



USAID | JORDAN

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Jordan

Country Development Cooperation Strategy 2013 – 2017



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Executive Summary

Jordan and the United States benefit from a long-standing partnership – the value of which is measured in Jordan’s strong leadership role in the region, its strength as a moderate and stable ally in a tumultuous region, and in cooperation on numerous fronts, including the Middle East peace process and counter-terrorism, peacekeeping, and humanitarian efforts.

Jordan faces a number of daunting challenges as it strives to address its development and reform priorities. These social challenges include a rapidly growing population, gaps in the quality of basic education, high unemployment, weak citizen participation in governance and politics, water scarcity, reliance on expensive, imported energy, gender disparities, and an influx of Syrian refugees. At the same time, however, Jordan is well positioned to address these challenges due to several opportunities, including a young workforce, a government that is forward leaning in terms of policy reform, and improving health and education indicators.

This strategy lays out a focused plan to help the GOJ in carrying out its stated commitment to broad-based political and economic reforms to meet the legitimate aspirations of Jordanians. USAID/Jordan’s goal for the 2013 – 2017 strategy period is to **improve prosperity, accountability, and equality for a stable, democratic Jordan**. This goal will be achieved through the following three development objectives (DOs) and a special development objective (SDO):

- DO 1: Broad-based, inclusive economic development accelerated
- DO 2: Democratic accountability strengthened
- DO 3: Essential services to the public improved
- SDO 4: Gender equality and female empowerment enhanced

A key overall theme of the strategy is complementing support for Jordanian-led structural reform with grassroots activities that will result in more visible, more directly “felt” people-level impact. Grassroots activities will be focused in the country’s poverty pockets, including underserved areas, such as Tafila and Ma’an, and in communities in the north where the influx of Syrian refugees has placed significant strain on public services. As the Mission focuses its support in underserved areas, it will increasingly engage disadvantaged segments of the population, especially youth, women, and the poor. Activities to reinforce policy reform and increased accountability will cut across the program to foster a policy environment that ensures that disadvantaged populations share equitably in economic benefits and social services and are not excluded from democratic processes.

Sustainable growth will be emphasized as another cross-cutting theme through more concerted efforts to strengthen the effectiveness of local partners. This will entail building the capacity of both government institutions and local non-governmental organizations, thereby positioning them to play a more effective role in meeting the country’s development challenges, especially in light of the country’s current and future natural resource and fiscal constraints. Central to this will be the pursuit of more opportunities to engage in direct implementation through government-to-government (G2G) mechanisms and with civil society and service-providing organizations.

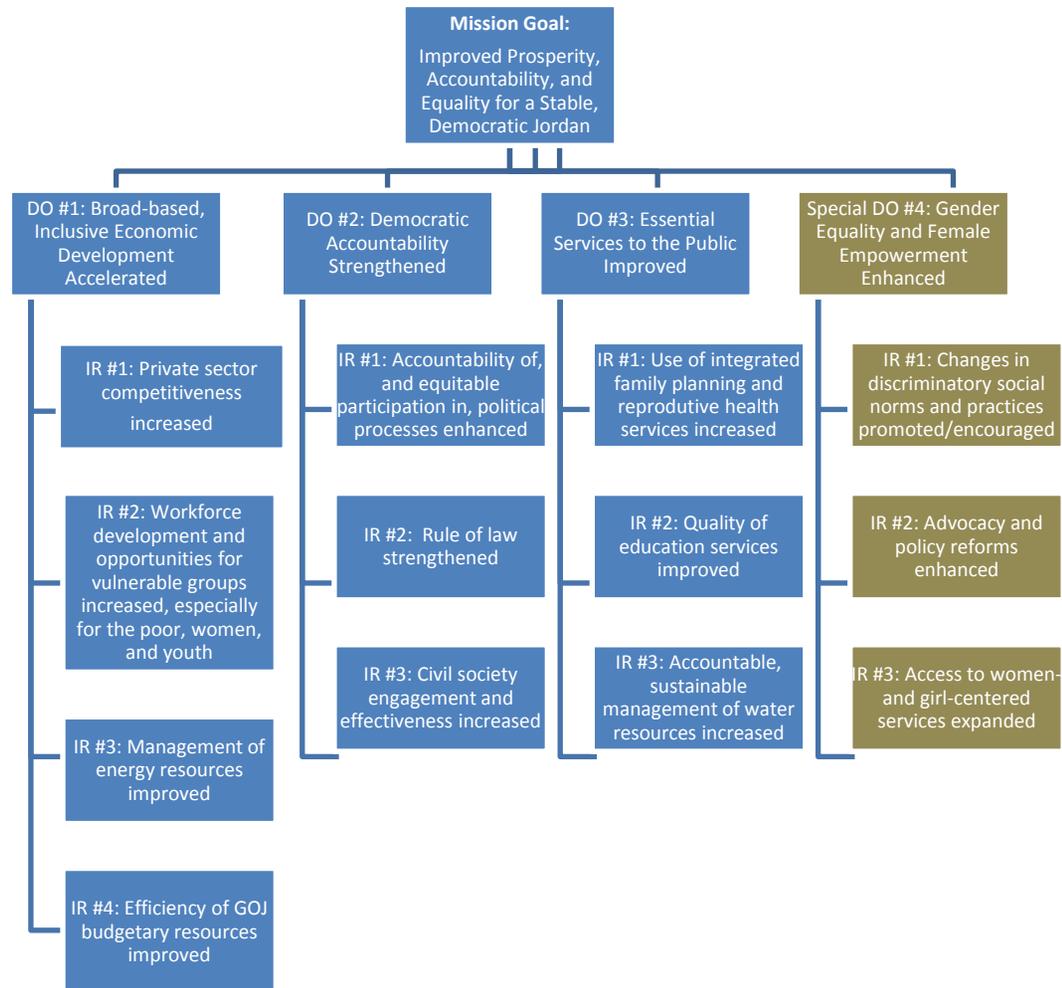
The strategic areas of intervention, though diverse, are each an important and mutually reinforcing element of the strategy to ensure broad-based sustainable development. In the absence of one element, there is significant risk that the overarching goal of the strategy will not be achieved. In this context, the strategy will focus increasingly on supporting GOJ efforts to address the demands of citizens for increased employment opportunities in key sectors of the economy positioned to grow. In addition to linking educational outcomes with these high growth areas of the economy, the Mission will add to its education program a needed area of emphasis on early grade reading. Additionally, the strategy will support Jordanian-led reforms to improve electoral administration, promote more accountable government, and reduce opportunity for corruption. Further, in the democracy and governance sector, assistance to civil society organizations (CSOs) will include greater focus on improving service delivery in addition to improving advocacy skills and organizational management. At the same time, the strategy places importance on promoting voluntary family planning as a primary means of helping the GOJ and the Jordanian people ensure that the country's development outcomes are sustained into the future. Also, by working with the GOJ to more efficiently manage scarce water and energy resources, the country can more responsibly and effectively meet the demands of its growing population. Through a Special DO (SDO), USAID/Jordan will focus on gender equality and female empowerment to foster inclusive development, increase synergies among program areas, and maximize impact. In addition to the above project level assistance, 51 percent of the portfolio will continue to be in the form of a cash transfer to help provide the macroeconomic stability that the GOJ needs to be able to realize the development priorities that it has pledged to undertake.

List of Acronyms

CDCS	Country Development Cooperation Strategy
CPR	Contraceptive Prevalence Rate
CSO	Civil Society Organization
DHS	Demographic and Health Survey
DO	Development Objective
ERfKE	Education Reform for a Knowledge Economy
FY	Fiscal Year
G2G	Government-to-Government
GDP	Gross Domestic Product
GOJ	Government of Jordan
HICD	Human and Institutional Capacity Development
IR	Intermediate Result
M&E	Monitoring and Evaluation
MCM	Million Cubic Meters
MENA	Middle East and North Africa
MOE	Ministry of Education
MOU	Memorandum of Understanding
MSME	Micro, Small, and Medium Sized Enterprises
MWI	Ministry of Water and Irrigation
OE	Operational Expenses
OYB	Operating Year Budget
PMP	Performance Management Plan
PPP	Public Private Partnerships
R&D	Research and Development
SDO	Special Development Objective
SME	Small and Medium Sized Enterprises
TFR	Total Fertility Rate
UNDP	U.N. Development Program
UNICEF	U.N. Children's Fund
USG	U.S. Government
WAJ	Water Authority of Jordan

Results Framework Graphic

A more detailed results framework graphic for each proposed DO is in Annex 1.



Development Context, Challenges, and Opportunities

Jordan is an oasis of moderation and stability in a tumultuous region. For this reason and because of the country's strategic location and long-standing partnership with the United States to advance the Middle East peace process, counter violent extremism, support regional peacekeeping and humanitarian operations, and play a supportive role for Iraqi and Syrian refugees, Jordan has received robust levels of U.S. foreign assistance since 2003.

The United States seeks to help the GOJ in carrying out its stated commitment to broad-based political and economic reforms, including strengthening democratic practices and governance, improving economic conditions, and reducing public corruption, to meet the legitimate aspirations of Jordanians through a focused yet flexible strategy. Jordan faces a number of daunting challenges as it strives to address its development and reform priorities. These challenges and the associated opportunities to address them are summarized below.

State of the Economy

Jordan's economy grew steadily from 1999 to 2006, when GDP growth peaked at 8.0 percent¹. This period of growth led to a subsequent drop in poverty rates from 1997 (9.8 percent) to 2006 (6.1 percent)², due in part to income gains but mostly as a result of GOJ actions to provide subsidies and safety nets to ensure the well-being of its population. However, in recent years, a number of forces have combined to threaten the sustainability of these gains. The global financial and economic crisis that began in late 2007 led to a sharp drop in global demand, which negatively impacted Jordan's exports. Virtually every class of goods and services exported from Jordan saw a significant drop in export volume between 2008 and 2009.³ Despite a number of positive policy changes in response to the worsening crisis, remittances and foreign direct investment shrank. In addition, in 2011, following the advent of the Arab Spring, tourism revenues, Jordan's second largest contributor to GDP, dropped by roughly \$568 million (16.5 percent), reflecting a 20 percent decline in the number of visitors. At the same time, regular supply of cheap natural gas from Egypt that long provided 80 percent of Jordan's electricity needs was severely interrupted by repeated detonations of the gas pipeline, with each interruption costing Jordan \$3-5 million per day as the GOJ was forced to find alternate and more costly fuel sources. As a result, debt has already surpassed 65 percent of GDP in 2012; and, because expenditures are dominated by recurring costs, there is little fiscal space for capital investments that are critical to Jordan's future competitiveness.

The impact of these economic challenges is compounded by the country's slow progress in creating sufficient employment for its rapidly growing population, a mismatch between education and the demands of a knowledge-based economy, and lack of interest on the part of young Jordanians to take existing vocational jobs (e.g., in the construction, tourism, and apparel manufacturing sectors) that are not considered to be sufficiently "honorable." Further

¹Department of Statistics (DOS). "Annual Growth Rates of Gross Domestic Product at Constant Basic Prices by Kind of Economic Activity, 1977-2009," DOS, 2009.

²UNDP. "Jordan Human Development Report", "Human Poverty Index," UNDP, 2011.

³DOS. "External Trade Statistics, 2007-2010," DOS, 2011.

frustrating youth and other job seekers is the persistence of nepotism – or *wasta* (an Arabic term for using one’s connections). Consequently, the unemployment rate has remained persistently high over the last decade (averaging 13.5 percent) regardless of changes in economic growth indicators. Unofficial unemployment rates are generally believed to be much higher, as many job seekers give up hope and exit the labor market. Employment prospects for women and youth are considerably worse than for the population at large. In 2011, 48.1 percent of youth (those aged 15-24) who were actively seeking employment were unemployed while 85 percent of Jordanian women (in all age groups) were not participating in the labor force. At the current rate of population growth, more than 70,000 new jobs per year will be necessary to employ the growing numbers of working-age Jordanians.

State of Politics and Governance

Despite the GOJ’s commitment to political reform and the several positive steps that have been taken in this direction, there remain many challenges to accountable, transparent, and effective governance. Adequate checks and balances between the executive, legislative, and judicial branches need to be enforced. The difficult balance between maintaining security and encouraging openness is a challenge for the GOJ. Citizen participation in decision-making and public debate is low at both the national and local levels, and popular “ownership” of Jordan’s reform agenda is limited. Jordan’s civil society is nascent, organizationally weak, and has few opportunities to engage with decision-makers, further limiting citizen participation in political and civic life, especially for women and youth. As a result, a significant portion of the population often feels unheard and disempowered. Political parties are also weak, and the traditional tribal system still overshadows the party system. While freedom of speech is generally recognized, the media and Jordanian citizens alike practice self-censorship, resulting in limits on public debate on key issues.

Another challenge to good governance is rule of law, which is characterized by a slow judiciary that lacks administrative and financial independence. While respect for human rights is growing within the judiciary, women and other disadvantaged segments of the population still suffer from violations related to gender-based violence, unequal access to justice, and limited participation in public life. Undermining public confidence further is the widespread perception that government corruption is endemic – a prominent theme in the slogans chanted when there are demonstrations in the Kingdom. The main reason for the high perception of corruption is the lack of transparency in decision making (e.g. , budget allocations and expenditure, pricing of essential commodities, and distribution of subsidies), public feeling that the few grand corruption cases brought to justice are not dealt with firmly and are surrounded by ambiguity, and a perception of electoral fraud.

State of Social Wellbeing

Population

The demographics in Jordan are dramatically changing, and taxing already strained public services and resources. Rapid population growth continues to pose a major challenge for Jordan’s development. Between 1979 and 2010, the population grew from 2.1 million to 6 million, and at the current growth rate of 2.2 percent, the population of Jordan is expected to double in about 30 years, from 6.3 million presently to 13.2 million in 2040. The GOJ recognizes

that this is a prospect it can ill afford, given that unabated population growth adversely affects Jordan's ability to achieve its economic progress and reduce poverty and unemployment levels. It also places a tremendous strain on social services and the country's scarce resources, especially water and energy. Additionally, high population growth complicates governance and security efforts, especially in a highly urbanized society like Jordan.

Jordan's Total Fertility Rate (TFR) of 3.8 children per woman is still relatively high, above the rate of 2.9 for Egypt and 1.9 for Lebanon. Factors which contribute to Jordan's high fertility and the plateau of contraceptive use include unmet need for family planning services; social and institutional conditions that support high fertility rates, including persistent preferences for large families and sons; limited access to the labor market for women; and, traditional expectations that many children are needed to support aging parents.

The landmark passage of the National Population Strategy in 1996 and the launch of the Demographic Opportunity Paper in early 2010, make it clear that the GOJ recognizes the population growth rate as a major constraint to development and that it is serious about family planning. A principal element of the National Population Strategy is the reinforcement of the "right of families to produce an appropriate number of children and to have access to information and family planning methods in order to make their decisions freely in line with religious and cultural values." The Prime Minister has established a high-level Steering Committee to develop policies and strategies that take population growth rate concerns into account in key sectors throughout the economy. Although the GOJ has done an excellent job of articulating government commitment to addressing population growth and family planning, this policy commitment must be accompanied by strong leadership and increased allocation of resources if Jordan is to reach its family planning and fertility goals of smaller family size and replacement fertility by 2030.

Education

In line with its international Millennium Development Goals, Jordan has made steady progress in raising primary education completion rates and eliminating gender disparities in education. The latest statistics from the U.N. Children's Fund (UNICEF) report that in 2010 primary net enrollment rates were 97 percent (for both males and females) while secondary net enrollment rates were 80 percent for males and 83 percent for females.⁴ Jordan has made significant progress in achieving gender parity in schools as indicated by the fact that the U.N. Educational, Scientific, and Cultural Organization (UNESCO) ranked Jordan 18th out of 94 countries in the "Education for All" rating.

Although access to education is relatively high, challenges within schools remain. A Ministry of Education (MOE) study on the characteristics of its schools determined that more than 50 percent of the students in MOE schools in Jordan are learning in overcrowded conditions, particularly in urban areas, where average classroom size is 46 students.⁵ However, this does not take into account the influx of Syrian refugees, which, according to the MOE and UNICEF, have placed an additional burden of 17,000 registered Syrian children on Jordan's public schools as of early September 2012. In support of school access, in 2011, the GOJ spent approximately

⁴http://www.unicef.org/infobycountry/jordan_statistics.html

⁵NCHRD. School Rationalization Baseline Study Report, USAID, 2011.

12.7 percent of its budget on education (and only an estimated 9 percent in 2012) – a percentage that is, in any case, well below the 18-20 percent average spent in the Middle East and North Africa (MENA) region.⁶

More importantly for Jordan, which relies on its highly educated population as one of the main sources of the country's economic growth, the quality of education provided remains uneven. Although, according to GOJ data, Jordanians have the highest literacy rates in the region, a recent USAID-funded early grade reading assessment found that the majority of students are not reading with fluency and lack the foundational literacy skills normally taught in first grade.⁷ Curriculum and teaching techniques do not adequately prepare students at all grade levels with the skills required to participate socially, economically, and politically in an evolving world, and gender stereotyping in career tracking, counseling, and curriculum are significant problems. Additional obstacles in education include limited capacity within the MOE to implement meaningful reforms and hold the education system accountable, plan and use data, and effectively put policies into practice. While Jordan's students do well on international educational tests compared to the region, they fall near or below the international average and disparities exist between urban and rural areas. Even though youth literacy (age 15-24) is reported to be nearly 100 percent, economic pressures on families, coupled with worsening education in boys' schools, are leading to an increase in dropout rates for boys in later grades. Furthermore, UNICEF has identified factors that contribute to students feeling "pushed" out of schools, including the fact that more than two-thirds of children are subjected to verbal abuse by school teachers, administrators, and schoolmates and approximately 50 percent of children are physically abused by school teachers and administrators.⁸ Thus, despite achieved gender parity and high enrollment rates, there is a need to improve the quality of education to enhance learning outcomes that contribute to more prepared graduates and to address key weaknesses in the school system, especially the low quality of education delivered in boys' schools.

Water

Jordan is one of the driest countries in the world. Its water problems begin with natural aridity that is forecast to get worse with climate change in the next few decades. The Levant appears to have been disproportionately affected by climate change already, and models agree that by 2030 to 2040, temperatures in Jordan will be one to two Celsius degrees warmer, precipitation will be 10 to 15 mm less (13 to 20 percent), and droughts will be more pronounced.⁹ USAID assessments identify absolute scarcity, increasing costs of infrastructure and operations, inefficient use of water in the agriculture sector, and declining water quality as the major threats to water security in Jordan. At present, Jordan provides high quality and reasonable volumes of water for human and commercial needs but at the cost of rapidly depleting its groundwater reserves. Research conducted by the U.S. Geological Survey estimates that Jordan will deplete over a third of its groundwater reserves in the next two decades.¹⁰ Overuse of water is inextricable from misuse, especially contamination from industrial, municipal, and agricultural disposal. Further complicating the problem, population growth, influx of refugees,

⁶Jordan Fiscal Reform Project II. Education Public Expenditures Working Paper, USAID, 2011.

⁷*Student Performance in Reading and Mathematics, Pedagogic Practice, and School Management in Jordan*, RTI International, August 2012.

⁸Elayyan, Khalil. *Violence Against Children Study in Jordan*, UNICEF, 2007.

⁹World Bank, "Country Strategic Partnership for Hashemite Kingdom of Jordan," 2012.

¹⁰USGS & Utah State University, 2011.

economic development, and climate change demand more water every year, forcing the country to develop distant and expensive sources, especially desalination, which will cost several times more than today's water.¹¹ Recent USAID assessments concur with GOJ opinion that desalination will be essential in meeting human needs within the next few decades.

Less than one percent of expenditures in the average Jordanian household go to water and wastewater services, so a moderate increase in water costs would not greatly affect most households. This is emphatically not the case for the rural poor who pay more for water, depend on fewer and more vulnerable water sources, and earn much of their income from water-dependent agriculture. As groundwater levels fall, springs and agricultural wells are going dry, and pumping costs are increasing to the point that many poor farms are unprofitable.¹² Jordan's most profitable crops are winter vegetables from the Jordan Valley. Water-intensive highland crops, such as maize, barley, wheat, and irrigated olives produce modest or even negative returns. A rough estimate is that amounts of water which are equivalent to a third of Amman's total use produce no crop value for the farmers or their communities. In sum, Jordan's rural communities lack water security, and the above noted trends have made these water users more motivated to accept buy-outs and to consider changes to other livelihoods.

Water scarcity and leakage issues also cause fiscal strains on the GOJ. The water sector already carries a debt of \$1.4 billion, and in 2013 the GOJ will begin to pay additional obligations of up to \$120 million per year to a private consortium for water pumped to Amman from the Disi area in southern Jordan. Although water utilities in Amman and Aqaba more than cover their operating costs through tariffs and user fees, and water and wastewater treatment plants are generally well maintained, utilities across the board do not have the funds for major capital investments (as are required to prepare for the new water originating in Disi). Additionally, most utilities outside of Amman and Aqaba cannot properly maintain their networks. In fact, about one-third of Jordan's municipal water either leaks out of pipes or is never paid for. Although Amman and Aqaba are much better in this regard, and better than most utilities in the world, overall losses are unaffordable. The challenge in the water sector is to maximize the value of Jordan's groundwater (which, in the agriculture sector, means getting "more crop per drop") while minimizing the human and economic costs of adapting to increasing scarcity.

Gender Equality

Despite Jordan's ratification of the U.N. Convention on the Elimination of Discrimination Against Women (CEDAW), violations of women's rights continue to be tolerated within families, society, and the state. Policies, laws, and social practices still do not recognize women's rights based on the principles of equality and social justice. While positive policy and regulatory reforms have taken place during the past several years, enforcement remains weak and advocacy is fragmented.

Traditional attitudes and inequities continue to limit women's participation in civil society, political life, and the economy. Women are underrepresented in leadership positions, including in the Cabinet, CSOs, professional unions, and political parties. On a more fundamental level, despite constitutional rights and recent policy and legal reforms, in practice, women lack stature

¹¹McKinsey, 2011; DAI, 2012.

¹²USGS & Utah State University, 2011.

as citizens and most interact with the state through male relatives. Despite high education enrollment rates, Jordan has one of the lowest female economic participation rates across the MENA region at 15 percent compared to 69 percent for men. Weak non-governmental organizations and women's groups struggle to improve women's legal and social status and their ability to participate in politics and the economy. Furthermore, women's groups struggle to bring to light the need to address gender-based violence, including honor crimes and domestic violence. The recent events of the Arab Spring and its causes reinforce the importance of greater women's empowerment and equality, making the environment ripe for the GOJ, and society as a whole, to pursue progress in this area.

Strategy Goal, Development Hypothesis and Objectives

USAID/Jordan's goal for the strategy period is to **improve prosperity, accountability, and equality for a stable, democratic Jordan**. This goal, its objectives, and the associated interventions consider *USAID's Policy Framework, 2011–2015* as well as various Agency-level sectoral and thematic strategies and policies. Furthermore, there is consistency with the GOJ's *National Agenda, 2006 – 2015* and *Executive Development Program, 2011 – 2013*.

As improving quality of life for Jordanian citizens is at the heart of the Mission's goal, the Human Development Index – with its comparative measure of life expectancy, literacy, education, and standards of living – is the most appropriate indicator for measuring this goal.

The goal will be achieved through the following three DOs and SDO:

- DO 1: Broad-based, inclusive economic development accelerated
- DO 2: Democratic accountability strengthened
- DO 3: Essential services to the public improved
- SDO 4: Gender equality and female empowerment enhanced

The above four objectives are inextricably linked to better address the interconnected development challenges facing Jordan and to increase the country's prospects for long-term stability and prosperity. Water, energy, and economic growth programs will link demand management approaches and conservation to more sustainable strategies for economic development. Helping slow down Jordan's rapid population growth rates will enable the government to provide better services for its population and protect Jordan's scarce natural resources. Improvements in education will equip Jordan's youth with employability and life skills, thus better preparing them for work opportunities and for becoming more productive members of their communities. Improving private-sector responsiveness and export competitiveness, while creating jobs and enhancing workforce preparedness, will spur economic growth, especially for disadvantaged populations. Enhancing political participation, improving election administration, and strengthening civil society and judicial independence will raise public confidence in government accountability. And, pursuing more effective investments in gender equality and female empowerment will accelerate progress in development.

DO 1: Broad-based, Inclusive Economic Development Accelerated

As Jordan strengthens its workforce, increases competitiveness, promotes improved management of energy resources, and improves fiscal management, broad-based, inclusive economic development will be accelerated. Accomplishment of this DO revolves around reinforcing Jordanian efforts to 1) build workforce capacity, 2) improve the business enabling environment, 3) increase productivity and promote innovation, 4) attract foreign investment, 5) diversify and improve the efficiency of energy resources; and, 6) strengthen public financial management. Broad-based, inclusive economic development will improve the general prosperity of the population and bring about more even gender equality, which will enhance the country's stability and promote the status and civic engagement of disadvantaged segments of the population. Central to this DO is supporting the creation of jobs that will empower women economically and be on a scale that will meet the demographic challenges posed by a young and growing labor force. Finally, improving budgetary processes will be key to eradicating corruption.

Illustrative Indicators at the DO Level (disaggregated by sex and age as applicable)*

- Number of jobs created for Jordanians*
- Private sector investment in targeted sectors as a percentage of GDP
- GDP growth rate

IR 1.1: Private Sector Competitiveness Increased

In order to achieve a significant level of success in advancing broad-based, inclusive economic development over the coming five years, Jordan must ensure that its private sector has the tools and enabling environment to be effective. If Jordan is to increase competitiveness and employment successfully in the sectors that will generate the kind of jobs most Jordanians want, the government and the private sector will need to work together to transform the business enabling environment, generate a culture of continual innovation, and increase overall productivity levels.

There is continued need for USAID to assist the GOJ with economic reforms. The World Bank's Ease of Doing Business Indicators and the World Economic Forum's Competitiveness Index numbers for Jordan have not been high historically, and they have decreased steadily over the last few years. The main weaknesses indicated in these reports are related to 1) innovation, 2) labor market efficiency, 3) access to credit, 4) starting a business, and 5) protecting investors. Overall, the World Bank's 2012 Doing Business Report ranked Jordan 95th out of 183 countries in terms of the enabling environment for small and medium enterprises (SMEs). To address the stated weaknesses in the business enabling environment, USAID and the GOJ will continue partnering to implement an ambitious economic reform agenda; however, political will for reform has slowed in the last year as the GOJ focuses instead on meeting the demands of Jordan's restive population for jobs and for electoral and constitutional reform.

Performance against innovation indicators is disappointing. While the GOJ continuously reiterates a strong commitment to the creation of a "knowledge-based" economy that values entrepreneurship and creativity, Jordan spends just 0.34 percent of GDP on research and development (R&D) and firm-level innovation capabilities are at very low levels. Research at Jordanian academic institutions is basic in nature and generally not focused on development of

industrial or commercial products. Partnerships between academia and the private sector are rare and inhibited by laws that do not allow professors to receive payment for R&D work. At an industry-level, relationships between firms and input and service providers are highly inefficient.

Lack of access to finance is a serious constraint in the Jordanian economy for firms and individuals at every level and is a large hindrance to Jordan's overall competitiveness. Equity investors are discouraged by an opaque, often confusing set of institutions and regulations that govern their activities in Jordan. Micro, small, and medium-sized enterprises (MSMEs), which employ approximately 69 percent of the workforce, are typically unable to produce basic financial documents that would attract investment or even allow them to obtain bank loans. Banks are conservative and do not provide loans to the extent demanded by MSMEs. These challenges are exacerbated for women-owned businesses, as many women do not have access to the kind of collateral that they would need to get a bank loan or information on networking and value chain opportunities.

Fostering growth, competitiveness, and job creation in Jordan's fledgling knowledge-driven economy will require facilitation of strong partnerships between firms, educational facilities, training institutions, and government at all levels that are dynamic and capable of dramatically improving the economic landscape. Under this IR, USAID will support partnerships that: 1) drive implementation of regulatory and legal changes that improve the business enabling environment, 2) facilitate increased industry-level efficiency and innovation, 3) attract increased investment, and 4) ensure an adequate flow of capital to the nation's most promising industries.

Illustrative Performance Indicators:

- Number of laws, regulations, and administrative procedures impacting the private sector that have been simplified as a result of USG assistance
- Number of firms that have successfully accessed bank loans, private equity (or both) as a result of USG assistance (*disaggregated by male- and female-owned businesses*)
- Score on Global Competitiveness Index
- Rank on World Bank Doing Business Report

IR 1.2: Workforce Development and Opportunities for Vulnerable Groups Increased, Especially for the Poor, Women, and Youth

Improving workforce skills in Jordan and increasing opportunities for vulnerable groups that have the potential to greatly impact the economy is necessary to achieve broad-based, inclusive economic development. USAID programs under this IR aim to help ensure that the Jordanian workforce has the requisite skills and other support needed to get jobs and keep them. Workforce development programs will be designed to support growing competitiveness in knowledge-driven industries and to ensure that employment opportunities for vulnerable groups (those living near or below the poverty line, women, and youth) are increased.

While historically the overall quality of Jordan's education system has ranked fairly well, its quality relative to the rest of the world is quickly slipping. The entire system suffers from outdated techniques and technologies. Universities provide little or no career services, such as job placement assistance. Regardless of educational level, employers assert that Jordanians generally lack a number of "soft" skills, such as those related to communications, customer service, and computers. The World Economic Forum also cites "poor work ethic in the national

labor force” to be a problematic factor for doing business in Jordan.¹³ Other studies note a lack of entrepreneurial skills that inhibit the creation and success of new businesses.

Women, youth, and the poor face particular disadvantages related to economic participation. Women, though highly educated relative to other countries in the region, are not able to, or do not, take advantage of economic activities as indicated by a female workforce participation rate of less than 15 percent – one of the lowest in the MENA region. This is due to a number of cultural and political constraints, including rising social conservatism, cultural attitudes towards acceptable work for women, and women’s exclusive responsibility for domestic and childcare roles. Efforts to seek gainful employment on the part of Jordanian youth are also frustrated by a number of factors, including: 1) a lack of career counseling and follow-up; 2) a mismatch between existing job training programs and local labor demands as well as insufficient practical training and/or preparation for the job market; 3) a negative attitude among youth about working in certain industries; and, 4) a difficulty in securing work without *wasta* – societal and political connections to those with hiring authority or power.

Under this IR, USAID will facilitate and strengthen partnerships between universities, colleges, vocational training centers, and the private sector to ensure that Jordan’s educational system better meets the demands of firms in the nation’s most competitive sectors and in sectors that are most likely to hire women, youth, and the poor. USAID will also support the formation of Public-Private Partnerships (PPPs) to diagnose and mitigate challenges to increasing workforce participation for youth and women.

Illustrative Performance Indicators (disaggregated by sex, age, and economic status as applicable):*

- Workforce development programs more accurately reflect the labor needs of growing industries in Jordan
- Percentage increase in the number of Jordanians employed in vocational jobs typically dominated by imported labor*

IR 1.3: Management of Energy Resources Improved

Jordan’s dire energy crisis was precipitated by a lack of diverse energy sources. This occurred largely because Jordan relied heavily upon inexpensive natural gas from Egypt for 80 percent of its electricity, which has been unreliable in terms of price or quantity due to repeated sabotages of the pipeline. The most immediate replacement fuels – diesel and oil – are draining the economy, as indicated by the fact that energy imports equaled roughly 24 percent of Jordan’s GDP in 2011. Jordan’s twin energy challenges are to use its energy more efficiently while developing a range of alternate energy sources.

Addressing the critical needs will increase the efficiency of Jordan’s electricity sector and position Jordan to explore alternative energy options wisely. Specifically, USAID will assist Jordan to strengthen its energy sector-related institutions and entities; improve the services provided; implement the actions of the existing National Energy Strategy and Jordan Energy Efficiency Roadmap; and, maximize use of its renewable energy sources, especially solar.

¹³ <http://www3.weforum.org/docs/GCR2011-12/CountryProfiles/Jordan.pdf>.

USAID will apply its comparative advantages to help address Jordan's needs, focusing activities on possibilities to promote demand-side management, including energy efficiency and development of renewable energy resources. Simultaneously, technical assistance will be provided to the Ministry of Energy and other energy sector actors to improve their capacity to manage Jordan's energy crisis. This includes providing support to assist the Ministry to undertake policy reforms to remove energy subsidies and prompt Jordanians to adopt more energy efficient practices.

Illustrative Performance Indicators:

- Percentage of energy efficiency increases at electricity sub-station level due to USG assistance
- Number of megawatts installed through alternative energy projects in Jordan supported by USG assistance.

IR 1.4: Efficiency of GOJ Budgetary Resources Improved

Establishing sound fiscal control in Jordan is critical to economic competitiveness. Even with considerable donor contributions, Jordan faces a severe fiscal crisis. To combat a growing budget deficit in 2010, the GOJ began an aggressive fiscal consolidation policy that included rationalization of exemptions, containment of the public sector wage bill, reductions in capital expenditures, and phasing out of fuel and food subsidies. In January 2011, however, in an attempt to satisfy a restive population, the GOJ reinstated some of the subsidies that it had

phased out, including subsidies for basic foods and a reduction in the fuel tax. At the same time, the GOJ counter-productively increased wages and pensions. As a result, the GOJ's budget deficit in 2011 reached almost \$2 billion.

USAID/Jordan Cash Transfer Program

USAID will continue to provide an annual cash transfer amounting to 51 percent of the annual OYB to the GOJ in the form of budget support, thereby sustaining creditworthiness and buffering the GOJ's ability to respond to development priorities that cut across all sectors in which USAID works. Depending on Jordan's fiscal situation, the cash transfer might be utilized to pay down eligible, non-military debt or for general sector support.

Cash transfers are conditioned on benchmarks that the GOJ agrees to meet prior to the disbursement of funds. These benchmarks, typically in the form of required policy reforms, are identified by a USAID-led Task Force comprised of representatives from USG agencies operating in Jordan and are consistent with the country's own National Agenda and USAID's development objectives. For example, reforms conditioned by the cash transfer will strengthen Jordan's policy framework to improve public financial management, more efficient use of natural resources, and competitiveness.

Currently, nearly the entire GOJ budget is used for recurrent expenditures such as public salaries and energy subsidies. This leaves almost no money to invest in the kind of R&D, workforce development, and infrastructure needed to support globally competitive industries. Under this IR, USAID will help the GOJ improve its ability to implement reforms that generate new revenue and reduce unnecessary expenditures. By enhancing tax administration, improving public financial management, establishing tighter controls on consumption, and making better use of PPPs, the GOJ will be able to effectively realign its budget priorities to free up fiscal space for new, productive investments in key sectors. Helping make the budget system more transparent will also decrease

opportunities for corruption. The above assistance will build upon USAID's support for fiscal reform, which has been instrumental in helping the GOJ improve efficient use of public resources and revenue mobilization, as exemplified by the fact that tax revenues increased by 20 percent in the first quarter of 2012. Every effort will be made to ensure that fiscal reforms are gender sensitive and do not unfairly target vulnerable populations.

Illustrative Performance Indicators:

- Number of tax regulatory and administrative procedures, including gender-biased ones, eliminated or improved as the result of USG assistance
- Number of fiscal policies aimed at improving the macroeconomic environment for growth adopted and/or strengthened

DO 2: Democratic Accountability Strengthened

Strengthened democratic accountability is critical to Jordan's long-term stability and future prosperity. If Jordan is to remain on a steady track to transformational development, it must achieve fundamental changes in governance by supporting fully independent branches of the government and providing multiple pathways for citizen engagement in decision-making on priority issues. This will be addressed by supporting Jordanian efforts to enhance government's accountability to citizens within political processes; strengthen the rule of law; and increase the effectiveness of civil society organizations to advocate for their interests, provide services to their members, and participate in political processes. Opportunities to reduce corruption within the political and governance system will be considered and pursued in all program areas where there are openings to make progress in addressing it. Recognizing the presently marginal position of women and youth in the political system, programs under this DO will directly support initiatives to expand their participation and empowerment as critical constituencies.

During 2011, the Jordanian political scene changed significantly in response to both regional developments and a parallel increase in domestic pressures for political reform. Jordanians voiced opposition to what many view as the failure of government to address political and economic needs. Opposition leaders often accompanied this perspective with accusations of government corruption and open criticism of the political system. This was followed by a renewed royal commitment to "political reform," the formation of the National Dialogue Committee, and 41 constitutional amendments of varying importance to reformulate key laws that structure and regulate the political process. Despite these achievements, revisions to the electoral and political framework continue to be contested and implementation of reforms is still weak.

Nonetheless, recent political developments open opportunities to support a deepening of democratic reforms. Comprehensive democracy and governance assessments were conducted and affirmed that USAID should continue to support GOJ and Jordanian civil society efforts to expand citizen participation (especially for women and youth), strengthen the rule of law, promote good governance, increase transparency and accountability to combat corruption, and advance human rights. Areas of emphasis will be on supporting Jordan's democracy and governance reform efforts with a broad and comprehensive program centered on strengthening political parties, electoral reform, respect for human rights, judicial independence, and local governance. A core element to achievement of this DO is strengthening of civil society

organizations to improve their advocacy and organizational management skills as well as their ability to improve service delivery.

Illustrative Indicators at the DO Level:

- World Bank/Brookings WGI : Voice and Accountability
- Transparency International's Corruption Perceptions Index

IR 2.1: Accountability of, and Equitable Participation in, Political Processes Enhanced

Within the past few years, Jordan has witnessed a number of key changes in the policy environment. The May 2007 municipal election law resulted in fully-elected municipal boards (half of which were previously appointed) and record citizen participation in municipal elections. The percentage of female local officials increased dramatically because of the law's 20 percent quota. Also, parliamentary elections in November 2007 and 2010 allowed for local civil society and international observers to monitor the elections for the first time in Jordan's history. However, even given these positive developments, the political system remains largely centralized and tribally-focused, and public participation in political life is low.

Assistance in this area will support constitutional and electoral reform, including capacity building support for the Independent Election Commission to ensure free and transparent election processes. Furthermore, USAID will support Jordanian-led reforms to broaden and strengthen political participation and accountability, thereby fostering more pluralistic, fair, broad-based, responsive, and representative political leadership and greater competition. Over the strategy period, programs will encourage and assist the opening of political space for young leaders, women, and democratic political parties to participate. The programs will work with existing and new political parties to refine their messages and to build stronger, more inclusive leadership structures, enhance communication mechanisms, and develop recruitment capacities. Programs will also emphasize accountability and responsiveness of elected officials. Efforts will be made to promote the strengthening of Parliamentary blocs that may serve as a basis for coalition formation on issues of public interest. Additionally, programs will help political parties to promote local branch office development and the establishment of functioning youth and women's committees to engage in electoral processes and political dialogue.

USAID programs will also support the executive and legislative branches in reviewing laws, regulations, and procedures related to political participation, with the aim of identifying gaps and inconsistencies with respect to international best practices. The aim will be to reduce barriers to political participation by all segments of society, especially women and persons with disabilities. In addition, the capacity of the Independent Election Commission will be strengthened and USAID will reinforce Jordanian efforts to make local governance more participatory, accountable, and effective through the provision of technical assistance.

Illustrative Performance Indicators (disaggregated by sex, age, and economic status as applicable):*

- Percent increase in public participation in electoral process over five years*
- Level of confidence in democratic processes among citizens* (periodic polling)

IR 2.2: Rule of Law Strengthened

Assistance in the rule of law area will support GOJ efforts to develop accountability between independent branches of government, thereby expanding opportunities for meaningful citizen engagement in governance and promoting protection of human rights. Over the strategy period, USAID will help Jordan in its efforts to promote balance between the three branches of government. This will be achieved by supporting the full implementation of the newly-adopted GOJ judicial strategy as a means of securing the financial and administrative independence of the judiciary. Programs will also work with the legislative body to support its role in policymaking and to perform checks and balances on the executive. At the executive level, accountability will be promoted and technical assistance will be provided to bring about legal and regulatory reforms across the sectors represented by the Mission's portfolio.

Jordan's human rights record continues to be a matter of concern, and particularly with respect to the rights of women. As indicated by numerous reports and studies conducted by the Jordanian National Commission for Women, including *The Progress of Jordanian Women: In Pursuit of Justice, Participation, and Equality 2010-2011*, women are not treated equally under the law and violence against them remains a serious issue. Also, access to justice is limited for the poor due to the cost of legal representation and lack of free legal services. This is especially true for women who do not control financial resources in the family and thus are unable to access quality representation in court. In addition, gender-based violence is not appropriately or adequately addressed in the legal system. Practices, such as honor killing or forced sterilization of disabled women, and penal laws, such as a law forcing women to marry those who commit acts of sexual violence against them, contribute to egregious violations of human rights.

In addition to supporting the achievement of an independent judiciary as noted above, activities under this IR will include a focus on improving the legal environment, helping to address a number of gender-specific legal discriminations faced by women and girls (including inheritance, divorce, and child custody), supporting legal aid for victims of human rights abuses, contributing to women's shelters, improving access to justice, and encouraging gender-sensitive practices and perceptions among justice sector personnel.

Illustrative Performance Indicators (disaggregated by sex, age, and economic status as applicable):*

- Number of legal aid groups and law clinics providing full time services, especially outside of Amman, assisted by the USG (*disaggregated by geographic region*)*
- Percentage of target population that views gender-based violence as less acceptable after participating in or being exposed to USG programming*

IR 2.3: Civil Society Engagement and Effectiveness Increased

An engaged and effective civil society is critical to Jordan's development and long-term stability. Yet, despite rapid growth in the number of CSOs in recent years, the sector continues to confront serious challenges. Recent studies of civil society in Jordan have noted that examples of effective advocacy and civic engagement remain limited in most fields, with a majority of organizations concentrating on charity and service delivery and few focusing on advocacy, public policy, or gender equality. A variety of factors contribute to this outcome, including weak

organizational capacity, an opaque legal and regulatory environment, and limited opportunities and forums for meaningful interaction with state authorities.

USAID programs will reinforce local efforts to promote democratic governance and to expand political pluralism and social inclusion in public affairs. As such, programs under this area will promote a vibrant civil society that has both the political rights and organizational and institutional capacity to play a more effective role in decision-making processes, advocate for citizen rights, and expand opportunities for meaningful civic engagement around key issues spanning the sectors of USAID assistance. To achieve this, efforts to improve the enabling and regulatory environment for CSOs will be supported, national civil society networks will be strengthened, and better linkages will be established between civil society and local governments as a means of promoting citizen engagement in political decision-making. Furthermore, CSO support will increasingly focus on building management capacity to strengthen social service delivery activities of benefiting organizations.

USAID will support organizations that are increasing opportunities for women, youth, and other marginalized groups to participate more fully in social, economic, and political life and building broader social support for gender equality and respect for human rights. Particular attention will be directed towards organizations working with youth, especially in light of the Arab Spring, to create channels of communication, platforms for participation, and awareness of national issues to maintain stability and effect reform. Work with CSOs will foster a more open operating environment for media, enabling the provision of quality information to citizens. Though media strengthening will not be an end of itself, it will be a means by which to increase engagement of marginalized groups and civil society on issues of public interest.

Illustrative Performance Indicators:

- Freedom House indicators: civil liberties (numerical rating)
- Number/type of public policies changed consistent with CSO advocacy

DO 3: Essential Services to the Public Improved

Maintaining and improving the standard of living of Jordanians, and thereby promoting stability, will depend on the government's ability to strengthen the delivery and quality of basic essential services, especially those related to family planning and reproductive health, education, and water – particularly as the population increases.

This DO also recognizes that a government's ability to provide, or otherwise ensure the equitable provision of, essential services is critical to the governments' credibility, the nation's stability, the elimination of opportunities for corruption, and eventually the ability of citizens to prosper and build better lives for themselves and their children. USAID will reinforce Jordanian efforts to improve essential services in three areas: family planning and reproductive health, education, and water management. Family planning and water management were chosen because of the existential threats population growth and water scarcities pose to the country's future if they continue on their current trajectories; and, education was chosen because it is the scaffolding upon which a "knowledge" economy generating broad-based economic growth is built.

Together, improvements in the delivery of the three essential services will help the GOJ strengthen its credibility as painful reforms are taking effect elsewhere in the economy. Moreover, in each of the three areas, USAID will have the common aims of helping Jordanian counterparts to:

- Better realize returns from the investments that are being made;
- Identify and adopt best practices and innovative approaches;
- Adopt improved data management and evidence-based decision-making as a means to increasing accountability; and,
- Strengthen performance in implementing transparent and inclusionary decision-making processes.

Population issues are central to the objective. If the TFR decreases from 3.8 in 2009 to 2.1 in 2030, then the population would only increase to 10.5 million in 2040¹⁴, as compared to 13.2 million with constant fertility at 3.8. The difference would substantially ease the burden on Jordan's resources and would assist Jordan to achieve its development goals. This DO assumes that if Jordanians have access to quality family planning and reproductive health services at an affordable cost and are aware of the benefits of using these services, they will use them. It also assumes that the GOJ has the will to 1) act on its recognition that continued high rates of population growth will have negative implications for its ability to provide quality social services throughout the country, and 2) responsibly marshal the use of the country's scarce natural resources. An increase in voluntary use of modern methods of family planning will directly result in slower population growth and will lead to improved maternal and neonatal health outcomes – both of which will contribute to improved prosperity. In addition, achievement of economic development aims of DO1 and education improvements and linking to jobs under DO3 will lead to smaller family size as women become more active in the labor market.

Because the crux of the strain on social services in Jordan is the country's high population growth rate, the Mission will situate the family planning and reproductive health portfolio in the larger framework of population growth and the associated development impacts. Consistent with the Global Health Initiative GHI, family planning and reproductive health efforts will be two-fold. On the supply side, efforts to promote strong health systems will focus on improving the quality of and access to family planning and reproductive health services. Simultaneously, on the demand side, public outreach campaigns will focus on behavior change to increase the number of Jordanians requesting family planning and reproductive health services.

The Mission will support the GOJ's Education Reform for a Knowledge Economy (ERfKE) strategy through capacity building of teachers and administrators, and school construction and renovation. Youth-oriented programming will improve services that impart employability and life skills, strengthen professional development, and enhance participation of youth in decision-making processes as a way of improving their communities. Investments in education and youth (both in and out of school) will support accomplishment of results under other DOs through better informed voters, a healthier population, and a more capable workforce.

¹⁴DemProj. A Computer Program for Making Population Projections, Version 4 of the SPECTRUM Suite of Policy Models, developed by the Futures Group under the USAID-funded POLICY Project.

USAID's investments in the water sector will focus on helping to build the country's institutional and technical capacity to improve management of water resources, especially with respect to water utilities, aquifer conservation management, rationalizing the use of agricultural water, and construction of critical water supply and water treatment infrastructure.

Family planning and reproductive health activities as well as education interventions will target the poor and vulnerable, including women and people living in underserved areas. Water activities will be focused in areas of greatest water scarcity and/or water use inefficiency. Together, the initiatives represented in this DO will ensure that the necessary public services are available and managed efficiently and accountably to enable Jordan to achieve a high level of development for a rapidly growing population.

Illustrative Performance Indicators at the DO Level (disaggregated by sex, age, and economic status as applicable):*

- Contraceptive Prevalence Rate*
- Percent change in student scores on the PISA international test*
- Number of people with improved water security or improved sanitation services as a direct result of USAID interventions*

IR 3.1: Use of Integrated Family Planning and Reproductive Health Services Increased

According to the 2009 Jordan Demographic and Health Survey (DHS), the stalling in the TFR decline is accompanied by a leveling off in the increase in the contraceptive prevalence rate (CPR). The DHS found that the TFR remains high at 3.8, with virtually no change from 3.7 in 2007; and the CPR remains at 59 percent with virtually no change from 57 percent in 2007. In fact, modern CPR has remained at 42 percent since 2002, with the use of traditional methods increasing from 15.2 percent in 2002 to 17.2 percent in 2009. Unmet need for family planning is 11 percent. Increasing the CPR is critical to slowing Jordan's population growth rate.

Jordan's high population growth rate is already constraining the country's ability to achieve socio-economic progress and maintain stability. If not addressed, the population will double by 2040. Under this scenario, the GOJ will not be able to provide adequate water, health services, or education to its people. USAID will help address the development challenge of high population growth through investments in family planning and reproductive health. USAID's technical teams will collaborate with Jordanian individuals, organizations, and government institutions that are elevating the discussion of the impact of rapid population growth on development beyond the health sector and into the broader decision-making arena at the national level. This will entail high-level policy discussions and advocacy efforts to help GOJ leadership better link population challenges to resource management and development needs. USAID will also reinforce Jordanian efforts to improve the enabling environment at the household level by supporting activities that educate families (men and women) on the effect of population growth on Jordan's future. Increasing the use of and demand for voluntary family planning and reproductive health services is also critical to the achievement of this objective.

Accordingly, USAID will continue to strengthen family planning and reproductive health services in the public and private sectors as part of an integrated services package. This integrated approach will increase the acceptability, accessibility, efficiency, and sustainability of efforts and presents unique opportunities to increase use of family planning services. In addition, the approach will

provide an opportunity for promoting voluntary family planning within the context of a continuum of care, whereby USAID will support interventions to make family planning and reproductive health information and services available at each point of contact with the health system and at every stage of the birth interval. The family planning platform will increase utilization of modern contraceptives and spacing of births which can contribute to improved maternal and neonatal health outcomes and survival of mothers and newborns. Consistent with studies undertaken, it is expected that when families recognize that family planning supports maternal, neonatal, and child health, use of family planning will increase significantly. Family planning investments and advocacy will also link family planning to socio-economic benefits for families.

Illustrative Indicator at the IR Level (disaggregated by age and economic status as applicable):*

- Percent of unmet need for family planning*
- Percent of women who report preference for a small family size*

IR 3.2: Quality of Education Services Improved

Fundamental to national development is the government's ability to fulfill its citizens' right to quality basic public education. Given the systemic challenges that Jordan continues to face in providing a quality education that offers relevant skill development opportunities for its students to succeed in life and work, USAID will focus on helping to improve the quality of public education in strategic areas on a national scale. The three primary areas of focus will include building the MOE's capacity to implement reforms that result in better student learning outcomes at the K-10 classroom level; improving learning environments, including infrastructure improvements, to change attitudes towards and behaviors within schools to keep students engaged and learning; and, enhancing the relevance of educational programs for secondary students and recent drop outs so that they are better prepared for work and life in a knowledge-based economy.

While access to schools is not a problem in Jordan, improving the quality of education for students so that they gain fundamental skills for higher order thinking needed in secondary and post-secondary education and ultimately for work and life is needed. USAID will focus interventions to address the gaps and weaknesses in teacher and administrative capacity by developing skills to improve not only critical thinking skills for youth, but also reading and math skills among primary students. Assistance will also focus on operationalizing policies and systems that will elevate the teaching profession through the reform of teacher hiring, promotion, incentive and ranking systems, and career paths. Further, while gender parity has been achieved in Jordan, boys' education is suffering significantly, which is contributing to increased absenteeism and drop-out rates, among other issues. USAID's efforts will prioritize helping to address organizational and other barriers to improving boys' education while, at the same time, supporting activities that improve psychosocial elements of the learning environment, including school violence. USAID also will focus on the provision of better opportunities for youth both in and out of school to acquire life skills that are needed to successfully transition to the workforce, and career counseling based on aptitude and interest rather than on gender-stereotypes.

Illustrative Indicator at the IR Level (disaggregated by sex, age, and economic status as applicable):*

- Percent change in student grades on school report cards*

- Percent of trained teachers demonstrating improved performance* (as a stand-alone and triangulated with student performance measures)
- Proportion of students who, by the end of two grades of primary schooling, demonstrate that they can read and understand the meaning of grade level text*
- Percent change in student grades in schools with improved learning environments
- Number of students benefitting from USG infrastructure improvements*
- Percent of students that demonstrate attainment of 70 percent of life and employability skills*

IR 3.3: Accountable, Sustainable Management of Water Resources Increased

Despite the fact that Jordan has one of the best water treatment and delivery systems in the region, providing safe water to more than 98 percent of Jordanians and demands of a growing population and a growing economy, combined with inefficient agricultural use, are causing rapid depletion of groundwater and forcing a shift to expensive desalination and water transfers from remote areas. Annual per capita water availability has declined from 3,600 m³ in 1946 to 147 m³ today. If supply remains constant, per capita domestic consumption is projected to fall to approximately 90 m³ per person per year by 2025 and the water deficit for all uses will grow from about 160 MCM in 2015 to 490 MCM by the year 2025, putting Jordan in the category of having an absolute water shortage.

Because Jordan's water security is vital to its stability, USAID will help build management capacity and physical improvements to reduce non-revenue water (defined as water lost to leaks or not paid for); work with the GOJ to plan, design, build, and maintain water and wastewater infrastructure; support efforts to improve the fairness and effectiveness of policies and institutions in the urban and agricultural water sectors; build capacity for more effective environmental management; and foster improved management of groundwater through monitoring, heightened public awareness, increased efficiency of water use (especially in the agricultural sector), and stronger enforcement measures.

Illustrative Indicators at the IR Level (disaggregated by sex, age, and economic status as applicable):*

- Number of regulatory reforms enacted (e.g., a new national strategy, water law, tariff policy, cabinet body, or ministerial structure)
- Cubic meters of water provided by facilities developed by USAID interventions
- Number of people with improved livelihoods as a result of USAID interventions*

Special DO 4: Gender Equality and Female Empowerment Enhanced

The premise of this SDO is that female empowerment and gender equality will be enhanced as changes in discriminatory social norms and practices are promoted, advocacy and policy reforms for women's issues are enhanced, and access to female-centered services are expanded. Achievement of this SDO will not only support the overarching strategic goal of promoting equality, but also will lead to improved prosperity, as higher levels of female participation in the labor force will increase economic growth at the macro level and household security at the micro level. As economic status of women is elevated, there will also be positive effects on

family health, participation of women in other aspects of household decision-making, and women's participation and gender balance in community and civic life.

Although Jordanian women have achieved significant improvements in their political, economic, and social lives in recent decades, discriminatory policies and perceptions towards them persist, and significant inequalities exist between communities and geographic areas. Traditional attitudes and inequities limit women's participation in civil society and political life, especially in rural areas. Despite constitutional reform and recent policy and legal reforms, in practice women lack stature as citizens and most interact with the state through male relatives. Broad-based legal and policy barriers that shape perceptions and limit various aspects of women's lives, including female participation in the economy, require focused attention to improve women's and girls' quality of life. Civil society organizations and women's groups struggle to improve women's legal and social status, but their effectiveness is constrained by limitations of organizational capacity and a constitutional framework that does not guarantee gender equality. Gender-based violence remains pervasive and largely under-addressed.

This SDO will support and complement the other DOs through stand-alone results. At the same time, strategies to achieve female empowerment and gender equality across sectors will be integrated into the other DOs. The interventions to be pursued will help advance the Agency's goals under its *Gender Equality and Female Empowerment Policy* of reducing gender disparities and increasing the capability of women and girls to realize their rights; determine their life outcomes; and influence decision-making in households, communities, and society at large. Through responsiveness to the needs and interests identified by Jordanian women, the Mission will reach out to areas outside of Amman to respond to local needs. Furthermore, the Mission will support efforts to incorporate identified constraints to gender equality and female empowerment into policy discussions and decision-making processes at the national level, thus making GOJ and CSO entities more accountable and responsive to women across Jordan.

Illustrative Indicators at the DO Level (disaggregated by sex, age, and economic status as applicable):*

- Gender Gap Index, and/or Gender Status Index
- Proportion of target population reporting increased agreement with the concept that males and females should have equal access to social, economic, and political opportunities*

IR 4.1: Changes in Discriminatory Social Norms and Practices Promoted/Encouraged

Social change occurs through dialogue and social agreement on what is acceptable and appropriate. Jordanian communities, men, youth, women's rights activists, and cultural and religious leaders have few regional or national fora in which to engage in discourse about gender inequality and the impacts and social effects of this inequality.

Under this IR, USAID will support interventions to raise awareness of critical gender-specific issues and opportunities at the community level; create broad-based support for policies and laws that promote gender equality and female empowerment; and facilitate community action to advance the status of women at the family, community, and national levels. Community-level activism efforts will focus especially on issues such as: 1) encouraging acceptance of female employment; 2) eliminating stereotyping and promoting the idea that women can be effective partners and decision-makers at the family, community, and national level; 3) changing attitudes

and perceptions that women are dependents in need of protection and that they are unequal partners; 4) promoting the leadership of female activists, especially in rural areas; 5) providing opportunities for activists and experts to interact with men to raise men's understanding of gender-related implications of various aspects of daily life (e.g., family relations, access to financial resources, decision-making, inheritance, early marriage, freedom of movement for women, and divorce law); and, 6) combating gender-based violence, especially sexual harassment and honor killing. Support will also be provided to highlight female role models, men, and community and religious leaders who advocate for women's rights. Findings from targeted, in-depth research and analyses – especially related to legal, regulatory, and cultural barriers to women's participation in the economy and politics – will provide the necessary evidence-based recommendations to enable the GOJ and USAID to make significant advances in changing social norms and practices toward women.

Illustrative Performance Indicators (disaggregated by sex, age, and economic status as applicable):*

- Level of knowledge and understanding of gender equality principles and women's rights among citizens*
- Proportion of females who report increased self-efficacy at the conclusion of USG-supported training and programming*

IR 4.2: Advocacy and Policy Reforms Enhanced

A national strategy for women is in place, and the Jordanian National Commission for Women, in partnership with several ministries, is at the forefront of reform and is playing an active role in deepening women's rights. Yet, there remains a lack of sufficient awareness, resources, capacities, and practices within government institutions, weakening the effective implementation of this strategy. Similarly, CSOs active in changing social and legal barriers to gender equality suffer from the same challenges facing all CSOs in Jordan. They have varying levels of organizational management, leadership, and advocacy skills, and capacity building and accountability within CSOs is needed to build the long-term sustainability of these organizations. Many Amman-based CSOs also lack credibility beyond the capital and are limited in their ability to represent a broad spectrum of Jordanian women.

Activities under this IR will collaborate and coordinate with the three DOs above to build the capacity of government and non-governmental organizations to be more effective advocates for women, to create opportunities for women to participate more fully in social and economic life, and to build broader social support for gender equality and respect for human rights. Activities also will strengthen institutional structures, build the political capacity and leadership skills of women to lead reform, and facilitate networking amongst women's organizations and CSOs that address gender inequality.

Illustrative Performance Indicators (disaggregated by sex, age, and economic status as applicable):*

- Percent of target CSOs advocating for gender equitable legal and regulatory reform
- Level of knowledge and understanding of gender equality principles and women's rights among citizens*

IR 4.3: Access to Women- and Girl-Centered Services Expanded

As a means of “reducing gender disparities in access to, control over, and benefit from resources, wealth, opportunities, and services ,”¹⁵ support will be provided, potentially through small grants to local organizations, to respond to local needs for community-based “safe spaces” in which women and girls can learn new skills (e.g., reading and numeracy); participate in livelihood options (e.g., group saving or micro-finance programs); obtain life skills support (e.g., parenting skills and coping with stress); build confidence to participate meaningfully in civic, political, and economic spheres at the national and community level; receive legal referrals and services when faced with gender-based violence; meet with other women to find role models for women’s empowerment; and encourage changes in social norms and practices for more equitable participation of women. The result of these efforts is to empower women at the local level to engage more fully within their communities and subsequently play a more effective role in identifying approaches and recommendations and bringing to life initiatives that advance the status of Jordanian women across all social spectrums.

Illustrative Performance Indicators (disaggregated by sex, age, and economic status as applicable):*

- Number of women and girls benefitting from USG-supported social services*
- Number of people reached by USG-funded intervention providing GBV services*

Critical Assumptions and Risks

As the Arab Spring, the disruptions to Jordan’s energy supply, and other events this year have demonstrated, there are few safe assumptions one can make in the Middle East region. Given the unpredictable and often rapidly changing environment, USAID intends to pay close attention to assumptions on a project-by-project basis. Assumptions, risks, and USAID responses will be reviewed and/or mitigated on a continuous basis for all DOs at the time that portfolio reviews are performed, and programmatic course corrections will be taken.

For the purposes of this strategy, the following assumptions have been made:

- Despite continued fragility in the regional political environment, Jordan will remain free of severe conflict.
- Global economic recovery will continue at a slow but steady pace; Jordan will continue to find new markets for its products in the Gulf Cooperation Council, Africa, and Asia.
- The GOJ will maintain broad political will to pursue policies and reforms that are aligned with the goal of achieving sustainable and broad-based economic growth and political stability.
- Jordan will continue to find ways to navigate difficulties presented by regional events.
- Behavioral changes, such as increased acceptance of and adoption of family planning methods and female employment, will be accepted by the general population.
- The GOJ will make progress in building accountability and transparency into the governance of its systems to address citizen demands for the elimination of corruption and improved delivery of social services.

¹⁵USAID Policy on Gender Equality and Female Empowerment, 2012.

- With increased influx of refugees and energy prices, Jordan will continue to implement reforms that will generate fiscal balance on both the revenue and expenditure fronts, including by addressing unsustainable subsidies.
- The GOJ and energy utilities will commit to a 10-year demand-side energy management program.
- Prices of renewable energy technologies will continue to fall relative to fossil fuels.
- The GOJ will maintain and increase its commitment at the very highest levels to address population growth, accompanied by increased resources for this high priority.
- The MOE will remain committed to carrying out education reform efforts more effectively, including creating institutional capacity to implement policies and enhance professional development of teachers and administrators to act as change agents.
- The GOJ will raise water tariffs and challenge the parties responsible for the most wasteful agricultural water use in Jordan.
- The GOJ will undertake more efficient management and reallocation of water resources, including promoting high-value household and industrial uses to help delay and decrease the need for costly new infrastructure.
- A steady level of development assistance will be forthcoming in the next few years from Jordan's allies, public international organizations, and non-governmental organizations to complement USAID's efforts.
- Women will enter the workforce once obstacles to their participation are overcome.

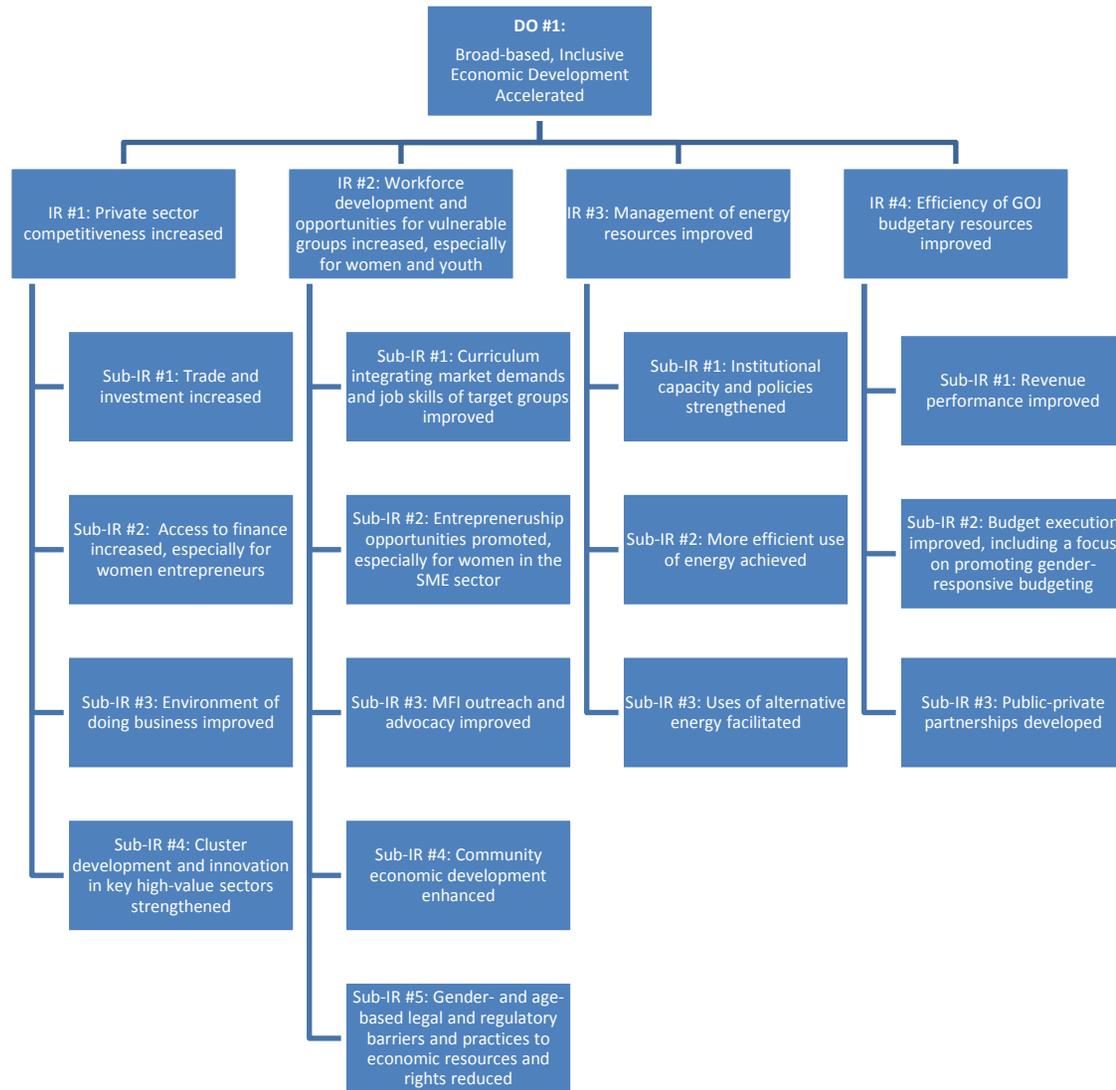
Monitoring and Evaluation Plan

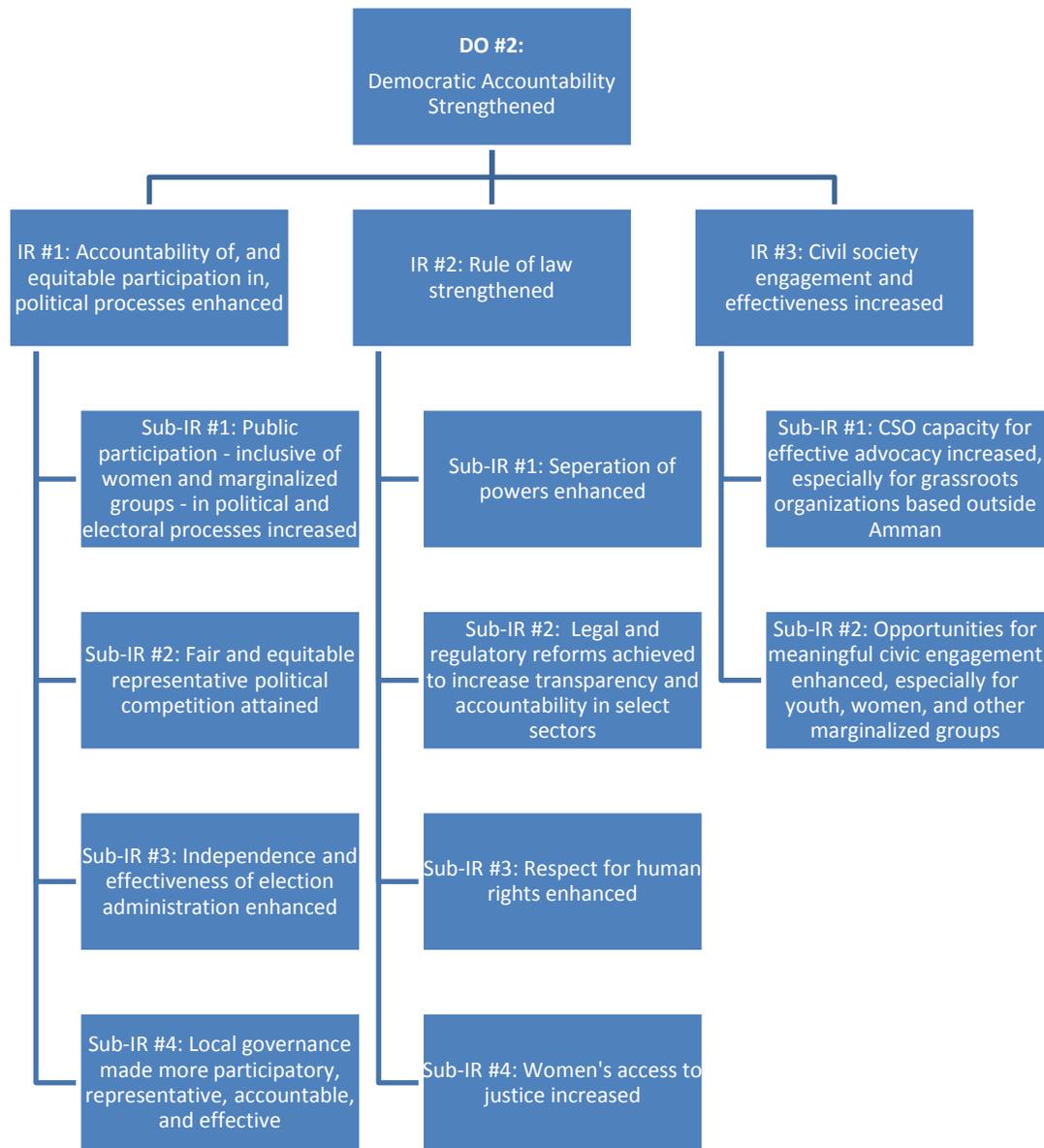
Monitoring and evaluation (M&E) forms a critical component of USAID/Jordan's development approach. Through rigorous M&E efforts USAID/Jordan will assess and improve the results of programs, justify assistance resources with empirical evidence and data, and demonstrate a commitment to accountability and transparency. Further, through consultations with other donors and stakeholders in Jordan as well as the GOJ, USAID/Jordan endeavors to share lessons learned and information to make U.S. development assistance in the country more effective.

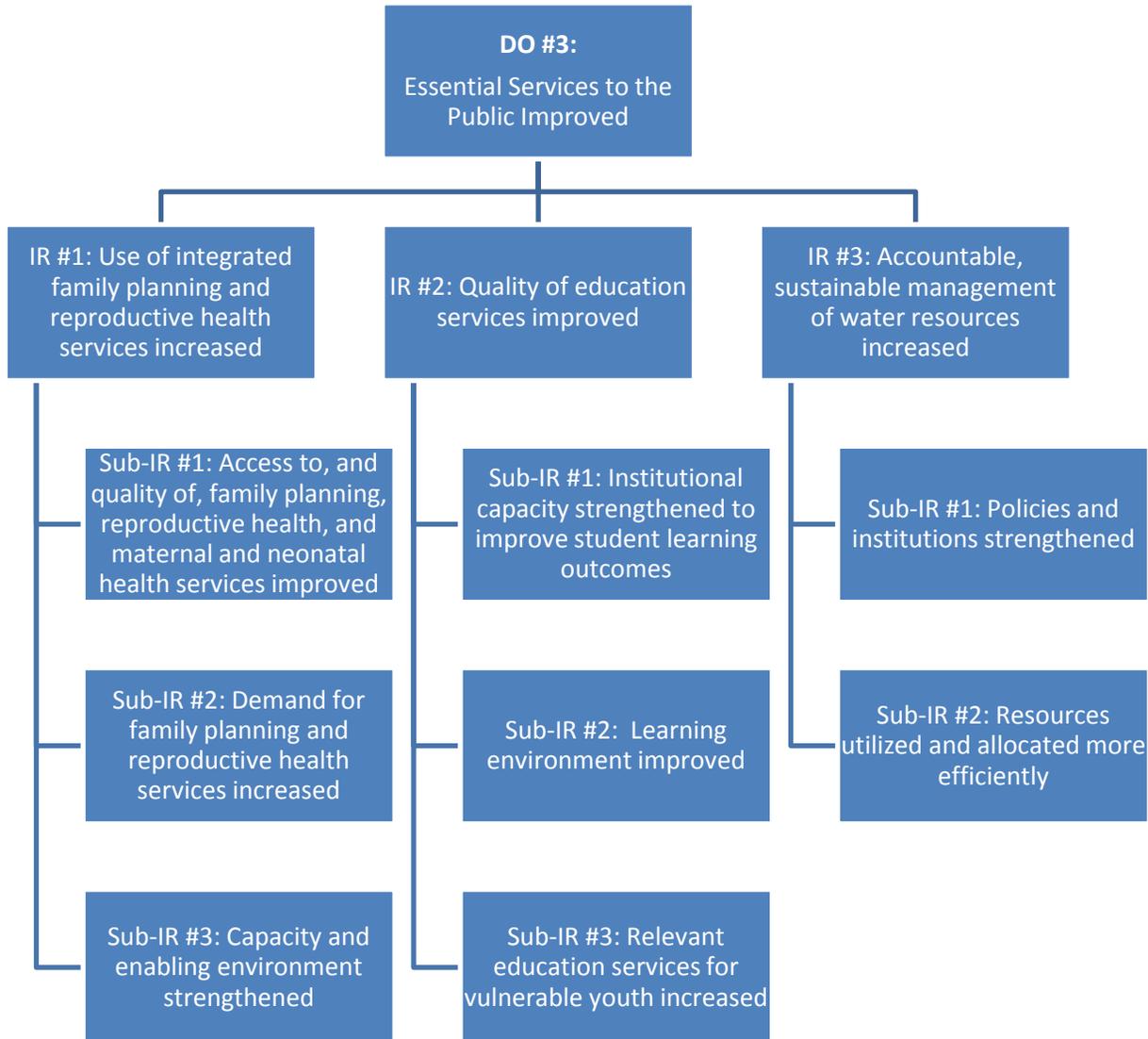
Throughout the preceding CDCS narrative, proposed indicators were included by DO to illustrate the specific results to which the individual DOs, IRs, and their activities will contribute. Mid-term and end-of-project evaluations of major projects will be used to adapt activities to better achieve results and to identify areas of cross-sectoral collaboration. In addition, impact evaluations may be employed by each DO to assess broader level sectoral results.

Annex 1: Results Framework by DO

The sub-IRs noted in this annex are notional and will be determined during the development of the Mission’s PMP and the project design phase following the CDCS.







Annex 2: References¹⁶

- Accelerating Water Sector Transformation, WRG McKinsey Report, 2011
- “Annual Growth Rates of Gross Domestic Product at Constant Basic Prices by Kind of Economic Activity, 1977 – 2009,” Department of Statistics, 2009.
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