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With special thanks to Mary Saba

GENDER ENTREPRENEURSHIP MARKETS

This article is part of the Gender Entrepreneurship Markets (GEM) Country Brief series intended to provide an overview of the status of women's entrepreneurship in countries of the Middle East and North Africa (MENA) region. The focus of the International Finance Corporation's (IFC) GEM Program is to expand women's participation in the private sector by providing support to growth-oriented small and medium enterprises and by expanding women's employment opportunities.

Labor Force Participation

Female labor force participation rates in Jordan from 1950 to 2000 reveal that female participation remained slightly above 10 percent until the 1960s, increased to 18 percent in 1990 and then rose sharply to 27.8 percent in 2000. This trend reflects the increase in demand for women's labor created by the shortage in the Jordanian labor market as Jordanian men migrated to the Gulf States during the 1970s and early 1980s. Although there has been a significant increase in the female labor force participation rate, this represents a low level of participation compared to 32 percent at the MENA regional level (a level which is already the lowest in the world). Nearly 54,000 women, or 45 percent of the female labor force, are employed in the public sector. The Ministries of Health, Education, Planning, Social Development and Post and Telecommunications employ the largest proportion of women in the civil service, totaling 45,829, or approximately 86 percent of all female civil service employees. Jordan's Department of Statistics calculated a female unemployment rate of 20.8 percent compared to a male unemployment rate of 13.4 percent in 2003. This indicates that women are willing to work, but are potentially having more difficulties than men to find employment. Causes of female unemployment in the private sector include: poor education or job market skills match; lack of entrepreneurial culture; disincentives for private sector employers to hire women; and social norms about "appropriate" work for women.¹

¹ Ellis, Amanda. "Jordan CGA Private Sector Development," IFC Sector Note. 2005..

Women-Owned Businesses In Jordan

As research shows, women are more likely to employ other women, thus increasing the number of women Small and Medium Enterprises (SMEs) in Jordan which could have a considerably positive effect on job creation. Women entrepreneurs account for only 3.9 percent of all entrepreneurs in Jordan, while it is estimated that 90 percent of all businesses in Jordan are SMEs. Throughout the MENA region, the number of women entrepreneurs varies from 3 percent in some countries to 18 percent in others, indicating that Jordan has one of the lowest percentages of women entrepreneurs in the region. This is also extremely low by world standards (average of 25-33 percent). While anecdotal information indicates that women are active in the informal sector in Jordan (as unpaid rural workers and petty traders), and microfinance surveys indicate that women run 63 percent of Jordan's informal enterprises, it is unclear what percentage of the informal sector comprises women-owned SMEs.

According to a 1999 survey by the Office of Women in Development of the United States Agency for International Development (USAID), approximately 12.4 percent of all currently-working women work in microenterprise activities. In terms of business size and levels of formality, it is estimated that three quarters of women's enterprises in Jordan are home-based, and there are significant differences between women's home-based enterprises and those that are based outside the home. Most women's businesses are based on a narrow range of "traditional" skills, such as sewing, embroidery, production of other handicrafts, provisions of beauty services and commercial trade in groceries or clothing.²

² USAID, "Women's Economic Activities in Jordan: Research Findings on Women's Participation in Microenterprise, Agriculture and the Formal Sector." July 1999.

Opportunities And Obstacles To Women's Enterprises And Business Expansion

Regardless of business size and level of formality, Jordanian women business owners indicate that they face constraints in operating and expanding their businesses. According to the USAID survey, the single biggest constraint confronting all women with businesses was a lack of operating capital. More than 40 percent of women reported their businesses were undercapitalized. A secondary, related problem reported by about 20 percent of all the women was customer defaults on accounts receivable. A 2005 Jordanian survey on the effects of business incubators on women's businesses revealed that Jordanian women whose businesses fail, suffer from lack of effective business training, marketing (in particular pricing and using modern methods in marketing, such as campaigns and the internet), administrative techniques and access to networks.³

Access to Finance. Access to credit is a key obstacle to business start-up expansion, and may explain why the majority of women enterprises in Jordan are microenterprises. Although bankers argue that their credit policies are gender neutral, Jordanian business women claim that their male counterparts receive more favourable treatment. The absence of a private credit bureau and the low coverage in the public credit registry (19 borrowers per 1,000) is problematic for loan approvals, meaning that the cultural or social disposition of the loan officers may have a great influence on decisions. For example, women point to the fact that banks require lower collateral for the same loan amount for males and no requirement for a spousal guarantee, whereas, oftentimes a woman needs her husband's guarantee. Women business owners also claim that men receive a more favourable response to new business ideas.⁴ The Central Bank of Jordan estimates that 704,583 women have bank accounts in Jordan, with deposits totalling approximately US\$2,194 million. The Arab Bank calculates that women's deposits in the Arab Bank have reached

JD318.6 million, or US\$637 million, which represents only 8.6 percent of the gross deposits in the bank. These figures suggest that Jordanian women do not have adequate financial savings to invest in their businesses, making alternate sources of access to finance all the more important.⁵ Faced with difficulties in accessing credit from formal financial sources, women entrepreneurs turn to microcredit as a second-best solution. Survey research indicates that a significantly higher number of women running informal enterprises in Jordan (91 percent of women surveyed) want to borrow from microcredit institutions. This compares to 73 percent of the men surveyed and indicates men's greater ease in accessing the formal financial market.⁶ Furthermore, women entrepreneurs who are limited to microcredit institutions to access finance find it difficult to enter sectors that require larger investments as minimum registered capital.

Access to Markets. As most women's businesses in Jordan are based on a narrow range of "traditional" skills or are home based, most women-owned SMEs in Jordan serve local markets. Impediments to accessing larger, more lucrative markets include lack of export know-how, highly bureaucratic business registration processes and complicated export market procedures.

Access to Networks. According to a survey provided by the Jordan Forum for Business and Professional Women, of the 3,006 women registered in the Jordanian Chamber of Commerce, 9 percent are entrepreneurs, 20 percent do not manage their business affairs, and 71 percent are housewives or are not even aware that they are registered in the Chamber of Commerce. Twenty-five percent of the women registered in the Chamber of Industry are general managers, 3 percent are heads of administrative departments and 3 percent are members of administrative departments.⁷ While the costly and bureaucratic nature of formal business sector registration is a barrier to all would-be business own-

³ Masoud, Reema. "The Effect of Business Incubators at the Business and Professional Women Association on Women's Projects." 2005.

⁴ World Bank. "The Economic Advancement of Women in Jordan: A Country Gender Assessment." May 2005.

⁵ These figures were provided by the Central Bank of Jordan and the Arab Bank in Jordan. The figures provided by the Central Bank of Jordan do not include the Arab Bank's figures.

⁶ World Bank. "The Economic Advancement of Women in Jordan: A Country Gender Assessment." May 2005.

⁷ "Status and Ambitions." (Survey provided by the Jordanian Forum for Business and Professional Women), November 2001.

ers, this affects women disproportionately since women, on average, have fewer resources and less access to business networks than men. The lengthy and complex registration and licensing procedures discourage women from going through the process, and reportedly, most women send male relatives or employees to act on their behalf with the relevant government bodies.⁸

Country Policy And The Promotion Of Women-Owned Businesses

Jordan's National Strategy for the promotion of women has thus far focused on empowering women to join the labor force, but has not specifically focused on promoting women-owned businesses. However, women-owned SMEs have an important role to play in the government's strategy for private sector development—outlined in the National Social and Economic Action Plan for 2004-2006—which expresses the Government's commitment to introduce programs that “aim to empower and enable citizens, especially youth and women, as well as to encourage more private investment in order to create 50,000 additional job opportunities every year.” In line with this aim, Jordan is facilitating women's access to employment through two areas of increasing importance for private sector development in Jordan: the Information and Communication Technology (ICT) sector; and Qualified Industrial Zones (QIZs). New opportunities for women to upgrade their skills and access paid work are available through the establishment of some 100 ICT knowledge stations across Jordan. Some 25,650 Jordanian women have been trained to-date, which represents 57 percent of the total number of trained workers. According to the Ministry of Industry and Trade, women account for 70 percent of QIZ employees and have benefited from Jordan's significantly increased exports to the United States. Jordan has also initiated a program to bring rural women to work in QIZs, with the objective to ensure that more Jordanians benefit from new job opportunities and technology and skills transfer.

Businesswomen's Associations

The Jordanian Forum for Business and Professional Women (JFBPW) provides technical support to women in SMEs and micro-businesses through: specialized professional training; information sharing; networking; access to foreign markets; efforts of the JFBPW to represent women SMEs in regional and global economic platforms and through raising the voice of Jordanian women in SMEs, micro-businesses and professionals occupations. The JFBPW is one of the leading women-in-business forums and provides legal counseling, mentoring, a business incubation program to encourage start-ups and training for rural women in non-traditional occupations that allow them to run their own micro-enterprises. The JFBPW has acknowledged the importance of creating a supporting legal environment that encourages women's participation in economic activities. Therefore, one of JFBPW's major areas of interventions is to contribute to the process of changing the national regulations of relevance to women-in-business into more positive and encouraging laws and regulations. To do this, JFBPW is functioning as a link between the Jordanian decision-makers and women-in-business.

Other organizations also focus on empowering women as entrepreneurs. For example, the American Chamber of Commerce in Jordan (JABA) has a woman CEO and a number of women involved in its management committees. JABA runs business start-up courses throughout Jordan whose clients are predominantly women.⁹ The Jordan River Foundation, a non-profit Jordanian NGO established in 1995 and chaired by Her Majesty Queen Rania Al-Abdullah, also has also built the capacity of many women entrepreneurs at both the micro and small enterprise levels, including business management training initiatives for women

⁸ Ibid

⁹ USAID, “Women's Economic Activities in Jordan: Research Findings on Women's Participation in Micro enterprise, Agriculture, and the Formal Sector.” July 1999.

Donor Activities For Assistance To Women Entrepreneurs

Most donor activities for assistance to women entrepreneurs have focused on sustainable micro-credit programs as an effective catalyst for economic growth by increasing income and creating employment at the grassroots level. The most active donors in this field are USAID, the World Bank and the European Union. In June 2005, the Jordan-United States Business Partnership Program—a US\$27 million, seven-year USAID-funded SME development project—announced the creation of a Jordanian successor organization called the Business Development Center which is charged with assisting men- and women-owned SMEs to enhance their competitiveness, as well as continuing successful initiatives to promote women entrepreneurs, such as the Internship Program “Maharat” and “Increasing the Competitiveness of Women-Owned Businesses.”

IFC PEP-MENA Gender Entrepreneurship Markets (GEM) Program

GEM aims to bring a gender dimension to IFC’s investment projects, address gender barriers in the business environment, provide advisory services to financial intermediaries and deliver training for women entrepreneurs. Along with sub-Saharan Africa, the Middle East is one of the program’s priority regions.

The IFC’s Private Enterprise Partnership for the Middle East and North Africa (PEP-MENA) has launched a two-year regional technical assistance and advisory program for women entrepreneurs called Gender Entrepreneurship Markets. The program’s goal is to maximize women’s contributions to private sector development. The PEP-MENA GEM Program aims to improve women’s access to PEP-MENA’s four areas of activity: SME and financial market development, business environment improvements, privatization advisory services and public-private partnerships. The Program targets growth-oriented women-owned SMEs with solutions that facilitate and promote fast track growth.

While the GEM Program is not envisioning to set up a program in Jordan at this point, it is planned that several regional GEM initiatives (such as research studies and training) will include Jordan directly.

The regional GEM Program has the following main objectives:

- Demonstrate the potential contributions female entrepreneurship offers to MENA’s economic growth.
- Improve female access to private sector jobs, business opportunities, business resources and skills.
- Help increase outreach and impact of Women Business Associations in the public and private sectors.

These general objectives are based on findings from regional studies of issues affecting women SME owners in the Middle East and North Africa and on the PEP-MENA GEM-commissioned country studies.

Further information please visit:

<http://www.ifc.org/menagem>

¹⁰ “Partners for Progress.” USAID in Jordan. June 2005.

RECENT ECONOMIC DEVELOPMENTS

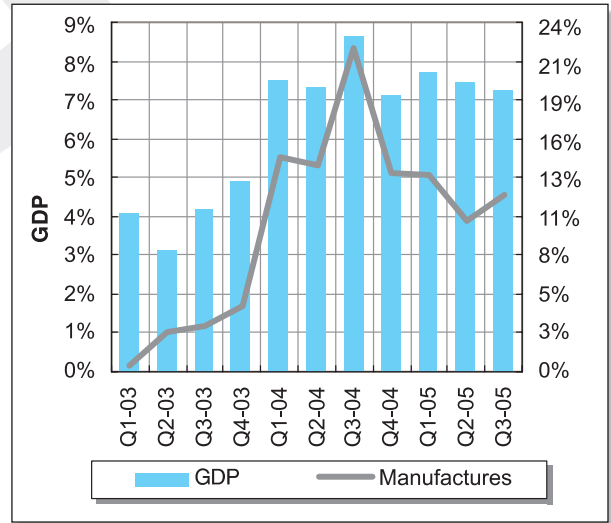
Overview

Jordan's economic growth remained high in the first nine months of 2005. Real GDP growth is estimated to have reached up to 7.5 percent over the first nine months of the year. The economy also showed signs of vulnerability, with the Trade Deficit soaring by 48 percent, public expenditures rising by 16 percent and a 23 percent increase in credit to the private sector. On the fiscal side, the effect of oil subsidy reduction produced a significant drop in subsidies for September 2005. The full effect on expenditures containment would show in the coming few months. Meanwhile, the budget balance reached a negative 23 percent of expenditures in September 2005.

Real Sector Evolution

Economic growth sustained the high levels observed in 2004, despite the end of the rebound effect that followed the war in Iraq. Figures over nine months demonstrate a 7.5 percent real growth rate. The leading sectors remain services which benefited from higher external financial flows. The *finance and insurance services* grew by 15.7 percent, against 5.7 percent a year earlier. The *wholesale and retail trade sector* growth reached 10.2 percent against 5.2 percent a year earlier. *Manufacturing, construction and transportation* performed well, but at lower levels than in 2004. The growth in the *manufacturing sector* remained high at 12 percent compared to a 17.3 percent growth in 2004. The *manufacturing sector* continued to benefit from the recovery in exports to Iraq, and from the rise in demand for Jordan's products from the oil exporting countries. However, exports to Iraq are increasing at a slower pace than in 2004. The activity with Iraq continued to stimulate growth in the *transport and communications sector*, which grew by 8 percent after growing by 12.6 percent in 2004. The *construction sector* continued to benefit from transfers linked to oil prices and Iraqi immigration, growing by 9.6 percent in 2005, compared to 13.6 percent in 2004.

Figure 1. GDP and Manufactures



Source: Jordanian Authorities and World Bank Staff Estimates

External Sector

Jordan registered a large cumulative Trade Deficit in September 2005 (JD3.2 billion and 47 percent of GDP), which grew by 48 percent during the first nine months of 2005 compared to the same period in 2004. The increase in deficit is the result of a 31 percent increase in imports, partially offset by an 11.8 percent increase in total exports. Domestic exports increased by 12 percent, while re-exports rose by 10 percent. Over 35 percent of the increase in imports is linked to the increase in both oil prices (36.5 percent) and volume (15.6 percent).

The clothing industries located in the Qualified Industrial Zones (QIZs) remain the main exporters of manufactured goods. However, clothing is no longer among leading export sectors which now comprise food and beverage, chemical industries and manufacturing industries (other than clothes). Clothes exports increased by 9 percent against 52 percent a year earlier and account for 30 percent of total exports in the First Half of 2005, same as for the same period of 2004. Exports of food and beverage increased by 43 percent between the Third Quarter of 2004 and the Third Quarter of 2005.

They now represent 12 percent of total exports compared to 9 percent last year. Exports of chemicals and manufactured goods other than clothes rose by 18 percent, and account for 35 percent of total exports, against 33 percent in 2004.

Exports to the European Union increased by 28 percent, as Jordan continues to benefit from the appreciation of the Euro against the US dollar, a currency to which the Jordanian Dinar is pegged. The propensity to import from Arab countries also increased due to the rise in oil prices, with exports to this destination rising by 16 percent. Exports to the United States increased by 12 percent in September 2005 against 60 percent a year earlier, and the share of clothes in total exports to the United States remained high at 86 percent, against 88 percent in 2004. The deceleration of the exports to the United States reflects the slowdown in clothes exports.

Figure 2. Trade Deficit over Nine Months
As percent of GDP



Source: Jordanian Authorities and World Bank Staff Estimates.
Note: First nine months of the year.

The breakdown of the increase of imports shows that the rise in oil imports contributed to 35 percent of the total increase in imports and to 44 percent of the increase in Trade Deficit. Also, the increase in imports reflects higher imports of inputs and equipments. This is due to the dependence of the economy on intermediary goods and to the recovery of re-export activity with Iraq. For example, the rise in the imports of machinery and transport equipment accounts for 32 percent of the total increase in imports. While 23 percentage points (ppt) of this increase are due to price increase, nine ppt

are, however, linked to volume increase. A large part of these imports are re-exported to Iraq. The increase in the imports of manufactured goods, including intermediary goods, represents 14 percent of the total increase in imports.

The foreign currency reserves of the Central Bank increased by US\$347 million to US\$5.62 billion between December 2004 and September 2005. The increase in reserves, despite the rising Trade and Current Account Deficits, reflects substantial rise in capital inflows from the region.

Fiscal Situation

Government revenues increased dramatically thus far in 2005. Revenues increased by 23 percent compared to the actual figures of the first nine months of 2005. The strong economic dynamic is largely responsible for this satisfactory performance of revenue collection. The rise in revenues is due for 19 percent to the increase in the tax on income and profits collections, and for 42 percent to the rise in sales tax receipts.

The increase in oil prices exerted important pressures on public expenditures. Expenditures increased by 16 percent in the first nine months of the year. This evolution is the combination of a 19 percent increase between the Second Quarter of 2004 and the Second Quarter of 2005, and of a 12.5 percent increase between the Third Quarter of 2004 and the Third Quarter of 2005. The Government has taken two sets of measures in the Third Quarter in order to compensate for the rise in oil subsidies. First, in response to the sharp increase in subsidies in July and August, the Government contained and restricted other types of expenditures. Second, the cut on oil subsidies became effective in September 2005. All in all, oil subsidies rose by 139 percent during the first nine months, or 69 percent of the total increase in expenditures. The defense and security expenditures represent 12 percent of the total increase.

The rise in expenditures brought the total and primary deficits in absolute terms to levels close to those of 2004. However, the cumulative budget balance to expenditures ratio stood at a negative 23 percent in September 2005, representing a relative improvement over a negative 27 percent in September 2004. The primary balance registered a slightly smaller deficit of JD460 million against a deficit of JD495 million a year ago.

Table 1. Fiscal Balance
Jordanian Dinar Millions

| | 2004 | 2005 |
|---------------------------------|-------------|-------------|
| Domestic Revenues | 1592 | 1956 |
| Tax Revenues | 1069 | 1351 |
| Income and Profits | 179 | 248 |
| Sales Tax | 608 | 760 |
| Customs | 197 | 223 |
| Other | 85 | 120 |
| Non Tax Revenues | 472 | 574 |
| Repayment | 51 | 31 |
| Total Expenditures | 2191 | 2546 |
| Current Expenditures | 1643 | 2073 |
| Excl. Debt Service | 1539 | 1943 |
| o/w Defense and Security | 474 | 517 |
| o/w Oil Subsidies | 177 | 423 |
| Debt Service | 104 | 130 |
| External | 64 | 76 |
| Internal | 39 | 54 |
| Capital Expenditures | 548 | 473 |
| Surplus/Deficit | -599 | -590 |
| Balance to Expenditures | -27% | -23% |
| Primary Balance | -495 | -460 |
| Balance Including Grants | | |
| Surplus/Deficit | 71 | -166 |
| Balance to Expenditures | 3% | -7% |
| Primary Balance | 174 | -36 |

Source: Jordanian Authorities and World Bank Staff Estimates.

The debt stock decreased by JD71 million between December 2004 and September 2005. The decrease reflects the combined impact of higher revenues, debt service rescheduling and inflow of foreign grants. Between March and September 2005, the structure of the public debt changed toward a substitution of the external debt by debt held domestically. The later increased to 31 percent of the total debt in September against 25 percent in March 2005 and 27 percent in December 2004.

Prices, Money and Banking

The Consumer Price Index (CPI) inflation accelerated in the Third Quarter of 2005. Figures over nine months suggest a slowdown in the CPI dynamic, with the index increasing by only 2.8 percent on average between the Third Quarter of 2004 and the Third Quarter of 2005, against 3.5 percent a year earlier. However, a closer observation shows that

this evolution is the combination of a 2.1 percent increase in the Second Quarter of 2005 compared to the Second Quarter of 2004, and a 4.2 percent increase in the Third Quarter of 2005 compared to the same period of the past year. The acceleration of the CPI during the Third Quarter of 2005 is due to the increase in the Fuels and Electricity item by 13.1 percent and in the Transportation and Communication item by 7 percent. The increase in oil prices had no significant impact on the CPI during the First Half of 2005, as it was mainly absorbed by the rise in oil subsidies. Starting in September 2005, the reduction in oil subsidies generated an increase in the prices of oil derivatives and the CPI of oil related items rose substantially. This tendency is expected to continue in the coming months.

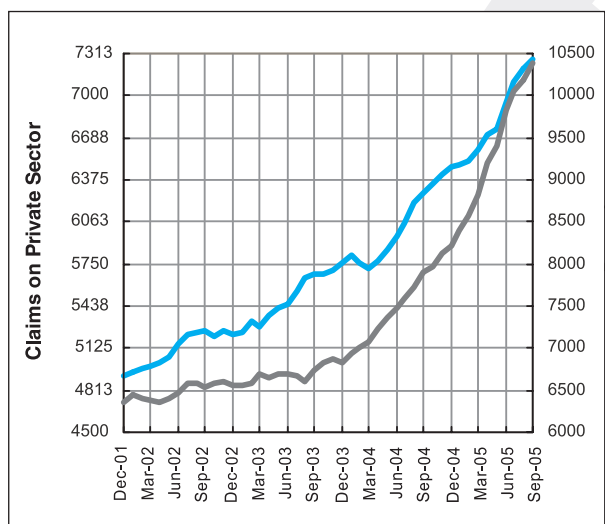
The GDP deflator rose by 4 percent over nine months, due to the price dynamic of several sectors. The deflator of the Mining and Quarrying sector increased by 16.5 percent, the Restaurant and Hotel deflator by 4.8 percent, the Manufacturing deflator by 4.5 percent and the Finance and Insurance services deflator by 4.4 percent. Higher demand for goods and services, partially reflecting Iraqi immigration, the inflows of oil money and the rise in oil prices have all contributed to inflate prices in Jordan, both in tradable and non-tradable sectors.

The broad money supply (M2), increased by 4.5 percent since June 2005 and by 13.8 percent since December 2004, compared to respectively 5.4 percent and 9.8 percent a year earlier. Time deposits in Jordanian Dinars increased by 12.1 percent over the first nine months, while time deposits in foreign currencies increased by 6.2 percent. Demand deposits in Jordanian Dinars remained the most dynamic aggregates of the money supply with a 28.8 percent increase, while demand deposits in foreign currencies rose by 9.8 percent.

Deposits at commercial banks increased in line with the inflow of capital triggered by the soaring cost of oil prices. Resident deposits increased by 5 percent since June 2005 and by 13.8 percent since year-end 2004. The dollarization of resident deposits decreased to 24 percent in June 2005, compared to 25 percent at end 2004, and remained stable since. The gradual stabilization of the dollarization reflects the rise in the real interest rates on Jordanian Dinars' time deposits by 154 basis points (bpt) between December 2004 and September 2005. Also, while remaining negative, the

spread between the nominal interest rate on Jordanian Dinar-denominated time deposits and the three months Libor narrowed to a 51 bpt after reaching a low 76 bpt in June 2005.

Figure 3. Deposits and Claims
JD Million



Source: Jordanian Authorities and World Bank Staff Estimates

Lending to the private sector continued to increase, in line with the strong GDP growth. Claims on private sector (resident) increased by 23.1 percent over the first nine months, and their share in the commercial banks' assets rose to 35 percent from 33 percent in December 2004. In value, this corresponds to an increase by JD1.4 billion over

the first nine months. The breakdown of lending by sector shows that lending to the agriculture, industry, construction and trade sectors increased by 8.7 percent. Lending to the tourism sector decreased by 6 percent, reflecting the difficulties of this sector due to building regional tension. Consumers and Stock Market investors remained the most dynamic borrowers, with a 44 percent increase in the lending to these two categories since the end of the year 2004. Claims on public sector jumped by 18.8 percent and deposits with the Central Bank increased by 9.8 percent.

The restrictive monetary policy followed by the Authorities continued to impact interest rates in the Third Quarter of 2005. The discount rate of the Central Bank is now 175 bpt higher than that of year-end 2004. The Authorities also raised the nominal interest rates on the 3 months Certificate of Deposits (CDs) by 225 bpt and on the 6 months CDs by 295 bpt, and managed to absorb part of the market liquidity. Consequently, the re-financing cost for the banks rose by 223 bpt in real terms, while the real interest rate on 3 months CDs increased by 300 bpt and on 6 months CDs by 339 bpt. However, the upward pressure on the banks' real re-financing interest rates failed to materialize into sustained increase in lending interest rates to the private. Private lending has, indeed, remained on a strong upward path reflecting strong positive expectations with regard to the regional economic context. Also, large inflow of resources for lending prevented interest rates from increasing substantially.

WORLD BANK OPENS A PUBLIC INFORMATION CENTER IN JORDAN



The World Bank inaugurated on February 13, 2006 its first Public Information Center (PIC) in Jordan, in partnership with the Greater Amman Municipality. Housed in

the Public Library of the Municipality in old town Amman, the PIC will provide visitors with free and open access to a wealth of information about the World Bank's activities and projects in Jordan, the region, and the world.

The objective of the PIC is to ensure the effective dissemination of World Bank and other development-related information to enhance public understanding of the Bank's role in member countries and to encourage dialogue with the public. PICs support the World Bank's policy of disclosure, which aims to introduce its activities and explain its work to the widest possible audience. In an effort to reach out to civil society groups at-large, PICs are increasingly established outside the Country Office location and in partnership with public institutions to facilitate access and increase exposure. They constitute a major tool for reaching out to academia, research institutes, non-governmental organizations, private sector organizations, unions and syndicates, students, and the media.

PICs also aim at enabling people to make informed decisions and encourage them to participate in their country's development process and promote dialogue about issues of concern to their society, through speakers programs, seminars, conferences, etc.

In that context, PICs provide visitors with access to World Bank project documents, reports and development related publications, a special collection of CDs and videotapes on development, and a large number of on-line databases on development, which outside the premises of the PIC, can only be accessed through a fee-based subscription for individuals or institutions.

There are currently about 80 main PICs and 60 satellite PICs in more than 80 countries and in almost every country where the Bank operates. In the Middle East and North Africa region, the World Bank has established PICs in Algeria, Egypt, Lebanon, Morocco, Tunis, West Bank and Gaza.

Further information please visit:

<http://www.worldbank.org/jo>

JORDAN SUCCESSFULLY UTILIZES WORLD BANK GRANT TO STRENGTHEN CAPACITY FOR ADDRESSING WOMEN HEALTH ISSUES

In June 2002, the World Bank awarded an Institutional Development Fund (IDF)¹¹ Grant of US\$140,000 to the Government of Jordan aimed at addressing women's health issues in the underserved southern part of the country. In addition to the grant amount, the Government provided counterpart cash-funds of about US\$51,000. This three-year Grant, which closed in June 2005, was successfully implemented by the Directorate of Women's Affairs (DWA) led by Her Royal Highness Princess Aisha Bint Al-Hussein and reached its expected outcomes. The Grant helped fill a knowledge gap on women's health issues, and built the institutional capacity of key stakeholders.

Background

Since 1997, the DWA, located within the Jordan Armed Forces (JAF), has taken the lead on women's health issues by working to improve the level of health standards, health awareness and education among women in the armed forces and female dependents of armed personnel. The Royal Medical Services of the JAF provides health services to over a third of the population, therefore, the DWA's target population is quite significant. For many of the targeted population, particularly in the southern governorates of Jordan (mainly low-income families), the only access to health services is through the Royal Medical Services. The DWA had a long-term vision of providing relevant services to women in underserved areas through the establishment of a Women's Health Center. The IDF Grant was a means by which the Bank could support the achievement of this vision. The objective of the Grant was to assist in strengthening the capacity of the Government of Jordan to analyze

and address women's issues and to create a consensus among key stakeholders on strategies to promote women's issues.

Grant Components And Achievements

The Grant financed activities under five different components which were successfully implemented. The component activities and the achievements are described below.

Needs Assessment Survey: This component financed a survey of women in four southern governorates of Jordan: Ma'an, Karak, Tafileh and Aqaba. The Survey was expected to improve knowledge about the targeted population's health needs and improve the capacity of policy makers and service providers to design and implement programs to meet these needs. The Survey's findings were expected to assist in the identification of a package of services to be offered to the targeted population.

The Needs Assessment Survey was designed to investigate a series of relevant areas including: reproductive health and use of maternity health services; morbidity patterns; access and use of health care centers; diet and nutrition; mental health and social background of respondents; and quality of life. The Survey was implemented in two phases, the first phase as a pilot in Ma'an governorate, and the second phase in the other three governorates. Women aged 9 to 65 years were interviewed. The sampling was based on the 1994 Census which was used as a framework for selecting the blocks to ensure representation of both rural and urban areas in each governorate. The Table below gives a summary of the number of Blocks selected and response rate by governorates.

Twenty-two female interviewers from the Princess Muna Institute of Nursing of Muta University were recruited and received a three-day training on conducting interviews and research. Their work was

¹¹ The Institutional Development Fund is a World Bank grant instrument designed to finance quick, action-oriented, upstream capacity-building activities that are closely linked to the Bank's policy dialogue and country assistance strategy. To-date, Jordan has benefited from US\$2.75 million in IDF Grants for a total of 14 grants.

| Governorates | Tafileh | Karak | Aqaba | Ma'an |
|--|---------|-------|-------|-------|
| Number of blocks selected | 20 | 24 | 24 | 25 |
| Number of eligible households (HH) | 240 | 288 | 288 | 375 |
| Number of HH successfully visited | 232 | 280 | 264 | 357 |
| HH either closed after two visits or refused to be interviewed | 8 | 8 | 24 | 18 |
| HH response rate | 97% | 97% | 92% | 93% |

supervised by two national consultants, researchers from the Ministry of Health and an expert from the Department of Statistics. In addition to funding from the Grant and the Government's contributions, the Survey was also supported by the World Health Organization (WHO). As a follow-up to the Survey, a series of dissemination workshops were conducted to share findings and lessons with key stakeholders and service providers in the four governorates. The Survey results have been used by the three main health service providers in the country (Ministry of Health, RMS and university teaching hospitals) to improve service provision targeted at women.

Training of Key Project Staff: This component financed training to, on the one hand, sensitize staff to gender and health issues, and, on the other hand, improve the capacity to design and implement surveys. Key project staff at the DWA and the Ministry of Planning also attended a project management course at the International Labour Organization's training center in Turin, Italy. The application of the lessons from this course had an immediate and positive impact on the implementation of the grant.

Planning and Designing a Women's Health Center: The expected output was a detailed plan for the proposed health center. This process was expected to improve the capacity to put together a proposal to be funded by donors. While the proposal itself was prepared by a consultant, the process was done collaboratively with the Steering Committee set up specifically for the Grant. The proposal has been used to identify the needed resources from various donors for establishing the center.

Elaboration of a Detailed Work Program: This work program was planned to: define strategies to implement the package of health services for the target population with specific linkages to the overall national health care system, and the establishment of the women's center; define the detailed budget implications for the implementation of each com-

ponent and identify key monitoring and evaluation indicators. The implementation of this component improved the capacity to identify, develop plans and determine the requirements of a project. The work plan and implementation schedule were prepared, including future steps to continue to address women's issues. The plan and program of action will be used as tools not only for implementation, but also for monitoring progress on achievements.

National Workshop: This Workshop was planned to present the proposed work program and proposals to stakeholders, and identify potential donors for the implementation of the package of services and the establishment of the Women's Health Center. The Workshop was held on March 2, 2005 in Amman under the patronage of Her Royal Highness Princess Aisha Bint Al-Hussein, and was well attended by various stakeholders within the Government, the donor community, NGOs and women's groups. At the Workshop, the DWA was able to get the commitment of various participants to support the establishment of the women's center and solicit donor support for ongoing activities on women's issues in the country.

Survey Findings

The overall findings of the Survey (see matrix at the end of this article) reflect positive as well as negative trends among those women. On the one hand, the majority of those women feel a sense of social, economic and psychological security, consider their general health as good and look optimistically to the future, feeling that God is always with them. Furthermore, the majority feel that they are socially included and not alienated. Regarding occupational health, the majority of the working women like their work and feel a sense of occupational security.

Concerning their attitudes towards youth issues, the findings show that almost all of the women believe that boys and girls have the right to participate in the decisions concerning the family and believe

that mothers should talk to their children about puberty changes. Those women believe the ideal age for marriage to be on average 22.2 years for girls and 27 years for boys.

Regarding their attitudes toward violence and discrimination against women, the majority of the women indicated that during the last year, they were neither beaten by, nor exposed to physical or verbal violence from, any member of their families.

The findings related to the attitudes towards personal habits and healthy lifestyle, generally speaking, were positive among those women, reflecting a healthy social and personal life. Also, the majority of those women also feel satisfied and content in their internal selves and are conscious about their health habits.

On the other hand, some negative attitudes were found among those women regarding some of the researched issues. The majority of women do not value their financial circumstances positively, considering their family's income a source of anxiety and stress. They also feel a degree of gender gap and discrimination between men and women in the work place. In addition, a significant number of working women believe that they are under stress at work and are exposed to psychological pressures that harmed their health and affected their well-being.

It was also clear that the vast majority of those women do not follow regular programs of physical activities and are not members of civil society organizations. Only about half of those women indicated that they eat breakfast daily.

The overall findings do not show significant differences among the three governorates regarding the attitudes of the surveyed women towards the studied issues. In fact, some of the findings in the three governorates were almost identical, while other findings are very close to each other. This may be because the women in the governorates of Karak, Taffileh and Aqaba have the same socio-economic and cultural backgrounds, in addition to the relatively small size of the sample in each governorate. The findings obtained from the governorates of Karak, Taffileh, and Aqaba do not seem to be significantly different from those obtained from the study of the governorate Ma'an when the study was conducted a year earlier as a pilot study for the project.

Implementation Arrangements

The DWA, as the Grant implementing agency, established an IDF Steering Committee whose members included key staff of the DWA, Ministry of Health, RMS and the university teaching hospitals. This Committee was instrumental in the achievement of the Grant objectives and succeeded in ensuring collaboration under the Grant of the three key health service providers in the country. Commendations must be given to HRH Princess Aisha Bint Al-Hussein for the excellent oversight and supportive role she played, not only in securing the Grant, but more importantly, in ensuring the successful utilization of the Grant for the intended purposes. She sees the long-term goal of the DWA in providing relevant services to women as a crucial input towards achieving the King's vision of ensuring a better quality of life for Jordanian families.

Progress Made Since Grant Closure

The DWA has identified several partners for the establishment of the women's health center. The Taffileh Governorate has been identified as the site for the center and the land for the building has been donated by the JAF. The Municipality of Amman will finance the design and construction of the center and other donations of goods and supplies have been received from private institutions. A Memorandum of Understanding between the RMS and the Ministry of Health to manage and support (financially and otherwise) the center has been drafted and is scheduled for signing during the foundation-laying ceremony of the center. The DWA has also submitted proposals to international donors, like the World Health Organization and the United Nations Fund for Population Activities, to support specific programs and inputs.

The Way Forward

While this Grant has been successful in its capacity building efforts, the achievements of the Grant could easily be lost without efforts to sustain them. This Grant was successful in involving key stakeholders, and it is equally imperative that women's health issues in Jordan continue to be addressed in a multi-sectoral manner. Without the appropriate platform for this ongoing collaboration, there is a distinct possibility that various stakeholders will go back to the

old way of doing business to the detriment of Jordanian women. The DWA has made significant progress in ensuring the establishment of the women's center, but addressing women's health issues need to be fully integrated in the broader human develop-

ment agenda of the country to have a sustaining effect. The National Strategy for Women is just one of many appropriate policy levers to ensure that women's health issues remain on the agenda.

Priorities of Health and Social Problems among Different Age Groups (9-65 Years) In the Southern Governorates of Jordan (Local Community Representative View)

| Kerak Health Problems years 9-14 | Tafileh Health Problems years 9-14 | Agaba Health Problems years 9-14 | Ma'an Health Problems Different Age Groups |
|---|---|--|---|
| <ol style="list-style-type: none"> Eye Problems <ol style="list-style-type: none"> Eye Diseases Errors of Refraction Dental Health Urinary Tract Infections (UTIs) | <ol style="list-style-type: none"> Dental Health | <ol style="list-style-type: none"> Hearing Problems Dental Problems UTIs Eye Problems <ol style="list-style-type: none"> Diseases Errors of Refraction Skin Diseases | <ol style="list-style-type: none"> UTIs Anemia Hypertension Obesity Life Style (Lack of Exercise) |
| Years 15-49 | Years 15-49 | Years 15-49 | |
| <ol style="list-style-type: none"> Eye problems <ol style="list-style-type: none"> Eye Diseases Errors of Refraction (Vision) Obesity Cardiovascular Diseases UTIs | <ol style="list-style-type: none"> Family Planning Nutritional Dental Hypertension Lack of Periodic and Medical Check-up <ol style="list-style-type: none"> Pap-Smear Mammography Vaginal Discharge UTIs | <ol style="list-style-type: none"> Anemia Vaginal Discharge Joint Problems UTIs Respiratory Tract Infections Hypertension | |
| Years 50-65 | 50-65 Years | Years 50-65 | |
| <ol style="list-style-type: none"> Joint Problems UTIs Hypertension Urinary Incontinence Anemia Diabetes Mellitus Colon Disease | <ol style="list-style-type: none"> Obesity Urinary Incontinence UTIs Joint Problems Hypertension | <ol style="list-style-type: none"> Joint Problems Urinary Incontinence UTIs D.M. Hypertension R.T.Is | |
| Social Problems among the Different Age Groups | Social Problems among the Different Age Groups | Social Problems among the Different Age Groups | Social Problems among the Different Age Groups |
| <ol style="list-style-type: none"> Lack of appropriate knowledge about women's rights Negative attitudes toward females | <ol style="list-style-type: none"> Early marriage of females The poor role of the family in raising and follow-up of their children Psychological problems | <ol style="list-style-type: none"> The absence of a role for women in the community Inability of females to express themselves (self-esteem, feelings, etc.) | <ol style="list-style-type: none"> Lack of appropriate knowledge about women's rights Absenteeism of females Big family size |
| Quality of Care | Quality of Care | Quality of Care | Quality of Care |
| <ol style="list-style-type: none"> Deficient information about the menstrual period and postmenopausal syndrome Low use of modern contraceptive methods The absence of trust in health information offered by healthcare facilities The absence of trust in the quality of care offered by MOH The long distance from health care services The low quality of health services The bad doctor-patient relationships | <ol style="list-style-type: none"> Inappropriate information about the menstrual period and post menopausal syndrome Lack of health education programs The long distance from health care facilities The absence of transportation to reach health care facilities The long waiting time in health care facilities | | <ol style="list-style-type: none"> Low quality of health care services Low Quality of health information offered to females by health care facilities |

BANK GROUP OPERATIONS

The Bank is preparing a Country Assistance Strategy (CAS) for Jordan, which is the Bank's roadmap for assistance covering Bank fiscal years 2006-2009. The CAS will be discussed at the Bank's Board of Executive Directors in 2006. The CAS takes as its starting point Jordan's National Agenda. In accordance with Jordan's development plan, the main objectives of the CAS will be poverty reduction and job creation. The CAS will include a mix of instruments ranging from lending, grants, analytical and advisory services and learning and capacity building activities.

IBRD Projects In The Pipeline

○ *Regional and Municipal Development Project* (US\$35 million). The objectives of the Project are to: (i) strengthen the intergovernmental finance system; (ii) upgrade financial management, technical and administrative capacities at the local level; and (iii) increase the coverage and quality of municipal service provision, with particular emphasis on under-served areas.

IBRD Ongoing Projects

The current portfolio in Jordan consists of six projects for a total commitment amount of US\$268 million, of which US\$116 million has been disbursed to-date.

○ *Amman Water and Sanitation Management Project (AWSMP)*. (US\$55 million.) The Project aims at: (i) improving the efficiency, management, operation and delivery of water and wastewater services for the Amman Service Area; and (ii) laying the groundwork for the sustainable involvement of the private sector in the overall management of these services.

○ *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.

○ *Horticultural Exports Promotion Learning and Innovation Loan* (US\$5 million). The Loan will initiate the process of establishing Jordan as a reliable supplier of non-traditional, high-value export crops to niche markets in the European Union and Gulf countries.

○ *Education Reform for the Knowledge Economy* (US\$120 million). The Project supports systemic educational reform in Jordan that extends from Early Childhood Education through Secondary Education. The Project will contribute to the development of human capital with the skills and competencies required by the Knowledge Economy.

| Active Portfolio | Approval Date | Loan Amount US\$ M | Undisbursed Amount US\$ M | Primary Sector | Closing Date |
|---|---------------|--------------------|---------------------------|-------------------------------|--------------|
| Amman Water and Sanitation Management | Mar-99 | 55.0 | 2.2 | Water Supply/Sanitation | Jan-07 |
| Higher Education Development | Feb-00 | 34.7 | 11.7 | Education | Jun-07 |
| Horticultural Exports Promotion Learning and Innovation | Jun-02 | 5.0 | 3.1 | Agriculture Markets and Trade | Dec-06 |
| Education Reform for Knowledge Economy | May-03 | 120.0 | 85.6 | Education | Dec-08 |
| Amman Development Corridor | Jun-04 | 38.0 | 35.9 | Transport | Jun-09 |
| Public Sector Capacity Building | Mar-05 | 15.0 | 14.4 | Public Sector | Mar-09 |
| Total | | 267.7 | 152.9 | | |

○ **Amman Development Corridor** (US\$30 million). The Project aims at: (i) assisting Jordan's growth strategy by providing needed infrastructure to support Amman's role as a regional center for trade and services; and (ii) helping ensure that Jordan's road assets are managed in a cost-effective and sustainable manner.

○ **Public Sector Capacity Building Project** (US\$15 million). The objective of the Project is to support the ongoing implementation of the Government's public sector reform strategy by ensuring that the required institutional infrastructure is in place and functioning. It also seeks to support an important set of cross-cutting reforms in areas ranging from policy coordination to improved financial and human resource practices.

Ongoing Grants

○ **Institutional Development Fund Grant to Support the Development of a Monitoring and Evaluation System** (US\$395,000). The Grant will contribute to the design and implementation of a sound monitoring and evaluation framework for the Government to: (i) adequately monitor input requirements of large scale reform projects, and (ii) follow implementation of large-scale, multi-sectoral reform projects through various activities

○ **Integrated Ecosystems/Rift Valley Grant** (US\$350,000). The objective of the Grant is to assist in the preparation of the Integrated Ecosystem Management in the Jordan Rift Valley Project, whose main objective is to secure the ecological integrity of the Jordan Rift Valley as a globally important ecological corridor and migrator flyway, through a combination of site protection and management, nature-based socio-economic development and land use planning.

○ **Sustainable Development of Renewable Energy Resources and Promotion of Energy Efficiency Grant** (US\$1 million). The objectives of the Grant are to: (i) contribute to the Government's efforts to integrate climate change concerns in its economic development strategy by removing the barriers to promoting the development of Jordan's renewable energy resources (wind, solar and geothermal), and in enhancing the efficiency of energy use in line with the policy to meet the energy needs of Jordan in an economic and environmentally sustainable manner; and (ii) support a feasibility study for the

future development of a commercial size wind energy project with private sector involvement.

○ **Conservation of Medicinal/Herbal Plants Project** (US\$5 million Global Environment Facility). The Project supports 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: (i) institutional strengthening; (ii) pilot sites conservation; (iii) public awareness and education; and (iv) income generation activities.

Further information on ongoing and pipeline projects can be found at:

<http://www4.worldbank.org/sprojects/>

IFC Ongoing Projects

○ **Business Tourism Company**. The Project consists of building and operating the Jordan Valley Marriott and Spa, a resort of international standards which include: (i) a 216-room 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 complex is managed by Marriott International and targets both health and leisure tourists.

○ **El-Zay**. 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.

○ **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 ho-

tel's 294 rooms; and (ii) the addition of conference and banqueting facilities, a health club, retail space, movie theaters and an underground parking facility. The 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.

○ **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 replace 15 of its elevators, its boilers, and the kitchen, safety and telecom 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 and JHTC has prepaid IFC.

○ **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 the 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 (International Luggage Manufacturing Company).** The Project is to expand operations of Boscan Jordan Group, a Jordanian manufacturer of soft-side luggage products selling primarily to the United States market. The company has since switched its operations to textiles.

○ **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.

○ **Al Tajamouat Industrial City (ATIC).** The Project will expand the existing integrated industrial estate, ATIC. The expansion commenced in late 2000 to keep up with the high demand for QIZ space in Jordan.

○ **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. The company has prepaid IFC.

○ **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.

○ **Middle East Complex for Engineering, Electronics and Heavy Industries (MEC).** MEC 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 Project aims to: (i) relocate MEC's existing production facilities for 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.

Further information on IFC ongoing and pipeline projects can be found at:

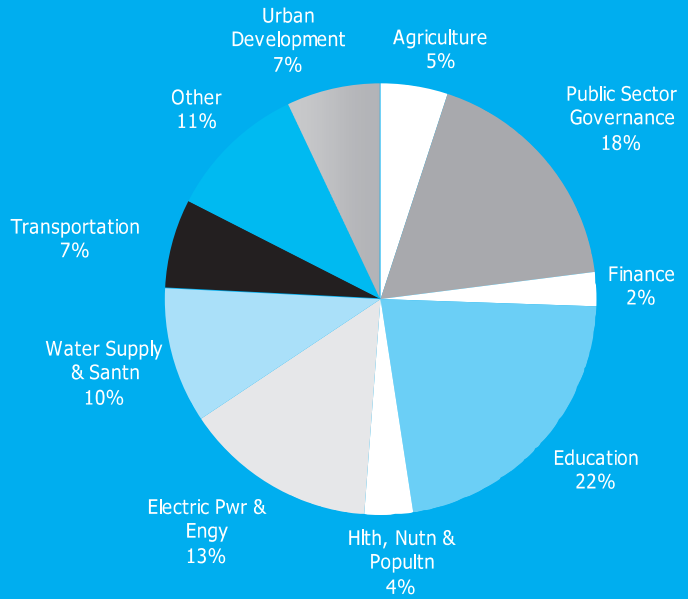
<http://www.ifc.org/projects>

Bank Lending to Jordan – Fact Sheet

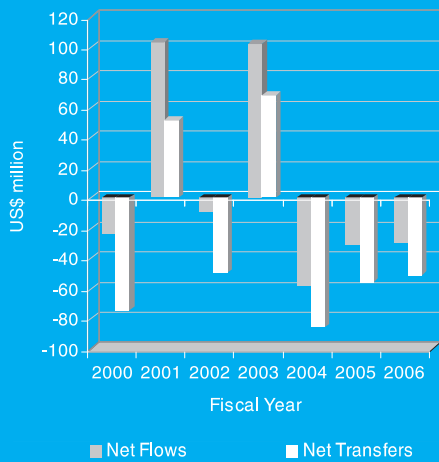
Jordan joined the World Bank in 1952, and received its first IDA credit in 1961. Over the past 42 years, a total of 86 credits, loans, and grants have been granted to Jordan for a total amount of US\$2,228 million. Jordan is also a member of IFC, ICSID, and MIGA.

IDA: US\$86 million (15 Credits)
 IBRD: US\$2,142 million (66 Loans)
 Of Which:
 Investments: US\$1,358 million
 Development Policy Loans: US\$870 million (8 Projects)
 Disbursements: US\$2,072 million
 Repaid: US\$1,089 million
 Obligation: US\$962 million

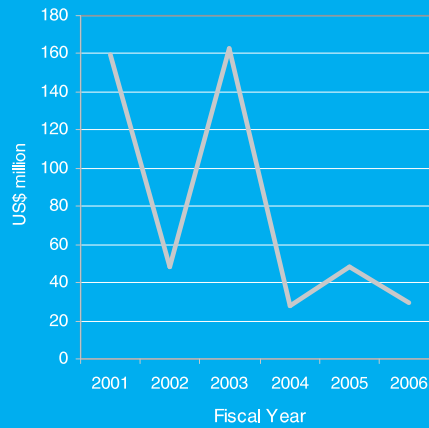
Sectoral Distribution by Value



Net Flows and Net Transfer



Disbursements



Projects Approved by Fiscal Year

| Fiscal Year | # of Projects | US\$ M. |
|--------------|---------------|---------------|
| 1994 | 2 | 100.0 |
| 1995 | 3 | 146.6 |
| 1996 | 2 | 120.0 |
| 1997 | 2 | 140.0 |
| 1998 | 3 | 67.0 |
| 1999 | 3 | 210.0 |
| 2000 | 1 | 34.7 |
| 2001 | 1 | 120.0 |
| 2002 | 1 | 5.0 |
| 2003 | 2 | 240.0 |
| 2004 | 1 | 38.0 |
| 2005 | 1 | 15.0 |
| Total | 22 | 1236.3 |

NEWS, RECENT AND UPCOMING ACTIVITIES

First Forum On "Promoting Innovation And Entrepreneurship" In The Middle East And North Africa



Casablanca's Technopark and the Bank's InfoDev organized the first Regional Forum on the Enterprise Incubation, from January 31 to February 3rd, 2006 under the Ministry of Economic and General Affairs auspice

This first forum for the MENA Region brought together InfoDev program grantees, regional incubators, government policy-makers, donors agencies, private sector players and other international agencies and organisms.

The main theme of the Forum, "Innovation and Entrepreneurship in MENA: Challenges and Strategies", covered areas such as an effective policy framework, private sector collaboration, the role of the public sector and donors through the

lens of practical experiences, as provided by the participants. The importance of mapping out country approaches to ensure the success and growth of SMEs, and the role of a regional network in this regard, was also explored.

This three-day knowledge sharing and learning event on innovation and entrepreneurship was held in an effort to capture and synthesize lessons from individual country experiences to the regional level where the participants presented their challenges and successes.

For more information, please visit the official website of the Forum:
www.mena-forum-on-incubation.ma

First Annual Private Sector Development Research Competition

The International Finance Corporation of the World Bank Group and the Financial Times (FT) invite entries for the first international private sector development research paper competition for 2005-2006.

The Theme is "Business and Development: The Private Path to Prosperity". The competition seeks to promote the best thinking on the role of business in development. Papers should add to the global discussion on private sector development and economic growth by providing new and innovative analyses, perspectives or ideas. The target audience can be economic and financial policymakers, the international financial community or international/domestic investors.

Awards: Six awards will be granted to the top papers as judged by the Awards Committee:

| | |
|----------------------|------------|
| 1 Gold Award | US\$30,000 |
| 2 Silver Awards each | US\$15,000 |
| 3 Bronze Awards each | US\$10,000 |

All papers must be submitted in English and have a maximum of 4,000 words. Abstracts must have a maximum of 300 words. All entries must be received on or before June 30th, 2006.

For further information, please visit:
www.ifc.org/competition

DevForum E-Discussions and Communities: Continuing The Dialog Beyond Time-Bound e-Discussions: MENA Communities Of Practice (CoPs)

DevForum has helped initiate several Communities of Practice (CoPs) focusing on the MENA region in the past six months. Interestingly all have their origin in initial time-bound e-discussions where the avid interest of the participants to stay connected led to their transformation into ongoing CoPs. The moderation of the CoPs in all instances has been taken over by the discussion participants. Four of the MENA CoP initiatives are highlighted below:

- **K-Exchange: An open invitation CoP**
This community aims to provide an open platform for sharing ideas and experiences on the potential of e-discussions and regional networking—including opportunities and challenges, specific to the MENA region.

- **MENA Water: An open invitation CoP**
MENA Water seeks to identify common issues, objectives and needs of the participants, and builds on their experiences to create a fruitful environment for knowledge-sharing in the field of water resource management in the MENA Region.
- **MENA CEN: An open invitation CoP**
MENA CEN focuses on the topic of Community Empowerment and Development. Its ultimate goal is to promote and advocate local approaches to development and initiate reforms in development planning.

For more information, please consult:
<http://www.worldbank.org>

RECENT WORLD BANK PUBLICATIONS

MENA Publications

Economic Growth in Egypt: Constraints and Determinants (MENA Working Paper No. 42). Egypt accelerated its ongoing transition from a public sector-dominated economy to a private sector-led and market-oriented economy after the collapse of oil prices in the mid-1980s. Some aspects of the economy, such as trade policy, have been substantially transformed since then, whereas other aspects, such as public control of the financial sector, have experienced less change in substance. The Paper examines some determinants of growth in Egypt since the mid-1980s using insights from both standard econometric techniques and a diagnostic approach. It finds that trends in government consumption, credit to the private sector and the average growth rate of OECD countries have been significant determinants of growth in Egypt in the past. The paper also presents evidence that suggests that inefficiency of financial intermediation is a significant current constraint on growth.

Sustaining Gains in Poverty Reduction and Human Development in the Middle East and North Africa (ISBN No. 0-8213-6527-4 SKU: 16527). The Report provides an overview of trends in income poverty and human development indicators over the last forty years. It notes that since the mid-1980s, there has been little progress in the poverty situation in the MENA region although human development indicators have continued to improve. Accelerating poverty reduction and sustaining human development improvements are important challenges for the region in the future.

The future challenge for the MENA region will be obtaining faster growth in a sustainable manner, since growth remains the best guarantee of rapid income poverty reduction. At the same time, the region has to build on its experiences to date with education, health and social safety net reforms. In particular, the region needs to shift the focus of education policy from quantity to quality and the focus of health policy towards better serving the poor. More attention must be paid to the consequences of the ongoing demographic transition.

Finally, it is important to develop new and more efficient social insurance mechanisms to improve the ability of the poor to cope with adverse shocks that may occur as MENA countries move toward more open economies.

Trade Liberalization, Factor Market Flexibility, and Growth: the Case of Morocco and Tunisia (Working Paper Series 3857). In recent years there has been an increasing recognition of the importance of complementary policies in enhancing the benefits of a more open trade regime. This Study focuses on the importance of factor market flexibility to trade reforms. Using the Global Trade Analysis Project (GTAP) model and database, the results show that the welfare impact of trade reform is contingent on the flexibility of factor markets, with higher welfare gains occurring where factor markets are more flexible, and vice-versa. Defining two extreme factor market scenarios over Morocco and Tunisia, the author finds that the welfare gains of trade reforms under conditions of flexible factor markets can be as much as six times the gains compared with a rigid factor market scenario. This is so because, whereas trade reforms may improve the incentive structure for resource reallocation, the extent to which resources move from less efficient to more efficient sectors of an economy is dependent on the degree of flexibility of factor markets.

The Impact of Regional Trade Agreements and Trade Facilitation in the Middle East and North Africa Region (Working Paper Series 3837). The Middle East and North Africa (MENA) region's trade performance over the past two decades has been disappointing. Efforts to boost trade through a plethora of regional trade agreements (RTAs) are underway. This Study examines the potential contribution of regional trade agreements, as well as trade facilitation improvements, in enhancing the development prospects of the region. Using the Global Trade Analysis Project (GTAP) model and database, both intra-regional integration and integration with the European Union are observed to have a favorable impact on welfare in the MENA region. The welfare gains from integrating with the European Union are observed to be at least twice as much as intra-regional integration. Furthermore,

these welfare gains are observed to at least triple when the implementation of the RTAs is complemented with trade facilitation improvements.

Also available:

➤ *Gender and Development in the Middle East and North Africa: Women in the Public Sphere* (ISBN: 0-8213-5676-3 SKU: 15676).

➤ *Unlocking the Employment Potential in the Middle East and North Africa: Toward a New Social Contract* (ISBN: 0-8213-5678-X SKU: 15678).

➤ *Better Governance for Development in the Middle East and North Africa* (ISBN: 0-8213-5635-6 SKU: 15635).

➤ *Trade, Investment, and Development in the Middle East and North Africa: Engaging with the World* (ISBN: 0-8213-5574-0 SKU: 15574).

Bank Publications

Globalization for Development: Trade, Finance, Aid, Migration, and Policy (ISBN: 0-8213-6274-7 SKU: 16274). Globalization and its relation to poverty reduction and development are not well understood. The Book identifies the ways in which globalization can overcome poverty or make it worse. The Book defines the big historical trends, identifies main global flows—trade, finance, aid, migration, and ideas—and examines how each can contribute to undermine economic development.

By considering what helps and what does not, the Book presents policy recommendations to make globalization more effective as a vehicle for shared growth and prosperity. It will be of interest to students, researchers and anyone interested in the effects of globalization in today's economy and in international development issues.

International Trade in Health Services and the GATS: Current Issues and Debates (ISBN: 0-8213-6211-9 SKU: 16211). Health ministries around the world face a new challenge: to assess the risks and respond to the opportunities of the increasing openness in health services under the World Trade Organization's (WTO) General Agreement on Trade in Services (GATS). *International*

Trade in Health Services and the GATS addresses this challenge head-on by providing analytical tools to policymakers in health and trade ministries alike who are involved in the liberalization agenda and, specifically, in the GATS negotiations.

This Book informs and assists policymakers in formulating trade policy and negotiating internationally. There is ongoing and animated international debate about the impact of GATS on public services in general and health, in particular. In response, the Book offers different perspectives from more than 15 leading experts. Some of the authors stress opportunities linked to trade in health services, others focus more on the risks.

Where Is the Wealth of Nations?: Measuring Capital for the 21st Century (ISBN: 0-8213-6354-9 SKU: 16354). The Book presents estimates of total wealth for nearly 120 countries, using economic theory to decompose the wealth of a nation into its component pieces: produced capital, natural resources and human resources. The wealth estimates provide a unique opportunity to look at economic management from a broader and comprehensive perspective. The Book's basic tenet is that economic development can be conceived as a process of portfolio management, so that sustainability becomes an integral part of economic policy making. The rigorous analysis, presented in accessible format, tackles issues such as growth, development and equity.

Corruption and Decentralized Public Governance (Working Paper No. 3824). This Paper examines the conceptual and empirical basis of corruption and governance and concludes that decentralized local governance is conducive to reduced corruption in the long run. This is because localization helps to break the monopoly of power at the national level by bringing decisionmaking closer to people. Localization strengthens government accountability to citizens by involving citizens in monitoring government performance and demanding corrective actions. Localization as a means to making government responsive and accountable to people can help reduce corruption and improve service delivery. Efforts to improve service delivery usually force the authorities to address corruption and its causes. However, one must pay attention to the institutional environment and the risk of local capture by elites. In the institutional environments typical of some develop-

ing countries, when in a geographical area, feudal or industrial interests dominate and institutions of participation and accountability are weak or ineffective and political interference in local affairs is rampant, localization may increase opportunities for corruption. This suggests a pecking order of anticorruption policies and programs where the rule of law and citizen empowerment should be the first priority in any reform efforts. Localization in the absence of rule of law may not prove to be a potent remedy for combating corruption.

How Important Are Financing Constraints? The Role of Finance in the Business Environment (Working Paper No.3820). What role does the business environment play in promoting and restraining firm growth? Recent literature points to a number of factors as obstacles to growth. These factors: inefficient functioning of financial markets; inadequate security and enforcement of property rights;

poor provision of infrastructure; inefficient regulation and taxation; and broader governance features, such as corruption and macroeconomic stability are discussed without any comparative evidence on their ordering.

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