

### *Evaluation of the European Commission's support to the Hashemite Kingdom of Jordan – ref. 1087*

#### *Abstract*

*The European Commission's support to Jordan during the period 1996-2006 has been coherent and relevant. Joint policy development has proved to be an effective and efficient approach leading to tangible impacts on the competitiveness of SMEs and in the strengthening of poor municipalities. Impacts are also visible as regards economic stability and the management of urban water networks. The Commission's interventions were less successful in the trade sector. Overall, the EC cooperation has suffered from a lengthy process of learning.*

#### **Subject of the evaluation**

This evaluation assesses the Commission's cooperation strategy for Jordan and its implementation over the period 1996-2002 as well as the relevance, coherence and intended impacts of its cooperation strategy for the period 2002-2006.

#### **Purpose**

The purpose of the evaluation was to identify key findings and lessons of experience from its past and current co-operation with Jordan and thus provide an input into future decision making related to EC cooperation and relations with Jordan.

#### **Methodology**

The evaluation was based on 9 evaluation questions, relating to the five DAC evaluation criteria (relevance, effectiveness, efficiency, sustainability and impact), as well as coherence and EC added value.

The evaluation was carried out in three phases: a desk phase including the identification of the evaluation questions (i), a field phase (ii), a report writing phase including the drafting of the final report (iii).

#### **Main conclusions**

- (1) **The European Commission's cooperation strategy in Jordan has been coherent and aligned on Jordan's priorities in a dynamic way.** Major shifts in the Government's strategy have been accompanied by new priorities on the EC's side in a context of systematic policy dialogue and pragmatic coordination with Member States. The new priorities have been rapidly and consistently applied in the areas of poverty alleviation and human rights. In addition, the challenging issue of gender has been mainstreamed strategically, i.e. at the right level and at the right place rather than systematically.
- (2) **Joint policy development has been an effective and relatively efficient approach.** Over the last years, two examples of joint policy development have led to large-scale and sustainable impacts, respectively on the competitiveness of SMEs and the strengthening of poor municipalities. In the case of SMEs, the efficiency of the policy development process has been assessed positively by the evaluation team. In both cases, the policy development process has however faced repeated difficulties in the transfer of EC responsibilities to Jordanian institutions.

- (3) **Impacts have been disappointing in the trade sector but successful as regards economic stability and the management of urban water networks.** Although high expectations were put on trade liberalisation and export-based development, the corresponding achievements were assessed as positive but modest. In contrast, the EC has contributed to a trend of beneficial economic policy reforms which can be connected to improvements in the country’s performance in areas like tax revenue, public debt, growth, and income poverty. The EC has also played a pioneering and successful role in promoting a sustainable management of urban water networks through a continued capacity-building effort, a systematic policy dialogue, and a series of innovative projects.
- (4) **The process of learning from difficulties has been lengthy.** In two instances, the evaluation has found that major strategic priorities relied upon implicit assumptions, i.e. benefits of trade liberalisation and mutual understanding. In the case of trade, it was implicitly assumed that the opening of the EU market, combined with a support to export oriented SMEs, would entail a breakthrough in Jordanian exports to the EU. It is now established that these assumptions are not confirmed, but this lesson was learnt about two years later than it could have been. Furthermore, it took a few more years for new assumptions to emerge, and these assumptions are again mostly implicit. The consequence is a lengthy learning process, which in turn delays the corrective actions.

**Main recommendations**

- (1) **Move up a gear with joint policy development.** As far as is relevant, any EC activity in Jordan should be explicitly embedded in a policy development process. This should be made fully transparent to the Government and Member States, and subject to policy dialogue and EU-level coordination.
- (2) **Better management of the transfer of knowledge to Governmental institutions** There is no state of the art solution which could be recommended for handling this problem. What must therefore be recommended is to concentrate on the result to be achieved and to leave room for innovative solutions to be proposed and tested on a case-by-case basis.
- (3) **Clarify implicit assumptions and proceed to early tests.** This evaluation concludes that the process of learning from difficulties has been lengthy in the area of trade. This evaluation has identified another similar problem as regards the objective of “mutual understanding”. In order to speed up the learning process, the EC should clarify how its interventions are meant to achieve the far-reaching strategic objective. These assumptions should be reviewed / evaluated as soon as possible. In order to achieve fast and effective learning, this process should be initiated and closely supervised by high-ranking managers in charge of the EC strategy in Jordan.

Donor: European Commission	Region: Mediterranean	DAC sectors: various (multi-sector, cross-cutting issues)
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