

Action Fiche for Jordan

1. IDENTIFICATION

Title/Number	EU Support for the second phase of education reform (ENPI/2011/022-722)		
Total cost	EU contribution: EUR 23 million		
Aid method / Method of implementation	Sector Policy Support Programme (SPSP): - Sector budget support (centralised management) - Project Mode (centralised management)		
DAC-codes	11120, 11130, 11240, 11330	Sector	Education

2. RATIONALE AND COUNTRY CONTEXT

2.1. Country context and rationale for SPSP

2.1.1. *Economic and social situation and poverty analysis*

In 2009, the country had a gross national income of USD 5,840 per capita (in purchasing parity terms)¹, and is classed as a lower middle income country². The United Nations Development Programme (UNDP) Human Development Index (HDI) for 2010 classifies Jordan as a country with high human development (rank 82 from 169 ranked countries), which closely corresponds with Jordan's Gender-Related Development Index (GDI) of 76.³ The UNDP Multidimensional Poverty Index (MPI)⁴ is low at 0.010, with less than 2% of the population living on less than USD 1,25 (PPP) a day.⁵

2.1.2. *National development policy*

The National Agenda (2006-2015) is the guiding document for the national development policy and strategy. Its main objective is to improve the quality of life of Jordanians through the creation of income-generating opportunities, the improvement of standards of living and the guarantee of social welfare.

In terms of public education, the National Agenda indicates that the centralised governance and bureaucracy continues to be a deterrent to progress in public education. Despite recent improvements, key issues remain such as, inter alia, low enrolment in pre-school education and the need to improve curricula and teaching quality across all levels of public education. In response to the challenges, it was agreed to expand public kindergartens particularly in poor and rural areas and to particularly improve the quality of basic and secondary education, thus shifting the focus from access to quality issues. In order to create an articulation among the

¹ World Development Indicators database, World Bank, September 2010.

² World Bank List of Economies, September 2010.

³ UNDP Human Development Report 2010:144 (HDI) and 157 (GDI).

⁴ The MPI represents the share of the population that is multi-dimensionally poor, adjusted by the intensity of the deprivations suffered.

⁵ UNDP Human Development Report 2010:161.

different reforms in this field, the National Agenda proposed to create a Higher Council for Human Resources Development, although to date the council has not yet been established. There is an urgent need for articulation of the 3 reforms of Human Resources Development (Education reform, Higher Education reform and Employment and Technical Vocational Education and Training (E-TVET) reform) especially in a context of budgetary crisis.

2.2. Sector context: policies and challenges

Since 2002 Jordan has 4 education sector policy vectors: (i) structuring the system to ensure lifelong learning; (ii) ensuring responsiveness of the system to the economy; (iii) accessing and utilising information and communications technologies to support effective learning and system management; (iv) ensuring quality learning experiences and environments. The objectives have been translated into a reform support programme, funded by different donors, called Education Reform for the Knowledge Economy (ERfKE).

In 2005, the **National Agenda 2006-2015** was developed, aiming at economic development; improvement of social welfare and security; fostering basic rights and freedom; and further development of services, infrastructure and economic sectors. Its policies guided the formulation of the **National Education Strategy 2010-2014** (Ministry of Education 2009). Both the National Education Strategy and the review of the ERfKE I have been used to inform the design of the ERfKE II investment programme, focussing on seven priority domains for change and development. The **5-year Strategic Plan 2010-2014** (Ministry of Education, 2009) addresses seven specific domains, i.e. (i) governance, (ii) finance of education, (iii) pre-school education, (iv) Human Resources, (v) safe teaching and learning environment, (vi) “the learner” including issues such as curricula and learning resources, assessment, school health and nutrition, vocational education, professional skills and employability, and (vii) quality assurance.

The programme is coherent with the priorities set down in the Joint Communication of 8 March 2011 of the European Commission and the High Representative of the Union for Foreign Affairs and Security Policy, entitled "A Partnership for Democracy and Shared Prosperity with the Southern Mediterranean". It provides a strong focus in the improvement of the education system, one of the priorities set out in the communication.

Sector budget and its medium term financial perspectives

Up until 2008, the national budget had a faster growth rate than the budget of the Education sector. This tendency was reversed from 2009 onwards. In 2009, the national budget was more severely cut, as a result of the financial crisis, than the budget of the Ministry of Education. In 2010, the actual expenditure of the Ministry of Education will be larger than the budgeted figure of Jordanian Dinar (JOD) 555 million (10.2% of the national budget), since an increase in teachers' salaries by 15% was decided after the budget law was passed. This increase will add around JOD 50 million to the Ministry of Education budget, raising the Education sector expenditure to around 11% of the national budget. More raises in teachers' salaries should take place in the future. The cost of the ERfKE II programme has been estimated at around USD 410 million, with $\frac{3}{4}$ of that amount devoted to infrastructure. The financial contribution of the Government to the programme stands currently at USD 69.5 million. Although three donors have confirmed their contribution to the programme (United States Agency for International Development (USAID),

Canadian International Development Agency (CIDA) and Japan International Co-operation Agency (JICA)), there is still a financial gap of USD 141 million.

The preparation and execution of the budget in general and over the medium term has witnessed important improvements in recent years. The Medium-Term Expenditure Framework (MTEF) was introduced for the first time in the 2008 budget, with a forecast for the period of 2008-2010, and repeated annually ever since. The 2011-2013 MTEF, to be ready this year will therefore be the fourth one to be prepared, which means that the country is still at an early stage of the MTEF introduction. Jordan can be considered as having made progress towards putting in place the main elements of a basic MTEF architecture and having progressively developed and strengthened the linkages between sector policies and budget allocations through the MTEF.

Sector and donor coordination framework: Overall, the Ministry of Planning and International Co-operation is responsible for coordinating donor activities, and an annual meeting on Human Resources (including education) has been held for the last two years. Although results so far are good, the experience of the current EU programmes in the education sector shows that coordination should be further strengthened in the future, so as to have more effective results. This was also a conclusion of the most recent Results Oriented Monitoring mission to the country.

Institutional setting and capacity assessment: The Government has continued the reform momentum through ERfKE II which was launched in March 2010, and has adopted a focused and targeted approach striving to deepen and broaden the transformation of education programmes and services. However, there is still a need for better coordination between the central and the decentralised levels. Overall, the central services concentrate too many operational tasks, which should rather be devolved to the Field Directorates and to the school level. This devolution would result in a stronger inclusion and utilisation of the decentralised Field Directorates in the institutional design for managing and implementing education in Jordan.

Performance monitoring system: The extension of the monitoring and evaluation capacity of the education sector has emerged in the last few years as a major priority for the Ministry of Education. Currently, a review of structures and functions is underway and will be followed by a review of processes, roles and responsibilities. The restructuring process of the Ministry of Education is expected to receive final approval soon, following the formulation of the Planning and Educational Research Management Directorate, and the subsequent establishment of four departments within the Directorate, including a specific directorate for Educational Research and Studies including monitoring and evaluation. Progress in terms of strengthened strategic planning processes, including strengthening of the performance monitoring system, is visible to a considerable degree. Performance monitoring includes both internal and external monitoring and evaluation. The internal monitoring and evaluation of the reform will be the responsibility of the Directorate of Research and Studies whilst the external monitoring and evaluation will be done by the National Centre for Human Resources Development (NCHRD).

Macroeconomic framework: Given the international financial crisis and economic slowdown experienced in the world economy over 2009, Jordan has been less unfortunate than other countries. Nonetheless the economy was affected and growth shrunk from 7½% in 2008 to 2½% in 2009 (International Monetary Fund (IMF) Article IV Consultations 2010 updated figures). Due to a decline in growth and a

shortfall in external grants, pressures on the fiscal position intensified in 2009 and the budget deficit rose to 8.8% of GDP including grant aid and 12.5% excluding grant aid, at the beginning of 2010. This widening of fiscal imbalances occurred despite vigorous efforts taken by the authorities to reduce spending in the second half of 2009, by limiting current spending and applying large cuts to capital spending. Consequently, the Ministry of Finance maintained its stringent fiscal policy adopted since beginning of 2010 to address the overall deficit, and reduce it by 1% each year for 5 years to reach 3% of GDP. The 2010 budget illustrates this approach. It shows noticeable reduction in public expenditure while providing sufficient funds for the major initiatives that are in line with the government of Jordan national priorities such as water, energy and transportation projects. The government appears to be confident that the economy will achieve a growth rate of over 3.5% in 2010 and an average of 5% in the medium term.

Public Financial Management (PFM): The Government of Jordan has made considerable progress in advancing PFM reforms in particular in the fields of debt management, external scrutiny and audit, financial reporting as well as transparency. Furthermore, progress was made in creating a formal cash flow mechanism that aims at providing cash revenue forecasts on a weekly basis and improving coordination between the Treasury and revenue collecting agencies.

2.3. Eligibility for budget support

The policy framework for education clearly shows overall coherence with Jordan's overarching development policy and is consistent with EU development objectives. The following eligibility criteria for the use of budget support have been met:

- (1) a well defined sector policy exists, on the basis of which the government develops and implements the sector measures.
- (2) a stability-oriented macroeconomic policy is in place and is implemented.
- (3) a credible and sound system and policy of public financial management is in place and is implemented.

2.4. Lessons learnt

Important lessons learnt from the previous EU budget support interventions primarily refer to the adequacy and appropriateness of selected and monitored indicators. Previously, different sources of data at the Ministry of Education (from the Education Management Information System (EMIS) and the Department of Statistics respectively) resulted in setting targets difficult to monitor or/and having been ambiguous in their interpretation. Sources of verification should be clear and simple.

Monitoring systems based on existing government procedures need to be agreed upon. Since a budget support operations relies on the performance management structures of the partner country, the credibility of data generated through existing monitoring systems needs to be clearly acknowledged by all parties involved, in order to avoid the establishment of parallel systems. Programme implementation needs to be guided by the principles of the Paris Declaration and current EU guidelines in order to make technical co-operation more effective.⁶

Also, experience from the ongoing formulation process regarding the forthcoming EU-funded support to E-TVET shows that the number of involved institutions should

⁶ European Commission Guidelines No. 3, *Making Technical Co-operation More Effective*, March 2009.

be kept as low as possible, in order to avoid fragmentation and also in the interest of facilitating easy management. The interventions of EU agencies and member states should be further coordinated, especially those of the EU and the European Investment Bank (EIB), starting from the identification phase and for EU advocacy and visibility purposes.

2.5. Complementary actions

The EU has provided significant support in the past years to the Education Reform, including to the access to education of Iraqi refugees (more than EUR 68 million in total from 2006 to 2010, through two budget support operations). Both programmes encompass the Ministry of Education's interventions to address the Education Reform including ERfKE I and II, and were concluded at the end of 2010. EIB contributed USD 45 million in ERfKE I for school construction, and will soon start the identification of a possible contribution to ERfKE II.

The EU has approved in 2009 a sector support programme to the E-TVET strategy that addresses the needs of the vocational education sub-sector. This programme, on the other hand, will particularly focus on human resources development in the education sector (educational management, planning, EMIS, teacher development) and the educational sub-sectors of pre-primary and special needs education. In that regard, these two EU initiatives complement each other and can potentially lead to synergetic effects within the whole sector context. This EU support is further directed towards the existing funding gaps in ERfKE II.

Almost all the Technical Assistance (TA) under ERfKE II will be financed from grants support. USAID, CIDA and JICA have already committed substantial grant funds for this purpose. The Islamic Development Fund and the Arab Fund are also interested. USAID in particular is an important partner in the area of pre-primary education and professional development, with complementary actions predominantly in the area of infrastructure renovation and the improvement of learning conditions in kindergartens.

2.6. Donor coordination

Donor coordination in Jordan is mainly done through three mechanisms, i.e. (i) the involvement of Development Partners in the General Policy Steering Committee and its four sub-committees; (ii) the involvement of Ministry counterpart teams in all donor technical assistance initiatives to ensure the engagement of Ministry personnel and the development of sound processes and working relations in the deployment of coaching, mentoring, training and authentic capacity building; and (iii) the use of regular reporting mechanisms between the Ministry implementation groups and the Development Partners (DPs). The implementation of previous EU programmes was based on strong and effective partnerships between various levels of Ministry staff, funding representatives and groups of DPs through steering committees, counterpart relationships, internal working groups and sub-groups of DPs.

3. DESCRIPTION

3.1. Objectives

The **general objective** of the programme is to support Jordan's Human Resources Development.

The **specific objective** is to provide support to the second phase of the education sector reform (Education Reform for the Knowledge Economy – ERfKE II).

3.2. Expected results and main activities

Within the framework of supporting existing government priorities, it is expected that the support provided under this Programme will produce the following results:

- (e) the strengthening of capacities at the Ministry of Education's central and field directorate level, particularly regarding monitoring and evaluation.
- (f) the strengthening of the Planning and Educational Research Management Directorate.
- (g) an operational Education Management Information System aligned with current monitoring and evaluation requirements.
- (h) the continued extension of access to, and quality of, early childhood education particularly in underprivileged areas.
- (i) the improvement of teacher professional development in pre-service and in-service contexts, including the adoption of a strategy for continuous professional appraisal of teachers.
- (j) strengthened special needs education strategies leading to an enhanced provision of special needs education.

Specific activities will be carried out by the Ministry of Education under the activity plan for ERfKE II.

The budget support component of the programme aims to support the government to secure the budgetary allocations required for the implementation of its operational plan, according to the planned timetable.

The aim of the complementary support component, constituted by TA and/or twinnings, is to strengthen local capacities in order to ensure that, over the medium-term, the capacity of the administration is enhanced and the reform may rely on the internal administrative structures of ministries and other agencies. The technical assistance and/or twinnings will aim at strengthening the local capacities mainly on:

- Planning, Monitoring and Evaluation.
- Professional Development of Education Staff.

Non key experts and studies could be mobilised by the government according to the priorities of the education sector strategy.

3.3. Risks and assumptions

Overall, it is assumed that (i) government's support particularly for the education sector will continue; that (ii) the Ministry of Education remains committed to strengthening sector and Human Resources Development coordination; and (iii) that managers and staff of monitoring and evaluation are engaged in the organisational restructuring of the sector and the foreseen deconcentration/decentralisation process.

Risks involved in the programme mainly concern the reliability of data for monitoring indicators relevant for tranche releases, since that posed certain problems during the implementation of the previous two EU education programmes. However, due to the strengthening of the planning and of the monitoring and evaluation

structures and the integral support through technical assistance as part of the programme, this risk can be directly mitigated.

It should be noted that the rotation of Ministers and Secretary Generals of the Ministry of Education has been very frequent in the past 3 years. This might affect particular ways of addressing some issues, although it seems that it would not affect government's commitment to the sector and the reform vision. It will be important to retain qualified staff in technical areas, in order to ensure the reform's sustainability and ultimate success. This will require tackling professional development of staff (including the recruitment and incentive systems).

3.4. Stakeholders

The final beneficiaries will be the students in Jordan since they will be affected directly by an improved education system particularly in terms of management and quality. Key stakeholders are education administrators at central and field directorate levels, as well as practicing educationalists such as teacher trainers (university lecturers), kindergarten and school teachers and head-teachers. Additional stakeholders include the Ministry of Education at central and field directorate levels, the Ministry of Planning and International Co-operation, National Centre for Human Resources Development (NCHRD), the Economic and Social Council and the society at large.

3.5. Crosscutting Issues

Education is not only a human right (for both genders) but also a very meaningful tool for achieving inclusion and other human rights related to disabilities, equal empowerment of disadvantaged groups, non-discrimination, environmental concerns, etc. As much as possible, this Education support programme will put an emphasis on equal representation of both genders in training activities. In addition, the ERfKE programme also tries to generate important linkages to the strengthening of decentralised levels of the education system, thus creating inter-sectoral bridges to other initiatives in this regard.

4. IMPLEMENTATION ISSUES

The programme will be implemented through a combination of Budget and Project Support modalities.

4.1. Method of implementation

The Sector Budget Support component will be implemented through direct centralised management.

The project component will be implemented through direct centralised management.

4.2. Procurement and grant award procedures

1) Contracts

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

Participation in the award of contracts for the present action shall be open to all natural and legal persons covered by ENPI⁷. Further extensions of this participation to other natural or legal persons by the concerned authorising officer shall be subject to the conditions provided for in article 21(7) of the ENPI regulation.

2) Specific rules for Grants

The essential selection and award criteria for the award of grants are laid down in the Practical Guide to contract procedures for EU external actions. They are established in accordance with the principles set out in Title VI 'Grants' of the Financial Regulation applicable to the general budget. When derogations to these principles are applied, they shall be justified, in particular in the following cases:

- Financing in full (derogation to the principle of co-financing): the maximum possible rate of co-financing for grants is 80%. Full financing may only be applied in the cases provided for in Article 253 of the Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of the Financial Regulation applicable to the general budget of the European Union.
- Derogation to the principle of non-retroactivity: a grant may be awarded for an action which has already begun only if the applicant can demonstrate the need to start the action before the grant is awarded, in accordance with Article 112 of the Financial Regulation applicable to the general budget of the European Union.

4.3. Indicative budget and calendar

The total allocation for this programme is EUR 23 million.

The allocation for the sector budget support component is estimated at EUR 20 million. Four tranches of budget support disbursements are indicatively foreseen.

The allocation for complementary support measures for the programme is estimated at EUR 2.4 million for twinning and/or technical assistance activities and at EUR 0.6 million for evaluation, audit, communication and visibility.

Indicative Budget Breakdown

Component	Total amount (EUR million)	Implementation mode
Budget Support	20	Centralised
Twinning/s and/or Technical Assistance	2.4	Centralised
Audit, evaluation and visibility	0.6	Centralised
Total	23	

The programme is indicatively foreseen to have an operational duration of 36 months as from the date of signature of the respective Financing Agreement.

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Regulation (EC) No 1638/2006 of the European Parliament and of the Council of 24 October 2006 laying down general provisions establishing a European Neighbourhood and Partnership Instrument, OJ L 310 of 9/11/2006.

4.4. Performance monitoring and criteria for disbursement

The performance evaluation preceding the disbursement of the tranches will be undertaken by the European Commission through monitoring missions, mobilised in principle twice a year. In each year, the first mission will review that the programme is on track ensuring that a common understanding exists among stakeholders concerning the processes and time-frame of actions required to meet the specific conditions. The second mission will undertake the detailed performance monitoring of the general and specific reform benchmarks.

It will be ensured that key performance indicators for this programme are part and parcel of already existing indicators for monitoring the performance of ERfKE. During performance monitoring for the programme, government monitoring systems will be used whenever possible. These systems may be complemented by additional sources of information if necessary.

4.5. Evaluation and audit

Provisions for evaluation and audit are included in the budget. A final evaluation at the end of the programme is compulsory. Other evaluations may be undertaken by the Commission if necessary. Detailed arrangements for audits will be included in the technical assistance and twinning contract(s) as necessary.

4.6. Communication and visibility

Discussions between the EU and government at Ministerial level will be utilised for providing high visibility of the programme and the reform, especially by organising media coverage of such events. All studies, reports, trainings and seminars supported under this programme will highlight the EU's financial support. All training materials, logos, stickers and banners printed for those events will also highlight very clearly this support. Likewise, training certificates issued will also carry the EU logo next to the logos of the issuing authority/ies. In general, contractors will be expected to familiarise themselves with the EU Visibility Guidelines.⁸

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Communication and Visibility Manual for European Union External Actions. EuropeAid: July 2009 available at http://ec.europa.eu/europeaid/work/visibility/index_en.htm.