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**ANNEX 2**

of the Commission implementing Decision on the 2014 special measure in favour of Jordan for the Syria crisis to be financed from the general budget of the European Union

**Action Document for budget support to the Ministry of Education to deal with the Syrian refugee crisis**

**1. IDENTIFICATION**

Title/Number	Budget support to the Ministry of Education to deal with the Syrian refugee crisis CRIS number: ENI/ 2014/037-650		
Total cost	Total amount of EU budget contribution of EUR 45 million, of which: EUR 42.5 million for budget support EUR 2.5 million for complementary support		
<b>Budget support</b>			
Aid method / Management mode and type of financing	Direct management Sector Reform Contract		
Type of aid code	A02 – Sector Budget Support	Markers 11120, 11130, 11220, 11320	BSAR
DAC-code	51010 – General Budget Support	Sector education	Education 11200
<b>Complementary support</b>			
Aid method / Management mode and type of financing	Direct management Grants- call for proposals Project approach - procurement of services		
DAC-code	11120, 11130, 11220, 11320	Sector	Education

## **2. RATIONALE AND COUNTRY CONTEXT**

### **2.1. Summary of the action and its objectives**

The overall objective is to assist the Government of Jordan to enhance services to help 140,000 displaced Syrian children to reintegrate the educational system by providing them with the education they need and accompanying teacher training and psychosocial support for the school years 2014-2015, 2015-2016 and 2016-2017. This programme aims at enhancing the capacity of primary and secondary education institutions in refugees' camps and host communities.

The following purposes are to be defined:

Purpose 1: To provide education in primary and secondary schools free of charge for up to 140,000 Syrian refugee children;

Purpose 2: To support pupils in host communities and camps by providing them with school books for up to 140,000 Syrian refugee children;

Purpose 3: To pay for teacher salaries to provide education in the camps and the double shift schools for up to 3,500 teachers;

Purpose 4: To pay for utilities, classroom furniture and stationary of up to 140 schools for the double shift;

Purpose 5: To open schools free of charge for other activities for Syrian refugees;

Purpose 6: To provide additional services in the double shift schools and in camps for library, computer and science education as well as accompanying inspection, psychosocial support and teacher training;

Purpose 7: To engage with civil society (parental) organisations in the camps and host communities with the (double shift) schools in the host communities and camps.

The current budget support programme is in total EUR 59.6 million, out of which EUR 29.6 million is specifically targeted to cope with the Syrian refugee crisis. This is being implemented under the EU Support to the Second Phase of the Education Reform (EUSSPER) programme<sup>1</sup> for the school years 2013-2014 and 2014-2015. The new budget support programme which is described in this action document is aimed to top-up and extend the existing budget support programme of EUR 29.6 million. The budget support for Syrian refugee children was calculated on the basis of 70,000 pupils while the current figure has risen to 120,000 registered pupils in host communities and camps (figures of May 2014 according to the United Nations Children's Fund - UNICEF). The numbers are expected to rise to 140,000 in the school year 2014-2015 following a back-to school campaign by UNICEF.<sup>2</sup>

Thus, the present action provides budget support for the education sector and aims to aid the Government of Jordan to continue to provide quality education services in the field of primary and secondary education in Jordan.

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<sup>1</sup> C(2013) 6380 of 27 September 2013.

<sup>2</sup> However, it is noted that the current registration figures don't reflect the actual school participation rates which are lower. So far, retrieving accurate data on attendance rates is very difficult. The lack of information is tackled through a framework contract on education monitoring that has started in September 2014 and the development of an open education management information system (EMIS) at the Ministry of Education by the United Nations Educational, Scientific and Cultural Organization (UNESCO).

## **2.2. Country context**

### *2.2.1. Main challenges towards poverty reduction/inclusive and sustainable growth*

Jordan's economy grew steadily from 1999 to 2006, when gross domestic product (GDP) growth peaked at 8.0%. This period of growth led to a subsequent drop in poverty rates from 1997 (9.8%) to 2006 (6.1%), due in part to income gains but mostly as a result of Government of Jordan actions to provide subsidies and social protection measures to ensure the well-being of its population. However, in recent years, a number of forces have combined to threaten the sustainability of these gains. The global financial and economic crisis that began in late 2008 led to a sharp drop in global demand, which negatively impacted Jordan's exports. Virtually every class of goods and services exported from Jordan saw a significant drop in export volume between 2008 and 2009. Despite a number of positive policy changes in response to the worsening crisis, remittances and foreign direct investment shrank. In addition, following the advent of the Arab Spring, tourism revenues, Jordan's second largest contributor to GDP, dropped by roughly USD 568 million (16.5%), reflecting a 20% decline in the number of visitors. At the same time, regular supply of cheap natural gas from Egypt that long provided 80% of Jordan's electricity needs was severely interrupted by repeated detonations of the gas pipeline, with each interruption costing Jordan USD 3-5 million per day as the Government was forced to find alternate and more costly fuel sources.

Despite Jordan's relatively high score on the Human Development Index (HDI) the Kingdom's gross national income (GNI) is below the average for medium HDI country. In terms of poverty reduction, the related Millennium Development Goal is considered achieved, even exceeded. However, income inequality and the widening poverty gap remain a concern (Gini increased between 2008 and 2010 to 35.4).

Sluggish economic growth (2.9% in 2013), high energy/food subsidies, the intensification of the Syria crisis and a bloated public sector workforce, put additional pressure to Jordan's chronically high fiscal and external deficits. Against this adverse environment, macroeconomic stability has been supported by prudent fiscal and monetary policies, as well as by direct budget support by the international community. As a result, the fiscal account recorded a deficit of 11.3% of GDP in 2013 while the current account recorded a deficit of 9.8% of GDP in the same year. Despite these challenges, Jordan has made substantial progress in terms of human development. This is based on consistent levels of spending on human development like education, health, pensions, and social protection (more than 25% of the GDP). Its HDI value for 2013 is 0.7 positioning the country at 100 out of 187 countries and territories and above the average of other countries in the lower middle-income group.

The absolute poverty rate in the Kingdom stood at 14.2% in 2002, dropped to 13% in 2006, and rose to 13.3% in 2008. In 2010, it was 14.4% but due to a change in the calculation methodology, it cannot be compared with previous years. With population growth, the total number of households falling under the absolute poverty line has actually increased. Moreover, while incidence of poverty is higher in rural areas (16.8%) compared to urban areas (13.9%), there are in fact vastly greater numbers of poor in urban areas (80%) compared to rural areas (20%). This means significant regional disparities persist: the benefits of growth have been concentrated mainly in the capital and a few large cities. Jordan's economic participation rates among the lowest globally, with only 35-40% of the population above the age of 15

economically active and one of the lowest employment-to-population ratios. Merely 14% of women participate in the labour force, in comparison to 65% of men.

With 70% of Jordan's population under 30 years of age, it is estimated that 80,000 new jobs will be needed each year to avoid higher levels of unemployment and poverty. The unemployment rate among youth aged 15-24 years is estimated at nearly 60%. The unresolved issues of poverty, inequality and ineffectiveness of social policy highlight shortcomings and omissions that have been accumulating over the past years, the major ones being a lack of a coherent policy to reduce poverty, promote employability and limited public sector capacity. The 'working poor' represent 55.2% of the working-age poor population. The share of working poor is higher in urban areas (57.7%), than in rural areas (44.9%).

The private sector is constituted mostly of micro, small and medium enterprises (MSMEs), with 99% of enterprises having less than 50 employees. They are concentrated in a few geographic centres (notably Amman) and on a limited number of economic activities. The sector struggles to unleash its potential due to lack of access to credit and to a business environment that is not conducive to start-ups and expansion. The factors outlined above are compounded by the migration pattern that sent the best and brightest Jordanians to work in the Gulf, and opened doors for unskilled foreign workers to enter Jordan. The private sector thus was faced with a Jordanian workforce that is not prepared for private sector work, and a foreign workforce that is unskilled. Private sector investment is therefore tilted towards the low skill, low wage, and low productivity sectors.

Syrian refugee inflows and rerouting of regional tourism to Jordan contributed to boosting domestic demand and supporting the recovery of tourism and the growth of related services. This significantly increased pressure on public service provision and worsened public finances further. Public finances have also been negatively impacted by the conflict and the associated surge in refugees to Jordan. According to the latest United Nations High Commissioner for Refugees (UNHCR) data over 600,000 Syrian refugees are in Jordan in host communities and refugee camps. The agencies predict that there will be 800,000 refugees from Syria in Jordan by the end of 2014. Presently (July 2014) there are 308,084 children in the age group 0 to 18, and more than one third of the children currently go to school in schools in host communities or in refugee camp schools.

### 2.2.2. *Fundamental values*

As underlined in the European Neighbourhood Policy (ENP) Progress Report 2013, Jordan advanced on a number of issues but also faces still some unresolved challenges. Parliamentary elections which took place in January 2013 were well administered and carried out in a transparent manner, governed by the electoral law amended in 2012. A number of shortcomings of this law do however undermine the protection of universally accepted principles, such as the equality of votes and universal suffrage. In early January 2014, Parliament amended the State Security Court (SSC) law, which restricts the scope of action of this military court, but does not eliminate the possibility of civilians being tried before it. The amendments to the press and publications law, adopted in September 2012, entered into force in early June 2013. They introduced a number of requirements relating to the operation of online news portals, which the media and civil society view as a way of imposing limits on freedom of expression and adding liabilities for the editors in-chief and owners for the content posted on the sites.

## **2.3. Eligibility for budget support**

### *2.3.1. Public policy*

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) which is aimed at strengthening the basic education sector.

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 programme is coherent with the priorities set down in the Joint Communication of 8 March 2011 "A Partnership for Democracy and Shared Prosperity with the Southern Mediterranean"<sup>3</sup>. It provides a strong focus in the improvement of the education system, one of the priorities set out in the communication.

In September 2014, the Ministry of Planning and International Cooperation (MoPIC) established the Jordan Response Platform for the Syrian Crisis (JRPSC), using the structures and set up of the pre-existing Host Community Support Platform (HCSP) established in September 2013 as its backbone. This platform also deals with the support to education. The JRPSC will implement the Jordan Response Plan (JRP) that is currently under development for the year 2015 and which brings together development and humanitarian responses to the Syrian crisis under one integrated planning and coordination framework. The JRP for 2015 is based on the recently endorsed multi-annual National Resilience Plan (NRP) 2014-2016 and the Regional Response Plan (RRP). The United Nations Development Programme (UNDP) is supporting the drafting of the JRP and the eleven task forces and working groups established under the JRPSC. In addition, the programme builds upon the achievements of the HCSP Platform and of its Secretariat established by UNDP, with UNDP and UN Women funding and in-kind support from the Office for the Coordination of Humanitarian Affairs (OCHA) and UNHCR.

#### *Brief description of the sector*

Jordan has in recent years adopted social, economic, educational and environmental policies that are inclusive, committed, and aligned with the Millennium Development Goals. Political will at the highest level has been translated into practical efforts towards developing human resources, and this has reflected in considerable progress on many socio-economic indicators over the course of the last decade.

Successive movements from neighbouring populations (Palestinians, Iraqis, and now Syrians) have placed an additional strain on national schools, already burdened by the shifting of thousands of students (most of them Jordanian) from the private to the

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<sup>3</sup> COM(2011) 200.

– cheaper - public school system. Employment and technical and vocational education reforms to improve access of Jordanians to the labour market (and as a corollary to reducing the numbers of foreign workers) and to equip youths with skills better adapted to the job market requirements are also challenged by the inflow of refugees, with the inevitable increase of black market employment.

The key challenge for the Government of Jordan is to maintain the course of reforming the education sector while shouldering the burden of accommodating a large number of additional students in the already overstretched national school system.

The sector stands under strong pressure to deliver on the Government's commitment – since late 2011 – to open access to national schools to Syrian refugee children. The needs in this area are among the most urgent: as Syrians have been entering Jordan since early 2011 and continue to do so, families and individuals have been displaced for more than 18 months in some cases. Children and youths may have been deprived of access to education for a considerable period of time while in Jordan, but also while in Syria, given the risks associated with accessing schools across the country. At the present moment (data UNHCR June 2014) 604,000 refugees have been registered.

#### *Brief description of the main features of the public policy*

Education reform is a top priority of the Government of Jordan. Set in the framework of the ERFKE II platform, it aims to improve the quality, access and performance of the national school system. Based on the National Agenda, the National Education Strategy, and the review of the ERfKE I<sup>4</sup> the second education investment programme (ERfKE II) focuses on seven priority domains for change and development laid out in a 5-year Strategic Plan 2010-2014<sup>5</sup> and 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.

One of the key challenges of the reform implementation is linked to the improvement of the physical learning environment. A study undertaken in 2011 indicates that according to the Ministry of Education (MoE) criterion 1,244 (36.5%) of public schools are considered overcrowded in Jordan. This situation is worsening with the transfer of students from private to public schools in the past 3 years due to economic reasons (private school fees increasing by 20-30% in 2012-2013). It is further aggravated by the arrival of Syrian children in the schools, particularly in the North of the country.

Since December 2011, Syrian children can register freely in public schools, contingent on UNICEF supporting the Ministry of Education to cover the associated costs<sup>6</sup>. The numbers of pupils have been growing steadily over 2012 and 2013 and the original forecast for the budget support under the EUSSPER programme was about 70,000 pupils to be registered in the school year 2013-2014. However, these

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<sup>4</sup> National Center for Human Resources Development, 2009.

<sup>5</sup> Ministry of Education, 2009.

<sup>6</sup> Protocol between UNICEF and Ministry of Planning and International Cooperation signed on 2/04/2012.

numbers have been surpassed and in June 2014 -according to data provided by the Ministry of Education and confirmed by UNICEF- some 120,000 pupils are registered in public schools in Jordan. However, registration is not always attendance.

From the 600,000 Syrian refugees registered in Jordan, some 300,000 are in the school going age. In 2013 it was estimated<sup>7</sup> that only a third of Syrian refugee children actually followed formal education. For various reasons families are reluctant to send children to school (security concerns, expectation of speedy return home, inability to cover auxiliary costs, transport, etc.). UN and partners' outreach campaigns to raise awareness about the right to school and its benefits, promotion of informal education services including by using public facilities another activities are necessary complements to the herewith proposed institutional support. However the successful back to school campaign from UNICEF in January 2014 has increased the participation rate considerably and some 120,000 pupils have been registered, leading to some heavily overcrowded schools in the camps. Separately, some it is estimated that some 10,000 pupils follow courses in skills training, non-formal and informal education.

#### *Policy relevance*

Jordan's key asset is its human capital and its educated youth. Job creation is, as in many parts of the region, Jordan's most critical socio-political challenge. The capacity of the Jordanian leadership to address it has a direct bearing on its internal stability. Consequently human resources development, education and vocational training are key pillars of the National Development Agenda. Education sector reform receives substantial donor support to upgrade and the education systems and curricula in Jordan<sup>8</sup> and is one of the most fruitful areas of policy dialogue.

The recent mid-year joint donor supervision mission of the education reform<sup>9</sup> highlights that the current overburdening of the education system threatens the implementation of the reform as a whole, in particular in relation to management capacity, crowdedness of schools, teacher needs, resources and running costs. The mission witnesses a decline of the education system learning outcome, which is further compounded by the worsening refugee situation.

#### *Policy credibility*

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.

#### *Track record in policy implementation*

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<sup>7</sup> Assessment of Syrian refugees in urban Jordan, Cooperative for Assistance and Relief Everywhere (CARE), 2013.

<sup>8</sup> Including the "Support to the second phase of the education reform in Jordan – Sector support programme" (EUR 33 million).

<sup>9</sup> Aide-mémoire of the ERfKE II multi-donor supervision mission (World Bank May 2013).

Commitment to implementation of the education reform in its various components remains strong. A multi-donor monitoring mission is carried out twice yearly under the auspices of the World Bank. The implementation of ERfKE II continues to be deemed as satisfactory by all donors represented in this supervision mission. Despite the complexity of the project and the mounting number of constraints that the Ministry of Education is facing, ERfKE II continues to make important progress in several areas related to policy development, quality of education interventions and school construction. The mission also raises the concern of the current crisis situation may have a lasting effect on the outcomes of this reform.

#### *Policy financing*

The preparation and execution of the budget in general and over the medium term has witnessed important improvements in recent years. Jordan can be considered as having made progress towards putting in place the main elements of a basic Medium Term Expenditure Framework (MTEF) architecture and having progressively developed and strengthened the linkages between sector policies and budget allocations through the MTEF. But some capacity problems still remain. An education sector public expenditure review is under preparation by the World Bank and is expected by November 2014.

#### *Institutional capacity and ownership*

The Government has continued the reform momentum through ERfKE II 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 and amongst different managing directorates of the Ministry of Education. 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.

#### 2.3.2. *Macroeconomic policy*

Based on the International Monetary Fund (IMF) Staff Visit of June 2014 and the IMF 3rd and 4th review missions and Article IV consultations of March 2014 covering the whole of 2013 and forward looking measures, it is concluded that the authorities pursue a credible and relevant stability-oriented macroeconomic policy in the present circumstances, aiming at restoring fiscal and economic stability in the medium-term and moving towards sustainability in the long term. Nonetheless, challenges remain including potential external sources of instability such as the slow rate of global economic recovery, the increased energy bill arising from unstable gas supplies from Egypt, and regional political instability with the additional cost to the Government due to the hosting of an increasing number of Syrian refugees. Other challenges such as the slow legislative process and structural unemployment problems also remain.

Progressive economic growth is apparent as growth for 2013 increased by 0.2% from 2012 to reach 2.9%. Trade, finance and insurance, and a recovery in construction were the key growth drivers. However, the fiscal position remains vulnerable and the high amount of grants went a long way to help stabilise public finances in 2013. The rising inflation trend for 2013 reflected the removal of fuel subsidies; inflation rose notably since end 2012 and was very much affected by the liberalisation of fuel



prices and higher international food prices. The current account deficit reached 9.8% of GDP in 2013 (down from 15.4% in 2012), helped by lower energy imports, higher transfers, and private receipts. The monetary policy remains strong with a much improved environment as reserves climbed to comfortable levels. However, unemployment remained elevated at 12.6%.

As regards the risk of instability due to the slow rate of global economic recovery and the increased energy bill arising from unstable gas supplies from Egypt, those are being mitigated through adopted measures under the IMF Stand-By Arrangement which aims to reduce the losses of the national electricity company and to maintain fiscal stability. The Government has demonstrated its commitment since end 2012 and adopted difficult policies to address main current challenges to the budget. Moreover, domestic revenue mobilisation measures for 2014 were agreed with the IMF and the 2014 budget is considered appropriate. As regards regional political instability with the additional cost to the Government due to the hosting of an increasing number of Syrian refugees, those are being mitigated by National Resilience Plan 2014-2016 which includes priority responses to mitigate the impact of the Syrian crises on Jordan and on host communities.

### 2.3.3. *Public financial management*

The 2013 public financial management (PFM) annual monitoring report completed in October 2013 reviewed progress in PFM reform implementation. It concluded that the Government of Jordan continues to make sound progress in the implementation of its PFM reform programme and that the PFM system in Jordan is sufficiently well-functioning to ensure the proper utilisation of donor funds, including budget support. Jordan has an integrated and well-functioning PFM system that has been strengthened over the last years through an on-going reform process supported by several donors.

A number of key specific reforms were introduced in the last years such as the medium-term expenditure framework (MTEF) in 2008, a new Chart of Accounts (CoA) compliant with the 2001 Government Finance Statistics Manual (GFSM 2001), a revised budget preparation calendar, the gradual reinforcement of internal control units, and the adoption of the Treasury Single Account (TSA). In addition, the Public Expenditure and Financial Accountability (PEFA) assessment of 2011 compared progress since the first PEFA in 2007 and noted that the overall change trended in a positive direction during the four-year period. The 2013 PFM annual monitoring report confirmed the positive trend, including progress in efforts to expand the use of the Government Financial Management Information System further, improve the budget preparation, improve Audit Bureau reports, improve debt management, modernise internal controls and audit, and apply new information technology systems to improve the collection of tax arrears. Weaknesses persist in budget analysis, confusion remains between the concepts of internal control and internal audit, capacity building for pilot internal control units was not targeted enough and require a plan, and the revised new legislative basis for the Supreme Audit Institutions is yet to be approved by Parliament. Three of the above mentioned weaknesses are targeted in the present programme.

### 2.3.4. *Budget transparency and oversight of the budget*

The Government of Jordan continues to make significant strides in improving financial information transparency and oversight. As per the EU Budget Support Guidelines of September 2012, the entry point for the fourth eligibility criteria –

transparency and oversight of the budget – has been met as the Government of Jordan has published the enacted budget of the past budget cycle (2012/2013) within the respective fiscal year, and that the draft budget for 2014 was published on the internet for wider public reference and use before the end of 2013.

The latest Open Budget Index (OBI) from 2012 places Jordan at 57, much above the 18 OBI for Middle East and North African countries, and the highest index among its Middle East and North African neighbours, and well above the world wide average. The PEFA assessment of 2011 also confirmed notable progress in this area. The General Budget is published and accessible to the general public on the General Budget Department's website since 2009, in draft and final form once approved by Parliament, in Arabic and English.

Efforts to improve the information presented in the General Budget include the new and more detailed classification of the Chart of Accounts into the General Budget preparation since 2008. Since 2010, the new Chart of Accounts classification is applied to capital expenditure, which was therefore expressed in terms of the programmes and activities to be funded; in 2011 this was applied also to current expenditure, and for the first time the final accounts were published, which inform on the actual budget expenditure.

Moreover, in response to popular requests for greater transparency and accountability, the General Budget Department developed two documents aimed at making the General Budget more accessible to the general public: the General Budget Brief which summarises the 2011 budget in a user-friendly manner; and the Citizen's guide which explains the main features of the General Budget Law and its content and it is written in a language suitable for wide public access.

#### **2.4. Lessons learnt**

Support to education reform is one of the key elements of EU-Jordan co-operation, and is fully in line with the revised EU-Jordan ENP Action Plan of 2010, as well as with the underlying objectives of the 2011 Joint Communications “A partnership for democracy and shared prosperity with the Southern Mediterranean” and “A new response to a changing Neighbourhood”<sup>10</sup>. The EU has also supported the Jordanian education system in relation to the presence of displaced Iraqis after 2006.

In 2012 and 2013 there was parity in funding between the programmes responding to the education needs of Syrian refugees between the Ministry of Education and by United Nation agencies and international NGOs. Recent assessments show that this has led to rising resentment among the Government of Jordan and host communities, leading to the introduction of minimum percentage of 30% Jordanians benefiting of assistance. This is why this programme also reflects the benefits of an approach that targets not only the direct beneficiaries (Syrian refugees) but also host communities. In the current funding mechanisms the emphasis is shifting to strengthening the education for all and the implementation capacity of the Ministry of Education as main provider of education.

It is important to involve the Ministry of Finance in all negotiations and to receive guarantees from the Ministry of Finance that the money will reach the Ministry of Education budget. In the first round of budget support not all money was received by the Ministry of Education since, according to the Ministry of Finance, the transaction

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<sup>10</sup> COM(2011) 303 of 25 May 2011.

came during the implementation of the existing fiscal year and no changes were allowed.

## **2.5. Complementary actions**

The EU supports basic education, youth programmes, vocational education and higher education in Jordan. The EU is supporting the Ministry of Education through a budget support (BS) programme from 2011-2014 of EUR 59.6 million, of which EUR 29.6 million is meant for the Syria refugee crisis. The BS programme is supported in parallel by capacity development measures of EUR 3 million. This covers the development of an Education Management Information System (EMIS), teacher training programmes and the construction of school buildings. The intervention is called the Support to the Second Phase of the Education Reform (EUSSPER) programme in Jordan in the field of basic education under the Education Reform for the Knowledge Economy phase II (ERfKEII) programme.

In the field of Higher Education the EU support has been channelled through the Tempus and Erasmus Mundus programmes, which has now been replaced by the Erasmus+ programme. The EU is also active in the field of youth through the EuroMed Youth programme<sup>11</sup>, which aims at the promotion of youth projects through study visits and voluntary work.

In October 2010 the European Union entered into a Financing Agreement with the Government of Jordan, which foresees EUR 35 million support to the Employment and Technical and Vocational Education and Training Reform Programme<sup>12</sup>. EUR 29 million of the total budget is committed for the direct support of the government budget. Actions in this field are also foreseen in the Annual Action Programme for 2014 for up to EUR 52 million<sup>13</sup>.

The European Union is one the most significant partners to the Ministry of Education and UNICEF, in supporting the education sector in Jordan during the Syrian refugee crisis. With more than EUR 30.6 million of funding to UNICEF over the past two years, the EU has provided learning opportunities for children in refugee camps, at public schools and informal education centres across the country. Separately EUR 4.4 million has been provided to UNESCO for the period 2013-2015 to support a programme for teacher training and Non Formal Education<sup>14</sup>.

## **2.6. Risk management framework**

As per the Risk Management Framework updated in September 2014, overall average risk levels remain moderate with an average inherent risk of 1.89 (lower than 1.96 from the 2013 assessment) and an average residual risk of 1.83. Risk is somewhat stabilised from the previous assessment of September 2013. Significant risks nevertheless exist i.e. the legal framework does not provide full protection of human rights, civil society and media; insufficient separation of powers and independence of judiciary; exclusion of some parts of the population, spill over effects of the Syrian crisis; and for corruption legal, regulatory and institutional framework is not effectively enforced.

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<sup>11</sup> C(2013) 7623 of 12 November 2013.

<sup>12</sup> C(2009) 7521 of 7 October 2009.

<sup>13</sup> C(2014) 5983 of 26 August 2014.

<sup>14</sup> C(2012) 3815 of 7 June 2012 and C(2012) 9360 of 14 December 2012.

The identified risks are mitigated through political and policy dialogue through Association Agreement committees and steering committees and targeted assistance and using efficiently all the tools the EU has at its disposal, in particular the broad range of on-going programmes. In particular assistance to media and gender equality issues; support to further develop the legislative/regulatory frame for the implementation of the new political laws. Support for the Parliament and to implement the adopted political reforms and assistance to the judiciary. A solid monitoring framework for fiscal consolidation through the IMF's Stand-By Arrangement and EU Macro-financial Assistance also monitors and mitigates risks, as does the EU Budget Support and assistance on energy efficiency and renewable energy.

The risk management for budget support in the light of the Syrian crisis in the field of education should include the involvement of MoPIC, Ministry of Finance and the Ministry of Education.

### **3. DETAILED DESCRIPTION OF THE BUDGET SUPPORT CONTRACT**

#### **3.1. Objectives**

The overall objective is to enhance the capacity of primary and secondary education institutions in refugees' camps and host communities.

The specific objectives are:

- 1: To provide education in primary and secondary schools free of charge for up to 140,000 Syrian refugee children;
- 2: To support pupils in host communities and camps by providing them with school books for up to 140,000 Syrian refugee children;
- 3: To pay for teacher salaries to provide education in the camps and the double shift schools for up to 3,500 teachers;
- 4: To pay for utilities, classroom furniture and stationary for up to 140 double shift schools for the double shift;
- 5: To open schools free of charge for other activities for Syrian refugees;
- 6: To provide additional services in the double shift schools and in camps for library, computer and science education as well as accompanying inspection, psycho-social support and teacher training;
7. To engage with civil society through parental organisations in the -140 double shift- schools in the host communities and camps.

The cross-cutting issues relate to improvement of good governance in the field of education in emergency situation and gender balance in aid effectiveness.

#### **3.2. Expected results**

The expected results of the budget support programme by the end of the programme specific objectives are for the education school years: 2014-2015, 2015-2016 and 2016-2017.

- 1: Education provided in the field of primary and secondary schools free of charge for Syrian refugee children;

- 2: School books provided to attending Syrian refugee children in host communities and camps;
- 3: Teacher salaries paid to in the camps and the double shift schools in host communities for up to 3,500 teachers for the school years 2014-2015, 2015-2016 and 2016-2017;
- 4: Utilities, classroom furniture and stationary paid for up schools for the double shift schools in host communities;
- 5: Schools are open free of charge for other activities for Syrian refugees in host communities;
- 6: Additional services are provide in the double shift schools and in camps for library, computer and science education as well as accompanying inspection, psychosocial support and teacher training,
7. The engagement with civil society (parental) organisations.

Complementary support will be foreseen in the field of technical assistance in programme facilitation, inspection, psychosocial support and setting up a revolving fund for school books.

### **3.3. Rationale for the amounts allocated for budget support<sup>15</sup>**

The total amount allocated to budget support for the Syrian refugees in the education sector from the ongoing action is EUR 14.6 million for the current year<sup>16</sup>. In the current Action Document it is proposed to top up the current commitments with an additional EUR 45 million, of which EUR 42.5 million is for budget support and EUR 2.5 million for complementary measures.

The rationale for this amount is based on an analysis of the following elements:

- The current budget support programme is based on a lower number of Syrian refugees of 70,000 students, which has risen already during the school year 2013-2014 to some 120,000 students and is expected to rise further in the school years 2014-2015, 2015-2016 and 2016-2017(no data are known yet);
- The commitment by the Ministry of Education in Jordan to allocate national budget resources (including EU budget support) to provide education in host communities and in the camps to Syrian refugee pupils in line with standard national budget procedures for the school years 2014-2015, 2015-2016 and 2016-2017;
- The overall effectiveness and impact of the budget support in achieving Jordan's policy objectives are defined in terms of funding extra school books, paying teacher salaries and opening double shift schools for the school years 2014-2015, 2015-2016 and 2016-2017;
- The corresponding financing needs of Jordan in the light of the Syrian refugee crisis for the school years 2014-2015, 2015-2016 and 2016-2017 will strongly increase;

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<sup>15</sup> Under the Single Support Framework for Jordan separately EUR 52 million has been allocated for budget support on employment and vocational education, of which EUR 45 million is budget support and EUR 7 million is complementary measures.

<sup>16</sup> The budget support for the last school year 2013-2014 of EUR 15 million has already been disbursed.

- The overall track record and absorption capacity on budget support operations by the Ministry of Education of past disbursements on agreed objectives were well achieved within set time limits;
- The Ministry of Education in consultation with UNESCO and UNICEF have set up a result based monitoring system. A separate framework contract will be implemented between 2014 and 2016 for monitoring of the education sector, which includes the assistance to Syrian refugees;
- The engagement with civil society will reduce the strain between the various communities in the host communities and the camps and strengthen the support for the education provision.

### **3.4. Main activities**

The main activities to implement the budget support package are policy dialogue (direct as well as through the donor coordination group), financial transfer, performance assessment, reporting and capacity development.

#### *3.4.1. Budget Support*

The EU Delegation will be involved in dialogue with the Ministry of Education concerning the verification of conditions and the payment of budget support. The verification of variable indicators of the budget support will be through a yearly tranche report by independent experts which will be engaged in Jordan under a framework contract.

#### *3.4.2. Complementary support*

A reserve of complementary activities for EUR 1.75 million has been made for technical assistance to assist the Ministry of Education. The main part will be focused on facilitating the implementation of the budget support under the EUSSPER programme and the one foreseen in this Action Document.

Separately, the scope of the support is targeted to set up a revolving fund for the utilisation of school books, support inspection, psychosocial support/remedial teaching and unforeseen activities. The definition of the complementary activities is currently under negotiations with the Ministry of Education.

Under a grant scheme a call for proposals of EUR 250,000 will be organised targeting civil society including parental associations and youth organisations linked to the (double shift) schools in the host communities and the camps.

### **3.5. Donor coordination**

With the increasing number of funding pledges for support Jordanian communities in the North, the UN Resident and Humanitarian Coordinator (UN RC/HC) supported the Ministry of Planning and International Cooperation to establish in September 2013 the Host Community Support Platform that gathers under Government's leadership, relevant UN agencies and donors to (i) provide strategic guidance to the elaboration of a Government-led National Resilience Plan; (ii) mobilise donors and partners for effective implementation of the plan through technical and financial resource mobilisation; (iii) coordinate efforts to contribute to the Plan's execution.

Within this framework, five sector task forces (education, health, water and sanitation, municipal services, employment and livelihoods), composed of a lead ministry, a lead donor and a lead UN agency, have also been established to inform

decision-making. In the area of municipal services, UNDP is co-leading with the World Bank. The Host Community Support Platform is currently being evaluated.

The EU Delegation also chairs with ECHO<sup>17</sup> Regional Support Office monthly EU coordination meetings on development and humanitarian affairs. In Jordan, the donor coordination of aid is driven by a number of working groups which are particularly active as a result of the Syrian crisis which is now also driving the development agenda of the country, mainly the HCSP which has been enacted in September 2013. The HCSP provides thematic working groups on health, education, livelihood and municipal services. This is now being aligned with the work of the JRPSC for the National Resilience Plan.

Separately bimonthly coordination meetings take place in the framework of budget support programmes as well as support to Syrian refugees in the education sector (with the World Bank, the Canadian International Development Agency – CIDA, the UK Department for International Development – DFID, and the United States Agency for International Development – USAID).

Outside the implementation of this programme CIDA is planning to support the training of teachers through a CAD 20 million grant to Queen Rania Teaching Academy. This project will be reshaped for this programme's purposes. Separately USAID will invest some USD 140 million to support teacher training and the refurbishment and construction of schools.

### **3.6. Stakeholders**

The main stakeholder is the Ministry of Education of the Government of Jordan. Other stakeholders are: UNICEF, UNESCO, the private sector, (international) NGOs and civil society.

### **3.7. Conclusion on the balance between risks (2.6.) and expected benefits/results (3.2.)**

The EU is the only provider of budget support to the Ministry of Education. It can be concluded that by withholding budget support by the EU would jeopardise the education provision of the Ministry of Education to Syrian refugee children in the host communities and the camps. The direct benefit of the budget support programme is the provision of 3 school years for up to 140,000 Syrian refugee children.

## **4. IMPLEMENTATION ISSUES**

### **4.1. Financing agreement**

In order to implement this action, it is foreseen to conclude a financing agreement with the partner country, referred to in Article 184(2)(b) of the Financial Regulation.

### **4.2. Indicative operational implementation period**

The indicative operational implementation period of this action, during which the activities described in sections 3.4 and 4.4 will be carried out, is 36 months, subject to modifications to be agreed by the responsible authorising officer in the relevant agreements. This will cover the school years 2014-2015, 2015-2016 and 2016-2017.

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<sup>17</sup> European Commission Directorate-General for Humanitarian Aid and Civil Protection.

### **4.3. Criteria and indicative schedule of disbursement of budget support**

The main criteria for the schedule of budget support relate to the general and the specific conditions:

The general conditions for disbursement of all tranches are as follows: satisfactory progress in the implementation of the provision of education by the Ministry of Education to Syrian refugee pupils in the field of basic education and continued credibility and relevance thereof; implementation of a credible stability-oriented macroeconomic policy; satisfactory progress in the implementation of the PFM reform programme; satisfactory progress with regard to the public availability of timely, comprehensive and sound budgetary information as well as satisfactory reporting from the monitoring contract for the existing contracts.

The specific indicators that will be used for variable tranches are:

1: Education provided in the field of primary and secondary schools free of charge for up to 140,000 registering and attending Syrian refugee children for the school years 2014-2015, 2015-2016 and 2016-2017;

2: School books provided to 140,000 attending Syrian refugee children in host communities and camps for the school years 2014-2015, 2015-2016 and 2016-2017;

3: Teacher salaries paid to in the camps and the double shift schools in host communities for up to 3,500 teachers for the school years 2014-2015, 2015-2016 and 2016-2017;

4: Utilities, classroom furniture and stationary paid for up to 140 double shift schools for the double shift in host communities for the school years 2014-2015, 2015-2016 and 2016-2017;

5: Schools are open free of charge for other activities for Syrian refugees in host communities for the school years 2014-2015, 2015-2016 and 2016-2017;

6. Libraries, information technology (IT) and science labs are open and librarians as well as IT and science teachers are appointed, at double shift and camp schools;

7. Additional services are provide in the double shift schools and in camps for accompanying inspection, psycho-social support and teacher training for the school years 2014-2015, 2015-2016 and 2016-2017;

8. The development of a facilitation and monitoring unit within the Ministry of Education for Syrian refugees supported by the EU Delegation;

9. The engagement with civil society (parental) organisations that are related to (140 double shift) schools in host communities and the schools in the camps.

These data will be the key indicators for the performance monitoring system and cover the expected progress in implementing the relevant management of the budget support programme.

The indicative schedule under the new budget support programme is as follows:

Year 1 (2015): the first tranche release (base tranche) is foreseen to start in January 2015 with a top-up of EUR 4.5 million to the existing education budget support under the EUSSPER programme to the school year 2014-2015 thus bringing the amount from EUR 14.6 million to EUR 19.1 million.



Year 2 (2016): The budget support covers the new school year 2015-2016. The data are available by November 2015 and the assessment of the tranches is then possible. This leads to a tranche release of the budget support in the first quarter of 2016 of EUR 19 million.

Year 3 (2017): The budget support covers the school year 2016-2017. The data are available by November of 2016 and the assessment of the tranches is then possible. This leads to a tranche release of the budget support in the first quarter of 2017 of EUR 19 million. The remaining 6 months is for closure and reporting.

The indicative schedule of disbursements is summarised in the table below (all figures in EUR million) based on fiscal year of the partner country.

Country fiscal year	Year 1 – 2015 Top-up of the school year 2014-2015				Year 2 - 2016 School year 2015-2016				Year 3 - 2017 School year 2016-2017				EUR million	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		Total
Base tranche	4.5													4.5
Variable tranche					19					19				38
Total	4.5				19					19				42.5

#### 4.4. Details on complementary support

The complementary support will be focused on providing technical assistance of EUR 1.75 million through a facilitation team that will be working closely with the Ministry of Education. The exact scope will be determined with the MoE, but it will also focus on supporting psycho-social activities and remedial teaching, inspection, the introduction of a revolving fund system for school books (aimed at rationalising the donor aid by reducing the expenditure of the school books component) and define the intervention with civil society.

The Technical Assistance will be channelled through a variety of modalities: through a framework contract or competitive bidding. It will possibly involve local organisations, (international) NGOs and international organisations and companies.

Parallel to the intervention a call for proposals for grants of EUR 250,000 is foreseen which will focus on the engagement with civil society in host communities and camps through involving – amongst others – parental organisations in order to create a platform of parental support for education and strengthen the cooperation between the communities. The scope of the call for proposals will be further identified during the technical assistance. This aims to strengthen the support for the implementation of the education provision and strengthening the ties of cooperation between communities in the camps and the host communities.

4.4.1. *Grants: call for proposal 'Engagement with civil society' (direct management)*

- a) Objectives of the grant, fields of intervention, priorities of the year and expected results

The specific objectives of the call for proposals under the framework of this grant are to link parental organisations to the (140 double shift) schools in the host communities and the schools in the camps through small grants.

- b) Eligibility conditions:

Eligible applicants will be subject to the following indicative conditions:

- be a legal person **and**
- be non-profit-making **and**
- be a specific type of organisation such as: civil society organisations (CSOs), NGOs **and**
- be established in; i) a Member State of the European Union **or**; ii) a country that is a beneficiary of the Instrument for Pre-Accession Assistance II set up by the Council Regulation (EU) No 231/2014 of 11 March 2014 **or**; iii) a Member State of the European Economic Area **or**; iii) a developing country and territory which are not members of the G-20 group or a partner country or territory covered by the European Neighbourhood Instrument Regulation No 232/2014.

- c) Essential selection and award criteria

The essential selection criteria are financial and operational capacity of the applicant. The essential award criteria are relevance of the proposed action to the objectives of the call; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

- d) Maximum rate of co-financing

The maximum possible rate of co-financing for grants under this call is 80%.

The maximum possible rate of co-financing may be up to 100 % in accordance with Articles 192 of Regulation (EU, Euratom) No 966/2012 if full funding is essential for the action to be carried out. The essentiality of full funding will be justified by the responsible authorising officer in the award decision, in respect of the principles of equal treatment and sound financial management.

- e) Indicative trimester to launch the call

The call for proposals will be launched indicatively in the third quarter of 2015.

- f) Exception to the non-retroactivity of costs

N/A

4.4.2. *Procurement (direct management)*

Complementary measures	Type	Indicative number of contracts	Indicative trimester of launch of the procedure
The provision of technical assistance	services	2	First trimester

to the Ministry of Education			2015
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#### 4.5. Scope of geographical eligibility for procurement

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 shall apply.

The responsible authorising officer may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

#### 4.6. Indicative budget

Module	Amount in EUR	Third party contribution
3.3. – Budget support	42,500,000	N.A.
4.4.1 Call for Proposals Engagement with civil society – direct management	250,000	N.A.
4.4.2 Support to the Ministry of Education to deal with the Syrian refugee crisis - direct management	1,750,000	N.A.
4.8. – Evaluation and audit	150,000	N.A.
4.9. – Communication and visibility	150,000	N.A.
Contingencies	200,000	N.A.
Totals	45,000,000	

#### 4.7. Performance monitoring

MoPIC is entrusted from the side of the Government of Jordan with monitoring the implementation of this Sector Budget Support Programme. Support has been provided during the formulation phase to develop a monitoring framework, including recommendations for process, output and outcome indicators as well as relevant baselines, which detailed definitions will be finalised before the signature of the Financing Agreement. The approval of such a framework by the Programme Steering Committee is one of the indicators set for disbursing the first base tranche.

The Ministry of Education supported by UNICEF have set up a monitoring process to support the education delivery by the MoE. In the framework of the complementary measure of the budget support under the EUSSPER programme an EMIS project has been agreed with UNESCO for the period 2014-2016 which has prioritised the delivery of data on Syrian refugee children on attendance and registration rates. In the complementary measures of this new decision it is foreseen to introduce a facilitating and monitoring team that will be supporting the Ministry of Education in the implementation of the budget support under EUSSPER programme and the one foreseen in this Action Document.

The EU Delegation has launched in September 2014 a Framework Contract for an independent monitoring capacity for the Ministry of Education, the UN agencies and the (international) NGOs.

#### **4.8. Evaluation and audit**

As regards budget support, the EU Delegation reserves the right to perform an evaluation at the end of the implementation. In the case of complementary support, the EU Delegation reserves the right to conduct an audit on an ad hoc basis.

#### **4.9. Communication and visibility**

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU. Discussions are ongoing with the MoE to provide more visibility on the budget support programme, for example in the form of a back to school campaign.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated before the start of implementation and supported with the budget indicated in section 4.6 above.

The measures shall be implemented by a contractor mobilised by the EU Delegation, and in cooperation with the partner country.

The programme will follow the orientations of the Communication and Visibility Manual for the EU External Actions. Professional services will be procured to ensure communication and visibility of the programme in coordination with the key stakeholders of the Government of Jordan and civil society.