



**USAID** | **JORDAN**  
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# Strategic Statement

## Jordan

### 2007-2011

## Public Version

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## STRATEGY AND PROGRAM SUMMARY

### Overview

Jordan is a principal voice for moderation, peace and reform in the Middle East. Its difficult geographic position – surrounded by Iraq, Syria, the Palestinian Territories, Israel and Saudi Arabia – brings it into constant contact with regional turbulence that affects its political climate and its economy. In this volatile environment, Jordan stands as an oasis of stability and a model for progress in the region. King Abdullah II maintains close and productive ties with heads of state and policymakers both in the West and throughout the Arab and Muslim worlds.

The United States and Jordan have enjoyed a strong partnership and strategic relationship for many years. For nearly a decade, the USAID program in Jordan has been one of the Agency's largest country assistance programs worldwide, and it has demonstrated how national commitment combined with U.S. assistance can both achieve rapid development gains and play a key role in furthering U.S. foreign policy goals.

Jordan has made remarkable progress in economic and social reforms over the past five years. The country has begun to embark upon a broad program of political reform. These reforms are center stage in Jordan's National Agenda, an ambitious ten-year program to broaden and intensify the country's reform efforts. This National Agenda aims to improve the quality of life for all Jordanians through concentrated programs in political, social, and economic spheres. USAID's program, as a major component of the U.S. Government's strategic partnership with Jordan, is aligned with the National Agenda and fully supportive of Jordan's economic and democratic reforms.

Recognizing Jordan's strong commitment to reform, the Millennium Challenge Corporation (MCC) selected Jordan to participate in the Threshold Program this year. This selection reflects Jordan's major progress promoting economic freedom and investing in people, two central tenets of the MCC. As a next step, the Jordanian Government's goal is to achieve the additional reforms in governance and the economy that are necessary to reach Millennium Challenge Account Compact status, and thereby access further funding to support Jordan's development effort.

USAID's vision is to help Jordan become a prosperous, democratic country whose government is increasingly accountable to its people, that plays a central role in promoting peace and democracy in the Middle East, and that is an active participant in the world economy. By the end of the strategy period in 2011, Jordan will have in place the legal and regulatory foundation, institutions and practices of an increasingly democratic society. It will also have a macroeconomic framework that fully supports its participation in world markets, attracts investment and encourages industry to flourish. Jordan will have strengthened its position as a regional hub in areas such as IT, medical services, garments and technical training. The Jordanian economy will be able to provide jobs for most of its labor force. It will be supported by high quality education and health systems, and growing research and development capabilities.

To implement this vision, USAID's program in Jordan has two aims. First, USAID's overall goal is to support U.S. foreign policy in the Middle East and contribute to regional stability. Second, USAID activities aim to increase the freedom of all Jordanians through improving democratic practices and increasing economic growth. Achieving these goals will not be easy. While the Jordanian Government is committed to economic and democratic progress, there are many entrenched interests in Jordan who oppose reform. Advancing good governance and democratic and economic reforms requires creating a climate of receptivity to those changes. This means changing attitudes and creating incentives by providing educational and economic opportunities, as well as basic services to support life such as adequate health care and water supplies.

USAID programs to reach these goals will therefore address Jordan's most pressing problems: a lack of jobs -- particularly for youth, seriously inadequate water supplies that threaten human well-being and future economic growth, an education system that often produces graduates without necessary workplace skills, lack of active and broad citizen participation in the political process, a rapidly growing population that will overwhelm the capacity of the country to provide for its people, and health problems that diminish workforce productivity and contribute to persistent poverty.

USAID will work in close partnership with the Government of Jordan to fund a program focusing on democratic governance, education, economic growth, water resources, and population and health. Democracy-oriented initiatives will support political decentralization, strengthen civil society and media, and work with the Parliament and Judiciary on legislative strengthening and judicial reform. Education activities will enhance the performance of Jordan's formal educational system through introduction of IT to increase learning and employment-relevant skills in primary and secondary schools, rehabilitation and construction of schools, and expansion of kindergartens throughout the country. Economic growth programs will increase Jordan's competitiveness in the global marketplace through market-based reforms and support to private enterprises. Water sector activities will respond to Jordan's dire need to increase water availability for economic growth and the well-being of its people through improved management and improved infrastructure. The population and health program will assist in slowing Jordan's rapid population growth and improving its healthcare system at clinic and hospital levels. Taken together, these activities will directly address Jordan's development challenges, thereby strengthening a key ally in the Middle East.

By the end of the strategy period, USAID will be ready for the next phase of its development partnership with Jordan. Funding for economic growth efforts will decline as key constraints to employment and competitiveness are resolved. Future USAID support is likely to focus on assistance to selected sectors, such as tourism and industrial development that are particularly vital for Jordan's continued economic prosperity, and strengthening of Jordan's research and development capability and linkages. In the democracy and governance sector, USAID assistance beyond 2011 may focus on activities such as building further capacities in media, civil society and local government -- areas with long-term development needs. USAID assistance in the education sector is

likely to remain substantial as the country continues to tackle the challenge of increasing the use of technology, even in rural areas, as well as financing more school construction to meet the needs of its still-growing population. Technical exchanges and scholarships to the US will be a continuing component of USAID assistance in democracy/governance and education. In the health sector, modest levels of assistance will focus on ensuring equitable access to health care, and providing technical support as needed for the family planning program. Finally, the water sector is expected to continue to receive major support from USAID in the future. The scarcity of water in the region is likely to be a key issue affecting Jordan's economic prospects, the well-being of the Jordanian people, and regional stability for many years to come.

## **Strategic Objectives**

The Strategy includes four strategic objectives and one special objective:

- Strategic Objective: Strengthened Democratic Reforms
- Strategic Objective: Improved Social Sector Development
- Strategic Objective: Improved Economic Opportunities for Jordanians
- Strategic Objective: Enhanced Integrated Water Resources Management
- Special Objective: Cash Transfer

## **Changes Since Last Strategy**

USAID/Jordan's current strategy was planned to guide Mission programming from January 2004 through 2009. However, recent changes in U.S. Government priorities in the Middle East mandate an increased emphasis on reform in democracy and education. Further, the new Jordanian development agenda, set forth by King Abdullah, includes a clear focus on strengthening democratic institutions and practices, education for the modern workplace, and greater public participation in Jordan's reform efforts. As a result, USAID has broadened and deepened its democracy and education initiatives. Reflecting this situation, this Strategic Statement includes:

- A separate strategic objective, Strengthened Democratic Reforms, to highlight the Mission's rapidly-growing democracy program;
- Greater funding for education initiatives to re-orient Jordan's education system toward the needs of the modern workplace; and
- Where appropriate, special efforts to reach persisting pockets of poverty in areas outside main population centers.

## **Anticipated Results**

The Mission anticipates that this Strategic Statement will cover the five-year period from 2007 through 2011. By the end of this period, USAID programs will demonstrate specific results in all sectors, as detailed in Annex III. Selected results include:

### **Democracy**

- Jordan will hold free and fair Parliamentary and local municipal elections that are broadly representative of the country's entire population.
- The number of women gaining elected political office will increase to 15 percent.
- Thirty non-governmental organizations (NGOs) will become financially sustainable with diversified and local funding sources.
- The number of private, financially sustainable media outlets will increase by 20 percent.

### **Education**

- 130 public schools will be constructed or renovated to maintain Jordan's high student enrollment rate and prepare for the broader use of IT in classrooms.
- A school-to-career initiative will be institutionalized in the public school system.
- All early childhood education teachers (1,447) and IT stream teachers (74,579) in the public sector will be fully trained in and using modern content and pedagogy.
- All government schools will be connected to the national broadband network.

### **Population and Health**

- Safe motherhood wards in 24 public sector hospitals will be renovated and equipped, and 34 hospitals will provide high quality safe motherhood and neonatal services.
- Modern contraceptive prevalence will increase from 41 to 46 percent and total fertility will be reduced from 3.5 to 3.1.
- The Government of Jordan will have fully assumed responsibility for contraceptive procurement from USAID.
- Jordan will remain a low prevalence HIV/AIDS country, and HIV/AIDS stigma and discrimination will be significantly reduced.

### **Economic Opportunities**

- A fair and well-administered tax system will be operational.
- Transparent government budgeting will be the norm.
- Exports will increase by 10% per year, starting in 2007.
- Investment in private business, excluding the construction sector, will double.
- The Financial Intelligence Unit at the Central Bank of Jordan will be fully operational and will prevent money laundering through rigorous enforcement of a top-notch Anti-Money Laundering law.

## Water Resources

- Properly valued and allocated water supplies will increase along with the development of capital infrastructure projects. The infrastructure projects will improve potable water supplies for about 3.5 million persons and improve sanitation services for about 2.1 million persons.
- Water resources management will be significantly improved through establishment and functioning of a groundwater management unit, implementation of a sector-wide IT system, and introduction and use of other management “best practices”.
- Reuse of wastewater in industry and agriculture will be widely adopted and will conform to international standards.

## POLICY PERSPECTIVES

USAID’s strategy in Jordan is set in the context of U.S. Government and USAID worldwide policies, the Jordanian Government’s goals, and the policies and strategies of the donor community. Key policy documents and initiatives have influenced the framework for USAID/Jordan’s strategy. Central themes of these policy documents and initiatives are political development and inclusion, job creation, economic prosperity, and social investment.

USAID/Jordan’s new Strategic Statement realigns program interventions and resources to focus on sectors of high interest to U.S. foreign policy, where the Government of Jordan has shown commitment and willingness to reform, and where USAID can have the greatest impact. The relationship of the Strategic Statement to each of the policy documents and initiatives is described below. The Statement was developed in close coordination with all U.S. Government departments and agencies in Jordan and is fully reflected in Embassy/Amman’s Mission Performance Plan. All the efforts of the initiatives listed are carefully coordinated with USAID’s activities in Jordan to create a mutually reinforcing U.S. Government program to assist this important ally.

## **U.S. Government policy documents in relation to USAID/Jordan’s Strategic Statement:**

### ***Joint State-USAID Strategic Plan:***

This Strategic Statement contributes directly to the Joint State-USAID Strategic Plan by supporting five strategic goals under the Plan: 1) regional stability, 2) democracy and human rights, 3) economic prosperity and security, 4) social and environmental issues, and 5) international public opinion. These goals form the guiding principles for developing programs and allocating resources. USAID will assist in increasing citizen participation, promoting individual rights and freedoms, increasing transparency and accountability in government, mitigating the potential for internal and regional conflict, building partnerships to deliver water, advancing international environmental cooperation to support trade and economic growth, and improving education to promote critical thinking and tolerance.

***Policy Framework for Bilateral Foreign Aid:***

Largely built from analysis and conclusions of USAID’s White Paper, this Policy Framework presents five core goals for foreign aid. This Strategic Statement is fully aligned with the core goal of supporting a strategic state, and is designed to achieve key U.S. foreign policy objectives in Jordan, a strategically high priority country. Chief among these objectives is promoting transformational development.

***Asia and Near East Bureau Draft Strategic Planning Framework:***

The USAID strategy will support the achievement of six of the seven program priorities set forth in the Bureau’s Draft Strategic Planning Framework. For example, USAID programs will assist in “winning the war against terrorism and strengthening accountable national institutions” by reducing the incidence of corruption, increasing transparency and accountability, advancing the Jordanian Government’s commitment to fighting money laundering, and improving access to and quality of education. “Building a 21<sup>st</sup> century workforce” is a central theme in USAID’s education and economic growth initiatives in Jordan. The overall aim of USAID’s population and health program is to improve health services to ensure productivity and economic growth, which directly supports “Family and Workforce Health”. Activities to mitigate Jordan’s water scarcity problems directly align with “Launching a Blue Revolution”. Finally, this Strategic Statement also addresses the cross-cutting themes contained in the Draft Framework, namely, gender, youth, anti-corruption, and information communications technology.

**Other U.S. Government initiatives in relation to USAID/Jordan’s Strategic Statement:**

***Middle East Partnership Initiative (MEPI):***

Jordan receives MEPI funding and some MEPI programs are currently managed by USAID. When MEPI funding ends, USAID will assume funding for selected activities to ensure that new programs in these areas build on successes achieved to date, particularly for activities promoting credible elections and political processes. Other USAID activities planned for the strategy period such as e-learning will also reinforce MEPI initiatives.

***Broader Middle East and North Africa (BMENA) Initiatives:***

Jordan is an active participant in the BMENA reform process introduced at the G8 Sea Island Summit in 2004. Jordan leads the BMENA education reform initiative and has hosted several BMENA meetings. USAID will continue to support BMENA initiatives by promoting entrepreneurship, improving education, reforming the financial sector, increasing investments and trade opportunities, creating jobs, and encouraging political dialogue.

***Government of Jordan’s National Agenda:***

This Strategic Statement supports key Jordanian Government priorities in the National Agenda. Working with the Jordanian Government, USAID will help implement reform in political development, education, financial services, trade and investment, infrastructure upgrade and social welfare.



***Millennium Challenge Account (MCA):***

The Jordanian Government is fully aware of the reform requirements that were the focus of the Millennium Challenge Corporation's (MCC) first visit to Jordan in January 2006. Currently, the Government is working to develop the required documents for the MCC Threshold Program to help address democratic and economic reform issues. As this process proceeds, USAID will continue to examine complementarities and synergies between its program and the MCC. The Mission will also consider the impact of possible compact eligibility on its program in Jordan, as well as revisit this strategy to determine if changes must be made.

## **COUNTRY CONTEXT**

### **Progress**

Jordan has made great strides since the early 1990s in moving away from a state-dominated economy to a free-market, private sector-led economy. Amid continued political unrest in the region, Jordan's commitment to economic reform has resulted in steady GDP growth rates from 3.3 percent in 2003 to 7.5 percent in the first nine months of 2005. New jobs are being created, basic and higher education systems are being improved and realigned to meet the demands of the job market, the high population growth rate is declining as the Government and the non-governmental sector work together to promote birth spacing, and new facilities and management systems are helping to address the enormous demands placed on Jordan's scarce water resources.

### **Challenges**

Despite these achievements, Jordan faces difficult and persistent challenges. The country is poor in natural and energy resources, lacks a well-developed industrial base, and borders unstable, hostile, or otherwise problematic neighbors. Hence, the country's economy is strongly influenced by the economic and political conditions of its neighbors. The conflict in Iraq adds to the uncertainty of Jordan's political environment. Also, internal security problems such as the November 2005 bombings of three Amman hotels have raised concerns about the impact of the security situation on tourism, foreign direct investment, and other key drivers of the economy.

Rapid population growth continues to place enormous burdens on Jordan. It compounds the problem of water scarcity, which is already a serious concern. Further, jobs are not being created nearly fast enough to absorb the growing workforce. At 15 percent, unemployment is persistent, and poverty levels, although down to 14 percent from 21 percent in 1997, are still significant. Rising energy prices are a heavy drain on public and private resources. Per capita water availability is under the international minimum by at least 25 percent. Annual debt service also requires a substantial share of public funds.

Economic and political development efforts in Jordan suffer from the weakness of public and private sector institutions and the lack of active public participation in civil society.

The private sector needs to be more heavily involved in identifying and guiding overall economic reform in the country. Governmental bodies need to develop into strong decision-making and regulatory institutions to manage issues effectively. Finally, there is a great need for ordinary Jordanians to better understand the importance of reform, as many now feel that they do not directly benefit from these efforts.

In addition to the country-wide challenges cited above, USAID faces several issues:

- Security for U.S. Government operations is of paramount concern. USAID's highest priority continues to be the security of its staff.
- Host-country capacity is weak in specific areas, such as policy development, management, monitoring and evaluation.
- Financial and staffing issues at certain ministries prevent them from ensuring full implementation and sustainability of agreed-upon projects.
- Drastic increases in fuel prices worldwide have had a severe impact on Jordan's national and household budgets.

## **Assumptions**

To fully implement this Strategic Statement, USAID/Jordan assumes that:

- The Jordanian Government, the Jordanian people, and the Parliament will be strongly committed to an ambitious political and economic reform agenda.
- Jordan will remain a relatively secure country and a strong ally of the United States.
- USAID, as the Jordanian Government's major reform partner, will receive the same funding level (\$250 million per year) throughout the strategy period.
- MCA funding, if awarded to Jordan, will be additional to the USAID program.

Significant restructuring of the USAID program in Jordan may be required if any of these assumptions prove false.

## **Jordan's Goals and Programs**

Under King Abdullah II's strong leadership, the Government of Jordan has instituted broad economic and social reforms to improve the future for all Jordanians. Since 2001, the Government has launched initiatives to raise living standards by instituting economic and legal reforms, developing human resources, ensuring proper health care, promoting development in rural areas, and making government more efficient.

Significant reform efforts undertaken by the Jordanian Government in the past five years include the Education Reform for the Knowledge Economy (ERfKE), a five-year program adopted in July 2003 to address future human capacity requirements through improved early childhood, primary, and secondary education. ERfKE is complemented by the Jordan Education Initiative, a public-private effort to improve delivery of education by integrating information technologies into the classroom. Also of note, the

E-Government Program was designed to improve transparency and efficiency of government agencies. Establishment of the Ministry of Political Development and Parliamentary Affairs has facilitated the development of Jordan's political reform agenda to strengthen public and personal freedoms and promote a participative civil society.

Economic initiatives form an important part of the Government's reform programs. The Aqaba Special Economic Zone was established as a model for efficient, effective, and transparent development and governance. Jordan has been a member of the World Trade Organization (WTO) since 2000. In 2001, Jordan signed a Free Trade Agreement (FTA) with the United States. The country is eager to satisfy WTO and U.S.-FTA standards and requirements, which are necessary for continued participation in the FTA. In the IT sector, Jordanian IT leaders responded to the King's vision by developing a comprehensive action plan to strengthen the sector and make it competitive in regional and global markets. Launched in 1999, the REACH Initiative guided development of a regulatory framework, an enabling environment and infrastructure, advancement of national IT programs, capital and finance, and human resource development.

## **STRATEGY DEVELOPMENT**

The Mission's strategy development process included both research and extensive consultations. Regarding the former, the Mission analyzed numerous research and evaluation documents to target Jordanian needs and provide the intellectual foundation for this Strategic Statement. These documents included: new USAID-funded evaluations, studies, and assessments conducted specifically for this strategy; public opinion polls; GOJ analyses; and reports from NGOs, international donors, contractors and grantees. Annex V provides detailed information on these materials.

Consultations on strategic direction were also held with key stakeholders. These stakeholders included: Jordanian Government counterparts at all levels; representatives from the private sector, media, and civil society; implementing partners, both local and international, including MEPI partners; other donors; Embassy sections and agencies; and USAID/Washington colleagues. Consultations for newer initiatives, such as democracy and education, were particularly extensive. Consultations in the areas of water resources, economic opportunities, and health supplemented and updated the analytical base established through research and consultations with stakeholders during the development of the current country strategy three years ago.

## **STRATEGIC FRAMEWORK**

The USAID/Jordan portfolio will address key development problems in Jordan through four strategic objectives and one special objective:

- Strategic Objective: Strengthened Democratic Reforms
- Strategic Objective: Improved Social Sector Development
- Strategic Objective: Improved Economic Opportunities for Jordanians
- Strategic Objective: Enhanced Integrated Water Resources Management

- Special Objective: Cash Transfer

The sections below detail the strategic base and illustrative interventions for these objectives.

## **Strategic Objective: Strengthened Democratic Reforms**

Jordan is a liberalizing constitutional monarchy that has initiated bold steps to advance comprehensive reform. Its ambitious National Agenda emphasizes key components of political reform that place Jordan firmly on a track to democratization. Among these components are increased public participation in political life through reform of laws concerning elections, political parties and municipalities, as well as women's empowerment, civil society strengthening, and media sector development.

The National Agenda and U.S. foreign policy priorities are reflected in USAID's democratization efforts. The Mission's democracy and governance portfolio will focus on removing the principal obstacles to democratization by addressing problems such as corruption, and the lack of inclusion, participation, and respect for the rule of law. The program also will balance support to both the supply and demand sides of good governance by strengthening local governance, the justice sector, and key political institutions such as the Parliament. At the same time, the program will fuel the demand for good governance by promoting an independent media, representative political parties, and an engaged civil society that actively participates in public life. In these areas, the Mission will incorporate themes of gender, youth, and participation throughout its activities. In addition, USAID will actively coordinate with other donors on governance issues, and will emphasize program areas where the Mission has the greatest comparative advantage to influence change.

Through this comprehensive effort to advance democratization, Jordan will gradually achieve fundamental changes in governance, improve institutional and human capacity, and increase citizens' inclusion in political life. As a result, Jordan will be more likely to win the confidence of both donors and investors. The USAID program will also help Jordan achieve MCC status by improving its performance on measures of ruling justly.

At the end of the strategy period, USAID's democracy and governance program in Jordan will have helped to strengthen key democratic institutions. Specifically, USAID will have automated and made more transparent the court system, created a more independent judiciary, strengthened Parliament's ability to serve as a check on the Executive, promoted decentralization of local government, and greatly improved citizen participation in political and economic discourse. In addition, Jordanian governmental institutions will be better able to advocate for necessary reforms and take a leadership role in their implementation. It is anticipated that the media sector will be more free and independent, with local media outlets operating freely outside of the capital city of Amman. It is expected that Jordan's elections, already considered reasonably free, will also become more fair – allowing for greater societal representation in the Parliament. Further, it is expected that Jordan's political parties will be more capable of developing

issues-based platforms that are responsive to constituent needs – displacing the system of tribe-affiliated voting that currently prevails. These efforts will be reinforced by a more active and independent civil society that will be seen as a credible partner and contributor to democratic life in the Kingdom.

This program will continue through FY 2011 and beyond. FY 2006 will be a growth year for USAID/Jordan's activities, as new programs in civil society, media liberalization, local governance and elections/political processes will be added to the portfolio. FY 2007- 2011 will be implementation years in each of the key democracy promotion areas.

***Program component 1: Strengthen the justice sector.***

The administration of justice in Jordan is slow and inefficient. As a result, the population has limited confidence in the justice sector and the investment climate does not attract the investors needed to boost Jordan's economic growth. To remedy this problem, USAID support will continue to focus on capacity-building of key judicial institutions, including the Ministry of Justice and the Judicial Council. USAID also will promote judicial independence and judicial integrity to improve both the public's perception of the justice system and the investment climate. Activities will increase transparency and efficiency in the justice sector, including the national roll-out of Arabic language court automation and caseload management systems. Court efficiency will also be addressed through the promotion of mediation and the adoption of other methods of alternative dispute resolution. USAID's program will work simultaneously with Jordanian universities to improve the education system for future generations of lawyers.

***Program component 2: Strengthen the legislative function/legal framework.***

Citizen participation in political and economic decision-making is low in Jordan. Hence, popular "ownership" of Jordan's reform agenda is almost non-existent. A cornerstone of Jordan's new reform strategy is therefore to increase citizen participation in all aspects of public life at municipal and national levels. The National Agenda will set the stage for broad reforms in political processes, including proposal of new legislation to liberalize the political parties law and the election law. Jordan may also tackle the contentious issue of redistricting in the coming year, in anticipation of new Parliamentary elections in 2007. USAID will assist the Parliament to professionalize, increase transparency and accountability in the legislative process, and improve public perceptions. USAID will also promote stronger linkages between the Parliament and civil society.

***Program component 3: Promote and support anti-corruption reforms.***

Recent polls have found that a large majority of citizens identified corruption as the most significant issue in need of immediate government action. Although financial corruption is believed to be limited, influence peddling and a strong tribal culture of patronage ("wasta") are pervasive problems in the Kingdom. Addressing these concerns, the King has made establishment of an Anti-Corruption Commission a high priority. USAID will assist the Government to assess corruption, and, if appropriate, develop an action plan and program to combat corruption through public sector reform. In support of key U.S. national interests, USAID may also assist the Jordanian Government to enforce new anti-

money laundering measures, currently being fast-tracked for consideration by the Parliament.

***Program component 4: Support democratic local government and decentralization.***

Jordan's highly centralized governmental structure does not promote the participation of citizens in local decision-making. Recognizing this problem, the National Agenda calls for increased citizen participation in all aspects of political and economic development. USAID will support Government initiatives to decentralize authority and assist municipalities to improve their capacity to deliver citizen services, promote local economic development, and reduce poverty through local job creation. Other areas of assistance will focus on increasing transparency and accountability for newly empowered government officials, including strengthening the relationship between the government and community-based organizations. USAID will partner with other donors, particularly the European Union and the World Bank, who support local government and decentralization activities.

***Program component 5: Strengthen civil society.***

Jordan's civil society sector suffers from excessive state control which limits citizens' ability to freely organize, build professional and financially independent organizations, and fully participate in political development. Jordanian women also face cultural obstacles to equality which hinder their participation in public life. To meet these challenges, USAID will strengthen the capacity of civil society organizations to advocate for reform and to become independent and financially sustainable. USAID also will enhance women's participation in public life and improve the enabling environment for gender equity.

***Program component 6: Ensure and establish media freedom and freedom of information.***

Over-regulation and state control of Jordan's media sector impedes the flow of information to citizens and hampers the development of a robust civil society. Further, Jordan's journalists lack key professional skills to promote balanced reporting and media outlets lack sufficient financial resources. USAID support will improve the independence, professionalism, sustainability and diversity of the media sector in Jordan.

***Program component 7: Promote and support credible elections and political processes.***

As described under component 2, the National Agenda recommends sweeping legislative reforms, including reform of the national election law and the law on political parties. To respond to the new enabling environment created by these reform plans, USAID expects to undertake programs to build the capacity of the political parties to draft comprehensive platforms, form coalitions, and participate in party blocks. USAID plans to promote greater inclusion of women in the electoral process and foster the formation of more representative local, regional and national legislative bodies. Election assistance will include pre-election voter education components to educate the public about their responsibility in the democratic process.

## **Strategic Objective: Improved Social Sector Development**

Education and health are the key to Jordan's future prosperity. The development of Jordan as a knowledge-based economy with a highly skilled, competitive workforce depends on the success of the country's education reform efforts. High population growth rates, the increase in chronic diseases, and the necessity of maintaining a healthy and productive workforce will also have a critical impact on Jordan's economic future.

USAID's program in the social sectors will continue to fund targeted interventions in education and in population and health. Education activities will ensure that current and future generations will have a better opportunity to develop their potential and contribute to their country's social and economic development. Also, a modern, secular education system that reaches all school-age children and promotes critical thinking and tolerance will be one of Jordan's strongest bulwarks against extremism. Population and health activities will continue to improve family planning and family health care services, and provide greater levels of education, which is proven to decrease fertility rates.

The sections below outline how these funds will be used in each sector.

- **Improved Education and Life Skills**

Jordan's King Abdullah II has repeatedly spoken about the critical importance of developing Jordan's intellectual resources to carry out the country's leadership role in the Middle East. Recognizing the lack of natural resources and acutely aware of the fragile political and social conditions in the region, he has called upon Jordan's education system to produce motivated and properly prepared graduates. These graduates must possess the skills to succeed in today's modern and rapidly changing technological world and, at the same time, be open and tolerant of each other and the diversity that surrounds them.

Jordan has performed remarkably well in providing schooling for its growing youth population. The total enrollment for basic education is over 90 percent and 73 percent of the secondary school-age children attend school. Even more noteworthy for the region, just as many girls as boys attend school up through the university level. Jordanian parents place a high priority on making sure their sons and daughters receive the best education possible, and they are willing to make steep sacrifices to see that happen.

Underlying this extremely positive picture, however, are several problems that constrain Jordan from providing the quality of education that is needed to lead the country to the next higher level of development. First, achievement of current enrollment rates means that in some instances inadequate buildings are rented as schools, double school shifts are employed and many classrooms in urban areas are overcrowded. The recent influx of an estimated 30,000 students from Iraq has exacerbated these problems. Second, a heavy reliance on rote memorization and the exaggerated influence of the final secondary examination on a student's future have held back a more balanced emphasis on higher-order thinking skills and creativity. Third, Jordan's education system has provided limited access to early childhood education. This has left children who are dependent on

public schooling at a disadvantage at a critical period of mental growth. Finally, too often secondary school graduates do not have the skills needed to find employment in Jordan's rapidly modernizing economy.

In response to these challenges, in July 2003, the Jordanian Government launched the Education Reform for the Knowledge Economy (ERfKE) initiative. This five-year \$380 million multi-donor program is one of the most ambitious and comprehensive education reform programs in the Middle East and North Africa region. ERfKE involves activities to improve policies and administration, curriculum and testing, physical facilities and early childhood education. It is complemented by a World Economic Forum-sponsored innovative pilot, the Jordan Education Initiative, to integrate the use of information and communications technology into classroom teaching and learning. Most recently, the Government reinforced these efforts by making education one of the priority areas in the National Agenda and by beginning the deployment of a fiber optic broadband network to enable the use of computer technology in schools throughout the country. Donors have aligned behind this GOJ-driven approach, resulting in outstanding partner coordination.

In all the activities above, USAID is a major contributor and implementer and will remain deeply engaged over the next five years. At the end of this period, USAID, in cooperation with the Jordanian Government, donors and private sector partners, will have entirely revamped Jordan's education system. The system will have incorporated critical thinking, problem-solving and workplace skills into its core curricula, and e-learning approaches across all subjects and grades will be in use in almost every Jordanian school. In short, Jordan's education system will be ready to meet the challenges of the future by graduating students with the analytical and IT skills required in the modern economy. To achieve this aim, USAID programs in the education sector are presented below.

***Program component 1: Expanding opportunities for youth through work and life skills.***

Over the next several years, USAID will complete the strengthening of the new management information curriculum stream at the secondary level, which is designed to meet the challenge of preparing students for the modern workplace. E-learning modules will accompany textbooks and teachers will be fully trained to integrate information communications technology into their daily teaching schedules, shifting to a student-centered learning approach proven to improve critical thinking and leadership skills. Also, within a representative set of secondary schools, with a particular emphasis on Aqaba, a pilot program to link school to career will be carried out. If successful, this program will be expanded to other secondary schools in Jordan. Outside the formal education system, and with an emphasis on Aqaba and the south, USAID will support a program to reach unemployed youth (18-24), facilitating their efforts to obtain jobs.

***Program component 2: Achieve equitable access to quality basic education.***

Under this component, USAID has a three-pronged approach. First, USAID will continue to work with the Ministry of Education to improve its capacity to administer the new early childhood program in Jordan's public schools. Over the next three years, the work underway to construct and renovate an initial 100 kindergartens and 20 resource



centers will be completed. By then, the new curriculum will have been thoroughly tested, revised and adopted and fully trained teachers will be in the classrooms. Also, under an agreement with the Children's Television Workshop, approximately 50 additional episodes of Jordan's "Hikayat Simsim" (Sesame Street) will be produced for use in kindergartens and wider home audiences.

Second, USAID will help Jordan improve its educational infrastructure at the primary and secondary school level. The Ministry's current capital development program will not enable Jordan to solve the problem of overcrowding in urban schools, and therefore will put at risk the quality of teaching throughout the system. The current enrollment rate also can not be maintained unless a substantial increase occurs in the school construction budget over the next several years. In response to this situation and the Government's request, USAID will fund the construction of approximately 30 new schools over the next four years. For existing schools that need to be upgraded, USAID will implement a renovation and extension program for approximately 100 schools.

Third, to encourage critical thinking and creativity in the classroom, USAID will continue to support the Jordan Education Initiative. This initiative is testing e-learning modules for all core subjects in all grades in 100 pilot Discovery schools in Amman. By providing equipment for 50 of these schools, as well as for an additional approximately 60 schools in the Aqaba region and the south, USAID will become the leading donor in this groundbreaking effort to improve the quality of education through increased use of innovative technology, while promoting a decentralized approach to decision-making. USAID and MEPI-funded e-learning modules will strengthen civics education, promoting good citizenship. USAID will also work with the Ministry of Education to complete the design of an effective communications data center as the hub for the nationwide use of technology in schools. Additionally, USAID and CISCO Systems will continue to fund certificate-granting technical training for women and gender-sensitizing exercises for administrators, teachers and students in selected schools to encourage more female students to pursue higher levels of training in information technology. Public-private partnerships significantly contribute to reform in Jordan through increased private investment and the provision of highly specialized technical assistance.

- **Improved Health Status for All Jordanians**

Jordan's current population growth rate, 2.5 percent, is one of its most pressing development challenges. The Government recognizes that continued rapid growth will seriously impede Jordan's economic and social development and could affect the country's stability. Jordan's goal for its population program, shared by USAID, is to achieve replacement fertility (2.1 children per couple by 2020) and improved family health for all Jordanians.

Achievement of this goal requires overcoming important challenges. For example, Jordan's current total fertility is 3.5 and the first-year discontinuation rate for modern contraceptives is 42 percent. The unmet need among women for family planning is 16 percent. Maternal mortality at 41/100,000 is not dramatically high, but most maternal

deaths occur among the poor. Similarly, infant mortality is only 21/1,000, but more than two-thirds of those deaths occur in the neonatal period. Further, chronic diseases are an increasing problem across all age groups.

There is also a recognized need to enhance male involvement and the role of men in family planning and family health at individual, family, community and national levels. To do so, several gender-related interventions are being developed and/or implemented. Examples include: gender-disaggregated information (services and disease burden); different provision of services for men and women; an expanded package of health services and information to meet life-cycle needs; use of male religious and community leaders to promote population and family health themes; and male involvement in joint decision-making on issues of family health.

Jordan has a short 20-year window of opportunity to improve the health status of its population, including decreasing population growth, before population numbers overwhelm the country's economic base. USAID will continue to work closely with Jordanian counterparts to seek new opportunities and invest in new approaches aimed at increasing the use of modern methods of contraception, improving the health of women, infants, and children, enhancing primary health care and information, and keeping Jordan a low prevalence country for HIV/AIDS. USAID will also assist the Government to strengthen systems and capacity within Jordanian entities. Two target groups for activities will be youth under age 25, who represent 60 percent of the population, and the poorest and most under-served elements of the population who rely most heavily on public sector health facilities. Host country commitment and performance is strong.

***Program component 1: Support family planning.***

To reduce the total fertility rate to 3.1 by 2010, USAID will help increase demand for family planning services and information through community outreach programs implemented by local NGOs with a strong emphasis on youth. A planned 700,000 out of 1.3 million women of reproductive age will receive information and counseling in their homes. High quality family planning, reproductive health, and women's health services will be provided via a network of private sector physicians and pharmacists, who will serve clients referred through the outreach system. In particular, USAID will focus these activities on adolescents, youth, newlyweds, and young low-parity women. To do so, USAID will adopt the life stages approach developed by USAID-funded partners which addresses the special needs of youth and recently married women on family planning issues. Further, the policy and advocacy environment for family planning and reproductive health will continue to be improved through technical assistance. USAID also will continue to support the procurement and distribution of contraceptives to the public and non-governmental sectors. All contraceptive procurement and budget responsibilities will be transferred from USAID to the Jordanian Government by 2009.

***Program component 2: Improve maternal health and nutrition.***

USAID will expand and institutionalize high quality health care information and services at national and sub-national levels. In public sector hospitals, activities will improve management and quality of services. Activities will concentrate at the hospital level on

safe motherhood and neonate/child services by improving physical infrastructure, providing medical equipment and furniture, and improving clinical competencies of staff. Further, family planning, reproductive health and primary health care services in hospitals will be improved. Additionally, selected policies and systems that improve access to health care at all levels will be strengthened. Public sector primary health care clinics, which serve the poor and marginalized, will benefit particularly from these quality improvements.

***Program component 3: Improve child survival, health and nutrition.***

Public awareness and understanding of health issues are essential to enable Jordanians to adopt better health practices and build a strong workforce. Hence, this component will empower individuals, families, communities, and institutions with the knowledge needed to improve health from childhood through old age. Work will be conducted through a partnership of local public-private-NGO entities. National capacity building and institutionalization will be key priorities to ensure sustainability.

***Program component 4: Address other health vulnerabilities.***

USAID will focus its assistance on improving the quality of and access to health services at all 26 Ministry of Health hospitals to enable them to provide quality services to the poor and under-served, especially women and children. Interventions will concentrate on accreditation of both public and private hospitals and rational drug utilization. Activities will also assist the Ministry to right-size, increase efficiency and build capacity. USAID will continue to assist the Ministry to improve infectious and chronic diseases surveillance and train new field epidemiologists. In particular, USAID will provide assistance to address Avian Influenza (AI) and other emerging infectious diseases. In the near term, USAID support will improve surveillance, strengthen coordination, and expand the GOJ's ability to communicate to the public on issues related to AI. In addition, USAID will provide limited commodities to control the spread of this emerging public health threat.

***Program component 5: Reduce transmission and impact of HIV/AIDS.***

To keep Jordan a low prevalence country, USAID works under the umbrella of Jordan's National 2005 - 2009 HIV/AIDS Strategy. USAID-funded HIV/AIDS activities will concentrate assistance on high-risk populations such as youth, sex workers, intravenous drug users, and men who have sex with men. In particular, the Mission will support behavior change communications, outreach, counseling, and youth peer education to decrease transmission rates, improve the health of HIV positive individuals, and reduce the stigma surrounding this disease. Further, USAID will institutionalize assistance in Jordan through capacity-building of local NGOs working in HIV/AIDS, monitoring and evaluation, surveillance, and technical assistance for capacity building of the National AIDS Program.

## **Strategic Objective: Improved Economic Opportunities for Jordanians**

Since 1999, the Jordanian Government has made great progress in social, economic, and, to a lesser extent, political reform. Nevertheless, this process is far from over. Emerging

from decades with an economy dominated by state-owned enterprises, the country's elite have embraced the mantra of private enterprise and free markets as the model for achieving growth. However, at the middle and lower echelons of government, career civil servants are less interested in implementing the reforms approved at senior levels. Furthermore, many small and medium enterprises remain family-owned companies with little understanding of modern management techniques, product development, marketing and trade expertise required to compete in a global economy. Strong protectionist tendencies still exist in both government and the private sector, impeding efforts to fully open the economy to international trade. Government regulatory institutions remain weak and need improved systems and capacity in order to play a positive role for the economy. Too many laws, policies and regulations hamper private enterprise. In sum, there is still a long way to go along the path of economic reform.

Other challenges to economic growth exist. Businesses are accustomed to competing, not cooperating on shared goals, and they are just learning the benefits of forming associations and acquiring the skills to lobby government. Little interaction occurs between universities, researchers and developers of new technology and private industry, with the latter investing only minimally in research and development. With some exceptions, product quality remains low and non-competitive globally. Labor productivity lags behind other low-middle income countries in the Middle East and North Africa. Entrants into the labor market remain poorly equipped for modern jobs. At the lower end of the pay scale, little incentive exists to work; for example, a bread-winner with a family of five can make more by staying on welfare. A further complication is negative cultural attitudes about certain jobs resulting in a higher proportion of foreign workers than necessary in the country.

Therefore, on the economic front, Jordan currently faces two fundamental challenges: 1) high unemployment rates, and 2) low private sector competitiveness. Both must be tackled if Jordan is to achieve the levels of sustainable economic growth needed to reduce poverty and develop a solid middle class. Indeed, currently about 50,000 new entrants enter the labor force each year and unemployment stands at about 15 percent.

To address the situation above, this strategic objective will have two principal goals: 1) increasing the number of jobs available to Jordanians, and 2) enhancing the competitiveness of Jordanian firms (ranging from micro through small, medium and even large enterprises where appropriate). To meet these goals, this strategic objective will establish an integrated program of activities focusing on key sectors and selectively addressing critical constraints to equitable economic growth, reflecting USAID's role as a key donor in the sector. This portfolio will integrate gender concerns and USAID will ensure that both the public and private sector are mindful of the potential environmental implications of investment. The portfolio will also directly address MCC concerns through activities to improve fiscal management, including budget and tax reform; decrease the costs of doing business; and reduce tariff rates.

At the end of the strategy period, the economy will be fully liberalized through the implementation of pro-private sector policies that create a level playing field for entrepreneurs and complete privatization. A gradual reduction in expatriate laborers in

selected sectors and professions will occur as well-trained and competent Jordanian workers replace them. In those sectors where Jordan has a competitive edge, business will be thriving and competing in the regional and global marketplace.

Implementation of this vision will greatly facilitate economic growth in Jordan. Civil servants at all levels in key ministries will display a service mentality and understand the regulatory and facilitative roles required in a modern economy. The government-related costs of setting up and running a business in Jordan will have decreased significantly. Tax reform will have improved revenue collection for the government while budget reform will ensure that revenues are better allocated and spent. The financial sector and capital markets will be better regulated and a broader range of products will be available on the market. Tourism receipts will have doubled compared to 2004, with substantial improvements in the quality of the tourism experience in Jordan through enhancing the Government's ability to play an oversight role and encouraging the private sector to take on management of sites and invest in ancillary products and services such as lodging, restaurants and handicrafts. In Aqaba, the Government will have managed the growth and transformation of the zone into a multi-use location for high-value tourism, transportation and industry in an environmentally sustainable way. Sectors that are currently thriving in Jordan such as IT and garments as well as newer sectors, pharmaceuticals for instance, will be increasingly competitive, while conforming to international norms on key trade issues such as intellectual property rights, and raising product quality standards to market their niche products.

***Program component 1: Improve economic policy and the business environment.***

USAID will support liberalization of Jordan's economy through public sector reform activities to help streamline provision of government services to Jordanians. A major fiscal reform program will promote policies and systems to make revenue collection more efficient and equitable and improve budgeting and financial management within government. The GOJ will also be helped to move toward a performance-based budgeting system and encouraged to adopt gender-based budgeting. Existing laws and procedures that are particularly prejudicial toward female entrepreneurs will be removed where Parliament and the GOJ agree. Efforts to make government procurement more transparent will continue, as will assistance to make outsourcing more commercial. Assistance will be provided to the Ministry of Finance and the Central Bank of Jordan to improve debt management. Reform of the business climate will remain a key objective with streamlining business registration and licensing as priorities as well as improvements in competition policy. USAID will also help municipal and local authorities working in the tourism sector to create policies and procedures that will facilitate investment in local communities.

Other efforts to improve public sector management will continue. Partners will be the Ministry of Industry and Trade, the Ministry of Tourism and Antiquities, the Ministry of Finance, the Ministry of Information and Communications Technology. In this effort, USAID will continue to assist the Government to develop policies, procedures, and a commercial legal framework to enhance, not restrict the business environment; ensure that government policymakers understand the economic impact of their decisions; and apply rules and laws equitably. USAID also will help the Government with institutional

reform, capacity building, and outsourcing of government services efforts. Additionally, USAID will continue to use the semi-autonomous Aqaba Special Economic Zone Authority as a test-lab for further reforms, including investment promotion and trade facilitation. If successful, these reforms then could be implemented in the rest of Jordan.

***Program component 2: Improve private sector competitiveness.***

This component will involve deep engagement with the Jordanian Government, business sector associations and firms to increase Jordan's competitiveness. The approach will entail concentration on value chains that offer the greatest potential for expansion, broad-based participation, job creation and economic impact. A key theme will be enhancement of the competitiveness of firms in specific sectors to sell in local, regional and international markets. Of note, this work will not involve industrial policy nor will USAID select sectors for assistance. Rather, the Mission anticipates that growing sectors represented by their associations will approach USAID for help with strategy development and business expansion. USAID also will promote acceptance of Jordan's antiquities, heritage and natural resource base as a competitive asset for development and private sector management. USAID will continue to assist the Government to expand the size of the private sector through privatizing the remaining eligible government assets.

The information communication technologies sector has great competitive potential in Jordan. This is borne out by Jordan's top competitiveness ranking in this sector in the Arab World. Nevertheless, the Government will need continued assistance from USAID to ensure that a strong regulatory agency can fulfill its role properly, liberalization of the sector continues, and decisions are enforced transparently. As part of this effort, continued support for e-government and e-commerce will be provided. USAID also will promote public-private sector partnerships for outsourcing of government services and infrastructure.

USAID will support NGOs and business associations that represent various sectors of the economy. A particular focus will be entities with export, investment, and job creation potential as they can represent members' interests to both the executive and legislative branches of the Government. USAID will support advocacy capacity building as well as general organizational development, product development, and special events. Civil society organizations will thus gain a voice in how government resources are allocated.

Recognizing that many cultural and social barriers make it even more difficult for women entrepreneurs to succeed than men, special efforts will be made to provide business development services and access to credit for women-owned firms and to encourage women to move into non-traditional sectors such as tourism. By identifying those factors that impede women being able to function as productive workers (i.e. taboos against night shifts and so forth), creative approaches will be explored to ensure that those women who want to work will be given the opportunity to do so.

***Program component 3: Increase trade and investment.***

Although Jordan has acceded to the World Trade Organization and signed other international trade agreements, many steps have yet to be taken to increase trade and

investment. To help Jordan with this effort, USAID will provide assistance to ensure that market access barriers are lowered, intellectual property rights are safeguarded, and other requirements pertaining to the agreements are fully met. USAID also will provide support to increase two-way trade with the United States through free trade-oriented organizations and the local American Chamber of Commerce. Support for trade-capacity building and trade policy development, and sectoral assistance to export-oriented industries is planned. Assistance will continue to rationalize the customs administration, improve border management and simplify customs processing in Aqaba. USAID will undertake continued improvements to the management of Aqaba as a gateway for goods to and from Jordan and Iraq while promoting the city as an industrial and services base. Assistance to the Ministry of Industry and Trade will streamline investment-related regulations across the government.

***Program component 4: Strengthen the financial services sector and increase access to capital.***

Continued USAID support in the area of capital markets and access to financial services will enhance Jordan's ability to be a competitive player in this sector in the Middle East. Building on years of USAID-assisted improvements in Jordan's capital markets, the program will focus on the development and use of financial instruments to leverage local liquidity, correcting interest rate and maturity mismatches in the mortgage market, developing bond instruments, and facilitating private sector understanding of international accounting standards. Continued support to the Central Bank of Jordan will assist this institution with its supervisory functions and enable it to adopt international best practices with regard to financial integrity. Assistance to the commercial banking sector will improve the value of financing available to micro, small and medium enterprises.

**Strategic Objective: Enhanced Integrated Water Resources Management**

Jordan's increasing population and a growing economy drive increased demands on the country's scarce water resources. The availability of fresh water supplies necessary for both human needs and economic development is therefore a critical issue in Jordan. Readily available freshwater supplies are fully utilized and now groundwater supplies are being extracted too fast to allow for natural replenishment. Compounding this situation, scarce water is treated as if it were abundant. Water revenues are minimal and demand is excessive. Water allocation also is a problem: about 60 percent of the country's fresh water is provided at heavily subsidized prices to low-value agricultural production. The cost to the nation of such policy choices is very high and the return on investment low. In addition, population pressures, poverty, and industrial development increase water pollution, thereby diminishing the availability of clean water at moderate prices. This situation poses serious threats to the environment of Jordan, people's health, and economic development. Furthermore, official water institutions do not have departments with the capability to perform rigorous economic analyses that can establish the true cost of water supply alternatives. Finally, a country-wide common understanding of the seriousness of the water situation does not exist.

Solutions to these problems are complicated by the absence of a national vision with broad public support on sustainable water usage and environment protection. The Government exhibits great reluctance to conduct comprehensive long-term planning for water resources management and lacks the will to reconsider its commitment to agriculture even when agriculture's negative impact on water availability undercuts the economic sustainability of the nation. To address this situation, activities proposed under this strategic objective will focus on maximizing the benefit Jordan receives from its limited water supplies and on helping Jordan put in place proper plans, policies, management, systems, and capacities to ensure water supplies for future generations.

Developing new water sources is increasingly expensive. It is therefore imperative to minimize the misuse of existing water sources. Hence, USAID will continue to fund rehabilitation and new construction of water and wastewater treatment plants and distribution and collections systems to better use existing supplies. USAID also will continue to provide technical assistance to Ministry of Water and Irrigation staff to build technical capacity in promoting and implementing programs for water demand reduction through better water use practices and to prepare an economically sound pricing/tariff structure for all water resources users. The Ministry will also receive assistance in preparing public awareness materials to inform the public about the country's water dilemma, thus building grassroots momentum for change. Work with the Ministry will involve putting in place a high quality data base of Jordan's water resources, streamlining management, and improving the legal and regulatory foundations of water resources management. Finally, USAID will provide technical assistance to help farmers adjust to changes in water quality, as first use of fresh water moves to the urban and industrial sectors and agriculture increasingly receives treated wastewater.

Management of the environment can directly affect water resources. A small volume of high strength pollutant can render economically unusable a very large volume of fresh water. Recognizing this vulnerability, USAID will continue to build the capacity of Ministry of Environment staff to improve regulations, track industrial wastes, and protect the watersheds vital for the recharge of groundwater aquifers. Part of this effort will involve leveraging private sector funds for treatment and disposal of industrial wastes.

The USAID program will not fully address all of Jordan's water needs during the Strategy period. The Government of Jordan is currently considering a number of projects to increase water availability in the Kingdom. These include the Red-Dead Project to move water approximately 180 kilometers from the Red Sea in Aqaba to the Dead Sea. The U.S. Government has pledged \$1.5 million of the \$15.5 million required to complete a feasibility study for this project. The total project cost is estimated at \$5 billion. The Government is also moving forward with a plan to move water from a non-renewable fossil aquifer in southern Jordan to Amman. This \$900 million project would represent only a short-term solution to Jordan's water problems by increasing water supplies by ten percent over a limited number of years, but at a very high cost that could make it unaffordable to residential users.



These efforts, if implemented, would be expensive and would not fully meet the needs of today's users. Therefore, over the next five years, USAID's vision for the water sector in Jordan is to fundamentally shift public policy and practices regarding water resources. Despite massive investments over the last few years, the status quo between supply and demand – fueled by a growing population and industrial sector – has simply been maintained. We will encourage and support analysis and planning efforts to identify and test alternative water supply programs, and develop a plan to meet Jordan's water needs in the future.

***Program component 1: Improve sustainable management of natural resources and biodiversity.***

Current demand for fresh water greatly exceeds replenishable water supplies. Addressing this situation, USAID will draw on lessons learned in other arid regions of the world to improve Jordan's management of scarce water supplies. Specifically, USAID will help the Ministry of Water and Irrigation design and implement comprehensive long-term planning for water resources management. USAID also will provide technical assistance to help the Ministry develop the necessary tools to optimally manage water resources, including a legal and regulatory framework for all aspects of the water sector, a trained professional water sector staff, an integrated database of high quality water resources data and information, and tools such as tariffs to manage demand. In addition, USAID will also help the Ministry to encourage efficient water use, ensure the sector remains on a sound financial footing, and develop the management ability to move water resources between sectors as required.

Since women bear the responsibility of managing water sanitation, supply and use, empowering women is a key theme of this component. USAID will continue to work with women managing fishing ponds, drip irrigated farms and household water use. Activities will include the development of training and awareness materials for improved water management that targets female students.

Complementing the activities above, USAID will provide capacity-building for Ministry managers and decision-makers to enable them to use the improved information and water management skills to optimize use of Jordan's scarce water resources. This program will require the commitment of the Government to make the hard decision to move away from subsidization of water for agriculture.

***Program component 2: Improve access to clean water and sanitation.***

USAID will continue to fund the underlying physical infrastructure that permits optimal management of affordable existing water resources. This effort will include modern infrastructure for water treatment, wastewater treatment, and water transmission. This effort will be complemented by the construction of at least five low-cost, low-technology wastewater treatment facilities. USAID will also continue to improve wastewater collection and freshwater transmission in poor and underserved areas. This part of the construction portfolio will shift focus to rural, small community support during this strategy period.

***Program component 3: Reduce, prevent and mitigate pollution.***

The new Ministry of Environment lacks capability to control disposal of liquid and solid wastes hazardous to the environment. USAID will build on prior work with industrial and medical waste disposal to assist the Ministry to improve its capacity to monitor, prepare, and enforce regulations to mitigate practices that damage the environment and water supplies. An important focus will be improper waste disposal practices of Jordan's growing industrial sector. Targeted assistance will help the Ministry develop and implement procedures and mechanisms for auditing industrial water use, assisting industries to improve water use practices, tracking waste generated by industry to ensure proper disposal, constructing treatment plants for industrial liquid wastes, and identifying and using appropriate landfills for solid wastes.

These actions have high potential for cost-sharing, and in the case of waste disposal, USAID will help the Ministry exploit opportunities to leverage funding by private sector industries that would benefit from the investments. Programs to increase citizen awareness of household, farm, and trade waste problems will continue to be gender sensitive.

**Special Objective: Cash Transfer**

Despite some debt rescheduling and forgiveness, the Jordanian Government's external debt service burden remains high. Jordan's external debt decreased by JD 235 million (\$332 million) at the end of October 2005 to reach JD 5.1 billion (\$7.2 billion) compared to JD 5.35 billion (\$7.56 billion) at the end of 2004. Total external debt service on a cash basis amounted to JD 341 million (\$482 million) during the first ten months of 2005.

The remaining debt leaves Jordan vulnerable to shifts in exchange rates between the dollar (to which the JD is pegged) and currencies of countries to which the debt is owed. Progress can be quickly eroded by an adverse exchange rate shock, as in 2004. However, revived economic growth and a concomitant increase in government revenues have reduced the debt service burden. Nevertheless, the significant fixed cost of large annual debt service requirements keeps the government budget unacceptably vulnerable to external political and economic shocks. The annual debt service also hinders Jordan's development efforts by limiting the Government's ability to adequately fund development activities.

USAID initiated a program of balance of payments assistance in 1997 to mitigate the burden of the country's high debt service requirements. This program has enhanced reform through policy related conditions precedent, and helped strengthen the Government's foreign exchange position, which is far stronger now than at the outset of the program. At the same time, local currency associated with the cash transfers has been channeled to a variety of economic development needs, including activities complementary to USAID's program and efforts in poverty alleviation.

The associated policy conditions are a means for the U.S. Government to play an active role in supporting Jordan's policy reform and the Mission's program activities in the

water, health, and economic sectors. Those reforms have improved public sector efficiency in the health and water sectors, including a focus on better use of Jordan's precious groundwater resources and improved health services in primary health clinics. The reforms also have sped privatization, accelerated financial sector reform, supported trade and investment reforms, and generally improved the overall economic environment for promoting local and foreign investment in the Kingdom.

This special objective will have three principal goals: 1) provide additional foreign exchange to Jordan for debt repayment with a fast-disbursing mechanism, thereby sustaining Jordan's credit worthiness and promoting expanded trade and investment in the country; 2) assist the Government to develop and implement policy reforms to keep its political and economic reform agenda on track; and 3) support the U.S. Government's foreign policy interests to ensure Jordan remains an island of stability and a model of economic reform for the Middle East as well as a strong ally in the war against terrorism.

***Program component 1: Improve economic policy and the business environment.***

This cash transfer program will continue to be a policy-based, balance-of-payments activity. Disbursement will be conditioned on policy changes that directly assist the Government with its reform efforts. These policy reforms will be jointly identified on an annual basis by USAID and the Government. During the strategy period, such policy reforms may have a greater focus on democratic development than in prior years, depending on the progress realized and obstacles encountered under Jordan's National Agenda. Such policy reforms also will focus on challenges in the water sector, economic blockages, and actions in all sectors that require an additional "push" to move forward.

## CROSS-CUTTING THEMES

In implementing programs envisioned in this strategic statement, USAID/Jordan will focus on several cross-cutting themes to maximize potential program synergies. These themes include the following:

***Youth:***

Jordan's potential lies in its young people. Twenty-five percent of its population is between the ages of 15 and 24. If provided with the appropriate policy environment, marketable skills, health services, and job opportunities, this young population can be the driver behind Jordan's economic prosperity and political stability. In this process, USAID can play a constructive role in helping Jordan positively exploit this potential demographic dividend. Areas of interventions will include education, health and family planning, employment and entrepreneurship, and civic participation. Interventions will not only target Jordan's youth to improve their future, but will also aim to engage them in identifying their needs to make them an integral part of Jordan's forward march.

***Gender equity:***

Gender inequality in Jordan is rooted in social institutions such as personal laws and persistence of tribal culture, which result in women's comparatively lower social status

than men. This inequality is seen in many Jordanian social institutions, including education, government, the labor market, and in accessing capital for investment. It is particularly acute among more economically disadvantaged groups, and has many manifestations, including low representation of women in government positions, parliament, employment, control over contraception decisions, sexual violence and honor crimes. Much of USAID's program addresses these inequities. As new activities are developed, gender analyses will be conducted to ensure that the Mission continues to consider issues of gender in each of its activities.

***Public Private Partnerships:***

USAID will utilize public-private alliances throughout its portfolio to increase the development impact of its program. Selected members of the Jordanian private sector are interested in corporate social responsibility and have recently become involved in development projects in Jordan. Great potential exists for private sector involvement in the fulfillment of USAID's strategic objectives. Building alliances with private sector actors would allow the Mission to capitalize upon: additional opportunities to leverage non-USG funds; resources that non-traditional partners contribute to development, including skills and expertise, new technologies, market knowledge, etc.; and the potential for private sector involvement to promote long-term sustainability of development projects.

***Outreach:***

Public outreach is an important element of implementing this strategic statement. Raising awareness among Jordanian citizens, especially youth, about the impact of the U.S. Government's efforts through USAID to enhance the lives of average Jordanians helps build positive understanding of the U.S.-Jordan relationship and the role of the U.S. in the region. In 2004, USAID developed a communication strategy utilizing several mechanisms to achieve this goal. These mechanisms included the creation of an outreach team with a full-time employee devoted solely to outreach, conducting market research, developing written materials about our programs, placing advertisements in local newspapers, and engaging both print and broadcast media to tell our story. USAID will continue to update and implement the communication plan, especially through the utilization of non-conventional tools that have great outreach in Jordan such as radio, electronic media, and sponsorship of events and programs.

***Responsiveness:***

The USAID program will respond to Jordan's developmental needs as they evolve. Beneficiaries, local experts and government officials are and will be continuously consulted when formulating and implementing the various programs. And, while this strategy is tightly focused on five sectors, the USAID program is and will be structured in a way that enables it to quickly and flexibly respond to new challenges facing Jordan. Activities will retain enough flexibility to meet and fund any key challenges that lie within their mandates. Activities will also be "scalable" to allow for a decrease in efforts in certain areas and an increase in funding in other areas either within the same activity or in other activities.

***Collaboration:***

To reach its goals in Jordan, USAID will collaborate on four levels in implementing its programs. First, USAID will collaborate closely with Jordanian Government counterparts in all program areas. Second, USAID will utilize local partners such as non-governmental entities, business associations, and the like to access local expertise to help design programs and, in some cases, to then deploy this expertise to implement programs. Such implementation will be a direct means to both achieve project goals and build local capacities. Third, USAID will coordinate closely with partners working within the same sectors. This coordination will be accomplished through regular contact with other donor and lender agencies operating in Jordan to avoid duplication of efforts. Details on donor activities are in Annex V. Fourth, linkages will be promoted between the five sectors supported by the Mission. For example, partnerships will be fostered between the education and economic growth teams to ensure that educational reform efforts respond to Jordan's job market needs. Similarly, the democracy team will coordinate with all technical teams to mainstream good governance, institutional development and equity.

***Results orientation:***

Defining clear and specific results is an essential step in managing programs efficiently and effectively. The Mission closely monitors its Performance Management Plans, updating and revising them regularly to ensure achievement of set targets and adjust programs as necessary.

***Sustainability:***

By responding to Jordanian needs and initiatives and helping build local capacities, USAID will ensure that accomplishments will be sustained after USAID's involvement is complete. USAID also will ensure that Jordanians have the skills to help themselves without needing to depend on others.

***Other themes:***

USAID will emphasize other important themes to maximize impact of our program. These will include poverty alleviation, tackling environmental degradation, integrating information technology solutions, fostering reform, and combating corruption. All programmatic interventions will be designed to tackle these issues to the extent possible.

## **RESOURCE REQUIREMENTS**

USAID anticipates funding of \$250 million in Economic Support Funds for Jordan in each year up to 2011. This funding will provide maximum impact in supporting U.S. foreign policy interests since directing funding through Mission programs makes the benefits of the Jordan-U.S. partnership more visible and tangible to the Jordanian people, while directly supporting Jordan's most critical development goals.

USAID will adjust its annual program plans as necessary to accommodate both variations in funding levels and changing circumstances in Jordan. Many activities presented in this document are scalable simply by changing, for example, the number of beneficiary institutions or individuals. Resource allocations for each strategic objective during the

strategy period will reflect a review of ongoing and planned activities as well as budgets, pipelines, and mortgages.

## **OTHER CONSIDERATIONS**

### ***Monitoring Plans:***

Upon approval of this Strategic Statement, USAID/Jordan will adjust its monitoring and evaluation plans, as well as its Performance Management Plan, to reflect the creation of the new strategic objective for democratic reforms, as well the other changes introduced in this Strategic Statement.

### ***Staffing:***

USAID has a lean staff in relation to the size of the program, but it is organized to address the strategy challenges. Current authorized levels include 17 U.S. direct hires (USDH); eight other U.S. staff, including local hire personal service contractors; and 63 Jordanian professional and support staff. Further technical support is provided by three PASAs. Although modest changes could occur in both staffing and operating budgets during the strategy period, these personnel levels should be sufficient to effectively implement this strategic statement.

### ***Foreign service national roles:***

Given the growing need to manage high-value activities with fewer USDHs, foreign service national (FSN) empowerment is a high priority for USAID. FSNs are taking on major responsibilities and leadership roles, necessitating increased professional training and support. Their essential contributions to the Mission's activities, based on their skills and depth of experience, ensure that USAID's program remains relevant to local realities.

### ***Operating expenses:***

The Mission's operating budget is at \$4.033 million for FY 2007 and FY 2008. Operating expenses will then increase by ten percent for the remaining years of the strategy. Jordan's operating expenses represent less than two percent of program resources administered by the Mission (exclusive of the \$900 million in supplemental program appropriations received since FY 2003), and are subsidized by local currency trust funds. This operating model provides high value for the Agency's minimal investment in operating expenses at the Mission.

### ***Environmental compliance:***

The Mission will ensure that all new activities will be in compliance with CFR 216 requirements. All ongoing activities have already been reviewed and are in compliance with approved initial environmental examinations, environmental assessments, categorical exclusions and negative determinations. The Mission also determined that all required mitigations and conditions are being followed.

### ***Sharing of Lessons Learned:***

USAID intends to work closely with both the Iraq Mission and the Office of Middle East Programs in Cairo to share lessons learned regarding its programs. Specifically, the

Mission will contribute models and techniques which have proven successful in Jordan. Of particular note is the highly-respected USAID/Jordan AMIR program that is currently being successfully replicated in Iraq. The Mission will also continue to share best practices throughout the region.

## **FINAL NOTE**

The Kingdom's top priorities are security, stability, and reform on the economic and political fronts. The U.S. Government is Jordan's closest partner in promoting peace, democracy, and prosperity in this forward-looking nation, as well as throughout the region. Over the next five years, USAID's efforts, as described in this Strategic Statement, will be a principal means of supporting these U.S. foreign policy interests and Jordan's reform agenda. The Mission's major partners will be the Jordanian Government, the private sector, civil society, Embassy/Amman, USAID/Washington, the State Department, other donors, and contractors and grantees. We will work together to achieve progress across common strategic goals. These goals will reflect Jordan's focus on political and economic reform to benefit all Jordanians.

## ANNEXES

### Annex I: USAID/Jordan Strategic Alignment Matrix

<u>USAID/Jordan Strategy</u>	<u>Democracy &amp; Governance</u>	<u>Education</u>	<u>Population &amp; Health</u>	<u>Economic Opportunities</u>	<u>Water &amp; Environment</u>
Government of Jordan National Agenda	Political Development and Inclusion; Justice; and Legislation	Education; Scientific Research; and Innovation	Social Welfare	Investment; Financial Services; and Fiscal Discipline	Infrastructure Upgrade
U.S. Mission – Jordan Mission Performance Plan	Democratic Systems and Practices	Economic Growth and Development	Economic Growth and Development	Economic Growth and Development	Economic Growth and Development
Joint State/USAID Strategy	Democracy and Human Rights	Social and Environmental Issues	Social and Environmental Issues	Economic Prosperity and Security	Social and Environmental Issues
USAID/ANE Bureau Strategic Framework	Making National Governments Work	Jobs for the 21 <sup>st</sup> Century	Family and Workforce Health	Jobs for the 21 <sup>st</sup> Century	Launching a “Blue Revolution”
USAID White Paper	Promoting Transformational Development by Improving Governance and Developing Institutions	Promoting Transformational Development by Investing in People	Promoting Transformational Development by Investing in People and Mitigating Global and Transnational Ills	Promoting Transformational Development by Improving Economic Structure and Regional Stability	Promoting Transformational Development and Regional Stability
Millennium Challenge Corporation (MCC)	Ruling Justly	Investing in People	Investing in People	Promoting Sustained Economic Growth	Promoting Sustained Economic Growth
Middle East Partnership Initiative (MEPI)	Political Advancement	Education Reform	N/A	Economic Growth	Economic Growth
Broader Middle East & North Africa Initiative (BMENA)	Democracy Assistance Dialogue (DAD)	Literacy and Education	N/A	Investment and Entrepreneurship	N/A
Cross-Cutting Themes	Youth; Information Technology; Gender; Public-Private Partnerships (including GDA); and Public Outreach				



## **Annex II: Strategic Framework**

### **SO: Strengthened Democratic Reforms**

- Intermediate Results
  - IR No. 1: Improved Governance and Rule of Law
  - IR No. 2: Increased Development of Politically Active Civil Society
  - IR No. 3: Increased Citizen Participation in Political and Electoral Processes
- Program Components
  - Strengthen the Justice Sector
  - Strengthen the Legislative Function/Legal Framework
  - Promote and Support Anti-Corruption Reforms
  - Support Democratic Local Government and Decentralization
  - Strengthen Civil Society
  - Ensure and Establish Media Freedom and Freedom of Information
  - Promote and Support Credible Elections Processes

### **SO: Improved Social Sector Development**

- Intermediate Results
  - IR No. 1: Improved Health Status for All Jordanians
  - IR No. 2: Improved Education and Life Skills
- Program Components
  - Expanding Opportunities for Youth through Work and Life Skills
  - Achieve Equitable Access to Quality Basic Education
  - Support Family Planning
  - Improve Maternal Health and Nutrition
  - Improve Child Survival, Health and Nutrition
  - Address Other Health Vulnerabilities
  - Reduce Transmission and Impact of HIV/AIDS

### **SO: Improved Economic Opportunities for Jordanians**

- Intermediate Results
  - IR No. 1: Transparent, Efficient and Responsive Public Sector
  - IR No. 2: More Effective Policy and Regulatory Reform
  - IR No. 3: Increased Depth of Private Sector Growth
- Program Components
  - Improve Economic Policy and the Business Environment
  - Improve Private Sector Competitiveness
  - Increase Trade and Investment
  - Strengthen the Financial Services Sector and Increase Access to Capital

### **SO: Enhanced Integrated Water Resources Management**

- Intermediate Results

- IR No. 1: Improved Environmental Protection
- IR No. 2: Optimization of Water Resources
- IR No. 3: Strengthened Water Policies and Systems
- IR No. 4: Improved Resources Allocation
- Program Components
  - Improve Sustainable Management of Natural Resources and Biodiversity
  - Improve Access to Clean Water and Sanitation
  - Reduce, Prevent and Mitigate Pollution

**SpO: Cash Transfer**

- Intermediate Results
  - IR No. 1: Improved Environment for Sustained Policy Reform
  - IR No. 2: Increased Technical Capacity to Implement Policy Reform
- Program Components
  - Improve Economic Policy and the Business Environment

### **Annex III: Strategy Results**

By the end of FY 2011, USAID programs will demonstrate results in all sectors, as detailed below:

#### **SO: Strengthened Democratic Reforms**

- Jordan holds credible national and local elections that are representative of the country's entire population.
- The number of women achieving elected political office increases from 0 to 15 percent.
- Thirty NGOs become financially sustainable with diversified and local funding sources.
- Private and financially sustainable media outlets increase by 20 percent.
- A new automated case management system is implemented in 75 percent of all Jordanian courts, greatly increasing transparency, efficiency, and public confidence in the courts.
- Public participation in the Parliamentary process increases by at least 25 percent, as evidenced by the institutionalization of public hearings and an increase in the number of consultations between civil society and legislative leaders.
- The enabling environment for NGOs is greatly improved, as indicated by the removal of legislative and administrative barriers for registration and operation in the Kingdom.

#### **SO: Improved Social Sector Development**

- 130 public schools are constructed or renovated to maintain Jordan's high student enrollment rate.
- A school-to-career initiative is institutionalized in the school system.
- All early childhood education teachers (1,447) and IT stream teachers (74,579) in the public sector are fully trained.
- All 100 Discovery schools are connected with broadband internet connectivity.
- Fifteen underprivileged youth communities are trained on employability skills and entrepreneurship.
- Safe motherhood wards in 24 public sector hospitals are fully renovated and equipped, and 34 hospitals provide high quality safe motherhood and neonatal services.
- Modern contraceptive prevalence increases from 41 to 55 percent and total fertility is reduced from 3.5 to 3.1.
- HIV/AIDS stigma and discrimination is significantly reduced and Jordan remains a low prevalence country.
- At least five public sector hospitals-primary health clinic networks with functioning patient referral/appointment systems are fully operational.
- A minimum of 17 hospitals utilize and meet hospital accreditation standards.
- Total phase-over of contraceptive procurement and budget from USAID to the GOJ completed.
- Practice of healthy lifestyles by all age groups is validated through behavior change and health-related quality of life indicators.

- Private sector community outreach and media programs create increased demand for family planning information and services by visiting 700,000 married women; breast cancer and violence against women are addressed through outreach programs.

### **SO: Improved Economic Opportunities**

- A fair and regulated tax system is operational.
- Transparent budgeting is the norm at the government level.
- The trade deficit is reduced by 25 percent.
- Investment in private business, excluding the construction sector, increases by 100 percent.
- The Financial Intelligence Unit at the Central Bank of Jordan is fully operational and prevents money laundering.
- The Credit Bureau is fully operational.
- Investment in research and development is increased dramatically (from the current figure of 0.36 percent to 1 percent annually as percentage of GDP).

### **SO: Enhanced Integrated Water Resources Management**

- Water supplies increase through the development of capital infrastructure projects to maintain status quo between demand and supply.
- International standards are instituted for safe and environmentally sound reuse of wastewater in industry and agriculture.
- At least five low cost, low technology wastewater treatment plants are constructed to convince appropriate decision-makers to continue with this technology.
- A system for the Jordanian Government to monitor and enforce disposal of hazardous waste materials to protect groundwater supplies from contamination is fully operational.
- Public-private partnerships are established for three Jordanian water utilities.
- An accrual-based financial accounting system is adopted in all water utilities and a sector-wide IT system is implemented to improve management and accountability.
- A groundwater management unit monitors and enforces bylaws to protect critical water resources.

## **Annex IV: Recent Reports, Assessments, Evaluations and Studies**

### **General**

- Challenges to Poverty Reduction in Jordan, Chemonics International, December 2005
- Employment Challenges in Jordan, Chemonics International, December 2005
- Jordan Vision 2020, Jordan Business Association, 2004
- Local Development Challenges in Jordan, Chemonics International, December 2005
- Sector Assessments of Current Status Versus Competitiveness Elements for Attractive and Ready Sectors to Join Jordan Vision 2020 Phase II, Matt McNulty, 2004
- USAID/Jordan Strategy 2004 – 2009: Gateway to the Future, USAID/Jordan, 2003

### **Democracy, Governance, and Civil Society**

#### *Acronyms:*

*ABA – American Bar Association*

*ADR – Alternative Dispute Resolution*

- ADR Strategy, Ainsworth, ABA Jordan, December 2004
- Advancing Judicial Independence in Jordan Report, Bill Davis, DPK Consulting, July 2005
- Assessment of Judicial Independence & Integrity, Rothman/McLoughlin, ABA Jordan, February 2005
- Baseline Survey on Judicial Ethics and Accountability and ADR, Strategies/ABA Jordan, July 2005
- Civil Society Assessment in Jordan, ARD, December 2005
- Final Report-Judicial Training, Klein, ABA Jordan, April 2005
- Five surveys: National Sample, Judges, Lawyers, Litigants and Court Users and a Comparative Report: The Judicial System in Jordan: A Perception Study, Center of Strategic Studies, DPK Consulting, September 2005
- Jordan Democracy and Governance Assessment, Management Systems International, August 2003
- Jordan Media Assessment, USAID/Washington, February 2005
- Judicial Independence Assessment, Zimmer, ABA Jordan, February 2005
- Judicial System Efficiency Assessment, Zimmer, ABA Jordan, February 2005
- Legal Education Assessment, Burman/Levy, ABA Jordan, March 2005
- Needs Assessment of the Judicial Inspectorate Division, LeDimna, ABA Jordan, February 2005
- Strategic Plan for Judicial Council, Bill Davis, DPK Consulting, July 2005

### **Education**

- Building Effective Public-Private Partnerships: Lessons Learned From the Jordan Education Initiative, McKinsey and Company, 2005
- Education Assessment for Jordan 2004 – 2009 Country Strategy, Vijitha Eyango/USAID, 2003
- Human Resource Gap Analysis of the Information Technology Sector in Jordan: A Desk Study, National Center for Human Resources Development, 2005
- Jordanian Youth Survey, UNICEF, 2002
- Youth Employment in Jordan, Save the Children, 2004

## **Economic Opportunities**

### *Acronyms:*

*ADC – Aqaba Development Corporation*

*AMIR – Achievement of Market-Friendly Initiatives and Results*

*ASEZA – Aqaba Special Economic Zone Authority*

*AZEM – Aqaba Zone Economic Mobilization*

*ICT – Information and Communications Technology*

*IT – Information Technology*

*NASD – National Association of Securities Dealers, Inc.*

*WAN – Wa’ed Area Network*

*WAEDAT – Women’s Access to Entrepreneurship Development and Training*

- Aqaba Regional Economic Development Study Presentations, Nathan Associates, 2006
- Assessment of the Impediments that Constrain the Development of the Fixed Income Market, John Biassucci and Michael Bevier, 2004
- Assessment of the Legal and Regulatory Environment for Business Associations in Jordan, International Business and Legal Associates, 2004
- Assessment of the Progress of Commercialization for USAID Supported Micro-Finance Institutions, Stephanie Charitonenko and Terry Kristalsky, 2004
- Assessment of the Securities Depository Center Clearing and Settlement systems, Eugene Callan, 2004
- Creating Conditions for Economic Growth and Fiscal Stabilization, Proposals for Income Tax Reform in Jordan, Duanjie Chen, Jack Mintz and Eric Zolt, September 2005
- Economic and Social Profile of Aqaba Region, Ra’ouf Hanna, 2004
- ICT Investment Promotion Market Assessment of the Local and Foreign Investment Potential in the ICT Sector in Jordan, Rana Dababneh, Gabi Afram, Majid Al Qasem, and Paul Davis, 2004
- Information & Communications Technology/Information Technology Review and Strategy Recommendations, Mohammed Thiab, November 2004
- The Labor Market in Aqaba, Jordan, Bob Fearn, April 2005

## **Water Resources**

- Assessment of Strategic Objective, Enhanced Integrated Water Resources Management, Richard Peralta, 2005
- Assessment of Training Activities in the Jordanian Water Sector and Recommendations for Future Actions, Dieter Bohnet, 2005
- Building Sustainable Livelihoods, Jordan Human Development Report, United Nations Development Program, 2004
- Evaluation of USAID/Jordan's Strategic Objective 2: Improved Water Resources Management, Checchi & Company Consulting, Inc., and DevTech Systems, Inc., 2003
- Jordan Development Policy Review, A Reforming State in a Volatile Region, World Bank, 2002
- Ministry of Water and Irrigation Institutional Improvement Action Plan, Deloitte Touche Tohmatsu Emerging Markets, 2003

- Options For A More Sustainable Water Management in the Lower Jordan Valley, Rudolf Orthofer, Ra'ed Daoud, Jad Isaac, Hillel Shuval, 2004
- Strategic Training in the Jordan Water Sector, Amy Hagan, 2005
- Temporal Trends for Water-Resources Data in Areas of Israeli, Jordanian, and Palestinian Interest, U.S. Geological Survey, 2000

### **Environment**

- Assessment of a Proposed Centralized Industrial Wastewater Treatment Plant for the Zarqa Region, Camp Dresser McKee International, 2005
- Qairawan Watershed Management Plan, Camp Dresser McKee International, 2004

### **Population and Health**

- Behavior Risk Factor Surveillance Surveys, Centers for Disease Control and Prevention and Jordan's Ministry of Health, 2003 and 2004
- Evaluation of USAID/Jordan's Strategic Objective 3: Improved Quality of and Access to Reproductive and Primary Health Care, LTG Associates, Inc., May 2003
- Jordan National HIV/AIDS Strategy and 2-Year Action Plans, December 2004, Family Health International and Jordan's National AIDS Program, December 2004 – January 2005
- Jordan Population and Family Health Survey: 2002, (Demographic and Health Survey), Department of Statistics, Amman, Jordan and ORC Marco, Calverton, Maryland, June 2003
- Refining USAID's Jordan Health Strategy 2004-2008, POPTECH and USAID/Washington, October 2003
- Unmet Need and Missed Opportunities for Family Planning Among Married Women 15-49 Years Users of Ministry of Health's Health Centers, Prepared by the Family Health Group and Primary Health Care Initiatives Research Team for the Jordan Ministry of Health, November 2004

**Annex V: Matrix of Major Donors**

<p><b>Strengthened Democratic Reforms</b></p> <p><b>Denmark</b></p> <ul style="list-style-type: none"> <li>• Human rights and governance; gender.</li> </ul> <p><b>European Union</b></p> <ul style="list-style-type: none"> <li>• Human rights and good governance; institutional capacity building; poverty alleviation through municipal reform.</li> </ul> <p><b>France</b></p> <ul style="list-style-type: none"> <li>• Municipality development; development of women’s rights; judicial education.</li> </ul> <p><b>Italy</b></p> <ul style="list-style-type: none"> <li>• Support for electronic government, including the development of e-procurement and e-accounting systems in public administration.</li> </ul> <p><b>Japan</b></p> <ul style="list-style-type: none"> <li>• Enhancement of women’s leadership.</li> </ul> <p><b>Sweden</b></p> <ul style="list-style-type: none"> <li>• Institutional capacity building.</li> </ul> <p><b>United Kingdom</b></p> <ul style="list-style-type: none"> <li>• Improvement of the delivery of public services in the financial, administrative, judicial, and E-government areas; strengthening the capacity of Jordanian national institutions, including the judiciary, to tackle family violence, child abuse, and sexual assault through a rights-based approach; public sector reform; support for the National Agenda.</li> </ul> <p><b>United Nations</b></p> <ul style="list-style-type: none"> <li>• Governance; crisis prevention and recovery; gender; media support; Parliamentary strengthening.</li> </ul> <p><b>USAID</b></p> <ul style="list-style-type: none"> <li>• Strengthen the justice sector; promote and support anti-corruption reforms; strengthen the legislative function; support democratic local government and decentralization; strengthen civil society; ensure and establish media freedom; promote and support credible elections processes.</li> </ul> <p><b>World Bank</b></p> <ul style="list-style-type: none"> <li>• Public sector reform; municipality development; urban revitalization.</li> </ul>
<p><b>Improved Social Sector Development</b></p> <p><b>Canada</b></p> <ul style="list-style-type: none"> <li>• Re-engineering of primary and secondary education to meet the needs of the knowledge economy; introduction and integration of information and communication technology into the national education system; vocational training; human resource development.</li> </ul> <p><b>China</b></p> <ul style="list-style-type: none"> <li>• Computerization of schools.</li> </ul> <p><b>European Investment Fund</b></p> <ul style="list-style-type: none"> <li>• Education.</li> </ul> <p><b>Germany</b></p>



- Vocational training; improvement of national basic education system, including through the enlargement of existing and the construction of new elementary schools; promotion of gender equality, including through increasing women's access to professional opportunities and participation in public life.

**Japan (JICA)**

- Education – vocational training; human resource development; Health – supply of equipment; family planning.

**Spain**

- Computerization of schools.

**Switzerland**

- Health – medical equipment.

**United Nations:**

- UNAIDS Theme Group (UN agencies, MOH, USAID): coordination of donors working under Jordan's National HIV/AIDS Strategy / National AIDS Program
- World Health Organization (WHO): technical assistance for multiple health care interventions.
- United Nations Fund for Population Assistance (UNFPA): family planning and reproductive health training
- United Nations Children's Fund (UNICEF): health promotion for youth.
- United Nations Relief and Works Agency (UNRWA): primary health care at 19 clinics throughout Jordan.

**USAID**

- Strengthening of school curricula; implementation of school-to-career programs; improvement of early childhood education; construction and renovation of schools; support for e-learning initiatives; support for family planning; improvement of maternal health and nutrition; improvement of child survival; maintenance of low-prevalence rates of HIV/AIDS; improvement of health policies; renovation and equipment of selected wards in public sector hospitals.

**World Bank**

- Education policy reform; school construction.

**Improved Economic Opportunities for Jordanians**

**China**

- Poverty alleviation.

**European Union**

- Industrial development; poverty and local development; cultural heritage.

**Germany**

- Fiscal reform; poverty alleviation.

**Italy**

- Financing for SMEs; tourism.

**Japan**

- Poverty alleviation; SMEs development; tourism.

**Spain**

- Tourism and cultural heritage.

**United Nations**

- Poverty alleviation.

**USAID**

- Improvement of economic policy and business environment; improvement of private sector competitiveness; increase in trade and investment; strengthening public sector executive functions; support for e-government and e-commerce initiatives; enhancement of tourism sector; strengthening the financial services sector and increase access to capital.

**World Bank**

- Tourism; developing microfinance; poverty alleviation.

**Enhanced Integrated Water Resources Management**

**Abu Dhabi Development Fund**

- Construction of dams; agriculture.

**Arab Fund for Social & Economic Development**

- Water; construction of dams.

**China**

- Water supply.

**European Union**

- Water.

**France**

- Water supply; agriculture.

**Germany**

- Water and wastewater.

**International Fund for Agricultural Development**

- Agriculture.

**Italy**

- Water and wastewater.

**Japan**

- Water; agriculture.

**Korea**

- Water and wastewater.

**OPEC Fund**

- Agriculture.

**Spain**

- Water.

**Sweden**

- Water and wastewater; environment.

**United Nations**

- Environment.

**USAID**

- Improvement in management of water resources; promotion of efficient water use; construction of water and wastewater facilities; reduction, prevention and mitigation of pollution.

**World Bank**

- Environment.

**Special Objective: Cash Transfer**

**European Union**

- Budget support.

**Japan**

- Budget support.

**USAID**

- Reduction of debt service; enhancement of policy reforms through the associated policy conditions.

## **Annex VI: Analysis of Tropical Forests and Biodiversity**

### **Biodiversity in Jordan**

The biogeography of Jordan exhibits pronounced regional differentiation due to climatic variation, diverse geography, and intersection of three distinct faunal elements: the Ethiopian, Oriental, and Palearctic. The result is a surprising diversity of wildlife in Jordan, despite its relatively small size. Nonetheless the total number of species is limited, and they are vulnerable to land use impacts of development and the stresses from living in a predominantly arid and desert environment. The lack of natural barriers between Jordan and surrounding countries allows animals to move fairly freely from one country to another. Consequently, there are relatively few species that are considered “endemic” and only found in Jordan.

Jordan has a rich and highly diverse vascular flora, 2,500 species included within 152 families and 700 genera. Jordan has 1% of the total world flora represented within its boundaries. No serious study to identify endemic, rare, and endangered species has been carried out in Jordan. Species known to be rare or endangered include orchids, ornamental bulbous plants, and some rare edible and medicinal plants. Since agriculture and cereals evolved in this part of the world, Jordan is rich in crop genetic resources.

Many species of wildlife in Jordan are considered globally threatened and a total of 49 different species and subspecies are listed in the IUCN 2000 Red Data List. The proportion of threatened species to the total number of species is high, especially in mammals, where 24 of 77 mammals are considered threatened. Sixteen of 419 species of birds are considered threatened. The decline in Jordan’s wildlife is affecting other taxonomic groups as well. Five reptiles, six freshwater fish, two marine invertebrates, and four marine vertebrate species are threatened

Plant diversity in Jordan is facing a dramatic decline and some species have become extinct in the wild since the early part of this century. Key factors driving this decline include the loss and degradation of habitats, over-exploitation of plant and animal species, extensive agricultural and uncontrolled development, overgrazing, introduction of invasive species, illegal collection of plants, and depletion of major water sources. The Royal Society for the Conservation of Nature (RSCN) lists 100 endemic species of plants, 200-250 rare species, 100 to 150 threatened species, and 10 to 20 species that have gone extinct over the past 90 years.

Jordan’s primary biodiversity conservation efforts are not focusing on a relatively few endemic species, but rather on the diversity of dryland habitat. The global conservation community is becoming increasingly concerned with dryland biodiversity and the benefits of its conservation and management. Jordan, situated at the center of this unique biota in the Middle East, represents both a challenge and opportunity for conservation and management of dryland.

### **Forest Resources**

Jordan’s forests cover less than 0.9 % of the total area and are restricted to the higher, better watered scarp and highland ecosystems. In this area are found Mediterranean woodlands of oak (*Quercus coccifer* and *Q. aegilops*) and pine (*Pinus halapensis*), with Juniper and cypress

occurring more locally. These woodlands are believed to have originally covered large tracts of the Jordanian highland, but millennia of human occupation and natural climatic change have resulted in dramatic deforestation and replacement of natural vegetation with secondary species. Woodlands today cover only about 100,000 ha.

The largest remaining areas of natural woodland occur in the highlands between Amman and Irbid, and are dominated by *P. halapensis* above 700 m, while mixed evergreen/deciduous oak woodland of *Quercus calliprinos* and *Q. ithaburensis* dominate at lower elevations where the original pine-dominated woodland has been degraded.

Jordan's forests play a key role in the maintenance of biodiversity, providing shelter for a diverse array of birds, plants, insects, and animals. Jordan's forests have an estimated 250 rare plant species, of which 150 are endangered. These forests are under great pressure due to inadequate management and protection, fires, wood collection and charcoal production, encroachment of agricultural land, and overgrazing with consequent soil degradation and erosion.

### **Rangeland Resources**

Rangelands receiving less than 200 mm average rainfall per year cover 91% of the country and include Badia, steppes, and parts of the Jordan Valley. Rangelands provide animal feed at little or no cost. Grazing is a way of life and source of income for a large number of the inhabitants of these areas. Traditional grazing cycles were based on a transhumant system that allowed for the natural regeneration of forage. This situation no longer exists and traditional grazing rights are mostly ignored. Overgrazing, uprooting of range plants, off-road driving, improper cultivation patterns, and urbanization are degrading rangelands.

The government has recognized for many years the importance of rangelands and the need for their sustainable management. The first range reserves were established in the 1940's to protect, improve, and manage rangelands through research and development activities. Currently, there are 27 rangeland reserves covering a total area of about 0.8 million hectares and 9 cooperative range reserves covering 0.1 million hectares.

### **Coastal and Marine Resources**

Coastal habitats are often subjected to great pressure for development. This is particularly true for Jordan, whose small coast provides strategically important access to the sea for shipping and industrial development, as well as for supporting recreation and tourism.

The Jordanian coastline stretches along about 27 km of the most northern tip of the Gulf of Aqaba. The Gulf is characterized by its great depth in proportion to its width, its transparent, oligotrophic water due to the absence of rivers or major streams flowing into the Gulf, and its fringing reefs. Along Jordan's coast, there is a discontinuous series of fringing reefs, never more than 150 meters wide, over a length of 13 km. These are found mainly around headlands, and are separated by bays, usually with sea grass beds, which correspond to the mouths of dry wadis.

The coral reef and marine environment of the Gulf of Aqaba support around 1,000 species of marine fish, 5 percent of which are endemic. Many of these species, especially those that are migratory, are of high economic value, such as the tuna and sardine that enter the Red Sea and reach the Gulf of Aqaba. The fringing reefs in the Gulf of Aqaba represent the northern limit for reefs in the Western Indo-Pacific region. The corals comprising these reefs are remarkably diverse. Over 250 different species of coral and other invertebrates occur, some of which are globally endangered, such as species of red and black corals.

### **Freshwater Ecosystems (Wetlands)**

Azraq oasis (a RAMSAR site) is the only large wetland in Jordan. There are smaller wetland areas that are important for migrating or over-wintering waterfowl. These occur in five main areas: (1) North Jordan Valley, (2) Middle Jordan Valley, (3) South Jordan Valley, (4) seasonal marshes and mudflats of the eastern desert such as the Disi area, Qaa Khana, Qaa Burqu (permanent pond) and Jafr, and (5) Gulf of Aqaba.

Jordan lies on the major migratory route of north Palearctic waterfowl. Over the past few years the drying of the Azraq oasis has caused the majority of migrating waterfowl to shifted to the Jordan Valley, which gives it a crucial role in avian conservation.

Jordan's wetlands vary from salt marshes, estuaries, and permanent small water bodies to manmade water reservoirs and sewage treatment plants. Any water body in such a semiarid and desert environment is of great importance for the survival of migrating waterfowl. However, all water bodies in Jordan are viewed as a source of water for urban, industrial, and agricultural uses. Many water bodies are affected by increasing salinization, pollution, and eutrophication due to intensive agricultural practices. Many aquatic species are at the edge of extinction if not already lost in Jordan. Seasonal marshes in the Disi and Jafr areas are deteriorating due to seasonal cultivation of barley and wheat.

### **Major Threats to Biodiversity**

Jordan's terrestrial, aquatic, and marine biodiversity is under severe threat from habitat destruction. A number of species have already vanished in the wild, including the Arabian Oryx (*Oryx leucoryx*), Syrian wild ass (*Equus hemionus*) roe deer (*Capreolus capreolus*), and the Syrian brown bear (*Ursus arctos syriacus*). Others are under severe threat and moving towards extinction, such as the Nubian ibex, goitered gazelle, Persian squirrel, and birds such as the houbara bustard, Black-bellied Sandgrouse, and Sand partridge.

### **Agents of Change**

The most significant factors contributing to the decline are overgrazing and plant cover destruction, illegal hunting and wildlife trade, urban development and expansion, inappropriate agricultural practices including pesticide use and fire, introduction of alien and invasive species, lack of adequate protected areas legislative policies, and lack of environmental awareness. Habitat conversion to agriculture, deforestation, and urban expansion are major problems that put increasing pressure on remaining wildlife resources. Overgrazing of marginal environmental

systems is a leading cause of habitat degradation and species extinction. Urbanization has a significant impact on remaining forested areas. The spread of housing in zones adjacent to forests have led to the movement of urban areas into forested zones.

Unregulated water use and development also pose severe threats for environmental systems. Over pumping of groundwater has caused shrinkage of the Azraq Oasis, which was designated a RAMSAR site in 1977. Efforts to restore water to the oasis have led to a partial recovery, but its long-term viability is still questionable.

### **Over-Harvesting and Trade in Plant and Animal Species**

Poaching and illegal trade in wildlife and plants have emerged in recent years as major drivers of local and regional decimation and extinction of wildlife species. The pet and aquarium trade, trophy, specimen, and biological curio markets are driving burgeoning domestic and international markets for Jordan's wildlife and plant species. The Jordanian Convention on International Trade in Endangered Species (CITES) management authority faces considerable challenges in regulating and controlling wildlife trade. Trade is known to occur in local, rare and endangered large mammals listed in CITES appendices, such as Nubian ibex (*Capra ibex nubiana*), dorcas gazelle (*Gazella dorcas*), Arabic gazelle (*Gazella gazella*) goitered gazelle (*Gazella subgutturosa* spp.), Eurasian badger (*Meles meles*), fennec (*Fennecus zerda*), Egyptian mongoose (*Herpestes ichneumon*), Persian squirrel (*Sciurus anomalus*), and others. Illegal trade is also occurring in reptiles, particularly in spiny-tailed lizard (*Uromastix aegyptia*) and desert monitor (*Varanus griseus*); and in raptors (*Falco naumani*, *F. cherug*, and others).

Jordan is actively screening the wildlife trade, and authorities regularly confiscate endangered wildlife. However, a particular concern related to CITES enforcement in Jordan is the lack of adequate legislation and clear delineation of lines of responsibility. Other major constraints to CITES enforcement include inadequate public awareness in Jordan and other Middle Eastern countries towards the critical importance of CITES in species conservation; shortage of in-country expertise and human resources to enforce CITES regulations; insufficient financial resources and training to follow up and manage the CITES Convention in Jordan; and lack of resources for rehabilitation of confiscated species and reintroduction to their natural habitats.

### **Illegal hunting**

Illegal hunting is a major reason for the continuing decline of wildlife in Jordan. Many of the country's most beautiful animals like the Arabian Oryx, the leopard, and the mountain gazelle, are now extinct because of excessive hunting pressure. Responsibility for enforcing hunting regulations is delegated to the RSCN, under the Agricultural Law, but RSCN has budget for only five rangers to patrol the country. While the rangers have been remarkably effective for a small team, they are inadequate to control the problem. RSCN has recently started a new initiative to develop a working relationship with the Jordanian police that will help create a nationwide enforcement network better equipped to control illegal hunting over the long-term.

### **Legislative and Policy Environment**

A new Ministry of Environment was established in 2003 under an amendment to Law on Environmental Protection No. 12 of 1995, the principal legislation governing environmental protection in Jordan. The Environment Law established the General Corporation for the Environment Protection (GCEP) and outlined the agency's responsibilities and authorities. Article 4 described the mission of GCEP to "promote protection of the environment and the improvement of its various elements and the execution of this policy in co-operation with relevant authorities." No specific act or regulation deals directly with the conservation and management of biodiversity. Although the Environment Law refers to cooperation and coordination with other agencies, these relationships were not defined.

### **Protected Areas, National Parks and Reserves**

Situated at the intersection of three biogeographical zones: the Mediterranean, oriental, and afro-subtropical, and acting as a floral and faunal bridge and migratory pathway, Jordan possesses a diverse array of habitats, biomes, and species. Given increasing pressures on this fragile habitat, establishment of an effective system of parks, reserves, and protected areas is an urgent priority.

A report on key habitats specified their geological, ecological, hydro-biological characteristics and biodiversity. The report recommended the establishment of a network of 12 wildlife reserves to be managed by the RSCN. Six are now established and managed by RSCN. Six other sites of conservation importance were identified in 1998. RSCN also identified 27 important bird areas, 13 important wetland areas, marginal land at national borders (protected by the Jordanian army), and wildlife corridors of significant conservation importance due to their great diversity of species and habitats.

Jordan has responded to the need to conserve its wildlife and natural habitats by developing a system of protected areas, consisting of 23 forest and rangeland reserves, 7 wildlife reserves (and 12 proposed sites), one marine reserve in the Gulf of Aqaba, and eight national parks, with a combined area of over 300,000 hectares, more than 3.4% of the land of Jordan. Management of these reserves falls under the jurisdiction of a variety of government agencies and the RSCN.

Although forest and rangeland reserves are shown on maps as protected areas, they continue to suffer overgrazing, wood and plant collection, and illegal hunting because legislative measures for their protection are inadequate. Establishment of effective management plans is constrained by lack of information, poorly defined boundaries, inadequate land-use policies, and an overall lack of staff and funds. As a result, their value for biodiversity conservation is relatively limited.

The Dibbin and Zai national parks are of special ecological importance and are under private management. The Dibbin National Park contains the most southern distribution of Aleppo pine in the world and it provides an important habitat for a diverse array of flora and fauna, making it one of Jordan's most important protected areas for biodiversity conservation.

### **Jordan's Participation in Multilateral Conventions**



Jordan is a signatory and participant in a number of international conventions that impact upon biodiversity conservation. Although most of these agreements require action from the participating country, Jordan is currently challenged with implementing their terms.

## **NGO Activities**

Jordan's environmental NGOs have made particularly important contributions in biodiversity conservation. For example, the RSCN is an NGO with about 200 employees, 40 in Amman and the remainder in the governorates. RSCN manages six nature reserves on government land (Shaumari, Azraq, Mujib, Dana, Ajloun, and Wadi Rum) and has the mandate to enforce hunting laws and issue hunting licenses. One of its oldest programs is captive breeding of endangered species and their reintroduction to the wild, including the Arabian Oryx, gazelle and ibex.

The RSCN effectively advocates for the areas they manage; they use the Environmental Impact Assessment process to challenge government programs that could have negative impacts on the areas they manage. Their environmental education program, in cooperation with the Ministry of Education, centers on the more than 1,000 nature clubs in schools across Jordan, using the network of nature reserves as outdoor training centers for environmental education programs.

Birdlife International, a global alliance of national conservation organizations, is working in Jordan to conserve birds, their habitats, and global biodiversity. The alliance works with people for sustainable use of natural resources. Working through RSCN, the alliance is supporting a study of migratory bird pathways in Jordan to identify important areas for conservation action.

A number of Jordanian NGOs are engaged in public awareness and outreach. The Jordan Environment Society (JES) was founded in 1988, and currently has 24 branch offices and 6,000 members. Funding has been secured primarily from international donors, including Germany, USAID, and the Arab Fund for Social and Economic Development. JES is currently supporting programs aimed at environmental protection and awareness, including campaigns on integrated pest management, water conservation, and solid waste management.

Friends of the Earth (FOE) was established in 1994 and now maintains a small full-time staff and a network of volunteers. With support from member companies and international donors, FOE has extensive programs in environmental education, including the GLOBE program to link students and researchers worldwide in the collection of environmental data.

Friends of the Earth – Middle East (FOME) is a regional NGO with programs in Jordan, Palestine, Israel, and Egypt. Through its international water programs, FOME works in Aqaba to reduce the use of plastic, which is a significant source of pollution on coral reefs. FOME is advocating that the Dead Sea be declared a Biosphere Reserve and World Heritage Site.

The Jordanian Royal Ecological Dive Society (JREDS) was established in 1994 with a mission to conserve, rehabilitate, and enhance the marine environment in the Gulf of Aqaba. JREDS uses grassroots participation, lobbying, public awareness raising, and the development of local technical capabilities to achieve its goal. Programs include beach and marine clean-up, crown-of-thorns control and encouraging fishermen to identify alternatives to fishing on the reefs.

## **USAID/Jordan Activities in Biodiversity**

USAID/Jordan funded development of the Dana Wildlife Reserve. The project promotes sustainable development activities, such as ecotourism and organic farming, and helps to build a bridge between nature conservation and the socioeconomic needs of the local community.

USAID/Jordan provided \$7.0 million in local currency as an endowment to finance RSCN's core activities. USAID also provided a \$4.5 million grant to establish a Nature Center in Amman. This Nature Center provides a unique environmental education center for Jordanians and international visitors and provides a marketing outlet for RSCN nature products and services. In addition, this grant is supporting the establishment of nature lodges in the Azraq Oasis and in Wadi Feynan (the western gateway of the Dana Nature Reserve); and a small business program, with several new or modified product lines introduced to sales outlets, including reed toys, olive oil soap, embroidered bags, and t-shirts.

With assistance of USAID/Jordan, the Aqaba Special Economic Zone was established in January 2001 to create a regional hub for investment and tourism in the southern port city of Aqaba. The natural environment of the Aqaba region is an important resource, and the base upon which future development depends. USAID/Jordan is building the capacity of the Aqaba Special Economic Zone Authority (ASEZA) to develop Aqaba's resources in a sustainable way. USAID has helped build ASEZA's capacity for environmental management, including its capacity to manage the Aqaba Marine Park and the Wadi Rum Area, and its capacity to monitor water quality and wastewater reuse to protect the marine environment.

## **Other Major Donor Activities**

The Global Environmental Facility (GEF) has provided funding for two biodiversity programs in Jordan:

- Rehabilitation of Azraq Oasis through completion of comprehensive ecological surveys, establishment of a management plan, environmental assessment of impacts affecting the Oasis, and promotion of sustainable development. The project developed a management plan for the reserve, has reduced groundwater extraction, and encouraged recycling of water into the ponds and marshes of this threatened wetland.
- Aqaba Marine Coastal Management and Establishment of Aqaba Marine Park project was implemented in cooperation with the Aqaba Regional Authority, the GEF, and the European Union. The project established Jordan's first marine reserve promoting conservation of marine biodiversity, established a coastal management and development plan, and strengthened the capacity of the Aqaba Regional Authority environmental unit.

UNDP provided support to Jordan's preparation of a national Agenda 21 report, encouraged participatory planning and helped build public awareness in the country about environmental problems and sustainable development. The World Bank is supporting development of comprehensive management and tourism development plans for key parks, such as the Petra

National Park, which will emphasize conservation and management of natural, cultural, and human resources. The Government of Japan bilateral assistance program provided \$100,000 to enhance ecotourism in the Ajloun forest reserve. The grant will help refurbish the visitor center and provide a campsite to promote nature-based tourism. The Swiss Agency for Development and Cooperation provided a grant to support the socioeconomic development of Wadi Mujib.

## **Conclusions**

There are many constraints and opportunities within the biodiversity sector in Jordan. During the proposed Mission strategy period of 2006-2011, the Mission will continue to focus on improving water resource management, improving health and family planning, improving education, and increasing economic opportunities for Jordanians. Although not directly addressing biodiversity conservation, Mission programs will continue to include support for activities that improve environmental management capacity, in turn protecting natural resources and sustaining economic growth. In terms of what is needed to conserve terrestrial, aquatic, and marine biodiversity in Jordan, the following recommendations will be addressed in part by USAID activities under this Mission strategy.

1. Establish an effective legal and regulatory framework for environmental management and clarify overlapping institutional mandates, authorities, and arrangements;
2. Build environmental management capacity and foster integrated land-use planning;
3. Promote public awareness and expand environmental education;
4. Prevent overgrazing by livestock and improve range management;
5. Strengthen law enforcement to reduce illegal hunting, trade in endangered species, and other wildlife crime; and
6. Assist in capacity building of the new Ministry of Environment.