to multinationals and related parties, mid-sized companies and family-owned companies will be included by end 2024, while Phase III will extend it to related parties); (iii) to curb smuggling, the ISTD has already successfully introduced a digital track-and-trace for tobacco products and for alcohol is under completion; (iv) use of an AI-based e-audit system, with well-defined benchmarks covering all tax returns; (v) the introduced e-invoicing system covering all sales transactions (by end 2024) subject to GST will allow enhanced monitoring of economic activities, will address under-invoicing, and hence strengthens the audit function of the sales-tax framework.

The **restructuring and reduction in customs tariffs**, combined with the inclusion of the ASEZA zone in the broader customs administration, has already resulted in a significant increase in revenues, notably in GST collection. The Custom Administration will continue to enhance the National Single Window, which already encompasses 55 entities. Additionally, the establishment of the single border authority will be instrumental in facilitating expedited and predictable goods clearance for both exports and imports, including through the mandatory use of the digital licensing hub platform for the 5 largest control entities (JSMO, Ministry of Environment, JFDA, Ministry of Agriculture, Customs), allowing companies to obtain licenses ahead of arrival of goods.

With a view to promoting a high level of good tax governance, in September 2020, Jordan ratified the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (Multilateral Convention or MLI), underlining its strong commitment to prevent the abuse of tax treaties and base erosion and profit shifting (**BEPS**) by multinational enterprises. Moreover, Jordan also signed and ratified the Convention on Mutual Administrative Assistance in Tax Matters (**MAC Convention**), which entered into force in December 2021. Since 2019, Jordan is also member of **the Global Forum on Transparency and Exchange** of Information for Tax Purposes, which is the leading international body working on the implementation of global transparency and exchange of information standards around the world.

In the area of public investment management, GoJ endorsed the **PIM - PPP Governance Framework** (2019). The Public Private Partnership (PPP) secondary legislation was approved by the Council of Ministers and published in the Official Gazette in November 2020 and April 2021, respectively. The bylaws regulate the four PPP project phases, namely the selection, preparation, tendering and implementation phases. They further regulate the creation of a "Technical Committee of Fiscal Commitments", a "Public Private Partnership Projects Account" at the central bank and a "National Registry of Public Investment Projects Regulation". The PPP secondary legislation is in line with international best practice, as confirmed by the World Bank, which has assisted Jordan throughout the drafting process. A dedicated Public Investment Management Unit has been established by Government, guidelines for projects appraisal methodology was introduced and almost 200 public investment project proposals were assessed in accordance with these Public Investment Management Guidelines.

The government furthermore rolled out the National Registry of Investment Projects (NRIP), comprising of the Public Investment Project (PIP) Databank and the Public-Private Partnership (PPP) Project Databank; which is collecting the necessary information on approved PPPs. The NRIP also includes all public investment projects in the 2023 General Budget with a value of greater than JOD 1 million.

To further improve public financial management, particularly in the areas of fiscal risk analysis, public investment management, macro-fiscal analysis, and cash management, the GoJ will launch a centralized single database of all PPP contracts approved since the 2020 PPP law came into effect and data, with analytical tools, to enhance fiscal risk analysis by identifying critical risk factors. Based on the C-PIMA recommendations, the GoJ will refine project scoring system and strengthen methodologies for project appraisal, providing more detail in appraisal guidelines in complex areas such as the assessment of climate impacts and resilience.

In order to increase transparency and efficiency in the **public procurement system**, the government is working on the full operationalisation of the electronic tendering system. The Jordan Online E-Procurement System (JONEPS) shall be used for all procurements of public authorities to unify the previously fragmented procurement process in Jordan.

The Audit Bureau Law (2018) strengthened the Bureau's functioning and independence. Work is ongoing to strengthen **external audit** covering both performance in service delivery and the content and quality of financial reporting. Risk based and IT audits are further reinforced through the recently closed (07/11/2023) EU twinning project at the Audit Bureau.

As for debt management, the updated **Debt Management Strategy** for 2023-2027<sup>24</sup> has been published with the objective to decrease percentage of gross debt to GDP to 82.6% in 2027.

In conclusion, the public finance management reform strategy is sufficiently relevant and credible, including on domestic revenue mobilisation, and the eligibility criterion is met.

#### **2.4.4. Transparency and Oversight of the Budget**

The Government of Jordan has met the entry point of the general condition on transparency and oversight of the budget as it is defined in the EU Budget Support Guidelines of December 2017. The GoJ has in fact published the enacted budget of the past budget cycle within the same fiscal year.

The budget proposal for 2023 was endorsed by Cabinet on 22/11/2023 and was published on the General Budget Department (GBD) website the following day on 27/11/2023. The Lower House in January 2024 subsequently discussed the draft Law and passed the Bill on 31/01/2024. The Royal Decree will be issued after the Upper House endorsement and will be subsequently published on GBD's website

In the Open Budget Survey (OBS) 2023 (released 29/05/2024) Jordan scored 60/100 on budget transparency, which is considered sufficient to enable the public to engage in budget discussions in an informed manner and is substantially higher than the global average of 45. Since the 2015 Survey (which was updated in 2016), Jordan has increased the availability of budget information, however there are still weaknesses with the compilation and dissemination of the Mid-Year Reviews. The EU Delegation is closely following up the regional IBP project in relation with the OBS.

As for budget oversight by the legislature Jordan scored 39/100, reflecting weak oversight by the legislature and the supreme audit institution. To improve oversight, recommendations include enhancing the legislative debate on budget policy, ensuring timely submission and approval of budget proposals, and strengthening audit processes.

The EU is supporting transparency and oversight through several projects, such as the i), "Ma'an – Together" accountability and integrity project in Jordan, implemented by OECD; ii) twinning with the Audit Bureau in Jordan; as well as the iii) regional International Budget Partnership (IBP) programme ("Building Alliances for Budget Accountability in the Southern Neighbourhood").

The **IMF Fiscal Transparency Evaluation** of October 2021 also concluded that although, further improvement is needed, in Jordan the fiscal reports have become more comprehensive and cover a high proportion of public sector institutions. The frequency of in-year reporting is at an advanced level, as is the timeliness of publication of the government's annual financial statements. Fiscal statistics are disseminated in accordance with international standards (SDDS). Fiscal forecasts and budgets have become more forward looking and policy oriented with the introduction of a five-year medium-term budget framework and a programme classification.

In conclusion, the relevant budget documentation has been published and the eligibility criterion is met.

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<sup>24</sup> [https://www.mof.gov.jo/ebv4.0/root\\_storage/ar/eb\\_list\\_page/summary\\_jordan\\_debt\\_strategy\\_2023\\_-\\_2027-eng.pdf](https://www.mof.gov.jo/ebv4.0/root_storage/ar/eb_list_page/summary_jordan_debt_strategy_2023_-_2027-eng.pdf)

### 3. DESCRIPTION OF THE ACTION

#### 3.1. Objectives and Expected Outputs

The Overall Objective/Impact of this action is:

The social inclusion of some of the most disadvantaged and vulnerable groups in Jordan is enhanced.

The Specific Objectives supported by this programme will include the following:

1. De-Institutionalisation of persons with disabilities (PwDs) and parentless children is advanced.
2. Better quality social services for all are advanced with gender and inclusivity sensitive focus.

The **Induced Outputs** to be delivered by this action contributing to the corresponding Specific Objectives (Outcomes) are:

##### **Contributing to Outcome 1 (or Specific Objective 1)**

- 1.1 Caring families/foster families are enabled to host persons with disabilities and parentless children;
- 1.2 Foster care, quality psychosocial support and appropriate follow-up on cases of abuse/neglect and violence are made accessible to all PwD and parentless children;
- 1.3 Legal and institutional environment is made more supportive for persons with disabilities and parentless children to become or remain able to fulfil their social and economic rights including access to the labour market.

##### **Contributing to Outcome 2 (or Specific Objective 2)**

- 2.1 MoSD's operational performance is enhanced in terms of quality coverage and inclusion of persons with disabilities and parentless children into society.
- 2.2 Social services are delivered more efficiently via full digitalization, enhanced governance, a solid regulatory framework (relevant by-laws and regulations), and a robust monitoring/tracking mechanism related to the various components of social protection that is in place at MoSD headquarters and its field directorates.

The **Direct Outputs** to be delivered by this action contributing to the corresponding Induced Outputs are:

Contributing to Outcome 1:

- 1.1.1 Quality and professional care at home or in day-care centres (including psycho-social support where needed) is provided to individual persons with disabilities and parentless children.
- 1.2.1 Adequate (standardized) technical and psychosocial services are provided to persons with disabilities and parentless children by social care workers in day-care centres and in-home care;
- 1.3.1 Public awareness on the benefits of the inclusion of PwD and parentless children within communities is increased;

Contributing to Outcome 2:

- 2.1.1 MoSD social care operations (e.g. day-care centres, in-home care) are established with regards to infrastructure and operations.
- 2.2.1 MOSD's ability for surveillance in juvenile centres is improved;
- 2.2.2 MOSD's departments and field offices benefit of improved digital set-up.

#### 3.2. Indicative Activities

- Installation of security provisions in juvenile care centres under MoSD;
- Digitalisation of MoSD, including renewal of network systems at HQ and field offices, IT complaints system, helpdesk for digital services;
- Construction and equipment of day-care centres;

- Improve caring families' houses accessibility to host PwD;
- Expansion of Al-Hussein Social Foundation orphanage building;
- Develop play halls in four orphanages;
- Implementation of the De-Institutionalisation strategy;
- Strengthen accountability and M&E systems of MoSD;
- Maintain strong inter-ministerial coordination around the implementation of NSPS2;
- Capacity building for caring/foster families for PwDs and parentless children;
- Digitization of MoSD case-files;
- Capacity building for MoSD staff: foster care, psychosocial, follow-up on abuse/neglect and violence.

### **3.3. Mainstreaming**

#### **Environmental Protection, Climate Change and Biodiversity**

##### **Outcomes of the Strategic Environmental Assessment (SEA) screening**

The SEA screening concluded that no further action was required.

##### **Outcomes of the Environmental Impact Assessment (EIA) screening**

The EIA screening classified the action as Category C (no need for further assessment).

##### **Outcome of the Climate Risk Assessment (CRA) screening**

The CRA screening concluded that this action is no or low risk (no need for further assessment).

##### **Gender equality and empowerment of women and girls: G1**

As per OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that gender equality and empowerment of women and girls is an integral part of this action, though this action will target other key beneficiary groups as well. Gender equality and empowerment of women and girls is a significant objective, considering the continuing barriers and challenges that women and girls continue to face in many aspects of their lives.

##### **Human Rights: D2**

The action was designed using a rights-based approach and promotes an empowerment approach whereby final beneficiaries will be given the tools to access and secure the right to a self-reliant, decent and dignified life. Human rights is a principal objective of this action and is labelled as D2.

##### **Disability: D1**

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D1. Disability is a significant objective of this action in the sense that persons with disabilities are one of the key target groups that will be supported through the Action and its work on advancing Jordan's De-Institutionalisation Strategy.

##### **Democracy: D0**

The Action has no direct implications for democracy, but should overall empower vulnerable populations to actively participate in economic and political decision-making within their spheres of influence. Democracy is not a targeted objective of this objective.

##### **Conflict sensitivity, peace and resilience: D0**

Conflict sensitivity, peace and resilience is not a targeted objective of this Action.

##### **Disaster Risk Reduction: D0**

The Action has no direct links with disaster risk reduction.

### 3.4. Risks and Assumptions

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
Planning, processes and systems	MoSD does not meet agreed budget support indicators and does not continue to demonstrate the relevance and credibility of the NSPS II	Medium	High	Clear explanation of budget support conditions and close accompaniment by EU (e.g. through steering committees and regular follow-up) in order to detect early on if MoSD is not on track to meet indicators and identify mitigating measures.
Planning, processes and systems	The technical assistance to support the MoSD is difficult to procure or does not meet the needs of the ministry	Medium	Medium	Preparation of ToRs early on during implementation phase, in close consultation with MoSD, and that builds on previous achievements and lessons learned from EU TA support to the Ministry
Planning, processes and systems	MoSD fails to secure an appropriate budget allocation for its planned reform, adequate to its ambitions	Medium	Medium	Involvement of Ministry of Finance (MoF) at the early stages of programme formulation and continued policy dialogue with key institutional stakeholders
People and the organisation	MoSD change management lacks effectiveness	Medium	High	Better strategic planning to help manage political transition phases, and strengthening of capacities at all levels of the Ministry; provision of Technical Assistance to accompany the Ministry
People and the organisation	Challenges to donor coordination hamper the effective implementation of the programme	Low	Medium	Continuous mapping of the different areas of support the government receives, and close coordination with other donors and partners through the Social Protection Partners' Group (SPPG) co-chaired by EU alongside ILO.
Legality and regularity aspects	MoSD does not have the financial means to implement its various De-I processes and other social services	High	Medium	Technical Assistance to support MoSD with financial modelling and planning to set realistic objectives  Involvement of Ministry of Finance in policy dialogues around the key strategies and processes to be adopted
People and the organisation	Final beneficiaries (and/or their families) become disenchanted by De-I process or social assistance they receive,	Medium	High	Clear communication about the provision of MoSD social services, including e.g. conditions for financial transfers to beneficiaries and realistic timelines

	and decide to stop participating			
People and the organisation	Families are unwilling to take in and foster new orphans or juvenile delinquents	Medium	High	Awareness raising campaigns (e.g. to counter colourism, discrimination against children with diseases, discrimination against delinquent youths), financial/material incentives for foster families
External environment	The armed conflict(s) in the region result in economic challenges for Jordan that hinder the full implementation of the NSPS2	Medium	High	GoJ and development partners will continuously monitor the situation and will agree to appropriate mitigation measures.

### External Assumptions

- National Social Protection Strategy II (2026-2030) is finalized and endorsed ahead of signature of the Financing Agreement; its contents are in line with the first phase of the strategy and indications provided by the government thus far. The Strategy continues to enjoy strong political buy-in by the GoJ, and the vulnerable groups identified continue to be prioritised by the MoSD.
- A Financing Agreement between the GoJ and EU is signed.
- Budget support indicators are agreed, and funds will be earmarked for MoSD.
- GoJ continues to pursue its De-Institutionalisation Strategy for persons with disabilities.

### 3.5. Intervention Logic

The underlying intervention logic for this action is that

**IF** governance of the social care sector is improved

**AND IF** the MoSD - at central and governorate levels – benefits from increased digitalisation, improved logistics and infrastructure,

**AND IF** accountability systems are embedded into the NSPS 2 and rigorously applied,

**AND IF** professional social workers are trained to better care for persons with disabilities and parentless children in day care centres and in home settings,

**AND IF** professional social workers are able to provide psychosocial support in difficult cases of abuse or neglect,

**AND IF** (foster) families are empowered through training and financial support to receive PwD and parentless children into their homes,

**AND IF** (foster) families are trained to provide adequate quality care to the people re-integrated into their families,

**AND IF** persons with disabilities and parentless children are placed in alternative care situations - in line with best practices on De-Institutionalisation,

**AND IF** those who are unable to be transitioned to alternative care or foster care situations receive professional quality services in well-equipped and prepared residential facilities,

**THEN** PwD and parentless children in Jordan will receive better professional and quality services regardless of whether they are in residential care or in community-based settings,

**AND THEN** these vulnerable categories will be better integrated into their communities,

**AND THEN** they will be able to fully exercise their social and economic rights,

**AND THEN** Jordan will be able to better meet their specific needs and requirements,

**AND THEN** Jordan's social protection system will be more inclusive.

### 3.6. Indicative Logical Framework Matrix

Results	Results chain	Indicators (max. 15)	Baselines (value and year)	Targets by the end of the budget support contract (value and year) <sup>25</sup>	Sources of data (1 per indicator)
<b>Indicative Impact of the policy</b>	The social inclusion of some of the most disadvantaged and vulnerable groups in Jordan is enhanced	Proportion of the population covered by at least one area of social protection, disaggregated by gender	2021: 45.2%	2030: 55%	NSPS annual progress report; Statistical Bulletin of Social Protection Indicators in Jordan (DoS/ILO)
<b>Expected Outcomes of the policy</b>	1. De-Institutionalisation of persons with disabilities (PwDs) and parentless children is advanced.	<p># of beneficiaries from care centres de-institutionalised disaggregated by sex and PwDs</p> <p># of beneficiaries from waiting lists access day-care facilities disaggregated by sex and PwDs</p> <p># of parentless children de-institutionalised into foster families (including)</p> <p># of children at risk of marginalisation<sup>26</sup></p>	<p>2024: 80</p> <p>2024: 0</p> <p>2023: 80</p> <p>2024: 0</p>	<p>2027: 200 additional beneficiaries</p> <p>2027: 200 additional beneficiaries</p> <p>2027: 200 additional parentless children deinstitutionalised</p> <p>2027: 50 children</p>	NSPS & MOSD annual progress report Operational data from MoSD

<sup>25</sup> Targets are still highly indicative, pending the finalisation of the NSPS 2 by the Ministry of Social Development; targets introduced here are formulated based on the existing 2025 targets and careful projections for later years. Adjustments to the log-frame may be needed to ensure final targets are in line with the relevant national strategies.

<sup>26</sup> This formulation refers to children who face more challenges in entering foster care due to the specifics of their profile, for instance an HIV positive diagnosis or a different social stigma. These cases are categorised as difficult under the MoSD case load.

	2. Better quality social services for all are advanced with gender and inclusive sensitive focus.	# of operational day-care centres providing quality services	2024: 26	2027: 29 day-care centres	Operational data of MoSD
<b>Induced Outputs</b>	1.1 Caring families/foster families are enabled to host persons with disabilities and parentless children	# of families enabled to foster care (for either PwD or parentless children)	2024: 650	2027: 105 additional foster families enabled	Operational data from MoSD
	1.2 Foster care, quality psychosocial support and appropriate follow-up on cases of abuse/neglect and violence is accessible to all PwD and parentless children	# of social workers qualified to evaluate (psychologically and socially) families to receive PwD and/or parentless children	2024: 3	2027: 140	De-I strategy implementation monitoring; MOSD annual reports
	1.3 Legal and institutional environment is made more supportive for persons with disabilities and parentless children to fulfil their social and economic rights including access to the labour market.	# of PwD who benefit from vocational rehabilitation and employment programmes	2024: 30	2027: 150 additional PwD	MOSD operational data
		# of parentless children who benefit from subsequent care programmes (incl. education, training, life skills and employment among others)	2024: 180	2027: additional 150	
	2.1 MoSD's operational performance is enhanced in terms of quality coverage and inclusion of persons with disabilities and parentless children into society	# of training manuals prepared for De-I procedures	2024: 1	2027: 3	NSPS annual progress report; De-Institutionalisation strategy implementation report
# of PwD who benefit from De-I services, in particular Early Intervention, Occupational Therapy and/or training in day care centers		2024: 1173	2027: 1420		
2.2 Social services are delivered more efficiently via full digitalization, enhanced governance, a solid regulatory framework (relevant by-laws and regulations), and a robust monitoring/tracking mechanism related	# of legislations around social development that is available electronically	2024: 0	2027: 10	NSPS annual progress report	
	# of staff who benefitted from capacity building to implement	2024: 0	2027: 40		

	to the various components of social protection that is in place at MoSD headquarters and its field directorates	the automation and archiving process  # of case files automated	2024: 1000	2027: 5000	
<b>Direct Outputs</b>	1.1.1 Quality and professional care at home or in day-care centres (including psycho-social support where needed) is provided to individual persons with disabilities and parentless children	# of care centres that apply unified service quality standards	2024: 0	2027: 19	NSPS annual progress report
	1.2.1 Adequate (standardized) technical and psychosocial services are provided to persons with disabilities and parentless children by social care workers in day-care centres and in-home care	# of social workers (incl. staff at MOSD field directorates) who followed professional development training	2024: 60	2027: additional 225	MOSD annual report; NSPS annual progress report
	1.3.1 Public awareness on the benefits of the inclusion of PwD and parentless children within communities is increased	# of awareness campaigns launched	2024: TBC	2027: TBC	MOSD annual report; NSPS annual report; De-I strategy implementation report
	2.1.1 MoSD social care operations (e.g. day-care centres, in-home care) are established with regards to infrastructure and operations	# of new infrastructure developments completed (e.g. expansion of care centres, construction of care centres, rehabilitation of homes for reception of PwD)	2024: 0	2027: 80	MOSD annual report; NSPS annual report; De-I strategy implementation report
	2.2.1 MoSD's ability for surveillance in care centres is improved	# of care centres linked to central surveillance system	2024: 0	2027: 3	MOSD annual report
	2.2.2 MoSD's departments and field offices benefit of improved digital set-ups	# of projects to strengthen IT infrastructure completed	2024: 0	2027: 4	MOSD annual report

## **4. IMPLEMENTATION ARRANGEMENTS**

### **4.1. Financing Agreement**

In order to implement this action, it is envisaged to conclude a financing agreement with the Hashemite Kingdom of Jordan.

### **4.2. Indicative Implementation Period**

The indicative operational implementation period of this action, during which the activities described in section 3.1 will be carried out and the corresponding contracts and agreements implemented, is 48 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this financing Decision and the relevant contracts and agreements.

### **4.3. Implementation of the Budget Support Component**

#### **4.3.1. Rationale for the Amounts Allocated to Budget Support**

The amount allocated for the budget support component is EUR 18 000 000.00, and for complementary support is EUR 8 000 000.00. These amounts are based on the analysis of EU's prior budget support intervention in the sector and needs identified by the NSPS. The division between budget support and complementary measures is based on consultations with MoSD and projections of required procurement needs.

#### **4.3.2. Criteria for Disbursement of Budget Support**

a) Conditions.

The general conditions for disbursement of all tranches are as follows:

- Satisfactory progress in the implementation of the National Social Protection Strategy (NSPS) and continued credibility and relevance thereof or of the subsequent policy.
- Maintenance of a credible and relevant stability-oriented macroeconomic policy or progress made towards restoring key balances.
- Satisfactory progress in the implementation of reforms to improve public financial management, including domestic revenue mobilisation, and continued relevance and credibility of the reform programme.
- Satisfactory progress with regard to the public availability of accessible, timely, comprehensive, and sound budgetary information.

b) The performance indicators for disbursement that may be used for variable tranches may focus on the following policy priorities:

- De-Institutionalisation of People with Disability
- Professionalisation of social care work
- Well-resourced and safe social care centres

The chosen performance indicators and targets to be used for the disbursement of variable tranches will apply for the duration of the action.

c) Modifications.

The chosen performance indicators and targets to be used for the disbursement of variable tranches will apply for the duration of the action. However, in duly justified cases, the partner country and the Commission may agree on changes to indicators or on upward/downward revisions of targets. Such changes shall be authorised

in writing ex-ante or at the latest by the end of the first quarter of the period under review applicable to the indicators and targets.

In exceptional and duly justified cases, for instance where unexpected events, external shocks or changing circumstances have made the indicator or the target irrelevant and could not be anticipated, a variable tranche indicator may be waived. In these cases, the related amount could either be reallocated to the other indicators of the variable tranche the same year or be transferred to the next variable tranche the following year (in accordance with the original weighting of the indicators). It could also be decided to re-assess an indicator the following year against the original target, if there was a positive trend and the authorities did not reach the target because of factors beyond their control. The use of this provision shall be requested by the partner country and approved in writing by the Commission.

#### d) Fundamental values

In case of a significant deterioration of fundamental values, budget support disbursements may be suspended, reduced or cancelled, in accordance with the relevant provisions of the financing agreement.

### 4.3.3. Budget Support Details

The following disbursement calendar and profile proposed for the action is indicative. The actual disbursement calendar and profile will be set out in the financing agreement and may remain subject to change.

	<b>Year 1 (2025)</b>	<b>Year 2 (2026)</b>	<b>Year 3 (2027)</b>	<b>Year 4 (2028)</b>	<b>Total</b>
Fixed tranche in MEUR	4				4
Variable tranche in MEUR		4	5	5	14
Total in MEUR	4	4	5	5	18

Budget support is provided as direct untargeted budget support to the national treasury. The crediting of the euro transfers disbursed into Jordanian Dinar (JOD) will be undertaken at the appropriate exchange rates in line with the relevant provisions of the financing agreement.

### 4.4. Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures<sup>27</sup>.

#### 4.4.1. Direct Management (Procurement)

A part of this action will be implemented in direct management through procurement. This entails specifically activities related to the provision of technical assistance in the broader areas of change management, qualification of social workers, legal reform, introduction of de-institutionalisation processes for vulnerable groups, monitoring and evaluation of NSPS implementation, support for digitalisation of MoSD at central and decentralised levels.

The implementation under this modality entails part of the activities that will take place under Specific Objective 1.

#### 4.4.2. Indirect Management with a pillar-assessed entity

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<sup>27</sup> [EU Sanctions Map](#). Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

A part of this action may be implemented in indirect management with a pillar-assessed entity which will be selected by the Commission's services This implementation entails using the following criteria:

- Experience and technical knowledge in the area of social protection;
- Experience and technical knowledge around rehabilitation and/or construction of social care facilities, including but not limited to measures to improve the living conditions of people with disabilities;
- Management capacities in the context of EU contribution agreements;
- Known track record of working in Jordan, preferably in the social protection sector;

The implementation by this entity entails part of the activities that will take place under Specific Objective 2.

#### **4.4.3. Changes from indirect to direct management (and vice versa) mode due to exceptional circumstances**

If the implementation modality under indirect management as defined in section 4.4.2 cannot be implemented due to circumstances beyond the control of the Commission, the modality of implementation by procurement under direct management would be used according to section 4.4.1.

If the implementation modality under direct management as defined in section 4.4.1 (procurement) cannot be implemented due to circumstances beyond the control of the Commission, the modality of implementation by indirect management with a pillar-assessed entity would be used, according to section 4.4.2, with the following criteria:

- Experience and technical knowledge in the area of social protection;
- Management capacities in the context of EU contribution agreements;
- Known track record of working in Jordan, preferably in the social protection sector;

#### **4.5. Scope of geographical eligibility for procurement and grants**

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realization of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

#### **4.6. Indicative Budget**

<b>Indicative Budget components</b>	<i>EU contribution (amount in EUR)</i>
<b>Budget support</b> - cf. section 4.3	<b>18 000 000.00</b>
<b>Implementation modalities</b> – cf. section 4.4	<i>8 000 000.00</i>
<b>Specific Objective 2</b> composed of	
Indirect management with pillar assessed entity – cf. section 4.4.2	<b>6 500 000.00</b>

<b>Specific Objective 2</b> composed of	
Procurement (direct management) – cf. section 4.4.1	<i>1 000 000.00</i>
<b>Evaluation</b> – cf. section 5.2 <b>Audit</b> – cf. section 5.3	<i>250 000.00</i>
<b>Strategic communication and Public diplomacy</b> – cf. section 6	<i>250 000.00</i>
<b>Totals</b>	<i>26 000 000.00</i>

#### **4.7. Organisational Set-up and Responsibilities**

A Programme Steering Committee (SC) will be formed and will meet at least twice per year to endorse strategic orientations, oversee programme execution, and facilitate implementation of the activities. The SC will be chaired by MoSD. It will include representatives from MoPIC and other relevant government institutions (MoF, etc), as well as the EU Delegation as observer. Implementing partners (either through direct management or the pillar assessed entity under indirect management) will act as Secretariat to the SC. The SC will monitor the overall implementation of the intervention, review progress and consider sustainability and possible exit strategies, coordinate the different components and guide to the successful achievement of the objectives. It will also help co-ordinate between other institutions and groups likely to be involved in the project (other donors, civil society representatives, private sector). The SC discussions will feed into the policy dialogue with the MoSD.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action.

### **5. PERFORMANCE MEASUREMENT**

#### **5.1. Monitoring and Reporting**

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its Outputs and contribution to the achievement of its Outcomes, and if possible at the time of reporting, contribution to the achievement of its Impacts, as measured by corresponding indicators, using as reference the logframe matrix (for project modality) and the partner's strategy, policy or reform action plan list (for budget support).

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Arrangements for monitoring and reporting, including roles and responsibilities for data collection, analysis and monitoring: The GoJ organ for data collection, analysis and monitoring is the Department of Statistics. Under NSPS 1, a Monitoring & Evaluation system was set up at the level of MOSD that tracks implementation of the NSPS across all the different GoJ entities involved. This system may be continued under NSPS 2. The EU is currently supporting the set-up and drafting process for NSPS 2 and is in an optimal position for policy dialogue towards the continuation of this activity also under this second phase.

Monitoring and reporting shall assess how the action is considering the principle of gender equality, human rights-based approach, and rights of persons with disabilities including inclusion and diversity. Indicators shall be disaggregated at least by sex and, where possible, by disability.

## 5.2. Evaluation

Having regard to the nature of the action, a final evaluation will be carried out for this action or its components via independent consultants.

It will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that how the different components are interlinked and how they contribute to the overall objective of this action and its sustainability.

The evaluation of this action may be performed individually or through a joint strategic evaluation of budget support operations carried out with the partner country, other budget support providers and relevant stakeholders.

The Commission shall inform the implementing partner at least 1 month in advance of the dates envisaged for the evaluation exercise and missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

The evaluation shall assess to what extent the action applied the human rights-based approach as well as how it has contributed to gender equality and women's empowerment and disability inclusion. Expertise on human rights, disability and gender equality will be ensured in the evaluation team.

Evaluation services may be contracted under a framework contract.

## 5.3. Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

## 6. STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

All entities implementing EU-funded external actions have the contractual obligation to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. To that end they must comply with the instructions given in the 2022 guidance document [\*Communicating and raising EU visibility: Guidance for external actions\*](#) (or any successor document).

This obligation will apply equally, regardless of whether the actions concerned are implemented by the Commission, the partner country, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU Member States. In each case, a reference to the relevant contractual obligations must be included in the respective financing agreement, procurement and grant contracts, and contribution agreements.

For the purpose of enhancing the visibility of the EU and its contribution to this action, the Commission may sign or enter into joint declarations or statements, as part of its prerogative of budget implementation and to safeguard the financial interests of the Union. Visibility and communication measures should also promote

transparency and accountability on the use of funds. Effectiveness of communication activities on awareness about the action and its objectives as well as on EU funding of the action should be measured.

Implementing partners shall keep the Commission and the EU Delegation/Office fully informed of the planning and implementation of specific visibility and communication activities before the implementation. Implementing partners will ensure adequate visibility of EU financing and will report on visibility and communication actions as well as the results of the overall action to the relevant monitoring committees.

Communication and visibility activities might be coordinated with Jordan's communication on the policy itself and/or its results. Strengthening Jordan's capacities to communicate on its policy, on the related actions and on the expected/achieved results may also be considered in this context. Actions related to communication and visibility will be coordinated with the strategic communication actions of the EU Delegation, to ensure coherence of narrative and message, as well as horizontal strategic communication.

## Appendix 1: IDENTIFICATION OF THE PRIMARY INTERVENTION LEVEL FOR REPORTING IN OPSYS

The present Action identifies as:

<b>Contract level</b> (i.e. Grants, Contribution Agreements, any case in which foreseen individual legal commitments identified in the budget will have different log frames, even if part of the same Action Document)		
<input checked="" type="checkbox"/>	Single Contract 1	SO1 – Budget Support
<input checked="" type="checkbox"/>	Single Contract 2	SO2 – Procurement
<input checked="" type="checkbox"/>	Single Contract 3	SO2 – Indirect management with pillar assessed entity