Agricultural Export Market Development has remained a continuing challenge for Jordan’s economy. In the past, Jordan depended on the politically vulnerable regional market for its exports. Following the Gulf War of 1991, export prospects eroded as these regional markets shrunk. Presently, the country is slowly regaining its share of the Gulf markets and recently signed a Free Trade Agreement, which is expected to double its agricultural exports to Kuwait. The country is also pursuing an export diversification strategy into the stable, fast growing markets of Europe to reduce vulnerability.

Jordan enjoys competitive advantages that benefit its production of twelve crops for which it has definite commercial potential, i.e.: strawberries; grapes; asparagus; melons; green beans; eggplant; tomatoes; peppers; peaches; nectarines; cherries; and raspberries. The country also has commercial potential in fresh-cut flower exports. Jordan’s natural advantages include a growing season that is opposite to that of Europe, which allows the growing of summer crops when Europe is in the winter season, and meeting the demands of off-season, niche markets in Europe. These off-season exports through niche market windows are presently targeted at four principal European markets (Germany, France, Switzerland, and the United Kingdom). Jordan’s other advantages include: relatively cheap labor; cheap transportation, because of close physical proximity to Europe; and an export-friendly trade and incentive environment. The Euro-Mediterranean Agreement signed on October 31, 1997 between Jordan and the European Union (EU) has conferred market access privileges to EU member-states for most fresh produce originating from Jordan with a 100 percent reduction in import duty. The only exceptions are figs, mangoes, and guavas, for which duties have been reduced by 40 percent.

The challenge of Jordan’s development planners is how to modernize its agriculture from its current high water consumption, but relatively low value-added contribution to GDP, to one that maximizes the returns to this scarce factor. There are clearly some institutional shortcomings, which are preventing the private sector from responding to export prospects, in particular, Europe, in a robust manner. These include: organizing farmers to achieve “critical mass” or “bulk volumes”; market intelligence; technology transfer; quality control; and managerial and technical education.

The Government of Jordan (GoJ) has requested Bank assistance for a Horticultural Export Promotion and Technology Transfer Project because it fits with its overall growth strategy. The GoJ has made significant progress in opening up the economy and in making it more efficient.

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The current policy environment is directed to improve business confidence, promote exports, and attract foreign direct investment. Export promotion features strongly in the King of Jordan-led vision and plan, *Accelerating the National Social and Economic Transformation of Jordan*, which is envisaged to produce development results that would impact favorably on the life of the average Jordanian citizen. Export promotion is also one of the six priority programs on which the GoJ would rely to achieve the strategic goals set for the 1999-2003 Five-Year Development Plan.

**The World Bank’s Learning and Innovation Loan**

Under the newly approved Horticultural Export Promotion and Technology Transfer Learning and Innovation Loan¹, the World Bank will assist the GoJ with a US$5 million loan to support the private sector by piloting a system of outgrower farming between large and small farmers to achieve the critical mass required by the target markets and improve the incomes of participating farmers. This Loan will also be making a start in improving market information and opportunities, especially promoting knowledge of the changing quality standards of the target high-value fresh produce markets; providing quality testing and certification services; and catalyzing the transfer of technical know-how to improve productivity and enhance quality.

Promoting Jordan’s horticultural exports would depend largely on organizing farmers to develop durable cross-border supply chains. These supply chains link farmers (producers), processors, certifiers, marketers, distributors, and consumers with each other. In these chains, there is a flow of products and a flow of knowledge. These supply chains focus on what the consumer wants, and what suits consumer tastes. Because the consumer is “king”, the success of Jordan’s exports would depend on monitoring what the market requires, and selecting those crops and adapting their qualities to satisfy the taste of an increasingly sophisticated Gulf and European consumer.

Small- and medium-scale farmers in Jordan face a number of challenges in exporting fresh produce and diversifying their export markets. They lack timely marketing information and technical know-how to improve productivity and enhance quality of their produce. They also lack up-to-date knowledge of changing quality standards in fresh produce markets, and are often constrained by the quick turnaround time required—from produce testing and export certification laboratories—to satisfy the quality requirements of those markets. In addition, European buyers prefer to deal with few and large suppliers who produce in bulk volumes.

Under the proposed pilot initiative, a specialized department will be established in Jordan’s Premier Export Development Agency (JEDCO), focusing solely on promoting fresh produce exports and market research. JEDCO would be the business incubator for this export promotion department until a ready farmers/exporters association is established to take over the function.

The LIL will promote successful and sustainable partnerships between large farmers and exporters with smaller farmers. The LIL will also strengthen technology support services that would assist farmers to adopt and adapt to new high-value crop varieties into their farming systems. In addition, the LIL will upgrade the Government’s certification facilities to meet the stringent inspection requirements of European markets and prevent inspection delays at ports of entry. Moreover, the cold chain would be strengthened at Amman Airport with thermal blankets to protect the quality of fresh produce during transport to destination markets. A Project Coordination Unit would be established in the Ministry of Agriculture to oversee project implementation and monitor progress and achievements.

¹ Learning and Innovation Loans (LIL) support small pilot-type investment and capacity-building projects that, if successful, could lead to larger projects that would mainstream the learning and results of the LIL. LILs do not exceed US$5 million, and are normally implemented over two to three years. All LILs include an effective monitoring and evaluation system to capture lessons learned. LILs are used to test new approaches, often in start-up situations and with new borrowers. LILs may be used to: build trust among stakeholders; test institutional capacity and pilot approaches in preparation for larger projects; support locally based development initiatives; and launch promising operations that require flexible planning, based on learning from initial results.
Growth Momentum Picks Up

Real GDP growth (at market prices) reached 4.2 percent in 2001, slightly exceeding the 4 percent growth in the previous year. An estimate of 4.2 percent GDP growth for First Quarter 2002 confirms the resilience of economic dynamism in the face of difficult regional conditions. For the second year in a row in recent years, GDP growth stayed above the population growth of 2.8 percent. Importantly, Jordan’s GDP Growth Rate has been the highest and the most resilient among the countries of the Levant in 2001, overcoming the twin shocks of the Intifada in Palestine, now running for 19 months, and the events of September 11, 2001. This welcome persistence in growth, despite recent adverse neighborhood effects, could partly be due to the result of ongoing structural reform efforts (tax, tariff, trade and fiscal reforms, and privatization) and partly be due to a response to monetary policy stimulus. Noteworthy in the broad-based growth is the recovery of the manufacturing sector as shown in Figure 1. Though Jordan has largely shrugged off the adverse effects of the global events following the September 11th terrorist strikes, the downside risks have increased. The recent escalation of the tension in the Israeli-Palestinian conflict has potential to cause adverse effects because of the geographic proximity. Another uncertainty is the possible extension of conflict to Iraq.

Revision In Administered Prices Behind Moderate Rise In Inflation Rates

Inflation in Jordan is moderate, averaging only 2 percent in the last five years (1996-2001), helped partly by the unchanged exchange rate between the Dinar and the US Dollar since 1996. The US Dollar’s strong appreciation against the European currencies - an area from which a third of Jordanian imports are sourced - and Jordan’s import tariff cuts have helped in keeping imported input costs low. Inflation, as measured by the Amman Consumer Price Index, which averaged 0.7 percent (annual rate) in 2000, began to climb during the start of 2001. The Inflation Rate peaked at near 4 percent in December 2001 (year on year) to reach an average 1.8 percent that year. The Inflation Rate showed some sign of abatement by early 2002 (Figure 2.), but in the

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2 Countries of the Levant: Cyprus, Israel, Jordan, Lebanon, Palestine, and Syria. Estimated real GDP Growth Rates for these in 2001 (percent, in the same order) are: 3.4, -0.6, 4.2, 1.3, -11.9, and 3.5.
last 12 months before May 2002, it stood at 3.2 percent. Upward revisions to petroleum prices announced in July-August 2001, revisions to the cost of higher education, and the broadening of the 13 percent General Sales Tax (phase two) base to trading sectors implemented from January 2001, are behind the moderate increase in inflation. Another important factor (a little over a third of the contribution) behind the rise in the cost of living in the recent months is the sharp 34.5 percent rise in vegetable prices, which accounts for 4 percent of the consumer basket. The surge in vegetable prices has largely followed the surge in export of vegetables, which has risen by about 40 percent in 2001 over the previous year. With further increases in administered prices announced in April 2002, described under fiscal policy below, the cost-push pressure on inflation will remain for a while before inflation returns to its low core rate.

**Merchandise Exports Continue To Climb**

After remaining flat at around US$1.8 billion for five years, exports jumped by 25 percent (23 percent in constant dollar terms) in 2001. This healthy double-digit growth was taking root in Third Quarter 2000, but was interrupted by the outbreak of the Intifada in the Occupied Territories. However, export growth proved to be resilient, with sustained momentum through 2001. Analysis reveals that the stellar performance in the apparel and clothing sector helped overcome the near stagnant export of mineral (and decline in chemical) exports (non-pharmaceuticals) until Third Quarter 2001. Contributions from the top five export sectors are shown in Table 1. Half of this surge (about 50 percent) is attributed to clothing exports from Qualifying Industrial Zones (QIZs), which have shown a near doubling of exports for the past two years. However, the growth momentum in the dynamic clothing sector has been decelerating since September 2001 (Figure 3.) and declining growth contribution in Fourth Quarter 2001. Yet, aggregate export momentum has persisted because of the revival of chemical exports in the same quarter. The rest of the strength in exports has come from a broad range of goods, such as: machinery and transport equipment; vegetables; pharmaceuticals; and manufactured goods such as plastic, paper, and cement. In the first two months of 2002, overall export growth has subsided a bit, with a growth of around 6 percent compared to the same period the year before, but consumer goods exports show a healthy 15 percent increase. Given the slowing momentum of clothing exports, the surge in exports witnessed last year is set to moderate in the coming year.

### Table 1. Analysis of Export Surge in 2001

<table>
<thead>
<tr>
<th>Total</th>
<th>Weight</th>
<th>Growth</th>
<th>Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2001</td>
<td>2001q1</td>
</tr>
<tr>
<td></td>
<td>100</td>
<td>25.1</td>
<td>100</td>
</tr>
<tr>
<td>Clothes</td>
<td>7.0</td>
<td>168.2</td>
<td>48.7</td>
</tr>
<tr>
<td>Machinery and Transport Equipment</td>
<td>6.4</td>
<td>77.6</td>
<td>19.8</td>
</tr>
<tr>
<td>Vegetables</td>
<td>5.5</td>
<td>39.4</td>
<td>8.6</td>
</tr>
<tr>
<td>Medical and Pharmaceuticals</td>
<td>10.3</td>
<td>17.0</td>
<td>6.9</td>
</tr>
<tr>
<td>Plastic and Article Thereof</td>
<td>1.8</td>
<td>64.1</td>
<td>4.7</td>
</tr>
</tbody>
</table>


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3 Does not include re-exports.
Service Exports Moderate: Remittances Slow, Tourism In Second Year Of Decline

Worker remittances and tourism receipts were two important sources of service exports for Jordan. In 2000, worker remittances were larger than merchandise exports by 30 percent, and tourism receipts amounted to nearly half of the exports. Growth momentum in the Gulf economies, fueled by strong oil prices, probably helped to increase worker remittance inflows in 2000 by 11 percent. Growth momentum in worker remittance inflows has been moderating through 2001 to record a growth of 9 percent.

The decline in tourism revenues by 9 percent in 2000 was attributed to regional uncertainty. This declining trend persisted through 2001, although at a milder pace, at 3.2 percent. The decline has been less dramatic due to a 36 percent increase in the arrival of Arab tourists, who constitute about half of all tourist arrivals. The surge has been due to the more favorable perception of Jordan by Arab tourists since September 11th. Though tourist arrivals on the whole recorded a positive growth of 3.6 percent in 2001, the differences in spending patterns of Arab and non-Arab tourists (less hotel nights and visits to heritage sites) contributed to the decline in revenues and also to a negative growth of value added in the restaurant and hotel sector. The second successive bad year for tourism battered the performance of this sector to minus 20 percent growth in Fourth Quarter 2001, and to minus 12 percent in First Quarter 2002.

Import Growth Eases

The strong growth witnessed in the first three quarters of 2001 at 9.4 percent moderated significantly in the last quarter to result in an annual growth of only 5 percent in merchandise imports – about one-fifth of the growth in the previous year. Nearly half of this increase came from the import of textile yarn, fabrics, and related materials to meet the strong export demand for the garments sector. The rest of the increase was concentrated mainly in iron and steel.

Note: Clothing export growth on left axis and all exports growth on right axis.
products, office technology, and communication equipment, with a strong growth in the mobile sector. The first two months of 2002 saw a reduction in overall imports value of 5 percent mainly driven by a lower oil import bill. Strong export growth helped to marginally narrow the trade deficit by 5 percent in 2001 to US$2.6 billion.

**Current Account Surplus Dwindles**

In 2001, current account surplus (including grants) narrowed to a smaller surplus of 0.4 percent of GDP declining from the 0.7 percent of the previous year. The decline in non-factor services (mainly tourism and transport receipts) combined with weaker growth in factor services (remittances and interest incomes) were behind this outcome. Gross foreign reserves (excluding gold) of the Central Bank, which reached a high of US$3.0 billion in September 2000 (coinciding with the start of the Intifada) helped by UN compensation payments and privatization proceeds, have been depleting at a moderate rate to US$2.6 billion at the end of 2001, and began to accumulate again in the first two months of 2002 to reach US$2.7 billion, still a comfortable 6.6 months of merchandise import equivalent.

**Figure 4. Current Account Balance Ratio**

(in percent of GDP, yearly)

![Figure 4](image)

Source: Central Bank of Jordan and staff estimates.


**Monetary Policy Continues To Support Private Sector Activity**

The Central Bank has been relaxing the monetary policy to stimulate growth since mid-1999, and in the more recent period, the decline in United States interest rates have created more room for action in this regard. The Central Bank rediscount rate was lowered by 50 basis points to 5 percent in October 2001, taking the cumulative reduction in the preceding year amounting to 150 basis points. In response, the commercial banks have been lowering their lending rates, though by not as much. The prime lending rates of commercial banks are in the range of 8-9 percent, with the banks free to set the rate depending upon the borrower’s credit risk. Growth in credit to the private sector is shown as a strong, persistent pick-up since mid-2000 to reach nearly an 11-12 percent growth in Fourth Quarter 2001, compared to a year earlier. This is a clear sign of pick-up in private sector activity compared to the sluggish 6 percent annual average credit growth witnessed in the previous five years, 1996-2000. The bulk of the new credit (comparing February 2002 to the same month, previous year) went towards general trade (34 percent), “buying shares and other” – a residual category (31 percent) and public services and utilities (24 percent). Credit growth to the private sector has slowed markedly in First Quarter 2002, and the increase in the 12 months to April 2002 was limited to 6.6 percent. The monetary authorities face the challenge of sustaining the momentum in economic growth, while controlling the low, but rising, inflation rate.

**Fiscal Deficit Narrows But Not On Target**

Though the estimated overall fiscal deficit (excluding grants, IMF definition) for the year 2001 at 7.9 percent is lower than the previous year’s by one percentage point, it missed the published program target of 6.8 percent. The slippage was due more to the failure to realize revenues from new measures as planned, than not reinning in expenditure programs. With limited room to cut current expenditures, capital expenditures have absorbed the cut to stay within the budgeted expenditure plan. To reduce
vulnerability to oil price changes, authorities announced increases (petrol - 15 percent, diesel - 3.8 percent and kerosene - 21 percent) in administered prices of petroleum products in July-August 2001, and again in April 2002 (diesel and kerosene by 9 percent, gas cylinder by 4 percent, fuel oil by JD4.5 to 9.5 per tonne, depending upon the use). Measures announced in April include a 6.6 percent increase in the price of bread, and a rise in the salaries of serving and retired civil servants by JD5 per month. With a firm commitment to use on-debt creating finances for the acceleration program amounting to 4.1 percent of GDP, the Government plans to keep central government fiscal deficit (inclusive of grants) at 4.4 percent of GDP.

■ Unemployment Edges Up, But Females Fare Better

Based on quarterly labor force surveys carried out by the Department of Statistics, unemployment rose by one percentage point to 14.7 percent for the average of the first four rounds of 2001 (February, May, August and November) compared to the same rounds of the previous year. For each round, unemployment in 2001 has been higher than that of the corresponding round in the previous year. However, unemployment rate for females over the same comparison periods registered a marginal (0.4 percentage point) decline to 20.6 percent, suggesting that the female workers have been more successful in finding jobs in the growth areas of the economy such as QIZs. Given that GDP growth is gathering momentum, the increase in the unemployment rate is a pointer to the continuing concern about the quality of growth.

Figure 5. Unemployment Rate
(for total population aged 15 years and up)

Source: Employment, Unemployment Surveys, Department of Statistics, Jordan.
Improving women’s access to health services is viewed as being a vital part of the health sector reform in Jordan. Despite significant progress made, the Government of Jordan is aware that more needs to be done in addressing women’s issues (including health issues) in a systematic and comprehensive manner, particularly in rural areas. For instance, the total fertility rate in Jordan is 4.4 percent, which is the second highest rate among all the lower-middle-income countries of the region.

Moreover, studies of women, conducted by the Directorate of Women’s Affairs (DWA) of the Jordanian Armed Services, have highlighted some patterns linked to a failure of the target population to adopt healthier lifestyles, as evidenced by the increasing number of cases of obesity, diabetes, hypertension, etc. Likewise, data available from the national cancer registry shows that breast cancer is the leading cause of reported cancer deaths among women, and accounts for 28.3 percent of all cancer cases. All these indicate that preventive services are not reaching women as they should, and underline the critical need for efforts to remedy this situation.

The Directorate of Women’s Affairs is interested in focusing on women’s issues, with gender and family issues being a key focus of public health services. The DWA has taken the leadership, at the national level, in developing a strategy to address women’s health issues in families in the southern part of the country where the needs are more pressing. In 1997, as part of the efforts to improve the level of health standards, health awareness, and education among women in the armed services, and female dependents of armed services personnel, the Women’s Health Care Committee was jointly established between the DWA and the Royal Medical Services (RMS), which provides services to a third of the population of Jordan. The most vulnerable groups of women (in terms of socio-income level and geographic location) reside in the southern part of Jordan, and include dependents of armed services personnel. The realization that data on their needs was insufficient emphasized the importance of obtaining information on this target group, not only to provide them with relevant services, but also to improve the utilization, and therefore the effectiveness, of these services. The DWA, through its Director, HRH Princess Aisha Bin Al Hussein, approached the World Bank for assistance in this endeavor, and the Bank, through its Middle East and North Africa Human Resources Development Sector Unit, provided Technical Assistance to the Directorate (in fiscal year 2002) in collating available data on women’s health in Jordan and proposing research/studies to cover critical gaps identified in the available data.

The ultimate and long-term vision of the DWA is to provide services that are relevant to the health needs of women in underserved areas, as well as to establish a National Women’s Health Center. This Center would serve as a national center for providing information on women’s health care, promoting research, disseminating the findings on women’s issues in Jordan, and providing specialized training on gender issues. Given its innovative nature, this Center is likely to have a critical impact on women’s issues, not only in Jordan, but also within the Middle East and North Africa region. To achieve this long-term goal, the DWA needs support in collating and analyzing relevant data, and in using the data to develop detailed plans and proposals to be presented to the Government of Jordan and the donor community.

As a follow-up to the Technical Assistance provided by the Bank last year, the World Bank recently approved an Institutional Development Fund (IDF) Grant to address women’s health issues in Jordan. The purpose of the Grant is to contribute to the overall goal of the Jordanian
Government, which aims at contributing to sustainable development through securing universal quality services aimed at health promotion and healthy lifestyle behaviors among Jordanian women, especially those in families in underserved areas.

The IDF Grant will be comprehensive, and will carry out a needs-assessment survey of women in the southern parts of Jordan where access to health services is limited. Based on the survey findings, the IDF Grant will develop both a detailed proposal/plan for the package of curative and preventive services that can be provided, and a detailed proposal/plan for the establishment of a National Women’s Health Center. (The DWA plans to present these two proposals/plans to various donor/financing agencies for implementation.)

With the survey findings, the IDF Grant intends to obtain invaluable knowledge of the special health needs of women in Jordan (and serve as part of the baseline data for the establishment of a National Women’s Health Center), and to identify critical research and policy agenda on women’s issues in Jordan. Under the IDF Grant, the findings from the survey will be disseminated to policy makers and other stakeholders in Jordan to advocate the design and funding of specific programs targeted toward the special health needs of women in Jordan. It must be stressed that this IDF Grant will only be used to support the development of plans and proposals for these activities.

The key objectives of the IDF Grant are to:

- strengthen the nationwide capacity in analyzing and addressing women’s issues and create a consensus among key stakeholders on strategies to be pursued to promote women’s issues in Jordan;
- define and plan a package of health services for women in the underserved areas of the southern part of Jordan, based on the findings of a needs-assessment survey to be presented to donor/financing organizations at the end of the IDF term; and
- define and plan alternative scenarios for the establishment of a National Women’s Health Center to be presented to donor/financing agencies at the end of the IDF term.

The Ministry of Health (MOH) will have the overall responsibility for this IDF Grant, with the DWA overseeing the day-to-day implementation of the activities under the guidance of a MOH-constituted Task Force, to be made up of key staff of the MOH, RMS, and Jordan University Hospital.

The expected outcomes of this IDF Grant are two-fold: (1) to fill the knowledge gap; and (2) to build institutional capacity through knowledge transfer from international consultants working with local counterparts, in training programs, and institutional analysis by the DWA in developing detailed plans for the establishment of a National Women’s Health Center.

To launch the activities under the IDF Grant, the DWA held a workshop in Amman, Jordan on June 12th and 13th, 2002. In attendance were members of the donor community, NGO representatives working on women’s health issues in Jordan, and professionals from the four Governorates in the South of Jordan where the needs-assessment survey will be conducted.

After the closing of the IDF Grant, the DWA and its partners intend to use the detailed proposals/plans to raise funds from the Government of Jordan and donor/financing agencies in order to implement the package of services to address the health needs of women in the southern parts of Jordan, as well as the establishment of a National Women’s Health Center.
Pioneering Jordan NGO-Executed GEF Project Completed

A GEF-financed project (US$3.3 million), begun in 1995 to support the conservation of the Dana Wildlands Reserve (Dana Reserve) and to strengthen the Royal Society for the Conservation of Nature (RSCN) has disbursed the funds to complete all scheduled activities within three years. To build on, and further develop the lessons learned from this project, a second phase project for US$1 million will aim to conserve biodiversity of global importance and cultural heritage, while addressing the socio-economic needs of local resident and semi-nomadic communities through the implementation of participatory conservation and Socio-Economic Development (SED) schemes.

The successful first project, one of the first GEF projects to be managed by an NGO, protects ecosystems, habitats, and archaeological remains. At the same time, the project has sought to transform an area of extreme poverty into economic revival, based on: (a) rehabilitation of terraces and agricultural practices to produce organic fruits, nuts, and herbs; (b) craft production; and (c) tourism with archaeological and nature trails. The project has focused on biodiversity and archaeology conservation, as well as the development of community-based, market-driven income generation and tourism programs through RSCN’s institutional revamping and strengthening.

Income generation schemes introduced within and around the Dana Reserve have included enterprises such as: fruit drying and processing; medicinal and culinary herb production; jewelry making; and extensive tourism services. These schemes had been developed with a strong emphasis on marketing. The marketing strategy for products and services, which were developed with, and produced by, the local population, focused on conservation values and the nature reserve “label”. For example, packaging is made of recycled materials, “Wadi Duna” became a brand, and the product slogan “Helping Nature, Helping People” empowered both the producer and the buyer. Tourism services were also advertised to visitors as a direct contribution to protecting wildlife and cultural heritage, while supporting the local economy. The main aim was to involve local communities in generating small businesses and employment opportunities to supplement or replace their subsistence activities.

To develop these income generation activities, a socio-economic and a tourism unit were established within the RSCN. These units included on-site coordinators, and managers recruited from the communities. To involve local people in the development process, steering groups included beneficiaries of the socio-economic programs, as well as reserve management staff. Private sector operators have been increasingly involved, particularly in tourism programs, where they are marketing the Dana Reserve in collaboration with RSCN.

The Dana Reserve became financially self-sustaining after three years. At the end of 1998, after three years of operations, the Dana Reserve income generation activities had raised US$380,000 in sales and tourism receipts, created 55 new jobs, and provided increased financial benefits to over 160 people. The tourism receipts alone in 1997 covered 60 percent of the Dana Reserve’s running costs. Some 70 percent of the visitors were Jordanian. The second phase of the project is being finalized. Seventy-five staff members are from the local community. Direct and indirect beneficiaries total 1,000 people. Revenues for 1998 and 1999 amounted to about US$1 million. In 1999, the number of visitors reached 40,000.
The community-based initiatives have only been possible through far-reaching institutional changes within RSCN. RSCN’s knowledge base, skill level, profile and fund-raising capacity have all needed to be enhanced within an organizational framework that encourages planning, teamwork, innovation and risk taking. The intensive three-year institutional strengthening program culminated in the complete restructuring of the organization, the adoption of a long-term corporate plan, the revision of the organization’s legal constitution and, most importantly, the hiring and training of a highly motivated staff/team. RSCN is now using their increased capacity to strengthen management of other Jordanian reserves.

**BANK GROUP OPERATIONS**

**IBRD Projects In The Pipeline**

- **Third Human Resource Development Sector Investment Loan** (US$120 million). The Project supports a systemic educational reform in Jordan that extends from Early Childhood Education (ECE) through secondary education. It will contribute to the development of human capital with the skills and competencies required by the knowledge economy. This will be done through: policy, governance, and administrative reforms; realigning of education programs and practices; ensuring access to Universal Basic Education (UBE); and promoting readiness to learn through ECE. The Project will include the following four components: (1) reorientation of education policy objectives and strategy through governance and administrative reform; (2) restructuring and realignment of education programs and practice to achieve relevant learning outcomes; (3) achievement of UBE through cost-effective methods; and (4) pre-school development/promotion of readiness to learning through ECE.

- **Samra First Private Power Project** (US$50 million Guarantee). The Project is designed to: (a) support the Government’s initiative for private power generation and its efforts to tap new sources of private capital for the power sector; (b) add new power-generating capacity at competitive prices, while improving its efficiency; and (c) strengthen the Ministry of Energy’s capacity to prepare future private projects and put into effect key policies for sustainable development of the energy sector.

- **Gas Transmission Project** (US$50 million Guarantee). The Project will consist of the construction of a 450 km gas transmission pipeline from Aqaba to Samra near Amman with branches in power and industrial plants to supply Egyptian gas to Jordan. The Project needs to be developed as a private sector venture for which the Bank will provide a partial risk Guarantee of about US$50 million to the lenders of the Project through the Government of Jordan.

- **Conservation of Medicinal/Herbal Plants** (US$5 million Global Environment Facility). The Project will support the conservation, management, and sustainable utilization of medicinal and herbal plants in Jordan through ensuring effective in-situ protection of threatened habitats and ecosystems and ex-situ sustainable use. The main components are: (1) institutional strengthening; (2) pilot sites conservation; (3) public awareness and education; and (4) income generation activities.

**IBRD Ongoing Projects**

The current portfolio in Jordan consists of nine projects for a total commitment amount of US$376.7 million, of which US$251.2 million has been disbursed to date.

- **Second Human Resources Development Sector Investment Project (HRDSIP-II).** (US$60 million.) The central Project objective is to improve educational quality. The focus is on measures to enhance the teaching/learning environment including: teaching competencies; curricula and textbooks; administration and management; and creating a strong institutional
framework, particularly in relation to vocational and technical education, examinations and national assessment. In addition, measures are sought which aim at economizing the use of public resources.

- **Second Tourism Development Project (TDP-II).** (US$32 million.) Tourism is Jordan's second largest generator of foreign exchange after remittances. It results in foreign exchange revenues of over US$750 million equivalent, or approximately 10 percent of GNP. The actual tourism potential of Jordan is even greater. Capturing this potential, however, requires Jordan to develop the sector in a coherent manner to ensure its economic, social and environmental sustainability. To this end, the Government, with Bank assistance, has formulated a medium- to long-term Tourism Development Program. The Second Tourism Development Project finances Phase I investments of the Program. The Project's development objectives are to: (a) create the conditions for an increase in sustainable and environmentally sound tourism in Petra, Wadi Rum, Jerash, and Karak; and (b) realize tourism-related employment and income-generation potential at Project sites.

- **Community Infrastructure Development Project (CIDP).** (US$30 million.) The Community Infrastructure Development Project represents the first (pilot) phase of a longer-term program of small-scale infrastructure improvements to poor communities in Jordan. This pilot phase tests opportunities for developing: (a) income-generating activities in economically deprived areas; (b) approaches to promote local participation in the identification of priority infrastructure needs; (c) criteria for eligible appropriate investments; and (d) detailed relocation plans in squatter settlements to enable upgrading basic infrastructure in subsequent phases of the CIDP. The CIDP is one component of the Government of Jordan's Social Productivity Program (SPP), which is a comprehensive strategy to address the problems of poverty and unemployment through productivity improvements.

- **Training and Employment Support Project (TESP).** (US$5 million.) This pilot Project is intended to introduce an efficient and effective linkage between public expenditures for short-term training, and business community skill requirements. It is another component of the Government of Jordan’s SPP. The TESP has created a Fund (the Training Fund) that issues monetary awards to enterprises, which provide or purchase training and related services (e.g., intermediation, needs analyses) necessary for the recruitment of the unemployed to fill genuine vacancies. The objective of the pilot TESP is to test the demand for, and the effectiveness and efficiency of, employer-based training supported by a Training Fund, i.e., whether training can be more cost-effective and efficient when it is demand-driven. Public Training Funds are competitively awarded between public and private providers, and private offices (whose operations have been until recently illegal) also offer employment services.

- **Amman Water and Sanitation Management Project (AWSMP).** (US$55 million.) The objectives of the Project are to: (a) improve the efficiency, management, operation and delivery of water and wastewater services for the Amman Service Area; and (b) lay the groundwork for the sustainable involvement of the private sector in the overall management of these services. These objectives complement the Government of

<table>
<thead>
<tr>
<th>Commitments and Disbursements (amounts in US$ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Name</td>
</tr>
<tr>
<td>Approval Year</td>
</tr>
<tr>
<td>Loan Amount</td>
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<tr>
<td>Undisbursed Amount</td>
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<td>1999</td>
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<tr>
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<td>Horticultural Export Promotion LIL</td>
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<tr>
<td>5.0</td>
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<td>0.0</td>
</tr>
<tr>
<td>TOTAL</td>
</tr>
<tr>
<td>376.7</td>
</tr>
<tr>
<td>125.5</td>
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</table>
Jordan’s strategy for water supply and wastewater services.

○ **Health Sector Reform Project (HSRP)**, (US$35 million.) The Project is based on the findings of the Health Sector Study, prepared jointly by the World Bank and the Government of Jordan (April 1997). The Project is expected to increase the efficiency, quality, and long-term financial sustainability of health services in Jordan. Indicators to measure the achievement of these objectives include: increased hospital occupancy rates; adoption of treatment protocols; and a reduction in spending on pharmaceuticals as a share of total expenditures.

○ **Higher Education Development Project (HEDP)**, (US$34.7 million.) The objective of the Project is to initiate improvements in the quality, relevance, and efficiency of Jordan’s higher education, and to support Jordan’s program to reform sector governance. The Project will: (a) establish system-wide modern information technology, management information systems, and library infrastructure for higher education; (b) support a Higher Education Development Fund providing grants to public universities for innovative and economically relevant sub-projects, and for improving teaching and learning; (c) initiate reforms of higher education governance, including the introduction of formula-based allocation of higher education recurrent funding from the Government; and (d) support the rationalization of the community college sub-sector through the new Al-Balqa’ Applied University.

○ **Horticultural Exports Promotion Learning and Innovation Loan**. (US$5 million.) The Project would initiate the process of establishing Jordan as a reliable supplier of non-traditional, high-value export crops for which it has competitive advantage to niche markets in the European Union and the Gulf countries. The Project would: (a) support the establishment of an Export Promotion Center to provide marketing information to producers/exporters; (b) establish the link between the domestic supply and overseas demand; (c) assist in the logistics of the exporting process; and (d) support the Ministry of Agriculture to upgrade key support services and systems in support of production of high quality, market-oriented varieties of fresh fruits and vegetables.

○ **Second Public Sector Reform Loan (PSRL II)**. (US$120.0 million.) The foundation for Bank support to Jordan’s Program of Public Administration Reform is a series of three one-tranche Public Sector Reform Loans. The Loans support an agreed medium-term program of step-by-step public sector reforms, with a focus on budget reform; better delivery of public services; and increased transparency and accountability. The first PSRL was approved in June 2001 and is fully disbursed. The objectives of the second PSRL are to: (a) achieve judicial reform; (b) enhance capacity for conducting governmental transactions over the Internet; (c) simplify procedures and positions in the Government; (d) implement restructuring of the Government; (e) redefine the boundaries separating the public and private sectors; (f) reform budgeting; and (g) modify civil service institutions.

**Ongoing Grants**

○ **Institutional Development Fund (IDF) Grant for Enhancing Women’s Health** (US$174,250). The objectives of the Grant are to: (a) establish a database of primarily women’s health issues in Jordan to inform policy decision-makers on these issues nationwide; (b) strengthen capacity nationwide in analyzing and addressing women’s issues, as well as create consensus among key stakeholders on strategies to promote women’s issues in Jordan; (c) define and plan a package of health services for women in the underserved areas of the southern part of Jordan based on the findings of a needs-assessment survey; and (d) define and plan alternative scenarios for the establishment of a National Women’s Health Center to be presented to donor/financing agencies at the end of the IDF term.

○ **Institutional Development Fund Grant for Strengthening the Capacity of the National Council for Family Affairs** (US$177,500). The Grant will assist the National Council for Family Affairs to play an important role in developing policies and national strategies for (and in monitoring their implementation), and advocating on behalf of, children and families, in close collaboration with relevant public agencies.
- **Institutional Development Fund Grant for Poverty Monitoring and Improving User-Producer Links (US$300,000).** With the IDF Grant, Jordan’s Department of Statistics (DOS) will develop a compact module for monitoring poverty and improving the links with the data users. The poverty monitoring compact module is an instrument that provides policy-makers and the public with a quick mechanism for measuring changes in poverty and the impact of policies. The development of relations with the data users will involve supporting DOS efforts in drafting a modern statistics law that permits sharing data with users, and in involving stakeholders and data users in the design of the survey as well as training activities in analysis of the collected data.

- **Japanese Social Development Fund Grant – Integrating “At Risk” Children/Youth in Mainstream Society (US$994,860).** The objective of the Grant is to build capacity of community based referral and partner organizations, including NGOs, to help reintegrate “at risk” children/youth into mainstream society. The Grant will provide "at risk" children/youth with: (a) access to a supportive system of assistance providers oriented to their specific needs; (b) significant and helpful mentoring relationships with adults that respect the background and the potential of “at risk” children/youth; and (c) civic authorities that stimulate and support volunteerism as a major component of ensuring coverage to protect all “at risk” children/youth.

- **Japanese Social Development Fund Grant – Legal Aid for Poor Women (US$191,000).** The objective of this Grant is to provide legal services to poor women in Jordan as a means to improve their daily lives. Despite an active gender advocacy community, the 1999 CAS for Jordan found that social norms, rather than the law, often bind Jordanian women. The Jordanian Government has acknowledged that improving the situation of women will contribute to the fight against poverty. Poor women and their children often bear the brunt of their economic status, as they have fewer opportunities for education; familial obligations and lack of resources further inhibit women’s advancement in society. These factors, compounded with the realities of domestic violence, abuse, and neglect, create a cycle in which women and their children have little escape. The Grant is expected to be the first steps in helping women realize their own potential through legal aid services and public education.

- **Ozone Depleting Substance (ODS) Phase-Out Project (US$3.8 million).** The objectives of the Grant are to assist the Government of Jordan (GOJ) to: (a) phase out, effectively and efficiently, the use of ODS through the timely adoption of policies, technological conversions and monitoring measures, in compliance with the Montreal Protocol on Substances that Deplete the Ozone Layer (MP) and its amendments; (b) provide technical and engineering assistance to the industrial sectors, which consume the bulk of the ODS and where phase-out can be accomplished in a most cost-efficient manner; and (c) provide resources to establish local institutional capacities to undertake project implementation and to manage additional, ozone-related projects as these are identified, prepared, and funded.

### IFC Projects in the Pipeline

- **Middle East Complex for Engineering, Electronics, & Heavy Industries, Ltd. (MEC).** MEC, established in 1994 as a public shareholding company, is the leader in Jordan for electronics and household appliances. It is the premier appliance assembler in the country and is the sole distributor of products for the Korean companies LG Electronics, Inc. and Daewoo. The proposed US$38 million Project is primarily to: (i) relocate MEC’s existing production facilities for the purpose of modernizing its assembly lines and increasing efficiencies; and (ii) expand by establishing a joint venture with the Haier Group of China. The expansion project will broaden MEC’s product line while maintaining the focus on household goods to be sold primarily in regional markets. MEC has approached IFC for a corporate loan of up to US$19 million.

### IFC Ongoing Projects

- **Industry and Information Technology Park Development Company (IITPDC).** The proposed Project is to develop an integrated Industry and Information Technology Park. The Industrial Park has been granted the status of a "Qualifying Industrial Zone" (QIZ), which provides companies located there with the competitive advantage of quota-free and duty-free access to
the U.S. market. In addition to the QIZ, the proposed Park has been given a "Free Zone" status by the Jordanian Government, which provides a 12-year tax holiday and other incentives for tenant companies.

- **Al-Hikma Pharmaceuticals Limited.** The Project is designed to help Al-Hikma Pharmaceuticals upgrade and expand its existing pharmaceutical and chemical plants, and build a new plant.

- **Zara Investment Holding Company.** The investment Project consists of the construction and operation of an international standard 312 room hotel and complex comprising 44 apartments, partially serviced by the hotel; well-equipped exhibition/conference facilities; an auditorium; a health club, managed by Hyatt International; and a Wellness Center and 231 room hotel complex on the Dead Sea, combining medical and recreational facilities, to be managed by Mövenpick. Economic benefits accruing to Jordan include foreign exchange generation and the creation of about 600 direct jobs. IFC's main role in this Project is to provide long-term funding on terms and maturities not available in Jordan, and help the Zara Company mobilize local loans. IFC has approved a rescheduling of its loan to Zara Company.

- **Business Tourism Company.** The Project consists of building and operating a resort of international standards, which will include: (i) a 230-key hotel; and (ii) a health/medical spa and beauty care facility. The Dead Sea, due to its unique therapeutic characteristics and climate, has established itself as a world-class center for the treatment of various skin and muscular-joint ailments, such as psoriasis and rheumatism. The proposed complex will be managed by Marriott International and will target both health and leisure tourists.

- **El-Zay (Textile).** El-Zay specializes in the manufacture of high quality men's suits. The Project consists of: (i) an expansion program to diversify El-Zay's product line by manufacturing men's outerwear; and (ii) a financial restructuring designed to strengthen El-Zay's balance sheet by replacing most of its short- and medium-term debt with long-term debt. IFC's investment is to help the company complete the Project's financial plan and improve its financial structure by providing funding on terms and maturities not otherwise available in Jordan. Also, garment-manufacturing operations typically employ numerous people in a relatively confined factory. Adequate fire prevention at the site is imperative, as are sufficiently low noise levels, adequate lighting, and sanitary facilities. IFC will require that El-Zay's new facilities comply with World Bank guidelines in this regard.

- **Arab International Hotels Company (AIHC).** The Project consists of the renovation and expansion of the Amman Marriott, a leading hotel located in the Shmeisani area of Amman. The work comprises: (i) the complete refurbishment of all the hotel’s 294 rooms; and (ii) the addition of conference and banquet facilities, a health club, retail space, movie theaters, and an underground parking facility. The proposed expansion and modernization of the Marriott will boost the hotel to a 5-star international level, allowing it to match the quality level provided by its competitors.

### Updated List of Projects in Portfolio (US$ Million)

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Total Committed</th>
<th>Disbursed Loan</th>
<th>Disbursed Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Al-Hikma Pharmaceuticals</td>
<td>2.4</td>
<td>0.0</td>
<td>2.4</td>
</tr>
<tr>
<td>Zara Investment Holding Company</td>
<td>16.7</td>
<td>13.8</td>
<td>3.0</td>
</tr>
<tr>
<td>Business Tourism Company</td>
<td>3.3</td>
<td>3.3</td>
<td>0.0</td>
</tr>
<tr>
<td>El-Zay (Textile)</td>
<td>3.2</td>
<td>3.2</td>
<td>0.0</td>
</tr>
<tr>
<td>Indo-Jordan Chemical Company</td>
<td>16.0</td>
<td>16.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Arab International Hotels Company</td>
<td>3.6</td>
<td>0.0</td>
<td>3.6</td>
</tr>
<tr>
<td>Jordan Hotels and Tourism Company</td>
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<td>8.6</td>
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<tr>
<td>Jordan Investment Trust</td>
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<td>0.0</td>
<td>1.4</td>
</tr>
<tr>
<td>Modern Agricultural Investment Company</td>
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<td>0.0</td>
<td>0.8</td>
</tr>
<tr>
<td>Middle East Investment Bank Recapitalization</td>
<td>4.4</td>
<td>2.2</td>
<td>0.0</td>
</tr>
<tr>
<td>Boscan Jordan-I</td>
<td>8.0</td>
<td>8.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Al Tajamouat Industrial City</td>
<td>8.0</td>
<td>4.0</td>
<td>0.0</td>
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<tr>
<td>Jordan Gateway</td>
<td>10.0</td>
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</tr>
<tr>
<td>Industry and Information Technology Park Development Company</td>
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<tr>
<td>Middle East Regional Development Enterprise</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>104.1</strong></td>
<td><strong>62.0</strong></td>
<td><strong>11.1</strong></td>
</tr>
</tbody>
</table>
○ **Jordan Hotels and Tourism Company (JHTC).** The Project comprises an extensive refurbishment of most of the Intercontinental Hotel’s existing 366 rooms, and the addition of 125 new rooms and facilities. The Hotel will also replace 15 of its elevators, its boilers, and the kitchen, safety and telecoms equipment. The Management Agreement between Intercontinental Hotels Corporation and JHTC has recently been extended to 2007. IFC has approved a rescheduling of its loan to JHTC.

○ **Jordan Investment Trust (Jordinvest).** The Project involves the establishment of the first investment bank in Jordan. Jordinvest is expected to carry out a broad range of investment banking activities, including: providing long-term private equity; investing in quoted investments; underwriting and private placement of debt and equity issues; corporate finance activities, especially restructurings, privatization, and mergers and acquisitions. Jordinvest would play a critical developmental role in addressing the financial needs of the private sector in Jordan and in developing its capital markets. Through its affiliation with its sponsor, GulfInvest, the Company would also attract foreign, as well as Middle Eastern investors to the region.

○ **Modern Agricultural Investment Company (MAICO).** The overall objective of the Company’s operations is to act as a market and technology beacon to help diversify and upgrade the range and combination of crops and irrigation methods, which would develop a modern export sector, thereby maximizing the economic return on irrigation water, and ultimately rationalize its overall consumption.

○ **Middle East Investment Bank (MEIB) Recapitalization.** The Project involves both MEIB’s (the smallest commercial bank in Jordan) recapitalization to meet the Central Bank of Jordan’s minimum capital requirements, and its restructuring, managed by Société Générale Libano-Européenne de Banque. IFC investment is part of this larger recapitalization and restructuring program for MEIB. It complements the Technical Assistance Program in Jordan, provided by both IFC and the World Bank.

○ **Boscan Jordan-I.** The Project is to expand the operations of Boscan Jordan Group, a Jordanian manufacturer of soft-side luggage products selling primarily to the United States market. Boscan Jordan’s existing facilities consist of 20 production lines. The Project will add 40 additional production lines. The Company’s products are manufactured and sold under brand names by major United States retail chains. Boscan Jordan’s specialty is carry-on luggage, one of the fastest growing sectors of the luggage market. The Project is expected to have a significant development impact in employment creation in Irbid, Jordan.

○ **Jordan Gateway Project.** The Project is to develop, construct and operate an industrial estate covering about 65 ha (of which about 50 ha would be in Jordan) at the Jordan-Israel border. The Project will be developed in three phases. Phase I of the Project will involve: (i) land and infrastructure development of a 50 ha area on the Jordanian side; and (ii) construction of 94,000 m² of buildings, offices and factories for rent, on the Jordanian side, which are proposed to be partially financed by IFC.

○ **Al Tajamouat Industrial City (SIC).** The proposed venture will expand the existing integrated industrial estate, SIC. The expansion commenced in late 2000 to keep up with the high demand for Qualifying Industrial Zone (QIZ) space in Jordan. The Project entails: (i) purchase of additional land; (ii) construction of supplementary infrastructure (electrical and water treatment facilities, transportation, communication and cargo-handling facilities); (iii) completion of seven, and expansion of three factory buildings that will add 60,255 m² of industrial space to the existing occupied 88,000 m²; and (iv) construction of a canteen, and dormitories for up to 2,250 workers.

○ **Indo Jordan Chemical Company.** The Company owns and operates a 244,000 mt/year (as of 100 percent P205) phosphoric acid plant and ancillary facilities adjacent to a phosphate rock mine in the south of Jordan, as well as storage facilities at the Red Sea Port of Aqaba. P205 is used to produce DAP, a widely used fertilizer.

○ **Middle East Regional Development Enterprise (MEREN) Silica Sand.** The US$15.5 million Greenfield Project is to establish the
MEREN Silica Sand Plant, which will manufacture high quality silica sand to be mainly exported to European glass manufacturers. With an installed annual capacity of 350,000 tons, MEREN is designed to manufacture about 10 different quality products, including dried and milled silica for glass, ceramics, oil and gas fracturing, and other industries. MEREN will use state of the art technology provided by its technical partner, CARPCO U.S., a division of a global metal group, Outocumpu, one of the largest suppliers of this type of equipment in the world. IFC has approved a loan of US$4.4 million and an equity investment of US$0.6 million to MEREN.

Summary of Bank Lending in Jordan

Jordan joined the World Bank in 1952, and received its first IDA credit in 1961. Over the past 41 years, a total of 69 credits and loans have been granted to Jordan for a total amount of US$2,065 million. Jordan is also a member of IFC, ICSID, and MIGA.

IDA: US$86 million (15 Credits)
IBRD: US$1,979 million (54 Loans)
Of which:
Investments: US$1,195 million
Adjustments: US$870 million (8 Projects)
Disbursements: US$1,817.7 million
Repaid: US$813 million
Obligation: US$955 million

World Bank Publications

Recent Reports on Jordan

Groundwater: Legal and Policy Perspectives - Proceedings of a World Bank Seminar (Report WTP456). The structure of this Report follows closely the design and format of the seminar on "Groundwater: Legal and Policy Perspectives" held in Washington on April 19, 1999. The Report consists of an introduction and four separate parts, each with a set of chapters. Part I deals with understanding groundwater. The chapters within explain some basic technical aspects of groundwater, discuss groundwater and society, and describe how the perception of groundwater as a private resource has thwarted the attempts to exercise a measure of equity and control over abstraction and protection of groundwater. Part II deals with regulatory framework for groundwater. The chapters survey a number of groundwater regulations and discuss institutional and legal issues relevant to implementation of water markets. Part III deals with the Bank's experience with groundwater. The chapters discuss the objective and components of the Bank-financed Bangladesh Arsenic Mitigation—Water Supply Project, Groundwater Resources Management in Jordan, Legal and Institutional Issues Related to Groundwater Management in Mexico, Bank Experience with Groundwater Irrigation in Nepal, and the Groundwater Situation in Yemen. Part IV deals with international groundwater law. The chapters describe the evolution and context of the legal principles that govern the use and protection of shared groundwater resources, international groundwater law, Bank policy for projects involving transboundary groundwater, and highlight principles of international environmental law that may be relevant to transboundary groundwater.
Globalization and Firm Competitiveness in the Middle East and North Africa Region (ISBN: 0-8213-4989-9 SKU: 14989). Globalization has increased competitive pressures on firms. Together with rapid technological change, it has altered the environment in which firms operate. While globalization offers unprecedented opportunities for firms to act successfully, it simultaneously heightens the risks for firms lagging behind. In an open and liberalized world, increasing firm competitiveness has become a major challenge.

The Report provides a thorough analysis of the competitiveness of firms in the Middle East and North Africa (MENA) region. It is organized into four parts which detail the different issues related to firm competitiveness from global rules for business, regional business environment, corporate governance, and the key economic sectors of small/medium size enterprises and tourism. This volume addresses key issues for the future of the region including the real challenges facing firms’ operations and efficiency, the ability of MENA firms to compete in global markets, the impact of small and medium size enterprises on the stimulation of growth, and the economic potential of the tourism sector.

Reducing Vulnerability and Increasing Opportunity: Social Protection in Middle East and North Africa (ISBN: 0-8213-5145-1 SKU: 15145). The economies in the Middle East and North Africa (MENA) region are diverse in many ways, making it difficult to develop a common social protection strategy. Countries differ in size and per capita income. There are differences between urban/rural populations, agricultural/non-farm employment, and the structure of output between oil/non-oil economies. However, the countries of MENA share key socioeconomic characteristics and their social protection systems also confront similar design and implementation problems. This Report provides a framework for an integrated approach to social protection. It also proposes general recommendations to guide the reform of social protection systems in MENA; strategic directions for enhancing these social protection systems; and the World Bank’s contribution to social protection in MENA. The aim of this Report is to contribute to a better-informed and more focused debate on social protection at the national, regional, and international levels.

Contractual Savings in Countries with a Small Financial Sector (Report WPS2841). Countries with small financial systems are generally small economies with a reduced dimension of institutional relationships, a greater concentration of wealth, and a relatively less independent civil service. These characteristics facilitate concentration of functions and, more generally, weak governance. Only small economies with a relatively high level of per capita income, a minimum core of sound banks and insurance companies, sound and credible macroeconomic policies, and open capital accounts can benefit from the development of contractual savings. This can increase the options to obtain sound coverage against contingencies, increase the supply of long-term savings, promote financial deepening, and improve financial risk management.

Learning to Export—Evidence from Moroccan Manufacturing (Report WPS2827). The authors test two alternative models of learning to export: productivity learning, whereby firms learn to reduce production costs; and market learning, whereby firms learn to design products that appeal to foreign consumers. Using panel, and cross-section data on Moroccan manufacturers, the authors uncover evidence of market learning, but little evidence of productivity learning. These findings are consistent with the concentration of Moroccan manufacturing exports in consumer items. It is the young firms that export. Most do so immediately after creation. The authors find that, among exporters, new products are exported very rapidly after production has begun. The share of exported output nevertheless increases for 2-3 years after a new product is introduced. Old firms are unlikely to switch to exports, even in response to changes in macroeconomic incentives. The authors find a positive relationship between exports and productivity, and conclude that it is the result of self-selection: it is the more productive firms that move into exports. Policy implications are discussed.
Bridging Troubled Waters: Assessing the World Bank Water Resources Strategy (ISBN: 0-8213-5140-0 SKU: 15140). Currently, 166 million people in 18 countries are affected by water scarcity, and another 270 million people in 11 countries are “water stressed”. It is predicted that by 2025, the number of people affected will increase to approximately three billion, or about 40 percent of the world’s population. This problem is now considered so severe that it requires a strategic approach that emphasizes equitable and sustainable management of water resources. This Report evaluates the World Bank’s implementation experience of the 1993 Water Resources Management Policy to determine the relevance and effectiveness of the World Bank’s overall water operations for its borrowers. It assesses the extent to which the issues identified in the guideline document Water Resources Management-A World Bank Policy Paper (1993) have been implemented by World Bank operations. This Report also makes recommendations for improving World Bank policy and strategy in the water sector.

The Little Green Data Book 2002 (ISBN: 0-8213-5103-6 SKU: 15103). The Little Green Data Book 2002 is a collection of data from the World Development Indicators 2002 with a focus on the environment. The Book presents key indicators on the environment under the headings of: Agriculture; Forestry; Biodiversity; Energy and Pollution; and Water and Sanitation for more than 200 countries.

The Little Data Book 2002 (ISBN: 0-8213-5102-8 SKU: 15102). The Little Data Book 2002 provides a pocket-sized ready reference on key development data by country. This Book presents 54 indicators for 206 countries, and regional and country-income groups. The Little Data Book 2002 is intended as a pocket reference tool for readers of the World Development Indicators 2002, as well as for instructors, researchers, and students. The Little Data Book 2002 can be purchased separately or as a set with the World Bank Atlas 2002.

World Bank Atlas 2002 (ISBN: 08213-5087-0 SKU: 15087). The Atlas provides easy-to-read colorful world maps, tables, and graphs highlighting key social, economic, and environmental data for 206 countries. The Atlas parallels the six thematic sections of the World Development Indicators: (1) World View; (2) People; (3) Environment; (4) Economy; (5) States and Markets; and (6) Global Links. This Atlas has become the international standard in statistical compilations, and is ideal for use in the library, classroom, or office.

Development, Trade, and the WTO: A Handbook (ISBN: 08213-4997-X SKU: 14997). This Handbook offers guidance on the design of trade policy reform; surveys key disciplines and the functioning of the World Trade Organization (WTO); and discusses numerous issues and options that confront developing countries in using international cooperation to improve domestic policy and obtain access to export markets. Many of the issues discussed are also relevant in the context of regional integration agreements. The Handbook also summarizes what constitutes sound trade policy; the major aspects of the WTO from a development perspective; policy issues in the area of merchandise trade and the liberalization of international transactions in services; protection of intellectual property rights and economic development; new regulatory subjects that are emerging in the agenda of trade talks; and enhancing participation of developing countries in the global trading system.

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World Bank Contacts

Joseph Saba, Country Director  
Tel. (202) 473 2992  
Fax (202) 477 1482  
Email: Jsaba@worldbank.org

Osman Ahmed, Lead Operations Officer  
Tel. (202) 473 7063  
Fax (202) 477 1482  
Email: Oahmed@worldbank.org

Paolo Zacchia, Senior Economist  
Beirut Country Office  
Tel. 961-1-987 800  
Fax 961-1-986 800  
Email: PZacchia@worldbank.org

Sophie Warlop, Operations Analyst  
Tel. (202) 473 7255  
Fax. (202) 477 1482  
Email: Swarlop@worldbank.org

Dilys Quinn, Program Assistant  
Tel. (202) 473 6092  
Fax (202) 477 1482  
Email: Dquinn@worldbank.org

Shaha Riza, Acting Manager,  
External Relations and Outreach  
Tel. (202) 458-1592  
Fax (202) 522-0006  
Email: Sriza@worldbank.org

Sereen Juma, Communications Associate  
Tel. (202) 473 7199  
Fax (202) 522 0003  
Email: Sjuma@worldbank.org

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Washington DC 20433

Editorial Team:  
Francisca Ayodeji Akala  
Nicole Glineur  
Rapti A. Goonesekere  
Dilys Quinn  
Tijan Salah  
Sophie Warlop  
Paolo Zacchia  
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