

## Syrian crisis: Impact on Jordan

### SUMMARY

The impact of the Syrian crisis on Jordan is immense. Jordan hosts an estimated 1.3 million Syrians, of which roughly half are refugees registered by the United Nations Refugee Agency (UNHCR). An estimated two out of three refugees live below the poverty line. The strain of the ongoing refugee crisis on host-communities has led to public discontent, directed at the Jordanian government. Syrians live mainly among Jordan's most disadvantaged communities. The sudden influx of large numbers of people exacerbates challenges Jordan has faced for many years – increased competition for jobs, overburdened infrastructure and strained social services, such as healthcare and education. Marginalised Jordanians have begun to mobilise around their grievances as public frustration grows.

To confront these issues, Jordan will continue to depend on external assistance. The country has accepted that the bulk of the refugees will remain until the situation in Syria allows for their return, which may be many years from now. In this context, creating job opportunities for Syrian refugees without discriminating against Jordanians will be a key policy challenge. Jordan's stability is a high priority for the EU. The country is an important partner in the European Neighbourhood Policy, as well as in the fight against ISIL/Da'esh. It is one of only two Arab countries to have signed a peace treaty with Israel and is key to any future agreement between Israel and Palestine. Jordan remains a haven of stability in a turbulent region; any change to this situation, particularly if it were to threaten the monarchy, would further destabilise a region in the midst of an existential crisis, potentially also causing new refugee movements to Europe.



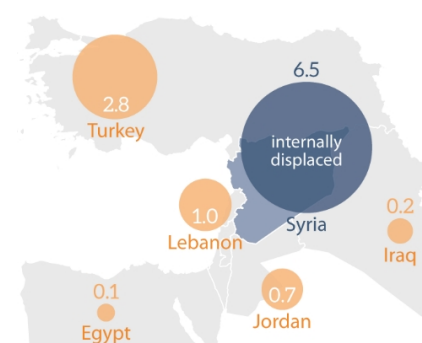
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- European Union – position and response
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## Syrian refugees in neighbouring countries

The conflict in Syria, which began with anti-government protests before escalating into full-scale civil war, is entering its seventh year. Over 12 million Syrians have fled their homes since the outbreak of the conflict in March 2011, and large numbers have sought refuge in neighbouring countries. In January 2017, the United Nations Refugee Agency ([UNHCR](#)) registered a total of 4.86 million Syrian refugees who had fled to neighbouring countries, including Turkey (2.8 million), Lebanon (1 million), Jordan (655 496), Iraq (230 836) and Egypt (116 013) (see Figure 1). The sudden influx of large numbers of displaced people puts host countries and communities under great strain. With savings exhausted, refugees have grown increasingly [vulnerable](#), and the vast majority live below the poverty line, struggling to afford essentials such as food, rent and healthcare. In Jordan, 93 % of Syrian refugees not in camps live below the poverty line. In Lebanon, the figure is 70 %, in Egypt 65 %, and in Iraq 37 %. The unemployment rates for refugees are far higher than those of host nationals, and half of refugee children do not go to school. At the same time, the refugee population puts pressure on public infrastructure, including schools, health services and water, and private infrastructure, such as housing, leading to localised [unrest](#) among the host population.

**Figure 1 – Numbers of refugees from Syria**



Data source: UNHCR.

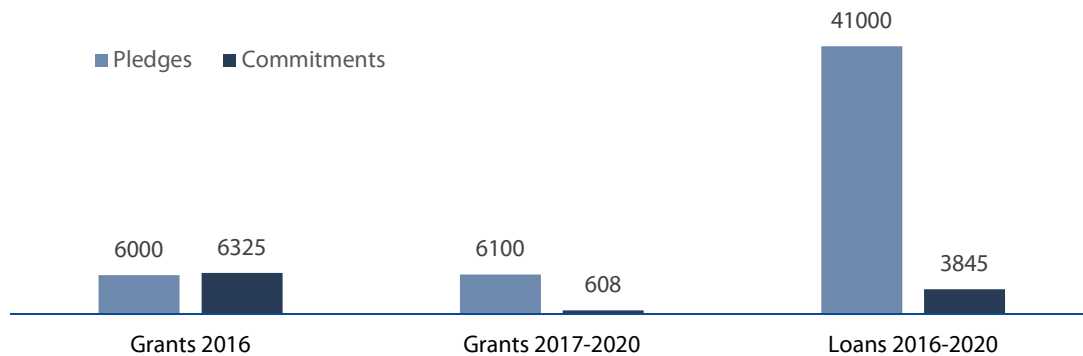
## A new approach – from humanitarian aid to 'building resilience'

In February 2016, at an international donor conference in London, the international community agreed on 'a comprehensive new approach' on how to respond to the protracted Syrian refugee crisis. The [Supporting Syria and the Region](#) Conference brought together over 60 countries, international organisations, business, civil society, Syrians, and other people affected by the conflict. Central to the new approach [agreed](#) during the conference is a shift of emphasis from traditional humanitarian aid to 'resilience building'. This implies creating the long-term conditions that will allow Syrians to build a future for themselves and their children in the region, including acquiring the skills and tools to re-build their own country once they are able to return. At the same time, this approach aims to reduce the pressure on host communities and create new opportunities for them. Governments of neighbouring countries hosting Syrian refugees agreed to open their labour markets to refugees, and increase efforts to create new jobs for their own populations, by improving regulation and the investment climate in their countries. In return, other participants agreed to create greater access to external markets, to provide access to concessional financing and to increase external support for public and private sector job creation. Donors pledged to support employment creation programmes and to encourage municipalities and communities in their countries to strengthen collaboration with municipalities and communities in refugee host countries. Leading private sector partners agreed to assist with new investment to create jobs.

The London conference set the target of creating 1.1 million jobs for refugees from Syria and host country citizens in the region by 2018. In total, the international community [pledged](#) over US\$12 billion for Syria and the region, for 2016 and for future years, in the form of grants. In addition, multilateral development banks and donors announced around US\$41 billion in loans, with many on highly concessional terms. According to a [report](#) published in November 2016, conference donors committed over US\$10.8 billion

in 2016. Of this amount, US\$6.325 billion is in the form of grants, exceeding the total pledges made at the time of the conference for 2016 by 5 %. Some donors have also reported forward commitments for grants for the 2017-2020 period, totalling over US\$0.6 billion. In terms of loans, donors have so far committed US\$3.845 billion for 2016-2020 (see Figure 2).

**Figure 2 – Pledges and commitments, US\$ million**



Source: Supporting Syria and the Region Conference: post London conference financial tracking, [report](#) published November 2016.

### Regional Refugees & Resilience Plan

To help neighbouring countries coordinate their response to the Syrian refugee crisis, the United Nations spearheaded efforts to formulate a [regional refugees and resilience plan](#) (3RP) in 2015. The 3RP draws together the national crisis response plans to the Syrian refugee crisis in the five most affected neighbouring countries: Lebanon, Jordan, Iraq, Turkey and Egypt; to create a 'coordinated regional response framework'. The 3RP for 2017-2018 is described by its authors as 'a programme strategy, creating a broad partnership platform for planning, advocacy, fundraising, information management and monitoring that brings together Syrian refugees, impacted communities in host countries and their governments, donors, and more than 150 national and international development and humanitarian actors in the respective countries'. The 2017-2018 3RP reflects the policy shift that occurred in the international response to the protracted crisis during 2016. The current 3RP has a strong emphasis on implementation through national systems and local actors and for donors to commit to multi-year predictable funding. One of the key aims of the 3RP for 2017-2018 is to create up to 1.1 million jobs in the region by 2018. The current 3RP estimates that US\$4.69 billion will be needed over the two-year programming period to respond to the needs of over 9 million people: the 4.81 million refugees and over 4.4 million persons in host communities.

### The impact on Jordan

#### Political

##### *Integrating existing refugees*

The [Jordan response plan for the Syria crisis 2016-2018](#), a three year rolling plan setting out the government's response to the challenges created by the presence of large numbers of Syrian refugees in the country, acknowledged, for the first time, that the refugees were here to stay for the foreseeable future. This is a departure from Jordan's official position under its Memorandum of Understanding with UNHCR, which grants asylum seekers the right to remain in the country for only six months following their recognition (see box). According to the plan's [executive summary](#), 'Five years into the

crisis the prospects for a prompt return of the millions of Syrian refugees to their home country are remote. Even in the case of a solution to the crisis, it will take more than a decade for the country to rebuild. While some Syrian refugees will return and others may attempt to relocate to third countries, the majority are expected to remain until the end of the crisis in countries neighbouring Syria'.

In February 2016, the Jordanian government called for a new paradigm to promote economic development and opportunities in Jordan for the benefit of Jordanians and Syrian refugees alike. In a major policy shift, the government announced that it would allow Syrian nationals to integrate into the Jordanian labour market, in exchange for enhanced international support for Jordan and its economy. The [Jordan compact](#), a policy document tabled at the Supporting Syria and the Region Conference in London in February 2016, sets out a vision for mutual commitments and obligations on Jordan and the international community, and envisages the creation of 200 000 job opportunities for Syrian nationals in Jordan. The Jordanian government also called for support to help Jordan solve its fiscal problems, through grants and loans, and for adequate financial support to strengthen the capacity of the host communities to absorb the refugee population. Noting that all services in Jordan had been adversely affected by the inflow of refugees, the Jordan compact singled out education as a crucial area of international community intervention. Speaking of the danger of a '[lost generation](#)' of refugee children, both for Jordan and post-conflict Syria, the government made a landmark commitment to ensure that, by the 2016-2017 school year, every child in Jordan would be in education.

#### *Border closure and de facto creation of a safe zone*

Jordan has long called on its Western allies to help set up buffer zones, to provide safe areas on the Syrian side of the border where international refugee camps could be set up and humanitarian aid provided, to relieve the pressure on its own population of hosting large numbers of Syrian refugees. Jordanian officials have presented the creation of a buffer zone as Jordan's only alternative, should the international community fail to adequately share the burden of hosting refugees inside Jordan. A de-facto 'buffer' zone has in the meantime emerged in a disputed no-man's land between Syria and Jordan, called the '[berm](#)', in reference to border fortifications taking the shape of barriers of sand. Following the closure of the Jordanian border to Syrian refugees in 2015, a growing number of refugees (estimated to have reached 80 000) have set up camp in the middle of the desert near the last border

#### **The status of refugees in Jordan**

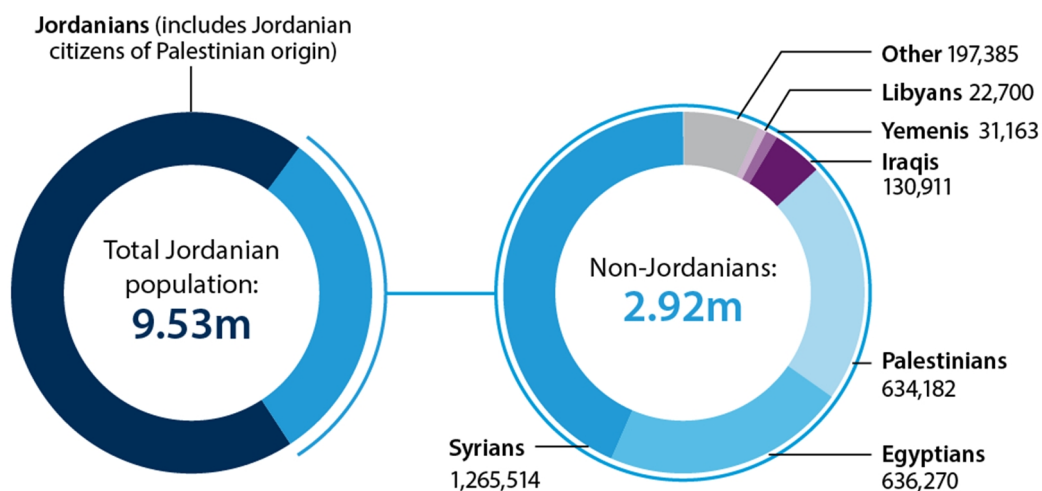
[Jordan](#) is not a State Party to the 1951 Convention Relating to the Status of Refugees and has not signed its 1967 Protocol. The country has not enacted any legislation that regulates the status of refugees. In the absence of special legislation addressing their status, refugees and asylum seekers in Jordan are subject to [Law No 24 of 1973 concerning Residency and Foreigners' Affairs](#). This law applies to all foreigners without distinction between refugees and non-refugees. However, the country has committed to observe the general customary international law principle of non-*refoulement*, which forbids the practice of forcing refugees or asylum seekers to return to a country in which they may be subject to persecution. The instrument that provides the legal framework for the treatment of refugees is a 1998 Memorandum of Understanding (MoU) signed with UNHCR. The document includes the major principles and standards of international protection for displaced persons. Jordan has granted Syrian refugees security and access to services, such as health and education in host communities. Under the MoU, a refugee is granted legal status and the UNHCR endeavours to find the refugee a durable solution, whether voluntary repatriation to the country of origin, or resettlement in a third country. Refugees should not stay in Jordan more than six months. Jordan avoids the official recognition of refugees under its domestic laws and prefers to refer to Syrian refugees as 'visitors', 'irregular guests', 'Arab brothers' or simply 'guests'.

post to be closed, in an area with no access to water, food or medical care. [Amnesty International](#) highlighted the refugees' plight in a report, describing the situation at the berm as 'a grim snapshot of the consequences of the world's abject failure to share responsibility for the global refugee crisis', which has seen many of Syria's neighbours close their borders to refugees. In the face of international criticism, Jordan has defended its decision not to allow the refugees stranded at the berm into the country and [invited](#) other countries to offer them resettlement opportunities.

### Humanitarian

Syrians are the latest wave of refugees to seek sanctuary in Jordan from regional conflicts. According to 2015 estimates by the Jordanian government (see Figure 3), some 1.26 million Syrians lived in the kingdom at that moment, alongside an existing population of 6.6 million Jordanians (including Jordanian citizens of Palestinian origin). More recent estimates put the number of Syrians at 1.3 or even 1.4 million; these figures include Syrians who were living in Jordan prior to 2011, who have not been able to return, and refugees who have not registered with UNHCR. Syrians constitute by far the largest non-Jordanian population, compared to Palestinian refugees and Egyptians at 0.6 million each, and Iraqis at around 131 000. Only 655 675 of the 1.3 million Syrians in Jordan have registered with the UN. An estimated 90 % have settled in Amman and other urban areas of northern Jordan, such as Irbid and Mafraq. Only the remaining 10 % are in camps such as Majeed al-Fahood, al-Azraq and Za'atari, run by UNHCR.

**Figure 3 – Jordan: Population breakdown, 2015**



Source: Jordanian Department of Statistics.

According to the latest [estimates](#), 93 % of Syrian refugees in Jordan outside the camps live below the poverty line. They have depleted their savings and sold valuables to cover rent, food and other basic needs, increasing their reliance on the host State and aid agencies. Approximately 23.5 % of all Syrian refugees are women, and almost 53 % are children, 18 % of whom are under the age of five. Providing for their needs has strained Jordan's public finances, increasing government expenditure on subsidies, public services, and security. In some municipalities, refugees outnumber residents, and the impact on inflation, employment, and access to public services and community resources has fuelled [local tensions](#) and threatened to spark wider social unrest.

Through the Regional Refugees and Resilience Plan (3RP), the Jordanian government and the international community seek to address the needs of the most vulnerable Syrian refugees through humanitarian and 'resilience-based' interventions. There has been a shift from emergency intervention to a more sustainable, long-term response. The 3RP



for 2017-2018 covers a two-year period, rather than the one-year period covered by earlier 3RPs. The emphasis is on predictable, long-term funding and programming. The new approach introduces new technologies (biometrics for refugee registration), makes greater use of cash with which refugees can buy their own food and other necessities, places strong emphasis on providing education for refugee children, as well as protection and youth services, and shifts the focus to service delivery through local and municipal systems, away from international organisations or NGOs.

The [Jordan response platform for the Syria crisis](#) (JRPSC) constitutes the mechanism for coordinating the government of Jordan, donors, United Nations agencies and NGOs' response to the impact of the Syria crisis on Jordan. An important element is to ensure consistency and coordination between the response to the Syrian refugee crisis and the government's main development priorities and national planning, programming and implementation systems. Strengthening the resilience of national systems and institutions is at the core of this response.

## **Security**

### *External threats*

It is unlikely that the conflict in Syria will spill-over into Jordan.<sup>1</sup> Contesting Jordanian territory is not a declared aim of the Assad regime or the Syrian opposition. Moreover, any risk that ISIL/Da'esh, which is present in Syria and Iraq, could cross the Jordanian border and take control of Jordanian territory is, for the time being, contained by effective border control and Jordan's participation in the US-led coalition against the group. Jordan is supporting the coalition by allowing the use of its airbases to launch strikes, acting as a weapons shipment hub, training [US backed](#) opposition fighters, hosting troops and intelligence sharing. ISIL/Da'esh's control over areas in Syria and Iraq bordering Jordan has [diminished](#) significantly, reducing the likelihood of direct attacks. Nevertheless, Jordan has expressed concerns about an armed Salafi jihadist group active in southern Syria which has pledged allegiance to ISIL/Da'esh, and which is located in some areas that are only one kilometre from the Jordanian-Syrian border. The group is reported to have heavy weapons, including tanks and anti-aircraft guns and, according to a recent [security assessment](#) by a high-ranking Jordanian military official, represents a clear and present danger for Jordan. Jordan has also expressed concern that once ISIL/Da'esh loses Mosul, it will head toward Raqqa and from there to southern Syria and the Jordanian border.

### *The threat from ISIL/Da'esh and violent Salafism inside Jordan*

There are also growing fears that ISIL/Da'esh may have infiltrated groups of Syrian refugees seeking entry into Jordan. In response, Jordan completely sealed its northern and eastern borders, following a suicide bombing on [21 June 2016](#) that killed several Jordanian border guards. At the same time, a significant number of Jordanians joined Sunni militant groups fighting in Syria (and Iraq); estimates put their number as up to 2 500. At one point, Jordan was believed to be the [third-largest contributor](#) of fighters to ISIL/Da'esh (after Tunisia and Saudi Arabia). These fighters, who acquire combat experience, pose a risk to the internal security of the country upon their return. Attacks on security forces and tourist attractions have already taken place, with a [dramatic increase in 2016](#). The December 2016 terrorist incident in [Karak](#), in which 17 people, including a Canadian tourist, were killed, is believed to have involved militants affiliated to ISIL/Da'esh. ISIL/Da'esh affiliated cells were previously uncovered in the northern city of Irbid in January and March 2016. There are fears that future attacks may deliberately target the Christian minority in Jordan, with the aim of sparking sectarian conflict and

possibly undermining the credibility of the Jordanian monarch in his role as protector of religious minorities. Jordanian officials have also expressed concern that ISIL/Da'esh's violent strain of Salafism appears to infiltrate Jordan's tribes, the backbone of the monarchy.

[Perceptions](#) of insecurity due to terrorist attacks are particularly damaging to Jordan's efforts to expand its tourism sector. Ministry of Tourism figures for the first half of 2016 show an overall decline in visitor numbers to 2.31 million, down by 5.3 % on the first half of 2015. The number of visitors coming to Jordan has fallen every year since 2010, the last full year before the political unrest associated with the 'Arab awakening' and the beginning of the civil war in Syria in 2011.

### **Economic**

[Jordan](#) is a resource-poor country with limited arable areas. The economy is dominated by financial services, tourism, transportation, manufacturing and remittances from Jordanian's working abroad. From 2000-2009, the economy grew at a robust rate of 6.5 % per annum, aided by an open economy and significant capital inflows. However, following the global financial crisis, and exacerbated by the crisis in neighbouring countries, economic growth in Jordan declined to 2.3 % in 2010 and has remained below 3 % since. In 2016, growth was less than 2 %. Unemployment has traditionally been high in the kingdom; in 2011, the official unemployment rate was over 13 %. Five years later, following prolonged border closures with Syria and Iraq, a sharp fall in foreign investment, reduced remittances, and a drop in tourism, unemployment stands at almost 15 %, with joblessness among Jordanian youth [reported](#) to be approaching 40 %. Some areas report unemployment rates of up to 70 %. The public sector is the largest employer in the kingdom; government positions accounted for 39 % of all employment in 2013. Even though this represents a significant decrease from 1986, when the public sector provided more than 51 % of employment, it still constitutes a large burden on the public purse. The refugee presence also weighs heavily on public finances. For 2016, public debt is likely to reach 95.1 % of gross domestic product (GDP) in 2016 (compared to 60.2 % of GDP in [2008](#)) and the [budget deficit](#) is expected to be around 3.33 % of GDP.

#### *Competition for scarce jobs*

The [impact](#) of the Syrian refugee crisis on the Jordanian economy, and particularly the labour market, has been significant. Less than 10 % of refugees live in refugee camps. Most live in the kingdom's cities and towns, especially in the north, and participate in the local economy. In an effort to improve their integration into the formal economy, nearly 32 000 Syrian refugees were issued with [work permits](#), albeit for a limited number of employment sectors. Syrian refugees compete with Jordanians for scarce employment opportunities, often depressing wages.

#### *Vision 2025*

To address the above challenges, the Jordanian authorities have formulated a ten year economic and financial [reform programme](#), known as [Vision 2025](#), which aims at 'advancing fiscal consolidation and implement broad structural reforms, with the aim of achieving sustainable and inclusive growth'. The express aim of the Jordanian government is to turn the Syrian refugee crisis into a development opportunity for the country. A core element of the strategy is the creation of up to 18 [special economic zones](#) from which goods can be exported more easily to markets in the EU under relaxed rules of origin (see below), thus creating employment opportunities for Syrians and Jordanians alike. As part of the agreement with the International Monetary Fund (IMF, see below),

the government will aim to improve the business environment for the private sector – including by increasing access to financing for smaller enterprises, continuing fiscal consolidation and reducing tax loopholes – and to improve employment prospects for both locals and refugees through labour market and educational reforms. Subsidies will also be cut further. Another positive development is a 2016 agreement with [Saudi Arabia](#) on large investment projects in Jordan worth 'billions of dollars'.

### International solidarity with Jordan

The international community provides financial support to Jordan to assist the country

with its efforts to host and integrate the Syrian refugee population. At the 2016 Supporting Syria and the Region Conference, the international community pledged around US\$1 027 billion in grants and US\$741 million in loans to Jordan (although not all pledges were country-specific). According to figures released in [November 2016](#), Jordan received grants in excess of the amount pledged in 2016, totalling US\$1 164 billion, with a further US\$365 million in grants either planned or committed to the country. In addition, the country received loan commitments exceeding [US\\$1 billion](#) for the period 2016-2020, exceeding pledges by 25 %. In August 2016, the International Monetary Fund (IMF) approved a US\$723 million [loan](#) facility, in the form of an [extended fund facility](#), to support the country's economic and financial reform program (which may be increased to US\$900 million). The World Bank approved a [US\\$100 million](#) loan in March 2016, at concessional rates normally reserved for the poorest countries (Jordan is a middle-income country). The World Bank is planning to make a further [US\\$1.4 billion](#) available to Jordan in 2017-2018. The [European Bank for Reconstruction and Development](#) has committed US\$675 million to Jordan for the period 2016-2020.

### European Union – position and response

The EU has [excellent relations](#) with Jordan, one of the countries covered by the European Neighbourhood Policy (ENP), the policy by which the EU seeks to achieve the closest possible political association and the greatest possible degree of economic integration with its southern and eastern neighbours. The 2002 [Association Agreement](#) forms the legal basis for EU-Jordan [relations](#). It aims at fostering political dialogue, progressive liberalisation of trade, and cooperation in a wide range of sectors. In October 2010, the EU-Jordan Association Council agreed on an '[advanced status](#)' partnership, which has led to an increase in the scope and intensity of political cooperation and opened up

#### The Red Sea-Dead Sea water conveyance project

Water scarcity is one of Jordan's most critical issues. The kingdom is one of the water-poorest countries in the world. The influx of Syrian refugees, which led to a huge unexpected increase in water consumption, brought renewed international attention to the country's water crisis. The situation is exacerbated by the fact that most Syrian refugees in Jordan have settled in the regions worst affected by the water shortage. According to estimates, in some municipalities the average daily supply of water has fallen below 30 litres per person, when a supply of 80 litres a day per person is necessary to simply satisfy basic needs. Accordingly, the international aid community and the Jordanian government have prioritised addressing the country's water crisis.

The Red Sea-Dead Sea water conveyance project was designed to address part of the challenges associated with the chronic water shortage in Jordan, as well as in neighbouring countries. Under the project, water from the Red Sea will be pumped to a desalination plant, which will deliver fresh water to southern Jordan, Israel and Palestine. Residual brine will be pumped to the Dead Sea to reverse the process in which it is gradually drying out. The US\$10 billion project was given the green light in November 2016, to be implemented in stages, and due to start in 2018. International donors are supporting the project, with pledges of around US\$ 400 million in grants and preferential loans.



possibilities for greater integration, Jordan's progressive participation in key aspects of EU policies and programmes, an approximation of economic legislation and the reduction of trade barriers. The [EU-Jordan action plan](#) that governed cooperation from 2012-2016 reflected this advanced status, including a stronger commitment in bilateral cooperation to core EU values such as democracy, human rights and the rule of law. In 2014, the EU and Jordan signed a [mobility partnership](#), to improve the management of mobility and migration.

### Partnership priorities

The revised [European Neighbourhood Policy](#), adopted in November 2015, created a new type of policy document to define bilateral relations with partner countries, replacing action plans with jointly agreed 'partnership priorities'. These lay down a limited set of priorities to govern cooperation for several years. The EU and Jordan recently [agreed](#) on a set of [partnership priorities](#) that will govern relations under the European Neighbourhood Policy until at least 2018 (and possibly until 2020), with a focus on three priority areas, including:

- strengthening cooperation on regional stability and security, including counter-terrorism;
- promoting economic stability, sustainable and knowledge-based growth, quality education and job creation;
- strengthening democratic governance, the rule of law and human rights.

### EU financial support for Jordan

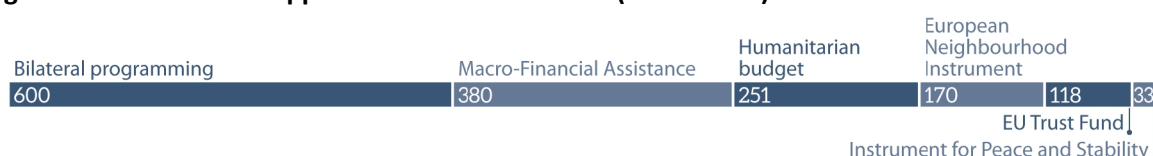
More than €950 million has gone to supporting refugees and vulnerable communities in Jordan. This includes:

- more than €251 million from the humanitarian budget, including €53 million for 2016;
- €380 million from the Macro Financial Assistance (MFA) Instrument (the second tranche of €200 million was approved in [December 2016](#));
- over €170 million from the European Neighbourhood Instrument (ENI);
- €33 million from the Instrument contributing to Peace and Stability;
- €118.3 million under the EU Trust Fund in response to the Syrian crisis (the Madad Fund, see below).

Moreover, an average of €100 million has been made available each year in regular programmed bilateral assistance (all grants), mainly through budget support.

At the London donor conference, the [EU pledged](#) €2.4 billion from the EU budget for 2016 and 2017 for Syrian refugees in the region, with €1 billion pledged specifically to Jordan and Lebanon. Jordan is expected to receive around 55 % of that amount, which includes the €200 million MFA loan.

**Figure 4 – EU financial support to Jordan since 2011 (in € million)**



Source: European Commission, December 2016.

### Support for Syrian refugees and host communities

In response to the 'compact', tabled by Jordan at the international donor conference in February 2016, the EU and Jordan also negotiated a series of mutual commitments, to complement bilateral cooperation with specific measures to improve the living conditions of refugees and affected host communities. A key component of the [EU-Jordan compact](#) is the easing of the rules of origin for Jordanian products. In return, Jordan has committed to integrate around 200 000 Syrians in the formal labour market.

*Easing the rules of origin*

The EU has [eased the rules of origin](#) for Jordan in an effort to [improve Jordan's trade balance](#) with the EU in Jordan's favour, by making it easier for Jordanian exporters to access the EU market. Rules of origin are the technical criteria which determine whether a specific product qualifies for duty free or other preferential access under a given trade agreement. The agreed relaxations of rules of origin cover a wide range of manufactured products and include both items that Jordan currently exports in small volumes to the EU and others where currently there is no trade. The alternative rules of origin now made available for Jordanian exports of these products to the EU are those applied by the EU to imports from Least-Developed Countries (LDCs) under the EU's Everything But Arms (EBA) initiative. The measure is scheduled to remain in place for ten years, in the hope that it will boost investment in Jordan, and create jobs for Syrian refugees and the Jordanian host population.

Total trade with the EU amounted to [€4 383 billion](#) in 2015, making the EU Jordan's most important trading partner. However, European exports to Jordan (€3.99 billion) still far outweigh Jordanian imports to the EU (€384 million); easing of the rules of origin is intended to redress the balance. Jordan's exports are concentrated in a limited number of sectors, such as clothing, phosphates and phosphate-based fertilisers, chemicals, machinery and transport equipment.

*Other measures*

In addition, the EU has agreed, under the EU-Jordan compact, to:

- help to improve Syrian refugees' skills and capacities, also with a view to the reconstruction of the future Syria;
- provide quality education and training for all children living in Jordan, including over 165 000 Syrian children; and
- support vulnerable host communities in Jordan.

*Humanitarian aid for Jordan*

The EU's humanitarian aid is channelled through the United Nations, international organisations and international NGOs. The aid budget – more than €251 million since 2011 – has been used to provide food, water and sanitation, shelter, health services, clothes and psychological assistance to refugees in camps and cities, and to asylum seekers at the Syrian-Jordanian border. Basic services have also been provided to vulnerable Jordanian families.

*Non-humanitarian aid for Jordan*

An increasing share of the EU's non-humanitarian aid for Syria's neighbours has been channelled through the EU Regional Trust Fund in response to the Syrian crisis, the '[Madad Fund](#)', set up in December 2014. The Madad Fund primarily addresses longer-term economic, educational and social needs of Syrian refugees in neighbouring countries including Jordan. It also helps overstretched host communities and their administrations. The Madad Fund is one of the key instruments through which the new EU-Jordan compact will be funded. The Madad Fund is expected to reach a total volume of €1 billion in early 2017. Around €767 million has already been allocated to projects in the areas of education, health, water and municipal services, food security and livelihoods. Some 16 % of this amount, equivalent to €118 million, is allocated to Jordan.

### EU-Jordan cooperation in the field of security

The EU's cooperation with Jordan in the field of security is a priority under the partnership priorities, with a specific focus on counter-terrorism. In line with the [global strategy for the EU's foreign and security policy](#), and in a specific effort to counter the ISIL/Da'esh threat, the EU has considerably stepped up its [counter-terrorism engagement](#) with countries in the Middle East, as well as North Africa, Turkey and the Western Balkans. This has included an upgrade in security and counter-terrorism dialogues, and counter-terrorism/security experts are deployed in EU delegations. The fight against terrorism, violent extremism, radicalisation and inter/intra-religious intolerance are important goals for both Jordan and the EU. During a meeting on counter-terrorism and security in March 2016, the EU and Jordan [agreed](#) on an EU-Jordan enhanced security/counter-terrorism roadmap. The roadmap sets out greater cooperation in three specific areas: countering violent extremism; countering terrorism financing; and aviation and border security. In addition, under the umbrella of the Middle-East regional secretariat of the EU Chemical, Biological, Radiological and Nuclear (CBRN) [risk mitigation centres of excellence initiative](#), hosted in Amman, the EU is funding the establishment of a regional training centre in Jordan. The volume of counter-terrorism and security-related bilateral programmes with Jordan currently stands at €35 million. Regional programming that benefits Jordan and other countries amounts to close to €70 million.

### What role for the European Parliament?

In [April 2014](#), Parliament expressed its grave concern at the profound consequences of the fragmentation of Syria for the stability and security of the region, and at the high number of Syrian refugees in Jordan. MEPs called on the European Union and its Member States to continue providing substantial humanitarian assistance to Jordan. Parliament also called for the EU to actively promote a global partnership against terrorism and to work closely with countries that are dramatically impacted by the Syrian conflict, including Jordan, in February 2015. MEPs specifically called for increased dialogue between development and security experts from the EU and the countries concerned. In [November 2016](#), [Parliament](#) supported granting €200 million in macro-economic assistance to Jordan, citing the fiscal challenges and extraordinary circumstances Jordan faces as a result of hosting more than 1.3 million Syrians.

### Outlook and future developments

#### Domestic

The Syrian refugee crisis has exacerbated existing economic and resource challenges in [Jordan](#). With no end to the conflict in sight, and the prospects diminishing for refugees to return to Syria any time soon, popular resistance to integrating Syrians has risen. Tensions are not likely to threaten the regime in the coming years, but if the roots of the challenges are not addressed, political instability may follow. The state of the economy will be key to determining the future impact of the Syrian crisis on its southern neighbour. Jordan's economic performance is [expected](#) to improve in 2017, provided there is no further deterioration in the regional environment and donors continue to commit the funds they have pledged. The successful implementation of the agreement with the EU on the relaxation of the rules of origin for Jordanian exports, coupled with the creation of employment opportunities for Syrian refugees in special economic zones, will be crucial to the sustainability of the new 'resilience-based' approach and the longer-term prospects of Syrians in Jordan. As regards internal security, the Jordanian armed forces and security services are expected to deal effectively with the threat from jihadi groups,

including ISIL/Da'esh. At the same time, even a single attack specifically targeting tourists would lead to a further decline in foreign visitors and to a further shrinking of the economically-vital tourism sector.

### External

Despite the ongoing conflict in Syria, which continues to displace people inside the country, aid agencies do not expect large-scale new arrivals in neighbouring countries in 2017, largely due to more restricted admission policies. The 3RP 'refugee planning figure' for the end of 2017 is 4.7 million Syrian refugees for neighbouring countries, which is slightly lower than today's figure of 4.81 million refugees. Therefore, while Jordan may not currently have to prepare for the arrival of new Syrian refugees, Syrians will not return home any time soon. A political solution to the conflict in Syria is currently looking more [feasible](#) than at any time in the past six years, following an agreement between Turkey and Russia in late 2016 to convene a new round of peace talks. However, even if an arrangement were reached involving the Assad regime and some opposition groups, other opposition groups, excluded from the political process, are likely to continue fighting. Many [longer-term challenges](#) remain. Moreover, if Assad remains in power, the jury is out on how many Syrians would choose to return to live under a regime that has brutally murdered tens of thousands of its own citizens. According to the [Syrian Human Rights Network](#), 93 % of the 203 079 civilians killed between March 2011 and November 2016 were killed by the regime, the equivalent of 188 729 people. Moreover, the Syrian economy is destroyed and the conflict has wrecked development opportunities for decades to come. According to [some estimates](#), even if the conflict ended now and Gross Domestic Product (GDP) grew at an average rate of 5 % each year, it would take the Syrian economy an estimated 30 years to recover its pre-war level. In light of the above, Jordan is more likely, at some point, to have to face the difficult question of whether and how to more effectively integrate the Syrian refugee population in the host state.

### Endnote

<sup>1</sup> Jordan, Jane's IHS Country Report, 2016.

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