

April 21, 2006

## JORDAN CAS COMPLETION REPORT REVIEW

*Progress has been mixed toward attaining the objectives of the FY03-05 CAS—foster growth to create jobs and reduce poverty, promote human development, and improve water resource management and public sector efficiency. Despite regional tensions and slow progress in some structural reforms, the economy grew at about 5 percent p.a. But GDP growth, led by manufacturing and exports, has not been broadly-shared and is insufficient to achieve needed reductions in poverty and unemployment, especially among women. By contrast, substantial progress in almost all areas covered by the MDGs has been made—achieving universal primary school enrollment, bridging gender gaps in education, and reducing infant mortality rates. Progress in improving water resource management and public sector efficiency has been more modest than had been hoped. Overall, IEG rates the outcome of the Bank's assistance program as moderately satisfactory.*

*The CASCR provides a detailed survey of progress and candidly acknowledges shortcomings. It rates the outcome of the assistance program and Bank performance as satisfactory. However, the evaluation of outcome is made difficult, in some cases, by a lack of indicators and data. The CASCR provides lessons with which IEG largely agrees.*

### Government Objectives, CAS Objectives, Overview of Implementation

1. The CAS Completion Report (CASCR) covers the FY03-05 CAS. The CAS reflected Jordan's development priorities as articulated in *2002-05 Program for Social and Economic Transformation*. The CAS objectives were to: (i) foster growth to create jobs and reduce poverty by maintaining macroeconomic stabilization, privatization and export development, and by improving the investment environment; (ii) promote human development, with emphasis on education and gender equity; (iii) improve water resource management; and (iv) improve public sector efficiency.
2. The FY03-05 CAS included the 2003 Jordan *Country Assistance Evaluation* (CAE) recommendations that the Bank should: (i) focus its assistance on improving the quality and efficiency of public expenditure, (ii) conduct a collaborative poverty assessment to reach a consensus on the incidence of poverty and ensure a sound basis for poverty reduction programs, (iii) analyze the labor market to provide a basis to reduce the high unemployment rate, and (iv) strengthen coordination with other donors. IEG's recommendation to enhance donor coordination has been adopted and the Lebanon Country Office, which also serves Jordan, has been strengthened. Also, the need for improved data and analysis on poverty has been met (para. 5). However, the labor market study has been postponed until the next CAS period, and work on public expenditure has not yet had much impact, so that the high level of government expenditures remains a cause for concern. As the Government cannot raise commensurate tax revenues, it struggles to finance the high budget deficit (12-15 percent of GDP), and the stock of public debt (about 100 percent of GDP), much of which is external (70 percent of GDP), is worrisome. Jordan's vulnerability to external shocks in a volatile region—given the country's heavy reliance on remittances from workers abroad (25 percent of GDP), foreign grants and tourism (10 percent of GDP each)—remains high.
3. The FY03-05 CAS is difficult to evaluate, as it identified indicators to assess progress, but several were fairly general. For example, the health sector monitoring indicators include

“achieve good progress in phase 1 of the reform program”; for the water sector “define and disseminate sectoral policy on intersectoral water allocations”; and in the area of public/civil service reform “put in place transparent and efficient and gender responsive practices for hiring, firing, and promotion”, and “attract and retain qualified civil servants”. More important, under education, only one goal related to universal primary education is listed, but a comprehensive reform to support the knowledge economy is being undertaken assisted by the Bank’s Education Reform for Knowledge Economy (FY03, US\$120 million) for an ambitious program costing US\$800 million. A results-based approach with agreed and monitorable output and outcome indicators (including benchmarks and targets) embedded in an improved monitoring and evaluation framework would have helped to anchor the Bank’s program.

4. The CAS—a continuation of the Bank’s earlier program—was ambitious and did not adequately reflect the availability of alternative (grant) resources. Approved lending totaled about one half of the planned base case level of US\$305 million. The disconnect between planned projects and actual delivery has been a persistent problem in the Jordan program, as 11 projects have been dropped during the last five years after considerable resources were spent developing them (about 25 percent of total budget). About 80 percent of the proposed CAS lending (US\$230 million) was expected to be for just two follow-up operations: FY03 *Education for the Knowledge Economy* (US\$120 million), formally HRDSIL III (annex table 1), and the FY04 *Third Public Sector Reform Loan* (US\$110 million) which was dropped because of government reluctance to proceed rapidly and which the Bank replaced with technical assistance to support longer-term capacity building as recommended in the CAE. Also, IBRD guarantees of US\$150 million—proposed as a catalyst for private investment in water (FY04 *Disi-Amman Conveyor Guarantee Project*) and power (FY05 *Samra Private Power*)—did not materialize. The Bank’s relatively small role in financial assistance to Jordan is largely explained by large flows of concessional aid from other donors (mainly the US and EU) due to geopolitical considerations (annex table 9). Also, regional development agencies such as the Islamic Development Bank (IsDB) and Arab funds offer better terms than IBRD.

5. Less AAA was undertaken than envisaged. Completed ESW has generally been successful in advancing the reform agenda (e.g., poverty and gender assessments). The Bank was successful in completing an innovative joint poverty assessment in 2004, closing the large gap between estimates, establishing clear baseline data, and designing poverty mapping useful for targeting the safety net. However, there are important gaps in ESW, including a Country Financial Accountability Assessment (CFAA) and Country Procurement Assessment Review (CPAR) planned for FY05 and FY04, respectively—and a planned FY04 analysis of labor market, a priority given high and persistent unemployment (annex table 4). Because of these omissions, the share of resources allocated to Jordan’s ESW, averaging 15 percent annually, was below the Bankwide average (18 Percent) and MENA average (21 percent).

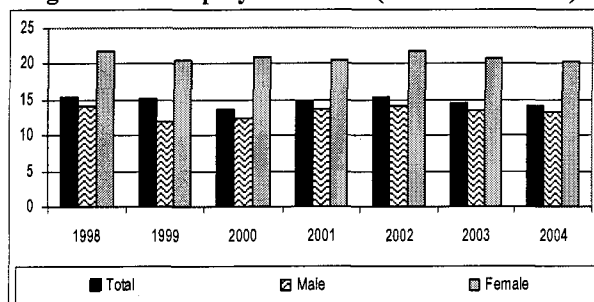
### CAS Implementation by Objectives

#### *Objective 1: Foster growth to create jobs and reduce poverty*

6. Jordan’s economic growth has improved during the CAS period. GDP per capita growth that averaged 0.8 percent during 1998-2001, increased to an average of 2.5 percent during 2002-2004 (corresponding to GDP growth of 5 percent per annum), despite the Iraq war-induced recession of 2003. Contributing factors were Jordan’s increased exports, an influx of Iraqi immigrants and money, and spillover from high oil prices in the neighboring countries.

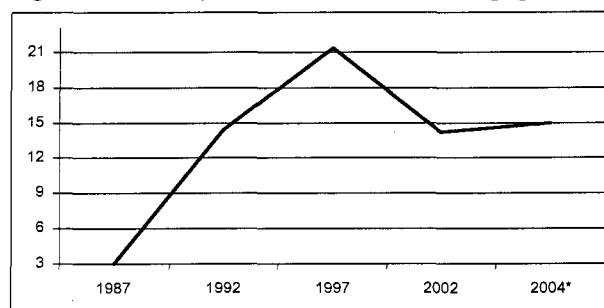
However, Jordan's growth rate has not translated into sufficient job creation, and unemployment remains high, especially among women (Figure 1). Significant reduction in unemployment requires economic growth to average 6-7 percent p.a. (2004 *Poverty Assessment*, p. 114). Decreases in poverty were not sustained beyond 2002 (Figure 2).

**Figure 1: Unemployment Rate (% of labor force)**



Source: Department of Statistics (DoS), Amman.

**Figure 2: Poverty Headcount Index (% of population)**



Sources: Poverty Assessment, World Bank (2004) and USAID (2005).  
 Note: \* indicates USAID estimates.

7. *Macroeconomic stabilization.* The Bank's macroeconomic dialogue, through the PER and quarterly economic management reports, among other AAA, and IMF's Extended Fund Facility programs helped Jordan stabilize its economy—single digit inflation and comfortable foreign exchange reserves, despite the disruption caused by the Iraq war. However, budget deficits and public debt remain high.

8. *Promoting privatization and export development.* The Bank provided useful technical assistance in privatization transactions in collaboration with USAID under two trust funds. Several major privatizations (e.g., telecom and Arab Potash Co.) have occurred in the last few years. With the Bank and other donor support, Jordan took significant steps to integrate itself into the global economy, joining the WTO and signing trade agreements with the US and the EU. Export growth, after being flat during the 1996-2000 period, increased to over 15 percent per year in the last four years. Contributing factors are Jordan's Qualified Industrial Zones (QIZ), following the 2001 US-Jordan Free Trade Agreement, and diversification of products and markets. For example, Jordan exports to the US, mainly textiles from QIZs, increased to US\$1.1 billion in 2004.

9. *Improving the investment environment.* Despite Jordan's reform effort including privatization, legal and regulatory reforms, the country has not attracted substantial private investment beyond the QIZs. However, logistics and transport costs and the unsettled regional political situation have probably had the most significant dampening effects on investment. The FY04 *Amman Development Corridor*, which is in its early implementation stages, is supporting efficient transport and logistic services.

**Objective II: Promote human development, with emphasis on education and gender equity**

10. With the Bank and other donor support, Jordan has made remarkable progress in almost all areas covered by the MDGs, with some targets already met and others likely to be met by 2015. For example, almost all children attend school, which meets the MDG goal of universal primary education. The country's youth literacy rate is about 99 percent (annex table 7),

surpassing the regional rate. The infant mortality rate (IMR) at 23 per 1000 live births, is half the MENA average. However, this progress has been achieved in an inefficient manner (e.g., there is excess capacity in facilities and personnel) and the cost in terms of public expenditures has been relatively high, compared to the regional average. Jordan spends about 9 percent of its GDP on health; reforms to improve efficiency are needed. Despite expansion of the education system, there is a mismatch between graduates' skills and those demanded by the labor market.

11. *Gender equity.* Progress has been made in achieving gender equality especially in education. The ratio of girls to boys in primary and secondary education exceeds 100 percent and the ratio of young literate females to males shows a similar trend (annex table 7). The Bank's policy dialogue and analytic work (e.g., the CAS and the gender assessment) leveraged a number of measures and policy reforms to advance the role and contribution of women to Jordan's development. Recently several laws were amended to reduce discrimination (e.g., the electoral law has been amended to include a quota of six seats reserved for women in the Parliament and tax provisions now apply equally to men and women). However, female labor force participation is low (26 percent) and the women's unemployment rate is nearly twice the rate for men (Figure 1).

12. *Education.* The Bank's *Education Reform for Knowledge Economy I Project* (FY03) is supporting further improvements in curriculum, enrollment, and other aspects of education. A new curriculum was launched in September, 2004, and fundamentals of an improved early childhood education program are now in place. This project is also contributing to progress in gender equity noted above.

13. *Health.* Earlier Bank assistance (FY99-05 *Health Sector Reform Project* and FY97 *Health Sector Study*) aimed at improving the efficiency, quality, and financial sustainability of health services. While the Bank has supported upgrading physical infrastructure, training health professionals, introduction of management information systems, and reform of the pharmaceutical sector, little has been achieved in terms of health policy reform while, over the past decade, health expenditures have increased dramatically. The proportion of the population that has no health insurance decreased from 32 percent to about 20 percent, but little progress has been made in terms of effective policy leadership and coordination among the numerous public and private health care providers. The TA envisaged for the Higher Health Council did not materialize.

### ***Objective III: Improve water resource management***

14. Jordan is one of the most water-short countries in the world. It is unsustainably overdrawing groundwater resources, and is faced with supply options that are more expensive than current sources of water. Despite scarcity, water use efficiency is low, with high levels of unaccounted-for-water and low levels of cost recovery. Currently, 70 percent of water is allocated for agriculture use which is still subsidized (although tariffs were partly raised under the Bank's *Agriculture Sector Adjustment Loan* (FY95)) and contributes only 2 percent to GDP. Yet concerns about employment, and a powerful farmers' lobby are driving a preference for expensive supply-side solutions rather than for demand management. The Bank could have been more persuasive in allaying concerns about the effect of increased irrigation tariffs on employment and labor markets had the Bank's postponed labor market study been implemented on schedule.

15. The Bank's policy dialogue and analytic work (e.g., 1997 *Water Sector Review*, and 2001 *Update*) leveraged legislation and government policies. The country developed *Jordan's Water Strategy and Policies* and an ambitious investment program that extends to 2011. The strategy emphasized the need to develop and improve water resource management, reduce water losses, and introduce private sector participation in urban water services in Amman and Northern governorates. A number of measures and policy reforms have been undertaken but the pace is not commensurate with the rapidly dwindling water resources.

16. The Bank supported many initiatives in the water sector over the last 5 years, focusing on private sector participation and private management contract. The 1999-2004 *Amman Water and Sanitation Management Project* that introduced a performance-based private management contract is yielding positive results (e.g., raising tariffs and improving cost recovery). Yet reduction of unaccounted-for-water has been modest. Recent private sector participation attempts (proposed US\$730 million *Disi-Amman Conveyor Guarantee Project* and Northern Governorates) have failed. The lack of cost recovery in the sector (due to lack of enforcement of legal action for illegal water use and delinquent payment of bills) is a deterrent to private sector participation. Beyond this, the *Disi-Amman Conveyor* proposal would have implemented a supply-side solution rather than supported a demand management and cost recovery framework, an issue not adequately exposed at the time of project discussions, perhaps because of a lack of ESW in the sector once the ASAL and its associated TA loan were completed.

17. The Bank's contribution to the water sector is declining compared with other donors, notably the US, which has assumed a more prominent role in the sector in recent years. Yet, there could still be an important role for the Bank in this sector. Given the authorities' receptivity to reform, the Bank could assist the country, in coordination with other donors, to implement a comprehensive/integrated approach to water resources management, viewing water as a single source with many users (agriculture, industry, and urban development), promoting incentives for more efficient use of water, raising water/irrigation tariffs to cover costs, and upgrading infrastructure to reduce costs and water losses. As Jordan shares water resources with other water-deprived countries, regional coordination is vital. The Bank's ongoing *Water Sector Strategy Review* could help develop such approach.

#### ***Objective IV: Improve the efficiency of public sector***

18. During the past four years, public sector reforms have progressed slowly, with some limited progress in selected areas, such as e-government and customs, and only marginal improvement in public expenditure management and civil service reform.

19. The Bank supported these reforms through successive, single tranche adjustment loans—FY01 *Public Sector Reform Loan I* (PSRL I) and FY03 PSRL II. However, the proposed adjustment loan (FY04 PSRL III) was replaced by an FY05 capacity building TA.

20. The PSRL conditions related to inputs (e.g., hiring and training judges, upgrading computers in courts, and passing a new civil service bylaw), not outputs (e.g., levels of government services or reduction in public expenditures that the PERs have identified as being problematic). As a result, Bank-supported public sector reforms did not significantly reduce government expenditures or improve their allocation (public expenditures have hovered around 35 percent of GDP). Besides health and education, a significant part of public

spending stems from large public employment. Jordan's public sector remains large relative to comparable countries and the authorities remain reluctant to tackle key related policy issues.

### Overall IEG Assessment

21. The FY03-05 CAS had relevant objectives, appropriately focused on Jordan's development priorities. The Bank assistance program helped in achieving the significant but uneven progress observed during the period, as indicated by IEG project outcome ratings of satisfactory for 85.7 percent of projects exiting during FY02-05 (annex table 3a). GDP growth has improved and Bank support for private sector development has been important, but poverty and unemployment remain high in the absence of broadly shared sustained growth. The Bank assistance in human resources has helped with improving education and health services, meeting the MDGs in education and reducing IMR. Progress is also being supported toward more gender equality (e.g., women's high literacy rate and bridging gender gaps in education) although women's participation in the economic sphere has not kept pace with this progress. Some advances have been made in managing water resources and improving public sector efficiency. The private sector Bank-supported management contract for Amman modestly improved water use efficiency, reduced costs, and significantly increased cost recovery. Efforts to streamline the public sector and decrease its size were not fully successful. Overall, IEG assesses the outcome of the CAS program as *moderately satisfactory*.

### Assessment of the CAS Completion Report

22. The quality of the CASCR is satisfactory, providing a balanced assessment of achievements and candidly acknowledging shortcomings. The report rates the outcome of the CAS program and Bank performance as satisfactory but acknowledges the difficulty of evaluating the Bank's intervention in the absence of a results framework. The CASCR does a credible job of presenting CAS results, especially since the CAS itself did not have a clear-cut monitorable framework, and it meets the objective of deriving explicit guidance for future programs based on CAS experience—support public sector reform and efficient use of water resources, enhance private sector development, strengthen donor coordination, and prepare the next CAS with a results focus approach.

### Findings

23. The Bank delivered a small proportion of its proposed assistance program. In particular, actual lending was considerably lower than envisaged. Also, the Bank did not adequately address issues of high unemployment, a large and inefficient public sector, and scarce and inefficient water use. The proposed program in education was implemented, as was AAA work in water, public expenditures, and other areas. In the implementation of the Bank's strategy, the Bank could (i) help Jordan sustain high and broadly-shared growth to reduce unemployment and consequent poverty by focusing on accelerating reforms to enhance the efficiency and quality of public services to attract private investment beyond the QIZs; (ii) forge close partnerships with other donors to strengthen prospects for reforms, especially in the water sector; and (iii) fill the gaps in priority ESW.

**Annex Table 1: CAS-Proposed versus Actual Commitments**

	<i>CAS Proposal</i>	<i>Planned US\$</i>	<i>Actual US\$</i>	<i>Status</i>	<i>Purpose*</i>
FY03	Education Reform for Knowledge Economy	120	120	Closed	<u>a</u> <u>b</u>
FY04	Third Public Sector Reform Loan (PSRL III)	110		Dropped	<u>a</u> <u>d</u>
FY04	Amman Development Corridor	30	38	Approved	<u>a</u>
FY05	Cultural Heritage, Tourism, and urban Development	45		Postponed until FY07	<u>a</u> <u>b</u>
FY05	Public Sector Reform Capacity Building Project (replaced PSRL III)	New	15	Approved	<u>a</u> <u>d</u>
<b>TOTAL Lending</b>		<b>305</b>	<b>173</b>		
<b>Guarantees</b>					
FY04	Disi Amman Water Conveyor (guarantee)	100		Dropped	<u>a</u> <u>c</u>
FY05	Samra 1 <sup>st</sup> Private Power (guarantee)	50		Dropped	<u>a</u>
<b>TOTAL Guarantees</b>		<b>150</b>	<b>0</b>		
<b>TOTAL: Lending and Guarantees</b>		<b>455</b>	<b>173</b>		

Source: World Bank Business Warehouse as of December 5, 2005

- a. Foster growth to create jobs and reduce poverty
- b. Promote human development
- c. Improve water resource management
- d. Improve the efficiency of the public sector

Note: PRSL II was approved 7/2/2002 but had been included in the FY00 CAS and is therefore not reviewed under this CASCR period.

Annex Table 2: Jordan - Macroeconomic and Social Indicators, 1998 - 2004

	Average 1998-2004													
	1998	1999	2000	2001	2002	2003	2004	Jordan	Egypt	Algeria	Morocco	Tunisia	LMI	MNA
GDP growth (annual %)	3.0	3.1	4.2	4.2	5.0	3.2	7.5	3.8	4.3	4.1	3.7	5.0	4.0	4.0
GNI per capita, Atlas method (current US\$)	1590.0	1620.0	1720.0	1750.0	1760.0	1850.0	2140.0	1715.0	1420.0	1752.9	1262.9	2161.4	1197.1	1742.9
GNI per capita, PPP (current international \$)	3720.0	3770.0	3900.0	4040.0	4190.0	4290.0	4640.0	3985.0	3605.0	5432.9	3634.3	6254.3	3868.6	5014.3
GDP per capita growth (annual %)	-0.1	0.0	1.1	1.3	2.1	0.5	4.9	0.8	2.4	2.4	2.3	3.6	2.9	2.1
Agriculture, value added (% of GDP)	3.1	2.4	2.3	2.1	2.2	2.2	2.1	2.4	16.9	10.9	16.0	12.1	12.7	14.1
Industry, value added (% of GDP)	26.4	25.8	25.3	25.2	25.9	26.0	25.3	25.8	32.6	56.0	31.0	28.4	34.0	35.3
Services, etc., value added (% of GDP)	70.5	71.9	72.4	72.7	71.9	71.8	72.6	71.9	50.5	33.1	53.1	59.6	53.3	50.6
Exports of goods and services (% of GDP)	44.8	43.4	41.8	42.8	45.6	44.5	45.4	43.8	17.3	34.6	31.3	44.1	28.7	27.4
Imports of goods and services (% of GDP)	64.3	61.3	68.5	68.3	65.9	70.1	69.3	66.4	23.6	23.6	35.9	47.7	27.9	28.4
Current account balance (% of GDP)	0.2	5.0	0.7	0.0	3.9	9.8	-0.4	3.3	-0.2	..	2.1	-3.3	..	..
Total debt service (% of exports of goods and services)	15.9	10.0	12.6	10.6	8.8	16.4	..	12.4	10.2	..	22.7	15.2	18.4	13.7
External debt (% of GNI)	97.3	101.3	87.2	85.2	87.1	85.2	..	90.6	33.9	50.2	58.8	60.2	40.1	39.6
Total reserves in months of imports	4.2	6.1	6.5	5.9	7.4	8.9	8.7	6.5	8.3	..	7.1	2.4	7.6	12.5
Gross domestic savings (% of GDP)	2.4	3.7	-4.6	-3.1	2.5	-2.8	-1.0	-0.3	12.2	39.1	18.9	22.6	25.4	23.6
Inflation, consumer prices (annual %)	3.1	0.6	0.7	1.8	1.8	2.3	3.4	1.7	3.2	2.9	1.8	3.0	..	..
Immunization, DPT (% of children ages 12-23 months)	99.0	97.0	91.0	99.0	95.0	97.0	..	96.3	96.2	89.5	93.3	96.3	73.5	91.3
Improved sanitation facilities (% of population with access)	..	..	..	..	93.0	..	..	93.0	68.0	92.0	61.0	80.0	50.0	75.0
Improved water source (% of population with access)	..	..	..	..	91.0	..	..	91.0	98.0	87.0	80.0	82.0	79.0	88.0
Life expectancy at birth, total (years)	..	..	..	..	72.0	72.1	..	72.1	69.0	71.0	68.5	72.8	65.0	68.0
Mortality rate, infant (per 1,000 live births)	..	..	25.0	..	..	23.0	..	24.0	36.5	36.0	38.5	20.5	59.0	45.0
School enrollment, preprimary (% gross)	28.6	30.1	..	31.1	..	..	..	29.9	11.5	3.2	61.2	17.6	32.6	17.0
School enrollment, primary (% gross)	96.5	97.0	..	98.6	..	..	..	97.4	97.4	108.0	100.6	113.0	101.8	98.6
School enrollment, secondary (% gross)	86.9	86.1	..	86.5	..	..	..	86.5	84.4	79.0	41.2	76.6	55.4	66.2
Population, total (in million)	4.6	4.7	4.9	5.0	5.2	5.3	5.4	5.0	64.6	30.9	29.2	9.7	5143.9	278.9
Population growth (annual %)	3.1	3.1	3.1	2.9	2.8	2.6	2.5	2.9	1.9	1.6	2.0	1.0	1.0	2.0
Urban population (% of total)	78.5	78.6	78.7	78.8	79.0	79.1	79.2	78.8	42.8	57.7	56.0	63.0	41.7	55.0

Source: DDP World Bank, as of December 8, 2005.

**Annex Table 3a: IEG Project Ratings, Exit FY02-05**

Region	Total Evaluated (\$M)	Total Evaluated (No)	Outcome % Sat (No)	Of the Sat. Outcomes % Mod. Sat (No)	Inst Dev Impact % Subst. (No)	Sustainability % Likely (No)
Jordan	244.9	7	85.7	16.7	57.1	83.3
MNA	2681.4	74	68.9	--	35.1	68.2
World Bank	60218.3	840	77.6	--	51.6	76.7

Source: Business Warehouse as of July 19, 2005 (table 4.a.5.).

**Annex Table 3b: IEG Project Ratings, Exit FY 02-05**

Proj ID	Total Evaluated (\$M)	Exit FY	IEG Outcome	IEG Sustainability	IEG ID Impact
Gulf of Aqaba EAP	0.0	2002	Satisfactory	Likely	High
Human Resources Dev. Sector Investment II	56.9	2003	Satisfactory	Non-evaluable	Substantial
Health II	18.3	2002	Unsatisfactory	Likely	Modest
JO-Housing Finance/Urban	19.0	2002	Satisfactory	Likely	Substantial
Community Infra. Dev.	28.7	2004	Satisfactory	Likely	Substantial
Training & Employment	1.9	2003	Satisfactory	Unlikely	Modest
Jo-PRSL II	120.0	2003	Moderately satisfactory	Likely	Modest

Source: Business Warehouse as of July 19, 2005 (table 4.a.5 and 4.a.6).

**Annex Table 4: Jordan—Economic and Sector Work Delivery**

<i>Name</i>	<i>Delivery Date</i>	<i>Completion Status</i>	<i>Product Number</i>
<b><u>Planned FY03</u></b>			
Health Sector Strategy	03/31/2005.	Completed	P031986
Mortgage TA	n.a.	n.a.	P078463
<b><u>Planned FY04</u></b>			
Energy Sector Strategy	12/23/2004	Active	P080297
Labor Market Study	n.a.	Postponed until FY07	n.a.
Natural Resource Management & Environment	06/10/2004	Active	P079936
Trade Logistics	n.a.	n.a.	P078443
Public Expenditure Review	n.a.	A note completed in FY04	n.a.
Country Gender Assessment	5/1/2005	Completed	Rep. 32237
Country Procurement Assessment Review	n.a.	n.a.	n.a.
<b><u>Planned FY05</u></b>			
Country Economic Memorandum	n.a.	n.a.	n.a.
Country Financial Accountability Assessment	n.a.	n.a.	n.a.
Knowledge-Based Economy	n.a.	n.a.	n.a.
<b><u>Others</u></b>			
Poverty Assessment	12/1/2004	Completed	Rep. 33802
Education Strategy (PESW)	05/28/2004	Closed	P085110
Pension Fund Reform (PESW)	03/15/2004	Closed	P083532
Water Sector Strategy and Implementation (PESW)	05/31/2006	Active	P078556
Government Development Program TA	n.a.	n.a.	n.a.

**Annex Table 5a: Jordan - Projects at Risk (in USD millions)**

Fiscal year	1998	1999	2000	2001	2002	2003	2004	2005
# Proj	10	12	10	9	8	7	7	6
Net Comm Amt	318.6	408.6	298.3	291.7	256.7	311.7	319.7	267.7
# Proj At Risk	0.0	0.0	0.0	0.0	1.0	1.0	0.0	0.0
% At Risk	0.0	0.0	0.0	0.0	12.5	14.3	0.0	0.0
Comm At Risk	0.0	0.0	0.0	0.0	5.0	35.0	0.0	0.0
% Commit at Risk	0.0	0.0	0.0	0.0	1.9	11.2	0.0	0.0

Source: Business Warehouse as of December 5, 2005 (Table 3.a.4)

**Annex Table 5b: Portfolio Status Indicators by Year, FY98-05**

Country	Fiscal year	1998	1999	2000	2001	2002	2003	2004	2005
Jordan	# Proj	10	12	10	9	8	7	7	6
	% At Risk	0	0	0	0	13	14	0	0
	% Realism					100	100		
	% Proactivity	100					100	100	
	Net Comm Amt	319	409	298	292	257	312	320	268
	% Commit at Risk	0	0	0	0	2	11	0	0
Algeria	# Proj	10	9	11	10	13	13	11	9
	% At Risk	50	33	18	20	15	8	27	22
	% Realism	80	100	50	100	100	100	100	100
	% Proactivity	71	100	100	100	100	100	100	67
	Net Comm Amt	750	712	773	668	699	561	474	337
	% Commit at Risk	56	45	31	24	25	15	10	33
Egypt	# Proj	17	20	20	18	18	16	17	14
	% At Risk	18	15	20	6	28	13	18	7
	% Realism	100	100	100	100	80	100	100	100
	% Proactivity	67	100	67	100	100	100	100	100
	Net Comm Amt	1055	1402	1448	1083	1012	764	1014	1085
	% Commit at Risk	15	12	37	1	34	16	2	1
Morocco	# Proj	19	20	20	19	18	16	12	10
	% At Risk	32	20	15	21	6	13	17	20
	% Realism	100	100	100	75	100	100	100	100
	% Proactivity	75	100	100	100	100	100	100	50
	Net Comm Amt	1353	982	902	739	595	425	338	436
	% Commit at Risk	23	22	15	20	11	23	4	10
MENA	# Proj	116	122	126	116	114	109	99	89
	% At Risk	21	16	17	17	22	17	16	13
	% Realism	83	95	90	85	60	78	88	92
	% Proactivity	81	95	84	89	88	87	86	71
	Net Comm Amt	6660	6873	7174	5652	5087	4763	4961	5365
	% Commit at Risk	20	19	19	19	24	16	8	8
Bank-wide	# Proj	1540	1544	1505	1457	1428	1395	1346	1332
	% At Risk	25	19	15	13	19	16	17	17
	% Realism	68	74	79	79	61	77	82	78
	% Proactivity	72	83	84	89	85	88	83	83
	Net Comm Amt	120768	123799	116164	106641	102601	94772	92554	93212
	% Commit at Risk	21	21	16	12	17	15	16	13

Source: Business Warehouse as of December 5, 2005 (Table 3.a.4)

**Annex Table 6: IBRD/IDA Disbursement and Charges Summary Report, FY00-05**  
**(in US\$ million)**

<i><b>FY</b></i>	<i><b>Commitment</b></i>	<i><b>Gross Disb.</b></i>	<i><b>Repay</b></i>	<i><b>Net Disb.</b></i>	<i><b>Interest</b></i>	<i><b>Fees</b></i>	<i><b>Net Transfers</b></i>
<b>2000</b>	35	37	61	-24	51	0	-75
<b>2001</b>	120	159	56	103	52	2	50
<b>2002</b>	5	48	58	-10	43	0	-53
<b>2003</b>	240	162	60	103	34	3	65
<b>2004</b>	38	28	86	-58	27	1	-87
<b>2005</b>	15	48	78	-31	25	1	-57
<b>TOTAL</b>	<b>2,114</b>	<b>1,875</b>	<b>1,156</b>	<b>719</b>	<b>783</b>	<b>24</b>	<b>-88</b>

*Source:* Client connection as of Dec. 5, 2005

**Annex Table 7: Jordan—Millennium Development Goals**

	1990	1994	1997	2000	2003	2004
<b>Goal 1: Eradicate extreme poverty and hunger</b>						
Percentage share of income or consumption held by poorest 20%	..	..	7.6	..	..	..
Population below \$1 a day (%)	..	..	2	..	2	..
Population below minimum level of dietary energy consumption (%)	..	..	7	..	7	..
Poverty gap ratio at \$1 a day (incidence x depth of poverty)	..	..	0.5	..	0.5	..
Poverty headcount, national (% of population)	15	..	11.7	..	..	..
Prevalence of underweight in children (under five years of age)	6.4	6.4	5.1	..	4.4	..
<b>Goal 2: Achieve universal primary education</b>						
Net primary enrollment ratio (% of relevant age group)	94.1	..	89.6	91.3	92	..
Primary completion rate, total (% of relevant age group)	103.6	99.1	100	98.2	..	..
Proportion of pupils starting grade 1 who reach grade 5	..	..	97.7	97.1	..	..
Youth literacy rate (% ages 15-24)	..	..	..	..	99.1	99.1
<b>Goal 3: Promote gender equality and empower women</b>						
Proportion of seats held by women in national parliament (%)	0	..	1	0	1	6
Ratio of girls to boys in primary and secondary education (%)	101.4	..	101.3	101.1	101.3	..
Ratio of young literate females to males (% ages 15-24)	..	..	..	..	99.6	99.6
Share of women employed in the nonagricultural sector (%)	23.1	23.4	23.9	24.4	24.9	24.9
<b>Goal 4: Reduce child mortality</b>						
Immunization, measles (% of children ages 12-23 months)	87	91	95	94	96	96
Infant mortality rate (per 1,000 live births)	33	29	..	25	23	23
Under 5 mortality rate (per 1,000)	40	35	..	30	28	28
<b>Goal 5: Improve maternal health</b>						
Births attended by skilled health staff (% of total)	87.2	..	96.7	..	99.5	..
Maternal mortality ratio (modeled estimate, per 100,000 live births)	..	..	..	41	..	..
<b>Goal 6: Combat HIV/AIDS, malaria, and other diseases</b>						
Contraceptive prevalence rate (% of women ages 15-49)	35	..	50.3	..	56	..
Incidence of tuberculosis (per 100,000 people)	12.5	9.4	7.6	6.1	4.9	4.9
Number of children orphaned by HIV/AIDS	..	..	..	..	..	..
Prevalence of HIV, total (% of population aged 15-49)	..	..	..	0.1	0.1	0.1
Tuberculosis cases detected under DOTS (%)	..	111.7	73	64.2	88.9	88.9
<b>Goal 7: Ensure environmental sustainability</b>						
Access to an improved water source (% of population)	98	..	..	..	91	..
Access to improved sanitation (% of population)	..	..	..	..	93	..
Access to secure tenure (% of population)	..	..	..	..	..	..
CO2 emissions (metric tons per capita)	3.2	3.4	3.2	3.2	..	..
Forest area (% of total land area)	1	..	..	1	..	..
GDP per unit of energy use (2000 PPP \$ per kg oil equivalent)	3.5	3.8	3.7	3.6	3.9	..
Nationally protected areas (% of total land area)	..	..	..	..	3.4	3.4
<b>Goal 8: Develop a global partnership for development</b>						
Aid per capita (current US\$)	280	91.7	103.7	113	232.5	232.5
Debt service (% of exports)	22	17	22	16	23	23
Fixed line and mobile phone subscribers (per 1,000 people)	72.1	77.4	97.7	199	355.6	355.6
Internet users (per 1,000 people)	..	0.2	5.9	25.3	81.1	81.1
Personal computers (per 1,000 people)	..	7.3	10.9	29.8	44.7	44.7
Unemployment, youth female (% of female labor force ages 15-24)	..	..	..	..	..	..
Unemployment, youth male (% of male labor force ages 15-24)	..	..	..	..	..	..
Unemployment, youth total (% of total labor force ages 15-24)	..	..	..	..	..	..
<b>Other</b>						
Fertility rate, total (births per woman)	5.4	4.3	3.9	..	3.5	3.5
GNI per capita, Atlas method (current US\$)	1390	1450	1580	1750	1910	2140
GNI, Atlas method (current US\$) (billions)	4.4	5.9	7	8.6	10.1	11.6
Gross capital formation (% of GDP)	31.9	33.3	25.7	22.2	22.5	21.2
Life expectancy at birth, total (years)	68.5	..	70.8	..	72.1	72.1
Literacy rate, adult total (% of people ages 15 and above)	..	..	..	..	89.9	89.9
Population, total (millions)	3.2	4.1	4.5	4.9	5.3	5.4
Trade (% of GDP)	154.6	119.3	120.9	110.2	114.6	114.8

Source: World Development Indicators database, April 2005.

**Annex Table 8: Poverty and Inequality in Jordan, Egypt, Morocco, and Tunisia**

<i>Country and survey year</i>	<i>Urban</i>		<i>Rural</i>		<i>Overall</i>		<i>Gini coefficient</i>
	<i>Headcount Index (%)</i>	<i>Poverty Gap (%)</i>	<i>Headcount Index (%)</i>	<i>Poverty Gap (%)</i>	<i>Headcount Index (%)</i>	<i>Poverty Gap (%)</i>	
<b><u>Jordan</u></b>							
1986/87	2.6	NA	4.4	NA	3.0	0.3	0.36
1992	12.4	3.1	21.1	5.1	14.4	3.6	0.40
1997 <sup>a</sup>	19.7	4.8	27.0	7.2	21.3	5.3	0.36
2002	12.9	2.9	18.7	4.7	14.2	3.3	0.36
<b><u>Morocco</u></b>							
1984/85	17.3	NA	32.6	NA	26.0	NA	0.446
1990/91	7.6	1.5	18.0	3.8	13.1	2.7	NA
1998/99	12.0	2.5	27.2	6.7	19.0	4.4	0.395
<b><u>Egypt</u></b>							
1981/82	18.2	3.5	16.1	3.1	17.2	NA	0.394
1990/91	20.3	4.3	28.6	4.5	25.0	NA	NA
1995/96	22.5	4.9	23.3	4.3	22.9	NA	0.320
1997	22.5	5.6	24.3	6.4	23.5	6.7	0.320
1999/00	3.7		18.3		16.7		
<b><u>Tunisia</u></b>							
1985	4.6	NA	19.1	NA	11.2	NA	0.406
1990	3.5	0.7	13.1	3.2	7.4	1.7	NA
1995	3.6	0.7	13.9	3.1	7.6	1.6	0.400
2000	1.7		8.3		4.1		0.4

<sup>a</sup> The 2001 World Bank Poverty Assessment estimated the percentage of the poor at 11.7 percent for 1997. (R. Shaban, D. Abu Ghaida, and A. Al-Naimat, 2001, Poverty Alleviation in Jordan: Lessons for the Future, World Bank, Table 8, p. 25).

Source: Jobs, Growth, and Governance in the Middle East and North Africa – Unlocking the Potential for Prosperity, The World Bank and Adams, Richard and John Page 2003. "Poverty, Inequality and Growth in Selected Middle East and North Africa Countries, 1980-2003." World Development, Vol. 31, No. 12, pp. 2027-2048. World Bank 2004, Jordan Poverty Assessment, Report No. 27658-JO.

**Annex Table 9: External Assistance to Jordan, Total Net ODA Disbursement, 1998-2004**  
(in US\$ million)

	1998	1999	2000	2001	2002	2003	2004	Total
Australia	-	-	0.03	0.02	-	-	0.03	0.08
Austria	0.44	0.38	0.27	0.33	0.31	0.36	0.18	2.27
Belgium	0.21	-	0.14	0.01	-0.44	0.9	-0.19	0.63
Canada	2.33	2.31	1.89	1.73	3.67	3.31	6.98	22.22
Czech Republic	0.29	0.11	0.03	0.04	0.08	0.24	0.24	1.03
Denmark	0.65	0.04	6.93	3.01	0.09	0.02	0.69	11.43
Finland	0.05	0.03	-	0.02	0.04	0.06	0.07	0.27
France	11.82	9.89	17.1	1.56	3.24	2.26	6.25	52.12
Germany	51.88	58.9	44.28	59.72	51.05	50.35	20.95	337.13
Greece	0.28	0.16	0.18	0.15	0.16	1.85	1.79	4.57
Hungary	-	-	-	-	-	0.02	0.01	0.03
Ireland	0.01	-	-	-	-	0.06	0.01	0.08
Italy	8.63	2.24	4.15	5.88	7.66	4.79	14.86	48.21
Japan	43.96	60.82	104.65	42.69	-0.2	48.33	-5.31	294.94
Korea	0.06	-0.15	-0.3	0.94	4.58	-0.12	0.93	5.94
Netherlands	1.56	0.77	1.12	0.67	0.31	0.38	0.59	5.4
Norway	1.48	2.99	3.36	2.04	2.26	1.53	1.31	14.97
Poland	0.16	0.1	0.1	0.08	0.07	0.05	0.05	0.61
Slovak Republic	-	-	-	-	0.01	-	0	0.01
Spain	1.82	5.28	1.55	16.98	4.67	22.12	3.32	55.74
Sweden	1.23	1.94	0.91	0.68	4.2	1.34	0.84	11.14
Switzerland	4.07	1.91	3.61	2.14	2.08	2.21	1.87	17.89
Turkey	0.01	-	0.06	0.03	0.01	0.03	0.44	0.58
United Kingdom	6.66	7.46	7.4	8.54	4.97	3.85	4.65	43.53
United States	139.88	170.2	187.76	155.88	286.81	948.44	373.97	2262.94
Other Bilateral Donors	1.01	1.61	-	-	0.19	0.07	0.06	2.94
<b>Total Bilateral Donors</b>	<b>278.49</b>	<b>326.99</b>	<b>385.22</b>	<b>303.14</b>	<b>375.82</b>	<b>1092.45</b>	<b>434.59</b>	<b>3196.7</b>
Arab Agencies	0.37	1.97	2.59	0.69	1.88	-1.79	-1.09	4.62
Arab Countries	-0.74	-0.74	-0.74	-3.72	-4.75	0.66	0.54	-9.49
DAC Countries, Total	276.96	325.32	385.33	302.05	370.88	1092.16	432.86	3185.56
EC	49.26	13.95	80.5	44.63	61.06	43.26	54.1	346.76
EU Members, Total	85.24	87.09	84.03	97.55	76.26	88.34	54.01	572.52
G7, Total	265.16	311.82	367.23	276	357.2	1061.33	422.35	3061.09
GEF	0.23	0.14	0.26	0.86	0.45	0.45	0.24	2.63
IDA	-2.41	-2.55	-2.55	-2.55	-2.55	-2.55	-2.55	-17.71
IFAD	0.34	1.26	1.2	3.32	0.27	0.03	-0.74	5.68
MONTREAL PROTOCOL	1.85	0.27	1.1	0.33	0.75	0.22	0.32	4.84
Non-DAC Bilateral Donors, Total	0.79	0.93	-0.85	-2.63	0.19	0.95	2.27	1.65
Other UN	0.01	0.01	-	0.04	0.27	0.23	0.2	0.76
UNDP	0.74	0.65	0.89	0.51	0.46	0.53	0.65	4.43
UNFPA	0.15	0.59	0.44	0.85	0.77	0.34	0.61	3.75
UNHCR	1.32	1.61	1.12	1.08	1.37	1.2	1.29	8.99
UNICEF	1.29	0.88	0.86	0.78	0.68	0.74	0.62	5.85
UNRWA	76	83	79.26	79.77	80.01	88.7	89.64	576.38
UNTA	1.37	1.88	1.1	1.78	1.62	1.78	1.3	10.83
WFP	3.1	2.15	1.2	1.04	1.74	1.32	1.65	12.2
<b>Multilateral, Total</b>	<b>133.62</b>	<b>105.81</b>	<b>167.97</b>	<b>133.13</b>	<b>148.78</b>	<b>134.46</b>	<b>146.24</b>	<b>970.01</b>
<b>ALL Donors, Total</b>	<b>411.37</b>	<b>432.06</b>	<b>552.45</b>	<b>432.55</b>	<b>519.85</b>	<b>1227.57</b>	<b>581.37</b>	<b>4157.22</b>

Source: OECD Database, DAC 2a as of March 28, 2006