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POSITION PAPER

EIB: A Litmus Test of Political will in Jordan

On the Visit of EIB Vice President to Jordan

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On March 13 and 14, 2017, Vice-President of the European Investment Bank (EIB) Dario Scannapieco made an official visit to Jordan and met with the Minister of Planning and International Cooperation and several other ministers and senior officials. During the visit, parties agreed upon the priority sectors for cooperation, including renewable energy, energy efficiency, transportation, roads, finance and banking, and the increase of private businesses' share in the economy.¹ The meeting took place within the framework of EIB Economic Resilience Initiative, through which, as the EU Bank, the EIB supports EU's Southern Neighborhood countries "in pursuit of economic growth and the achievement of Sustainable Development Goals." On the other hand, it was only two weeks ago that the Minister of Planning and International Cooperation came together with the Coordinating Committee for Civil Society and acknowledged that "the active involvement of civil society organizations in planning and implementing development strategies is a central component of democratization and inclusiveness."²

In this context, the engagement of the EIB in Jordan could be seen as a litmus test of inclusiveness, democratization, and political will in SDGs implementation. In reality, the lack of civil society voice prior and during the meeting with the EIB was a missed opportunity, especially taking into consideration that the EIB engagement in the country aims to support achievement of SDGs. A transparent, participatory, and inclusive social dialogue is needed in Jordan to identify priority areas for cooperation-respecting country ownership. Social dialogue should also be

expanded to discuss the EIB investments' added-value in addressing development challenges, with rights-based impact assessments. This would help avoid the business-as-usual approach within the new EU-Jordan partnership. Given this limitation on timely and constructive participation of civil society in the discussions on EIB support to Jordan, there are several concerns that should be considered by the Jordanian authorities, EU, and the EIB.

First of all, building resilience and stability became a key word for the EU in its relations towards the Southern Neighborhood, as well as Jordan, particularly as a response to the migration and refugee crisis. This is well reflected in the Partnership Priorities, but as well now in the engagement of the European financial institutions' allocation of financial support or investments in Jordan. In this approach, boosting economic resilience and stimulating private-sector led growth are put forward as panacea and prioritized. Yet, years long cooperation with the EU, based on the same understanding of achieving economic growth and promotion of free trade, foreign direct investment, liberalization, and enhancing the role of private sector, including through public-private partnerships, did not achieve development results that address the root causes of the refugee crisis. In this regard, promotion of sustainable socioeconomic policies, targeting both host communities and refugees, in order to strengthen social and economic inclusion and local sustainable development, should be the priority of the partnership. The EIB should be in coherence with such an approach and complement with sustainable development impacts.

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On the other hand, it is well-recognized that the private sector has a key role in SDGs implementation. In turn, private sector-led growth is promoted by several actors, including by the EU and the EIB. Yet, the initial assessment on the SDGs implementation in Jordan shows that “the private sector is neither aware of these [development] goals nor involved in their implementation, so its contribution is not as significant as it should be.”³ In this regard, the private sector push should be well assessed, particularly with respect to human rights impacts and the accountability of the private sector. The EU should ensure that hybrid finance and public-private contracts should also be subject to compulsory transparency and accountability safeguards in compliance with human rights’ norms and standards, whereby human rights and the generalization of access to all public services come before profit. Furthermore, the push for private-sector led growth should be towards enhancing productivity and competitiveness and the improvement of productive sectors, with

added-value production that could generate sustainable jobs in the country. In addition, a multi-stakeholder dialogue on the SDGs remains key for each actor to understand the context, the Goals, and the challenges, as well as working through mutual accountability.

Since 1979, projects financed by the EIB in Jordan amounted to more than one billion euros in several sectors, including energy, transport, telecommunications, services, and credit lines.⁴ Genuine development impacts of these investments for the Jordanian society should be well assessed, particularly before putting the EIB in a central role for the implementation of the SDGs in Jordan. Accordingly, rights-based development perspectives and respect for policy coherence for sustainable development should be well integrated in the approach of the future EIB engagement. This as well necessitates supporting an enabling environment and engaging civil society in a transparent, participatory and inclusive approach, for the litmus test not to fail.

1. <http://jordantimes.com/news/local/jordan-european-investment-bank-discuss-priority-projects>

2. <http://www.jordantimes.com/news/local/civil-society-crucial-democratisation-officials-activists-agree>

3. <http://www.socialwatch.org/node/17228>

4. <http://www.eib.europa.eu/projects/loan/list/?from=®ion=5§or=&to=&country=JO>



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