



USAID
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USAID/Jordan Country Strategy

2010 – 2014

March 2010

Table of Contents

Acronyms	3
I. Executive Summary	5
II. Introduction	6
A. Country Context.....	6
B. Host Country Priorities and Political Commitment to Reform	8
III. Overall Strategic Approach and Priorities	9
A. U.S. Foreign Policy Goals.....	9
B. Strategic Vision and/or Themes for U.S. Foreign Assistance	10
C. Summary of Assistance Objectives (AOs)	10
D. Development Hypothesis.....	11
E. Linkages.....	11
F. Donor Coordination	12
IV. Detailed Discussion of Assistance Objectives	12
<i>Assistance Objective 1 – Democratic Reforms are Strengthened</i>	12
<i>Assistance Objective 2 – Water Resources Management is Enhanced</i>	16
<i>Assistance Objective 3 – Social Services are Improved</i>	21
<i>IR 3.1: Education and Life Skills are Improved</i>	21
<i>IR 3.2: Health Status for all Jordanians is Improved</i>	26
<i>IR 3.3: Access to Social Services for the Underprivileged is Increased</i>	33
<i>Assistance Objective 4 – Economic Competitiveness Strengthened</i>	36
V. Appendices	42
A. Results Framework	43
B. Bibliography of Relevant Technical Analyses.....	44

Acronyms

ABA – American Bar Association
ADR – Alternative Dispute Resolution
ADC – Aqaba Development Corporation
AFD – French Development Agency
AO – Assistance Objective
ASEZA – Aqaba Special Economic Zone Authority
CDC – Center for Disease Control
CIDA – Canadian International Development Agency
CP – Conditions Precedent
CSO – Civil Society Organization
CSR – Corporate Social Responsibility
DCA – Development Credit Authority
DCU – Development Coordination Unit
DHS – Demographic and Health Survey
DLI – Development Leadership Initiative
ECE – Early Childhood Education
EFA – Education for All
ERfKE – Education Reform for the Knowledge Economy
ESF – Economic Support Funds
EU – European Union
FDI – Foreign Direct Investment
FMF – Foreign Military Finance
FSN – Foreign Service National
FTA – Free Trade Agreement
GDA – Global Development Alliance
GDP – Gross Domestic Product
GEF – Global Environment Facility
GOJ – Government of Jordan
GTZ – German Development Agency
ICT – Information and Communications Technology
IPR – Intellectual Property Rights
IR – Intermediate Results
IT – Information Technology
JCCP – Jordan Center for Communication Programs
JD – Jordanian Dinar
JEI – Jordan Education Initiative
JHCP – Jordan Health Communication Partnership
JICA – Japan International Cooperation Agency
KAfD – King Abudullah II Fund for Development
MCC – Millennium Challenge Corporation
MCH – Maternal and Child Health
MCM – Million Cubic Meters
MDG – Millennium Development Goals
MEPI – Middle East Partnership Initiative
MOE – Ministry of Education
MoEnv – Ministry of Environment
MOPIC – Ministry of Planning and International Cooperation
MOJ – Ministry of Justice
MOU – Memorandum of Understanding
M/SMEs – Micro, Small and Medium Enterprises
NAfKE – National Assessment for Knowledge Economy
NGO – Non-Governmental Organization
NPS – National Population Strategy
OBO – Overseas Building Operations

OE – Operating Expenses
PHC – Primary Health Clinics (or Centers)
PPP – Public Private Partnership
RMS – Royal Medical Service
SME – Small and Medium Enterprise
UNDP – United Nations Development Program
UNESCO – United Nations Education, Scientific and Cultural Organization
UNFAO – United Nations Food and Agricultural Organization
UNFPA – United Nations Population Fund
UNICEF – United Nations Children’s Fund
UNIFEM – United Nations Fund for Women
U.S. – United States
USAID – United States Agency for International Development
USPTO – United States Patent and Trademark Office
WTO – World Trade Organization
ZENID – Queen Zein Al Sharaf Institute for Development

I. Executive Summary

The USAID/Jordan Country Strategy for 2010 – 2014 aims to update and extend the Mission's existing strategy, dated 2007 – 2011 and approved in 2006. USAID/Jordan embarked upon the strategy update in recognition of several significant changes in the strategic environment and budget governing the Mission's program. The major focus areas of the approved 2007 – 2011 Strategy remain water, environment, health, education, democracy and governance, and economic growth. Energy, as well as an increased emphasis on civic participation and human rights within the democracy and governance portfolio, is new. Further, youth and poverty alleviation serve as an overarching, cross-cutting strategic lens that defines our approach under each of these assistance areas. The Mission has added new youth and poverty alleviation activities and plans to expand or modify programs ranging from job skills training to local governance to more sharply focus on economic opportunities, improved living standards, and increased participation by the young and the poor. These changes, and USAID/Jordan's approach to addressing the new development challenges that accompany them, are summarized below.

Jordan's strategic importance as a vital U.S. partner in the Middle East has increased markedly since the start of the war in Iraq, and continues to grow. Long a voice for peace, moderation, reform, and interfaith dialogue, Jordan's leadership has continued to play an essential role in advancing Middle East Peace. Further, Jordan is a tireless partner in advancing stability along its border with Iraq to the East, and, over the past five years, has absorbed significant numbers of Iraqi refugees. The strategy recognizes that economic assistance works in harmony with Peace and Security programs to foster a more stable and secure Jordan. Non-military aid complements military and security assistance by addressing short-term development challenges such as improving living standards for refugees, as well as fostering economic growth and increased participation that will help to maintain stability in Jordan in the future.

Over 70 percent of Jordan's population is under 30, and 60 percent of working age youth are currently unemployed. Approximately 80 percent of the young and unemployed are female.¹ Jordan's leadership is keenly aware of the need to provide adequate channels for positive youth participation in all aspects of Jordanian life. Youth development has therefore been prioritized and expanded across USAID/Jordan's portfolio.

Further, Jordan's youth are a major part of Jordan's newly-recognized and growing cohort of urban poor. One-eighth of Jordan's population is below the poverty line, and over 60 percent of the Kingdom's poor live in cities. More than 80 percent of households report a 25-50 percent increase in their food, energy and transportation expenditure over the past year, and the rate of food insecurity is 4.5 percent in urban areas.² Though Jordan is a Lower Middle Income Country, and has made remarkable strides in developing its economy as a model for the region, the benefits of growth have not meaningfully translated into improved living conditions for the most vulnerable. To date, rural "poverty pockets" have received the lion's share of both Government of Jordan (GOJ) and donor poverty alleviation resources. Evidence suggests, however, that donor efforts are better concentrated on the cities where 75 percent of the country's population live and work. This strategy therefore features a strong, overarching emphasis on urban poverty alleviation both through new economic growth and social services programs, and through modifications to existing projects across all assistance sectors.

Further, the growing cities that house the majority of Jordan's poor are becoming increasingly stressed as they cope with the interlinked challenges of rapid population growth and resource scarcity. At the beginning of the global economic crisis in 2008, fuel prices hit record highs, severely stressing household budgets. Jordan imports 96 percent of its energy resources and is therefore much more vulnerable than its oil-rich neighbors to potentially destabilizing inflation

¹ Unemployment in Jordan report, European Union, 2005

² Food Security Survey in Poverty Pockets, World Food Programme, 2008

when fuel prices spike. The country also remains severely water-poor, and struggles to balance policies and public engagement needed to manage demand in a sustainable fashion with ever-more costly solutions to increase supply. The USAID/Jordan program therefore features increased emphasis on sustainable water and energy development through 2014, via a balanced program of technical assistance, training, and infrastructure. The goal is to support Jordan in meeting its population's resource needs in a sustainable fashion.

II. Introduction

A. Country Context

Jordan is a principal voice for moderation, peace and reform in the Middle East. Its central geographic position – bordered by Iraq, Syria, the Palestinian Territories, Israel and Saudi Arabia – brings it into constant contact with regional turbulence that affects its political climate and its economy. In this volatile environment, Jordan remains a model of stability and development progress in the region.

Since 1999, the GOJ has made significant progress in economic reform, and has taken important steps to advance social and political development. Amid continued political unrest in the region, Jordan's commitment to economic reform resulted in a 7 percent economic growth rate over the past five years. New jobs are being created, basic and higher education systems are being improved and realigned to meet the demands of the job market, the overall health status of Jordanians is good with the public health service delivery system reaching the majority of citizens, and new facilities and management systems are helping to address the enormous demands placed on Jordan's scarce water resources.

Despite these achievements, Jordan faces difficult and persistent challenges. The fundamental development challenge is a growing imbalance between scarce natural resources and the jobs and economic growth needed to fuel Jordan's development and provide all Jordanians – including women, growing numbers of youth, and the urban poor – with opportunities to prosper and participate. The fundamental societal challenge is rising social conservatism and an associated "culture of shame" – cultural attitudes towards acceptable work for Jordanian women contribute to their low rates of participation in the workforce; unemployment among youth, poverty, and a dependence on third-country labor in many sectors of the economy.

Jordan's population, currently estimated at 6.2 million, is growing rapidly, and is projected to more than double over the coming 30 years. Despite GOJ commitment and past progress, the total fertility rate remains high at 3.6 and has not changed appreciably over the past five years. The current rates of infant and under-five mortality rates are still high at 20 and 22 per 1,000 live births, respectively, and while adequate maternal health services are available nationwide, the quality and effectiveness of healthcare needs more attention. Furthermore, infectious diseases are still a cause of morbidity and mortality, while at the same time chronic non-communicable diseases are reaching alarming levels – with prevalence of hypertension among Jordanians 18 years and older reaching 26 percent, hypercholesterolemia 36 percent, diabetes 16.5 percent, obesity 36 percent, and smoking 26 percent.³

The rapid increase in population further compounds the problem of water scarcity and heavy dependence on imported energy. Jordan currently ranks as the world's tenth driest country⁴, and its current demand for water vastly outstrips available renewable fresh-water resources. Annual per capita water availability has declined from 3,600 m³ in 1946 to approximately 179 m³ today. Constructing additional infrastructure, increasing extraction of groundwater resources, pursuing nuclear energy, and developing oil-shale resources are prioritized by the GOJ as supply-side

³ Behavior Risk Factor Surveillance Survey, 2007

⁴ Aquastat – FAO's information system, March 2009

solutions to water and energy challenges, but Jordanian society and institutions must also bolster their adaptive capacity to address water and energy scarcity over the long run.

Although Jordan boasts high literacy and school completion rates and has made steady progress in increasing access to education and eliminating gender disparities, the quality of education remains uneven, particularly in poor areas. Graduates still lack the skills required in an evolving world and are under-prepared for 21st-century jobs. With 70 percent of Jordan's population under 30, it is estimated that 80,000 new jobs will be needed each year to avoid higher levels of unemployment and poverty. Already the unemployment rate among youth between the ages of 15 and 24 years is estimated at nearly 60 percent. Youth have few safe social and recreational outlets, are not adequately engaged in positively shaping the environment around them, are prematurely led into adult roles, and have a heightened risk of delinquent behavior. Left unaddressed, Jordan's youth demographic bulge is the largest potential source of political, social, and economic instability.

Economic development efforts in Jordan suffer from the weakness of both public and private sector institutions. Governmental bodies need to develop into strong decision-making and regulatory institutions to manage issues effectively. Businesses are not fully poised to enter global markets in a significant way, hampered both by capacity and competitiveness gaps and by regulatory challenges.

Further challenges include persistent unemployment and poverty. The official unemployment rate is over 13 percent with jobs not being created fast enough to absorb the growing workforce. Poverty stands at 14.2 percent; the poor represent an eighth of Jordan's population, and over 60 percent of the poor live in Jordan's urban centers. The rate of food insecurity is 4.5 percent in Jordan's cities, and up to 11.3 percent in rural areas. Forty-four percent of households reported a disruption in their food consumption routine, with almost 88 percent of those reducing the overall quantity of food.⁵ As water and jobs evaporate in rural areas, youth and families are migrating to already overcrowded neighborhoods in cities ill-equipped to manage the influx. Water and sanitation facilities, schools, hospitals, health clinics, and social service providers are overburdened. Left unaddressed, the intersection of unmet social and political demand with resource scarcity is a threat to Jordan's stability.

Jordan's reliance on the 96 percent of its energy that is imported is a heavy drain on public and private resources. Significant increases in the cost of petroleum products in 2008 coincided with the removal of subsidies. Meanwhile, consumers faced five-year fuel increases of over 300 percent. This convergence of events has helped stimulate interest in energy conservation and in rapid development of Jordan's energy sector, including renewable sources of power.

Further, Jordan faces a growing deficit reaching 12.1 percent of GDP in 2008, with significant internal debt of JD 5.7 billion or 40.6 percent of GDP, external debt of JD 3.6 billion or 25.7 percent of GDP, and massive budgetary expenditures of 38.2 percent.⁶ The GOJ looks to donors to alleviate these pressures via loans and debt relief, though it recognizes the need to implement stronger macroeconomic policies to shore up the country's economy against regional and global economic downturns.

Jordan has made considerable progress since 2005 in its adoption of democratic institutions. The 2007 municipal and parliamentary elections witnessed unprecedented levels of civic participation with approximately 60 percent of registered voters turning out to vote, and the percentage of women officials increased because of a new 20 percent quota. Significant pieces of legislation, such as the Municipal Law and Trafficking in Persons Law, were passed during the past two years. Nonetheless, the political system remains largely centralized and tribally-focused, and public participation in political life lags. The King dissolved Parliament in December

⁵ Food Security Survey in Poverty Pockets, World Food Programme, 2008

⁶ Central Bank of Jordan, 2008

2009 and appointed a new government with a mandate to reform the electoral system. He also requested that Government develop and implement a decentralization plan. Elections at the national level are expected by late 2010. A more independent and accountable judiciary is still necessary. Women's rights and lower rates of women's participation represent areas for continued attention. Jordan's monarchy and government have been vocal in expressing the need for concerted action to stop so-called "honor killings," but the problem persists. Finally, as citizens become poorer due to increasing economic pressures, confidence in government could erode further if the government is not able to respond effectively. The difficult balance between maintaining security and encouraging openness remains a challenge for the GOJ and continues to be compounded by regional conflicts that exacerbate social and political tensions in Jordan.

B. Host Country Priorities and Political Commitment to Reform

Jordan has made remarkable progress in economic and social reforms over the past ten years, and has taken substantial steps to advance democratic reform as well. Jordan's vision for development is enshrined in its National Agenda, an ambitious action plan stemming from the "We Are All Jordan" initiative launched by King Abdullah II to broaden and intensify the country's reform efforts. This National Agenda aims to improve the quality of life for all Jordanians by instituting economic and legal reforms, developing human resources, ensuring proper health care, promoting development in rural areas, and making government more efficient. In dissolving Parliament in December 2009 and setting decentralization and electoral reform as priorities, the King reemphasized his strong commitment to institutionalizing political change as envisioned in the National Agenda.

Jordan's National Water Master Plan and the formation of a Royal Water Committee in 2008 are strong indications of the GOJ's commitment to making hard choices to help govern and coordinate management of Jordan's scarce water resources. King Abdullah unveiled a new National Water Strategy in April 2009. It proposes measures to improve water use efficiency improvements, strengthening legislative and institutional frameworks, restructuring tariffs, increasing wastewater treatment and reuse, increasing private sector participation, and providing needed infrastructure investments. An associated Action Plan has been developed to implement the Strategy.

Significant reform efforts undertaken by the GOJ include the Education Reform for the Knowledge Economy (ERfKE) initiative, a set of two programs adopted in July 2003 and March 2010 that address future human capacity requirements through improved early childhood, primary, and secondary education. Jordan was also the first Arab country to develop a National Youth Strategy. The comprehensive strategy focuses on developing Jordanian youth who are aware of themselves and their abilities, loyal to their country, and proactively engaged in its progress and development. Jordan is also embarking on a major five-year reform effort to improve quality in a higher education system that has witnessed annual enrollment growth of 14 percent over the past eight years. Increasing opportunities for the poor to pursue higher education is also a priority. The landmark passage of the National Population Strategy (NPS) in March 1996 and the passage of the Reproductive Health Action Plan, a sub-strategy of the NPS, in April 2004 made clear that Jordan was serious about family planning and recognized population growth rate as a major constraint to Jordan's development prospects. Furthermore, the Ministry of Health has for the first time developed a comprehensive four-year Strategic Plan that targets preventative and curative health services, with a greater focus on primary health care.

Economic initiatives form an important part of the GOJ's reform programs. Jordan has been a member of the World Trade Organization (WTO) since 2000. In 2001, Jordan signed a Free Trade Agreement (FTA) with the United States. The Aqaba Special Economic Zone was established as a model for efficient, effective, and transparent development and governance. The country is eager to satisfy WTO and U.S.-FTA standards and requirements, which are necessary for continued participation in the FTA. More recently, the Jordanian Government adopted a National Energy Strategy to reduce demand via energy efficiency measures and

integration of renewable energy sources, implement required legal and regulatory measures, and aggressively seek private sector investment in the energy sector.

Jordan remains a key partner for the United States in advancing strategic priorities in the Middle East. USAID's development program, as a major component of the U.S. Government's strategic partnership with Jordan, reflects this collaborative relationship. It is aligned with the National Agenda and Jordan's reform efforts, and fully committed to help Jordan succeed in serving its population, growing its economy, preserving stability, and promoting a peaceful Middle East.

III. Overall Strategic Approach and Priorities

A. U.S. Foreign Policy Goals

The central U.S. foreign policy goal in Jordan, as stated in the Mission Strategic Plan, is to help develop a stable nation-state moving steadily towards greater economic prosperity and democratic governance. To help achieve this goal, USAID supports the GOJ through three Goal Areas: Governing Justly and Democratically, Investing in People, and Economic Growth. In the coming years, USAID will target its efforts towards encouraging improvements in the enabling environment for civil society, women's rights, elections, and local government; developing the capacity, independence, and transparency of the judiciary and legislature; supporting decentralization and fostering civic participation in local governance; and developing a more professional media that plays a central role in the public debate. Increasing water use efficiency in high usage sectors is a major prerequisite to improving the quality of life for Jordanians and advancing economic growth. Education and youth programs focus on equipping Jordan's youth – especially the disadvantaged – with employability and life skills and linking them with work opportunities. Cross-cutting poverty alleviation programs seek to expand economic opportunities for the urban poor while improving social services and promoting a family-centered approach to addressing the social drivers of poverty. Improving access to family planning/reproductive health and family health services will benefit the neediest Jordanian citizens, especially women, children and youth. Improving private-sector responsiveness and export competitiveness while creating jobs and enhancing workforce preparedness will spur economic growth. At the same time, USAID encourages the GOJ to address macroeconomic stabilization through measures such as deficit reduction and tax reform, and to boost investor confidence through the adoption of transparent budget-setting procedures. Promoting energy efficiency measures through raising public awareness and promoting changes in energy use practices, incentive-based policy reforms, and facilitating private sector investments in the renewable energy sector will reduce energy consumption and thereby reduce the need for new generation capacity.

In implementing its programs in Jordan, USAID coordinates closely with other U.S. agencies, including the State Department's programming in the areas of democracy and governance, exchange programs, and media. USAID also partners with the U.S. Geological Survey, Bureau of Reclamation, Environmental Protection Agency, Forest Service, and Department of Agriculture on groundwater monitoring, dam safety, watershed management, and overall environmental protection. Similar collaborations have been established with the U.S. Treasury and Commerce Department on fiscal reform and private sector competitiveness, the Department of Labor on workers' rights, and the Department of Interior and National Park Service on park management and related services. On health issues, USAID works closely with the Center for Disease Control (CDC) on developing Jordan's surveillance systems and protocols for infectious diseases. Finally, recognizing Jordan's strong commitment to reform, the Millennium Challenge Corporation (MCC) has selected Jordan as eligible for Compact status. USAID confers regularly with the MCC and GOJ officials to support development of Jordan's MCC proposal, which complements and builds upon current USAID programming in the water sector. USAID collaborates with the U.S. Department of Energy to promote green building practices.

B. Strategic Vision and/or Themes for U.S. Foreign Assistance

USAID's vision is to help Jordan become a more prosperous, democratic country where the government is increasingly accountable to its people, continues to play a central role in promoting peace and democracy in the Middle East, and that is an active participant in the world economy.

In implementing programs envisioned in this strategy, USAID/Jordan will focus on two central cross-cutting themes to maximize potential program synergies: youth and poverty alleviation. Attention to both issues – in every development sector under the strategy – is central to helping Jordan, with its young and growing population, thrive in the future as a prosperous, democratic, and stable state. USAID emphasizes other important themes to maximize impact of our program. These include, promoting women's participation and rights, engaging religious leaders across development sectors, tackling environmental degradation, integrating information technology into the education system and into government policymaking, supporting public-private alliances and partnerships, and combating corruption.

USAID/Jordan will endeavor to disaggregate indicators by gender and include the results in various monitoring reports and evaluations. This will always be done for all training projects and as well as training elements within other projects.

Public outreach is an important element of implementing USAID's strategy in Jordan. Raising awareness among Jordanian citizens, especially youth, about the impact of the U.S. Government's foreign assistance efforts to enhance the lives of average Jordanians helps build positive understanding of the U.S.-Jordan relationship and the role of the U.S. in the region. USAID implements a far-reaching media and communications program focused on using radio, TV, print media, the Internet, and university and community events to reach Jordan's youth and engage them in our programs.

C. Summary of Assistance Objectives (AOs)

AO 1: Democratic Reforms are Strengthened. USAID's democracy and governance efforts will focus on removing the principal obstacles to democratization by addressing challenges such as increasing judicial independence and accountability, increasing opportunities for civic participation, improving institutional capacity to develop and implement democratic policies and regulations, and enhancing local-level decision-making authority. Programs will also fuel the demand for democratic institutions and good governance by promoting an independent media, representative political parties, free and fair elections, an engaged civil society that fosters active citizen engagement in public life, and support for gender equality and human rights.

AO 2: Water Resources Management is Enhanced. Demand for water exceeds Jordan's available renewable fresh-water resources. Significant improvements in the efficiency of water use are possible, but hard choices and trade-offs are necessary. Promoting activities to bolster the adaptive capacity of Jordanian society and institutions to address water scarcity will help water sector stakeholders improve their capacity to make the right choices. Community empowerment, institutional reform, integrated water resources management, and water and wastewater infrastructure will be emphasized.

AO 3: Social Services are Improved. To help Jordan achieve sustainable improvements in the well-being and productivity of its population, USAID will invest in education, health, youth, and family-centered social services. Emphasis will be placed on family planning and reproductive health, population policy, maternal and neonatal health, capacity building and health systems strengthening, and behavior change for healthier lifestyles. Education and youth activities aim to strengthen the formal education system and provide youth with greater social, financial and educational opportunities. Poverty alleviation activities seek to improve social services and engage community and religious leaders and families in addressing social issues such as domestic violence.

AO 4: Economic Competitiveness Strengthened. USAID's aim is to spur economic growth and ensure that benefits are reaching deep within the local communities and beyond the main cities. This will be accomplished by targeting business expansion, private sector competitiveness, workforce development, tourism, energy efficiency, and a growing renewable energy generation sector as powerful engines of economic growth. In addition, a focused poverty reduction initiative, closely linked to USAID Jordan's other three program areas, will ensure that the most disadvantaged segments of the population are able to reap the benefits of economic growth via microenterprise, entrepreneurship, and training.

D. Development Hypothesis

USAID/Jordan's overarching, strategic goal is helping Jordan become a more prosperous, democratic country with a government that is increasingly accountable to its people, continues to play a central role in promoting peace and democracy in the Middle East, and is an active participant in the world economy. USAID/Jordan's development hypothesis functions on the assumption that this strategic goal will be realized through:

- 1) An accountable and competent judiciary, greater decentralization, free elections and more breathing space for civil society will develop the legal, institutional, and societal foundations for democratic governance;
- 2) Investments in the adaptive capacity and sustainable management of resources will balance the demand for scarce water and energy;
- 3) Improvements in education and life-skills training for youth, improved public health service delivery and increased access to social services for the underprivileged will better equip Jordanian youth for the global economy, promote healthier families and establish a stronger social services network for the vulnerable sectors of society; and
- 4) A more liberalized and competitive private sector – coupled with increased energy efficiency – that will help fuel economic growth and reduce poverty.

As outlined in this strategy, USAID/Jordan assistance will focus on these intermediate results as a means to achieve its overall goal. The indicators listed for both the Assistance Objectives (AO) and Intermediate Results (IR) were derived primarily from the current Program Monitoring Plans (PMP). PMPs will be periodically updated as new programs and activities are designed and implemented which will result in changes in indicators to better measure performance and impact.

E. Linkages

The four goals described above are inextricably linked to better address the similarly linked development challenges facing Jordan. Water, energy, and economic growth programs, for example, work hand in hand to link demand management approaches and conservation to more sustainable strategies for economic development. Youth and poverty alleviation/reduction efforts to be implemented as part of the third and fourth goal also link to democratic governance, economic growth and social sector goals through a multidisciplinary approach to project design and management centered on an active Mission youth/poverty working group. The poverty program will link diverse elements together at the community level to provide visible, tangible opportunities to the most vulnerable Jordanians. Social services organizations targeted traditionally through USAID/Jordan's social sector programs, for example, will engage with local leaders and citizens to broaden opportunities for job creation, family planning services, and youth engagement. Youth programs, similarly, bring together education, democracy, health, and economic growth development approaches to cultivate skills and broaden economic horizons for the country's most disadvantaged youth.

This crosscutting strategy is enshrined in new Mission program design guidance that centers on a multisectoral approach to program development. Cross-cutting teams now collaborate to develop program designs, replacing previous design and implementation approaches centered on a single technical area or assistance objective.

F. Donor Coordination

USAID is by far the largest donor in Jordan with an annual core (non-supplemental) assistance budget ranging from \$250 – \$363 million over the past four years. Levels for the coming three years are expected to remain at approximately \$360 million annually, as per the U.S.-Jordan Memorandum of Understanding signed in 2008. USAID coordinates with all donors to structure cooperation to ensure that synergies are achieved and redundancy minimized. Coordination takes place at both the strategic and technical levels through regular meetings. As Jordan has committed to donor coordination principles outlined in the Paris Declaration, its government is expected to be the focal point for donor coordination in the coming years. The Ministry of Planning and International Cooperation (MOPIC) therefore initiated in 2008 quarterly donor coordination meetings centralized around ten themes, including trade and investment, water, energy, environment, poverty alleviation and local development, education and vocational training, and gender. Furthermore, the Ministry of Education's (MOE) Education Reform for the Knowledge Economy is a multi-donor, coordinated reform effort led by the World Bank and managed by a project management unit at the MOE. The Royal Water Committee and the Royal Advisory Committee on the Energy Sector are mandated with developing national strategies for water and energy, in coordination with donor agencies, to ensure conservation and better management of these resources.

The United Nations manages a Donor/Lender Group that has several sub-groups on topics such as water and education. In areas where formal donor coordination groups do not exist, USAID has established direct collaboration avenues with donors working in the same sector – examples include tourism, workforce development, health, and local governance. Currently, USAID is taking the lead in coordinating water and rule of law efforts. It also plans to take the lead on coordinating youth development in the future. USAID will be the biggest donor of the second phase of the MOE's Education Reform for the Knowledge Economy Program.

Other bilateral donors are active in Jordan as well. The Germans focus their efforts on water infrastructure, capacity building, and school construction, while the Japanese and Canadians are significant players in vocational training, workforce development, and women's rights. The French are involved in large water projects. Multilateral donor and financial institutions, such as the European Union (EU) and World Bank, tend to support policy and financial reforms, decentralization, and institutional capacity building.

IV. Detailed Discussion of Assistance Objectives

Assistance Objective 1 – Democratic Reforms are Strengthened

A. Situation Analysis/Problem Statement

Jordan is a monarchy that has initiated significant steps to advance comprehensive reform. Its ambitious National Agenda emphasizes key components of political reform that would result in a significantly more open and democratic society, including: citizen participation, an independent judiciary, trust between citizens and public institutions, media sector development, accountability, and transparency in government affairs.

In the past two years, Jordan has witnessed a number of key changes in the policy environment. The May 2007 municipal election law resulted in fully-elected municipal boards (previously municipal boards were 50 percent appointed) and record citizen participation in the July 2007 municipal elections. The percentage of women local officials increased dramatically because of

the law's 20 percent quota (no quota existed previously). Parliamentary elections in November 2007 allowed for local civil society, for the first time in Jordan's history, to engage in the political process as official election observers. After the passage of a new Civil Society Law in September 2008, civil society organizations partnered in an unprecedented move to lobby the GOJ to amend this law to better serve the interests of civil society. The GOJ responded by proposing amendments to Parliament, most of which were passed during Parliament's extraordinary session in August 2009. Civil Society organizations will continue to lobby for additional changes. Finally, amendments to the Public Gathering Law submitted to Parliament in 2009 would ease overly restrictive aspects by allowing political parties, professional associations and non-profit organizations to conduct gatherings without executive approval.

B. Critical Assumptions and Risks

Despite advancements in and commitment to political reform, primary challenges remain. The administration of justice is slow and inefficient. As a result, citizens and businesses have little confidence in the justice sector and needed investment is deterred. Citizen participation in decision-making is low at both the national and local levels and popular "ownership" of Jordan's reform agenda is limited. Jordan's civil society sector suffers from excessive state control which limits citizens' ability to freely organize, build professional and financially independent organizations, and fully participate in political development. Substantial cultural and legal restrictions impede women's rights in Jordan. Jordan's highly centralized government structure does not promote adequate checks and balances between the executive, legislative and judicial branches. In December 2009, the King dissolved Parliament and appointed a new government with a mandate to implement both electoral reform and decentralization. National elections are expected by late 2010. Over-regulation and state control of Jordan's media sector impedes the flow of information to citizens and hampers the development of a strong civil society. Furthermore, Jordan's journalists lack the skills to promote balanced reporting and media outlets are financially weak.

The difficult balance between maintaining security and encouraging openness remains a challenge for the GOJ and continues to be compounded by regional events. Economic pressures and inflation are increasing at unanticipated rates. As citizens become poorer, confidence in government could erode further if the government is not able to respond effectively. Continuing conflicts in the region and the impact of the global financial crisis have increased pressure on local society and the economy, increasing the cost of social services and adding to Jordanian national security concerns.

C. Intermediate Results (IRs)

USAID's democracy and governance portfolio supports the vision outlined in Jordan's National Agenda and U.S. foreign policy goals. The programs support all four U.S. Government emphasis areas, including rule of law and human rights, good governance, elections and political processes, and civil society. Activities under the democracy and governance portfolio will generally be nation-wide in scope.

IR 1.1: Respect for Rule of Law and Human Rights is Increased. U.S. assistance in this area directly supports the U.S. foreign policy priorities of strengthening the rule of law and sustaining an independent and accountable judiciary - both cornerstones of democracy and necessary components of the transformational diplomacy goal of government institutions capable of sustaining development progress. Over the strategy period, U.S. support will help build the capacity of key institutions, including the Judicial Council, the Judicial Institute and the Ministry of Justice. It is expected that improved systems and increased judicial independence, accountability and integrity will promote the transparency of judicial decision-making, enhance the investment climate, and improve the public's perception of the justice system.

Jordan's human rights record continues to be a matter of concern. As stated above, women are not treated equally under the law. In particular, the penal code allows for light sentences for those who commit a crime in a "state of fit or fury" resulting from an unlawful or dangerous act on the part of the victim. This is often used in defense of those who commit "honor killings," or the murder of a person for breaking social conventions, leading in some cases to sentences as light as six months. Queen Rania is among a number of women's rights activists who have pushed for stronger legislation on honor killings. Draft legislation sent to Parliament is on hold, as Parliament was dissolved in December 2009. Freedom of expression, while legally protected, is not upheld in practice. There is a growing problem with trafficked and exploited workers as well. U.S. support will include activities focused on improving the legal environment, providing legal aid for victims, supporting women's shelters, and access to justice.

IR 1.2: Governance is More Transparent and Decentralized. Good governance is critical to all U.S. development objectives in Jordan. Effective governance, including strong institutions and transparent practices, is essential for facilitating sustainable economic growth, improving and expanding health and education services, properly managing water resources, improving civic education, alleviating poverty, and enhancing the status of women. Additionally, good governance is essential to ensuring that government, civil society, and private sector institutions are capable of sustaining development progress. Over the strategy period, USAID will focus on improving governance at the local level through our support of the GOJ's decentralization plan and through working directly with municipal governments on improving administration, service delivery and citizen participation. The decentralization program will also link to the Mission's cross-sectoral urban poverty alleviation/reduction initiative.

IR 1.3: Elections are Free, Fair and Transparent. To help Jordan continue to develop broader-reaching democratic principles, U.S. assistance supports expanded political competition and participation, including implementation of existing and pending laws and amendments related to elections, civil society and political parties, and supporting more pluralistic, fair, broad-based and representative political competition. Over the strategy period, U.S. assistance will include support to GOJ to develop a new election law, improve elections administration, and engage civil society in observing elections. Results will include an enhanced elections law that will contribute to free, fair and transparent elections, political parties and individuals better able to draft comprehensive platforms, form coalitions, and participate in party blocks; increased inclusion of women in the electoral process; and more representative local, regional and national legislative bodies.

IR 1.4: Civil Society Has More Political Rights and Greater Professional Capacity. Promoting civic participation, interfaith dialogue and free and independent media are core components of U.S. foreign policy in Jordan. U.S. activities in this area promote a vibrant civil society that has both the political rights and professional capacity to express views about and participate in public affairs. U.S. programs aim to fuel the demand for democratic governance and address the lack of political pluralism and social inclusion in public affairs, which inhibit democratization. Over the strategy period, U.S. programs will support three main areas: civil society strengthening; media development; and women's rights. The goals of this programming will be to improve the legal environment for civil society with regard to registration, fundraising, and participation restrictions and requirements; improve the organizational and advocacy capacity of civil society organizations (CSOs) and create more opportunities for their involvement in public affairs; and increase participation of women and persons with disabilities in public life. Additionally, U.S. support will work to foster a more open operating environment for media, enabling the provision of quality information to citizens.

D. Coordination of U.S. Efforts

USAID is the principal U.S. agency providing democracy and governance assistance in Jordan. USAID coordinates its activities with the Embassy's Political Section, Public Affairs Section, and the Middle East Partnership Initiative (MEPI). USAID also administered the Millennium Challenge

Corporation's (MCC) Threshold Country Program for local governance development, which concluded in September 2009.

Activities will also include a greater emphasis on partnerships, to include issue-based partnerships within USAID's priority goals focusing on the themes of gender, youth, poverty alleviation, corporate social responsibility, and private sector partnerships to develop Global Development Alliances (GDAs) that foster public-private partnerships (PPPs) and leverage corporate social responsibility investments in civil society organizations and poverty alleviation.

E. Role of Host Country/Regional Organizations/Private Sector Partnerships

The GOJ's stated priorities under the National Agenda include increased citizen participation, rule of law, judiciary independence as well as greater trust between citizens and public institutions and good governance, including accountability and transparency in public affairs. USAID's democracy and governance programs are synchronized with these priorities and all activities are coordinated with the GOJ through the appropriate line ministries.

USAID also actively participates in numerous donor working groups at the technical level. The EU, France, Denmark and the United Nations are supporting programs for the restructuring and capacity building of the Ministry of Justice (MOJ) and Judicial Institute of Jordan. UNIFEM works on budgeting, and the United Nations Development Program (UNDP) and Konrad Adenauer Foundation provide support to parliamentary committees and activities that strengthen the relations between Parliament and civil society. The Friedrich Naumann Foundation is the most active of the German foundations partnering with local organizations to advocate for reform of key legislation such as the political parties law and the law on public gatherings. The Open Society Institute/Soros Foundation Network, Canada and Japan support women's rights advocacy and NGO initiatives. Finally, the EU, UNESCO, Denmark and Japan provide journalists with training.

Private sector involvement in the democracy and governance sector revolves mainly around research and polling centers. Several USAID programs currently work with the private sector or facilitate public/private cooperation to address project goals. For example, USAID is working with local governments to help identify potential opportunities and negotiate the administration of PPPs. USAID's media program works largely to improve the capacity and fiscal sustainability of private independent print and broadcast media. This assistance promotes increased financial independence through improved marketing and more precise advertising. Corporate social responsibility figures prominently in USAID's civil society program.

USAID's democracy and governance team works with others to develop mechanisms for collaborating, both programmatically and financially, with other teams in the areas of gender, civil society, poverty, youth, and corporate social responsibility. Democracy and health programming is coordinated in the area of preventing violence against women. Civic participation is a key element of the cross-cutting youth and poverty initiatives engaging with local leaders and citizens to identify their needs and participate in developing their communities. Furthermore, the public-private partnership programming under economic growth will advance corporate social responsibility efforts integrated into the democracy and governance portfolio. Finally, intersectoral collaborations, especially between democracy and water, are underway through an interagency agreement with the Embassy's Public Affairs Section for language training and exchange visits to the United States. The close ties between USAID and the Embassy help advance policy dialogue with the GOJ on municipal and national elections as well as on political/legislative reforms.

F. Anticipated Results

It is expected that Jordan will gradually achieve fundamental changes in democracy and governance, improve institutional and human capacity, and increase citizens' inclusion in political life. As a result, Jordan will be more likely to win the confidence of both donors and investors. By

the end of the strategy period USAID assistance will have contributed to achieving the following results:

- Increasingly efficient, fair, and transparent judiciary that enjoys the trust of citizens, provides the legal framework necessary for business and investor confidence, and has the capacity to be administratively and financially independent.
- Free and fair parliamentary and local elections that are broadly representative of the country's population and independently affirmed by domestic and international observers.
- An effective and responsive legislative branch.
- Increased citizen participation in local affairs and more democratic local governments.
- Additional financially sustainable CSOs with diversified local funding sources.
- More professional journalists, especially among emerging and mid-career professionals.
- More professional, ethical and financially sustainable privately owned media outlets.

The following indicators will be measured progress in achieving results:

- At the AO level improvements in rule of law and individual rights will be measured.
- Number of individuals who received USG-assisted training, including management skills and fiscal management, to strengthen local government and/or decentralization (*)
- Number of sub-national government entities receiving USG assistance to improve their performance
- Number of domestic election observers trained with USG assistance (*)
- Number of election officials trained with USG assistance (*)
- Number of judges trained with USG assistance (*)
- Number of USG-assisted courts with improved case management
- Number of legal aid groups and law clinics assisted by USG
- Number of local/national council members and local/national staff attending USG sponsored training or educational events (*)
- Number of individuals who receive USG-assisted political party training (*)
- Number of Civil Society Organizations using USG assistance to improve internal organizational capacity
- Number of journalists trained with USG assistance (*)

(*) disaggregated by gender

USAID'S long-term vision in this sector addresses the same four objectives but is focused on finding ways to deepen the reforms to be undertaken through 2014 and ensure that the infrastructure investments are properly utilized to yield the intended results of greater transparency, accountability, and citizen participation.

Assistance Objective 2 – Water Resources Management is Enhanced

A. Situation Analysis/Problem Statement

Jordan is ranked as the tenth driest country in the world on a per capita water availability basis. Demand for water exceeds Jordan's available renewable fresh-water resources. Rotating water deliveries, resulting in water delivery just a few days per week, are the norm.

According to Jordan's National Water Master Plan, annual per capita water availability has declined from 3,600 m³ in 1946 to 160 m³ today (438 liters per capita per day). The United Nations Food and Agriculture Organization lists Jordan at 179 m³ per capita per year. Either number places Jordan amongst the world's driest countries. The population will continue to grow from about 5.6 million today to approximately eight million by 2020. Total projected water demand may double to 1,616 million cubic meters (MCM) per year by 2020, about twice the

average sustainable fresh-water supply of 850 MCM per year. Quite simply, there is not enough fresh water to support Jordan's development needs.

B. Critical Assumptions and Risks

Assured access to water is a major catalyst for development, affecting all sectors of development, including economic growth, health, education, youth, energy, and poverty alleviation. Conversely, if its availability is highly variable it can affect economic growth, living standards, and social and political stability.

Commitment to economic reform in general and water sector reform in particular has grown over the past several years. USAID has contributed to this process. USAID activities in the water sector are nation-wide in scope and include infrastructure, institutional strengthening and policy reform. The changes in commitment provide a more conducive environment to address the key development challenge of water scarcity. First, there is increased acceptance among GOJ water sector officials that tariff reform must occur. While actual tariff adjustments continue to encounter some political resistance, evolving attitudes represent a significant change over recent years. Second, a Royal Water Committee was formed by the King in 2008 to discuss inter-related issues among sectors and their implication on current and future water availability. Third, there exists a heightened appreciation for regional collaboration among neighbors – Syria, Saudi Arabia, the Palestinian Authority, and Israel. This is evident in cross-border dialogue on the planned Red-Dead pipeline project, plans to tap the Disi Aquifer, and a Jordan-Syria working group on bilateral water issues. Finally, momentum grows to continue to adopt private company operating principles for commercialization of the sector with USAID-sponsored nascent successes in Aqaba and Amman.

C. Intermediate Results (IRs)

USAID will address Jordan's water challenges by promoting activities to bolster the adaptive capacity of Jordanian society and institutions to address water scarcity. The choice to engage much more broadly in adaptive capacity represents a significant shift in strategic thinking for USAID/Jordan. The time is right to pursue this approach.

USAID will pursue a two-track engagement to help Jordanian stakeholders in the water sector improve their capacity to make the right choices and to give time for their adaptive capacity to mature. The first track focuses on the social and organizational adaptive capacity⁷ of Jordan water sector stakeholders. The second track concerns sustainable water use and management. While nationwide in scope, water sector support will focus on urban zones and rural areas with significant population.

IR 2.1: Adaptive Capacity of the Water Sector is Increased. USAID will promote adaptive capacity within local communities, institutions, and more broadly across society as a whole. Under the sustainable management track, USAID will continue investments in infrastructure in order to address Jordan's immediate needs in the water sector. A primary objective of this track is to reduce stress on the resource, thereby increasing the time available for adaptive capacity to mature. For example, private sector participation in the water sector can improve management expertise and efficiency. Better technology and better use of current technology can reduce the demand for water. In addition, activities to promote additional private sector participation will allow a gradual reduction in USAID funding to the sector over time.

To promote adaptive capacity within local communities, USAID will work with residents in the most vulnerable regions of Jordan. Activities will develop the capacity of citizens to identify

⁷ Social adaptive capacity is demonstrated by the stability of social relations, the maintenance of social capital and economic prosperity, even during times of environmental stress, all within the legal framework of the operational structure.

problems, analyze them and develop options that fit within the cultural and economic constraints of the community.

To promote adaptive capacity from within organizations, USAID will embed specialists within institutions to enhance their capacity to predict, plan for, and manage crises. Specialists will assist the GOJ in institutional, legal, and regulatory reforms and day-to-day management within the organization. Of urgent importance is the creation of a regulatory capacity for the water sector, an endeavor where USAID will work with other donors. USAID will also increase engagement with the environmental sector to build the capacity of the MOE and the Environmental Rangers as institutions that perform important environmental regulatory and compliance and enforcement functions within Jordan. Environmental activities will continue to focus on partnerships with industry to enhance environmental management and training in compliance and enforcement of Jordan's environmental regulations.

To promote adaptive capacity across Jordanian society, USAID will promote an integrated water resources management paradigm. This approach will promote greater awareness of critical issues and opportunities in the water sector, create broad-based support for policies and laws that promote more efficient water use and overall water sector reform, facilitate adoption of innovative technology, and advance use of commercial business practices. The primary themes to be promoted include outreach and communication, new technologies including wastewater reuse, water harvesting, and water-use efficiency in the agricultural sector and beyond. Through this approach, adaptive capacity will be enhanced across sectors, with allies created to further the process, and social and organizational adaptive capacities linked and developed concurrently.

IR 2.2: Management of Water Resources is More Sustainable. USAID will continue investment in water sector infrastructure. Infrastructure is needed to enable Jordan to reuse treated wastewater (reducing demand for fresh water), reduce system losses, prevent environmental damage, and reduce the water sector's consumption of energy. These efforts will make more water available at lower costs than new source development, thereby reducing pressure on scarce fresh-water resources. Priority will be given to investment in wastewater systems with the associated reuse of treated wastewater. To enhance coordination between activities under adaptive capacity and those under water management, USAID plans to associate a "Conditions Precedent"⁸ approach with each infrastructure activity that receives USAID funding. Each infrastructure activity supported will have one or more conditions that must be completed, conditions that contribute to adaptive capacity activities, in order to secure USAID funding. Wastewater facilities development activities, for instance, will be accompanied by commitments on how the treated wastewater will be reused to help meet growing demand without further stressing fresh water resources.

D. Coordination of U.S. Efforts

The Foreign Assistance Framework recognizes the importance of water and environmental resources as development priorities, citing the fact that Jordan is one of the driest places on earth and that clean fresh-water affects all economic and social sectors and contributes to stability. The Framework calls for investments in improved water and wastewater infrastructure, water conservation and efficiency, and public policy under a multi-U.S. agency approach that balances supply and demand-side solutions. USAID proposes to maintain investments in four Program Elements including Water Supply and Sanitation, Agriculture Productivity, Natural Resources, and Clean Productive Environment.

Coordination among U.S. Government agencies working in the water and environment sector remains strong. There is a near constant exchange of information and strategic planning

⁸ "Condition Precedent" is a set of policy reform related conditions that the GOJ must fulfill before funds are disbursed under the balance-of-payments Cash Transfer program.

occurring between USAID and the Embassy's Environmental Hub Office, the Foreign Commercial Office, Economic Section, and Public Affairs.

USAID has also collaborated with other U.S. agencies, such as the U.S. Geological Service to improve groundwater management, the U.S. Bureau of Reclamation on dam safety, the Environmental Protection Agency on compliance and enforcement, U.S. Department of Agriculture on composting and organic farming, and the U.S. Forestry Service on watershed management. Discussions with MCC are robust and frequent and have helped the MCC articulate a proposed Compact that will focus on water distribution, sanitation, and wastewater reuse in and around the Zarqa region. Coordination has paid off with information exchange and strategic planning resulting in more mutually supportive programs and more efficient use of resources between the MCC and USAID.

To further USAID's multisectoral approach, water programs will target youth by training them to carry forward water efficiency practices at the community level. Linkages with energy and economic growth programs will improve water- and energy-use efficiencies at the household, municipal and industry level to ensure sustainable economic development. The water portfolio will also provide specific linkages to crosscutting issues of gender, poverty alleviation, workforce development, PPPs, corporate social responsibility (CSR), and the environment.

E. Role of Host Country/Regional Organizations/Private Sector Partnerships

Management of Jordan's water resources is complex and multi-faceted. For example, the tourism sector consumes a mere 1 percent of the country's water resources, with a 14 percent contribution to the Gross Domestic Product (GDP). Meanwhile, the agriculture sector consumes almost 65 percent of Jordan's water, yet contributes only 2.5 percent to the GDP. Significant improvements in the efficiency of water use are possible, but hard choices and tradeoffs are necessary.

Water scarcity is highlighted in the National Agenda and received recent attention with the formation of a Royal Water Committee. Jordan also has a National Water Master Plan that helps govern and coordinate water resources management.

The National Agenda and the Action Plan to implement the National Water Strategy call for various activities to address water and environment constraints. These activities mirror aspects of the USAID portfolio and include water use efficiency improvements, strengthening the legislative and institutional frameworks, restructuring tariffs, wastewater treatment and reuse, private sector participation, and creation of new infrastructure, particularly in the sanitation sector.

USAID is by far the largest donor in Jordan's water sector and is a significant player in the environmental sector. The MCC's expected Compact with Jordan builds on USAID work in wastewater treatment by improving infrastructure in Zarqa. Other significant donors include Japan, Germany, France, and the EU, who are working to decrease water losses in distribution, provide training, and support project administration. Several other donors have small activities in the water sector. The World Bank is administratively supporting the Red Sea – Dead Sea Conveyance project by organizing donors and managing a trust fund for the feasibility study. The U.S., the Netherlands, France, Japan, Sweden, Italy, Korea, and Greece have pledged funds to the study. USAID coordinates with all donors to structure cooperation to ensure that synergies are achieved and redundancies minimized.

The private sector is also beginning to emerge as an important partner, in part due to USAID's efforts. USAID was instrumental in establishing the Aqaba Water Company and the Amman Water Company (Miyahuna), both of which are commercial entities that have arisen out of the central government. As these limited liability companies continue to evolve, it will create a climate that is more conducive to private investment. Private sector funding was used to construct the As Samra Wastewater Treatment Plant under the Build-Operate-Transfer model;

this was the first public-private partnership for wastewater in the Middle East. USAID continues to assist and promote better use of water by private industries. Facilitated by USAID, Jordan's first industrial wastewater treatment plant was financed by the private sector.

Opportunities exist to expand on these initial PPPs. Both the Development Credit Authority (DCA) as well as Global Development Alliance (GDA) can play a role in Jordan's water and environment sector. The long term vision is that by working to create a climate for additional private sector participation, USAID can gradually reduce grant funds to the sector. Institutional reform, including changes to regulatory and tariff systems, promotion of commercial practices, and strategic use of GDA and DCA models can offer new opportunities for long-term sources of funding for the sector.

F. Anticipated Results

In the long-term, USAID anticipates that a robust national adaptive capacity is in place enabling Jordan to make the hard choices in the water sector needed for sustained economic development. U.S. assistance to Jordan's water sector will be declining as models demonstrate how private sector participation is increasingly viable. A foundation that is more conducive to private sector investment will be created and private capital will begin to substitute for grant funds. The key result anticipated under USAID's water portfolio is that there will be a measurable improvement in Jordan's national adaptive capacity, which has enabled movement towards sustainable water resources management. At the end of the strategy period, USAID anticipates that the following results will have been achieved:

- Increased awareness of water issues and opportunities and improved water use practices among the general public and employees of GOJ agencies.
- Community residents have better tools to effectively participate in decision-making on livelihood and community improvement projects.
- Approval and implementation of a policy and legal framework for overall water sector reform is underway.
- Water sector institutions are restructured, employees have enhanced skills, and the organizations are providing improved service.
- A greater number of PPPs in the water sector are developed and flows of additional private capital to water projects increase, contributing to stability in the sector.
- Infrastructure construction and renovation is underway to expand Jordan's capacity to better manage water resources.

Achieving these results will be measured by the following indicators:

- At the AO level the number of people benefiting from improved water resources management will be measured (*)
- Number of people trained in environmental law, enforcement, public participation and cleaner production policies, strategies, skills, and techniques (*)
- Number of industries adopting improved environmental management practices
- Percentage completion of construction of water and wastewater infrastructure systems
- Amount reduction of unaccounted-for-water
- Number of water staff trained (*)
- Number of producers' organizations, water users associations, trade and business associations and community-based organizations assisted
- Number of watershed protection plans adopted
- Number of people with greater awareness of water allocation issues (*)

(*) disaggregated by gender

In the long-term, USAID seeks to ensure that a supportive climate is in place for private capital to replace donor funding in this sector.

Assistance Objective 3 – Social Services are Improved

Supporting educated, healthy youth and families is key to Jordan's future prosperity. Jordan's development as a knowledge-based economy with a highly skilled, competitive young workforce depends on the success of the country's education reform, youth development, health, and poverty alleviation efforts. USAID's education and youth activities will ensure that current and future generations will have a better opportunity to develop their potential and contribute to their country's social and economic development. Population and health activities will continue to improve family planning and family health care services, and provide greater levels of education, which is proven to correlate with fertility rates. Poverty alleviation interventions will promote strong families and social services as an essential element of a cross-sectoral poverty reduction effort aimed at fostering greater economic opportunities and participation among the urban poor. Education and health programs are nationwide in scope, whereas youth and poverty alleviation activities will focus on selected urban locations with a large number of residents under the poverty line.

IR 3.1: Education and Life Skills are Improved

A. Situation Analysis/Problem Statement

The GOJ has invested heavily in education over the past two decades, resulting in significant improvement of education indicators since the mid-nineties. The illiteracy rate is currently 8.9 percent and the primary gross enrollment ratio has increased from 71 percent in 1994 to 98.6 percent in 2008. This has been accompanied by a transition rate to secondary school from 63 percent to 82 percent over the same period. Girls and boys have equal access to education through secondary school.

Despite the steady progress Jordan has made in increasing access and eliminating gender disparities, the quality of education remains uneven, particularly in poorer urban and rural areas. In addition, Jordan's education system has provided limited access to early childhood education, especially in poor and remote areas, thus leaving children who are dependent on public schooling at a disadvantage when entering first grade. Moreover, the relevance of education throughout the Kingdom has lagged: for many years, the curriculum and teaching techniques remained unchanged and students received an education that did not adequately prepare them with the skills required in an evolving world. Specifically, a mismatch has developed between the skills and knowledge students graduate with and what is required by the labor market.

Youth under 30 years old comprise as much as 70 percent of the population and are a large share of Jordan's urban poor. Though the rate of school dropouts is very low at the primary stage, an increase in later grades, particularly for boys, indicates that some youth are being prematurely led into adult roles, with a loss of learning and play opportunities, as well as a heightened risk of delinquent behavior. In addition, the unemployment rate among youth is estimated at nearly 60 percent. Estimates indicate that 80,000 new jobs and continued strong economic growth of 7 percent or more will be needed each year to avoid higher levels of unemployment and poverty.

In full recognition of the challenges facing its education system, the GOJ embarked on the design and implementation of a bold and ambitious education reform program known as "Education Reform for the Knowledge Economy (ERfKE)." Initiated in 2003, ERfKE is a multi-donor program to strengthen and integrate critical thinking, problem-solving, workplace skills and e-learning approaches into Jordan's core education curricula.

While ERfKE has facilitated some impressive changes, the general transformation of teacher mentality, techniques and approaches is slower than desired due to the insufficient capacity at the institutional level to implement and sustain reform efforts, an inadequate monitoring and evaluation system, and insufficient understanding of reforms, especially at the field level.

In addition to the existing weaknesses of the formal education system, youth have few safe outlets for social or recreational activities and are not adequately engaged in positively shaping the environment around them. According to UNICEF (2002), the overall percentage of youth membership in sport, social and cultural activities was less than 10 percent. Girls in particular have restricted mobility and few chances to further develop their leadership skills and enhance their critical thinking skills. Less than 20 percent of girls aged 10-14 years and 40 percent of girls aged 15-19 years are allowed to go to the market alone, while the figures for boys in the same age groups are 70 percent and 100 percent respectively.

A youth survey that was recently undertaken by USAID confirmed that the challenges and concerns identified in 2002 persist and are pertinent to a disproportionately high percentage of young people between the ages of 15 and 24. The youth survey found that future employability and financial security was the number one concern. The survey also found that there are limited opportunities for civic engagement, high incidence of violence, and widely prevalent unhealthy habits and behavior.

B. Critical Assumptions and Risks

The main lesson that was learned from past GOJ and donor education reform efforts was the limited engagement and participation opportunities given to the direct stakeholders, namely students, teachers, principals and communities. As a result, real changes on the ground have been slower and less than anticipated. Therefore, all future programs will emphasize the importance of engaging those stakeholder groups that are expected to translate policy into action in the reform process in all of its stages: planning, implementation and evaluation.

The Ministry of Education (MOE) plans to reorient the provision of education from a centralized hierarchical structure to the adoption of a decentralized “whole school approach” that engages field directorates, school principals, teachers, administrators, parents, and community partners in the design and delivery of school improvement plans. This will require a realignment of authority, responsibility, and accountability within the MOE. Two clear consequences arise from this issue including: (1) an imperative to build educational leadership skills at all levels of the MOE, with a particular emphasis on field directorates and school principals; and (2) a parallel imperative to ensure that pre-service and in-service teacher training is strengthened and aligned with the pedagogical orientation of the reform program.

An average of 30,000 students transferred from private to public schools in each of the past three years. Reasons include the inability of families to afford the increasing costs of private schooling (a push factor), as well as the growing perception that the quality of public schools has increased and warrants the shift (a pull factor). Combined with Jordan’s high population growth rate and influx of Iraqi refugees, this shift is creating very overcrowded public schools. Nearly 30 percent of schools in Jordan are now double shifted or held in rented properties. Additional classrooms are urgently required to both improve the quality of education and to sustain trends of improved access.

The significant increase in the cost of living also has ramifications for the quality of education and its relevance to the labor market. Providing students with better quality education and the skills they need to successfully enter the labor market will avoid an increase in drop-out rates and consequently avoid a prevalence of other related social issues such as child labor and street children.

The cross-sectoral youth intervention will target disadvantaged and marginalized youth that live in very poor communities and neighborhoods. This sub-population has been neglected as it is often more difficult to identify and has fewer assets on which to build. If reached effectively, however, the potential gain (or value added) for this group is extremely high.

C. Sub-Intermediate Results (Sub-IRs)

With 70 percent of Jordan's population under 30 years of age and the unemployment rate among youth estimated at nearly 60 percent, USAID will engage with GOJ and other stakeholders to improve the opportunities and livelihoods of Jordan's vulnerable urban poor, especially youth.

To this end, USAID will focus on increasing the relevance of the education and training provided to youth to enable them to enter the marketplace. This will target both the formal and non-formal education sectors. A second area of emphasis for USAID is the development of a comprehensive professional development system for teachers and school administrators to better equip all field personnel and enable them to provide better quality education to all students in Jordan's public schools. Support for the education sector will be nation-wide in scope.

Sub-IR 3.1.1: Quality of Formal Education is Improved. USAID's support for the education sector is closely aligned with Jordan's ERfKE education reform initiative and will focus on early childhood education (ECE), secondary education, professional development, monitoring and evaluation efforts and school construction. In the area of early childhood education, USAID's programs will improve the access and quality of ECE. USAID support will focus on the quality of kindergartens, in terms of infrastructure, teaching quality, involvement of parents and community members, and schools ability to successfully establish and implement an ECE Quality Assurance system. Programs will target kindergartens and the first three elementary grades in order to reinforce integration between grades and strengthen the impact of early childhood education.

For secondary school education, USAID will work to enable youth to acquire the skills necessary to successfully enter the labor market in Jordan. This will entail support for the Management Information Stream, school-to-career programs, and life skills activities to improve the relevance of what is being taught through improved curricula, project-based learning, and non-traditional teaching techniques.

To complement these efforts, USAID will support the MOE in establishing an 'Education Training Center' that will provide newly-hired teachers with an induction preparation training program to better prepare them for the profession. Moreover, USAID's program will assist the ministry in the development and delivery of in-service training programs for teachers, principals and supervisors through building the capacity of MOE trainers and working through school networks. Both of these components will be linked to the Ministry's ranking system to better incentivize teachers and improve the profession's perception and prestige.

USAID will support efforts to build the MOE's capacity, at both the central and field levels, in monitoring and evaluation. USAID will train Ministry personnel to better share, utilize and analyze data to make decisions that will lead to better results. This component will also include hardware and infrastructure improvements to data systems to facilitate data use and allow transparency within and between the different levels of the MOE. Specific support for MOE's broad-ranging decentralization effort is not envisioned at present, though USAID's capacity-building efforts empower teachers and principals and thus prepare them for an increased role in decision-making at the school level envisioned by the Government of Jordan.

To provide quality learning environments, assist the MOE in eliminating rented and double-shifted schools, and alleviate over-crowdedness, USAID will fund the construction of new schools and extensions. Support will focus on building new state-of-the-art schools and rehabilitating existing schools throughout the country to better accommodate educational reform efforts and allow the implementation of a more effective and student-centered curriculum.

Although basic education remains USAID's priority, USAID is assessing the potential of supporting higher education reform efforts, as the higher education sector faces challenges in providing equal opportunities to the poor and better linking the education provided in universities with the needs of the job market. The GOJ is in the process of launching a five-year comprehensive higher education reform initiative to revamp the higher education system. USAID has been engaged in several discussions with the World Bank team and the Ministry of Higher Education and Scientific Research to assess the nature and extent of the proposed reforms.

Sub-IR 3.1.2: Employment Opportunities for Youth are Increased. The top priorities identified by youth in USAID's "Disadvantaged Youth Survey" were employability, and civic and community engagement. In recognition of this, USAID will undertake a cross-cutting youth development program to improve youth's life, employability and entrepreneurial skills. Training, internships and job placement programs will better link youth to livelihood opportunities, and provide them with the soft and technical/vocational skills demanded for these jobs, as well as create employment opportunities in the community itself.

USAID will complement life, employability and entrepreneurship skills development with activities that provide youth and their communities with additional services to increase the well-being, awareness and livelihoods of youth. The demand-driven, youth-focused activities will include provision of additional services targeting youth, adaptation of existing services to make them more accessible and relevant to youth, and programs and community projects that change behaviors and improve environments in which youth live.

In addition, small physical infrastructure and environmental improvements – identified and implemented by youth – will be undertaken to address the limited access to public safe spaces for youth to meet and participate in activities. Private sector involvement and community engagement will be important factors in the success of completing, maintaining and sustaining the efforts.

While there is great attention to youth programming in Jordan, there is considerable room for better coordination at the national level. USAID will seek to support Jordan to carry out actions that generate more coordinated and complementary youth-related national policies and programming to resolve the scattered nature of youth activity programming and implementation.

D. Coordination of U.S. Efforts

USAID is the principal U.S. agency engaged in education, youth, and social services development in Jordan. USAID's economic growth, education and youth programs are coordinated to improve the quality of education and its relevance to the labor market. Joint health and education programs focus on personal hygiene, physical fitness, nutrition, anti-tobacco life and family planning, which would result in behavioral change and improved school environments. Furthermore, the education, youth and poverty alleviation programs have been interlinked to provide disadvantaged youth with greater educational opportunities to enable them to productively and effectively shape their futures and contribute to Jordan's development. USAID will coordinate closely with the Public Affairs Section and Peace Corps in its cross-cutting youth interventions designed to reach the most vulnerable and marginalized youth to help them lead more independent, productive and decent lives and ultimately contribute to poverty alleviation.

E. Role of Host Country/Regional Organizations/Private Sector Partnerships

USAID has been active in Jordan's educational sector since 2003 and has based its education assistance on the priorities outlined in GOJ's ERfKE Initiative. The first five-year ERfKE Initiative focused on improving policies and administration, curriculum and testing, physical facilities, and early childhood education. Currently, GOJ is in the process of developing the second phase of ERfKE which is anticipated to follow a more decentralized approach where individual schools will

be expected to manage and implement their own school based development programs and improvement plans. Professional development, both pre- and in-service training to teachers, principals and supervisors, has also been identified as a priority in the second phase of the reform program.

The ERfKE Initiative is supported by nine donors. The multilateral funding agencies largely provide budgetary support that contributes to the broad aims of ERfKE. Bilateral agencies include Canadian International Development Agency's (CIDA) activities that support decentralization, school development, teacher training and renewed curricula. The EU has been designing activities in the areas of special education, vocational education and activities addressing the challenges of the underperforming students. The Japan International Cooperation Agency (JICA) funds activities that support the renewed curriculum and provides teacher training in math and science. School construction and rehabilitation efforts involve the majority of donors, including the World Bank, Arab Fund, Islamic Bank, European Investment Bank, and the German KfW Bank. Finally, UNICEF and Save the Children Federation have provided significant technical expertise in the design and implementation of the early childhood education initiatives and activities.

The private sector is also involved in the reform efforts and has made substantial contributions to teacher training programs on the use of technology. Private sector companies are also working on the development of e-curricula under the Jordan Education Initiative (JEI). The JEI is itself a public-private partnership which interfaces with the Ministry of Information and Communication Technology.

One of ERfKE's unique features and strengths is the consortium it has established between different stakeholders. This consortium includes ministries, donors, implementing agencies and other national and international organizations. The ERfKE Program guides all donor inputs into the education system, and monitoring ERfKE's progress serves as the key technical interaction between the GOJ and donors. A Development Coordination Unit (DCU) was established in the Ministry in 2003 to coordinate and harmonize donor inputs and resources through very organized and well-implemented monitoring and reporting mechanisms.

Jordanian leadership also recognizes the critical need to better address the challenges confronting youth outside the formal education system. Jordan was the first country in the Arab world to develop a National Youth Strategy after consulting with 50,000 youth. The strategy highlights nine areas of emphasis: participation; civil rights and citizenship; recreational activities and leisure time; media and culture; ICT and globalization; education and training; employment; health; and environment. The Higher Council for Youth, a key partner in USAID's youth program, manages the 70 youth centers around Jordan, and is collaborating with UNICEF on developing and implementing a detailed strategy and vision for the youth centers that will better equip them to address youth needs and priorities. The Royal Court also supports many youth activities. Queen Rania has served as a national spokesperson on youth issues. The King Abudullah II Fund for Development (KAFD) supports youth university scholarships, convenes youth forums, and "knowledge centers." Other prominent local NGOs or foundations such as the Queen Zein Al Sharaf Institute for Development (ZENID), Young Entrepreneurs Association, and Ruwwad support youth activities in Jordan. With its new youth programs, USAID will work on harmonizing and coordinating all youth development efforts through close collaboration and partnership with the Ministry of Social Development.

F. Anticipated Results

USAID's long-term vision is a vibrant Jordanian education system that meets the Millennium Development Goals of education for all and gender equity through secondary school. Moreover, the public education system will produce graduates who have the skills necessary to actively enter and thrive in the local and global marketplace. Youth will be more engaged in broader

community-based development initiatives and national youth policy efforts. At the end of the strategy period, USAID envisions achieving the following results:

- An improved early childhood education system, both in regard to the physical learning environment and the quality of teaching and learning. Kindergarten education will be more strongly linked and integrated with the first three grades of primary school to make the transition into more formal schooling smoother and the education more comprehensive and relevant.
- A higher percentage of high school graduates with the necessary education and skills required to enter the labor market. These skills include life, employability, IT and knowledge-economy skills.
- Increased access to conducive and healthier learning environments through construction and rehabilitation of schools.
- Reduced youth unemployment by upgrading and developing youth's employability and life skills and providing beneficiaries with employment opportunities.
- A more qualified and higher caliber of teaching professionals employed at MOE schools. Qualifications will be assessed against the National Professional Teacher Standards developed in coordination with the MOE.
- More qualified MOE staff at both the central and local levels, ultimately leading to greater sense of ownership, higher levels of understanding and institutionalization of the reform process, sustainability and more wide-spread success.
- Provision of demand-driven youth-friendly services based on needs and priorities identified by youth and their communities.
- Increased awareness, participation and decision-making abilities of youth and community members of the targeted communities, ultimately leading to positive attitudes and behavior change.

Progress in achieving these results will be measured through the following indicators:

- At the AO level the percentage of students who demonstrate mastery of all 8 NAfKE competency areas (*)
- Number of Ministry of Education kindergarten classrooms that meet the Quality Assurance Standards
- Number of teachers that received in-service training with USG support (*)
- Total number of students enrolled in new or rehabilitated schools with USG support (*)
- Number of youth who participated in community-based youth-led projects (*)
- Number of youth retained in jobs for 6 months after participating in USG supported programs (*)

(*) disaggregated by gender

USAID's long-term vision is a vibrant Jordanian education system that meets the Millennium Development Goals (MDGs) of Education for All (EFA) and gender equity through secondary school. Moreover, the public education system will produce graduates who have the skills necessary to actively enter and thrive in the local and global market place. Youth will be more engaged in broader community-based development initiatives and national youth policy efforts.

IR 3.2: Health Status for all Jordanians is Improved

A. Situation Analysis/Problem Statement

Jordan has one of the fastest growing populations in the world. Between 1979 and 2007, the population grew from 2.1 to 5.7 million people, an average annual increase of 3.6 percent. At the current growth rate of 2.3 percent, the population of Jordan will double in about 30 years. GOJ

recognizes that this is a prospect it can ill afford, given Jordan's natural resource and economic base.

While overall health conditions in Jordan are good, population growth continues to be a major development constraint for Jordan. The 2007 Demographic and Health Survey (DHS) found that the total fertility rate has only decreased by 2.7 percent since 2002 (from 3.7 to 3.6 children per woman) and that contraceptive prevalence has leveled off for all methods at 57 percent. Forty percent of women discontinue use within 12 months of using a method according to DHS 2007, a figure that is 5 percent more than the preceding survey of 2002. Although the percentage of birth intervals of less than 24 months decreased from 44 percent in 1997 to 34 percent in 2002, birth intervals in Jordan are still among the shortest in the world.

Jordan has an extensive public health service delivery system reaching the majority of citizens. Infant and under five child mortality have decreased over the last five years by 14 percent and 22 percent respectively. But the current rates of infant mortality at 19 per 1,000 live births and under-five-mortality at 21 per 1,000 live births are still high compared to developed countries. Services for maternal health (MCH) have expanded national coverage with 98 percent of pregnant women receiving public sector antenatal and birth services and 94 percent of children age 12-23 months are fully immunized. While reasonably good-quality MCH services are available from Ministry of Health (MOH) centers, the quality and effectiveness of the services needs more attention

Approximately 50 percent of Jordanians rely on primary health clinics or centers (PHC) for outpatient services. The MOH remains the main and sometimes sole source of health services for populations living in remote areas and for lower income groups, including vulnerable Iraqis living in Jordan. Given the worsening economic situation in Jordan, the role of the primary health care system is becoming more vital in sustaining and even advancing the health gains of the prior two decades. Improving management and planning skills of health care providers and strengthening PHC to hospital referral/appointment systems are high priorities.

Jordan has been experiencing an epidemiological transition as part of the demographic transition to an older population. Infectious diseases are still a cause, albeit less prominent cause, of morbidity and mortality, while at the same time chronic non-communicable diseases are reaching alarming levels. HIV/AIDS prevalence is presumed to be low but improving surveillance is essential to obtaining better figures of prevalence and incidence in order to effectively prevent the spread of the disease. While USAID's health program is strongly focused on the central issues of family planning and reproductive health in Jordan, we have provided targeted assistance to address specific infectious disease issues such as public service messages on H1N1. Breast cancer is a leading killer of women in Jordan, responsible for 34 percent of cancers among Jordanian women. With no social safety net, violence against women is an emerging problem that needs to be addressed.

While the knowledge of family planning is very high at more than 90 percent, its practice does not go hand in hand with knowledge. Similarly other health risk factors are known to the young and adult population; however, knowledge has not always resulted in behavioral change. Chronic diseases are prevalent, smoking is a national problem, breast cancer is too often detected at late stages, and exercise infrequently practiced.

B. Critical Assumptions and Risks

High fertility and rapid population are the most serious challenges to development in Jordan. The GOJ recognizes that rapid population growth affects its ability to achieve socioeconomic progress and places tremendous strain on Jordan's fragile resource base. Despite GOJ commitment and progress made, recent data from the 2007 DHS gives cause for concern and calls for a redoubling of policy and program efforts. Constraints to further reductions in fertility include a

preference for large families, unmet need for family planning services, and a less than fully functional public health system.

There is a strong desire on the part of Jordanian couples to plan the number and spacing of their children. Their ability to effectively do so improves individual family outcomes and facilitates Jordan's goal of reaching a total fertility rate of 2.1 by 2025. USAID continues to place major emphasis on family planning and reproductive health as it works with the GOJ to achieve its national population goal and to move the Kingdom beyond the current plateau in the contraceptive prevalence rate.

As Jordan passes through the demographic transition (a movement from high fertility and mortality to low fertility and mortality), the age structure of the population and the dependency ratio will change. Although the total fertility rate declined significantly from 6.6 in 1983 to 3.6 in 2007, the death rate also decreased rapidly and life expectancy is over 70 years. Because the birth rate remains relatively high, Jordan has a rapidly growing, young population that will maintain a relatively high dependency ratio – remaining at the unfavorable level of 0.65 or 2 dependents for every 3 workers – until fertility drops and the demographic transition is completed. A significant change in the dependency ratio can create opportunities for faster economic growth and reduce pressure on families. To benefit from any potential demographic dividend, policies will be needed to reduce fertility rates, anticipate future retirement needs and maximize efficient use of the new labor force, national savings and human capital.

Health issues also link to poverty. The urban poor tend to have larger families as well as a higher unmet need for family planning. The total fertility rate is 2.5 among the highest income groups and 4.8 among the lowest, both for rural and urban populations. Eight percent of the poorest women have an unmet need for family planning as compared to 2 percent of the richest women. School overcrowding and overtaxed hospitals and clinics are the norm in Jordan's cities. Further, health providers are at the forefront of providing a broad range of social services to this group. The social work profession needs to be increased and strengthened in Jordan, and health workers are often called upon to fill this gap. Religious leaders and institutions, local governments, and charitable societies also play a significant role. Poverty alleviation efforts to date have failed to focus in a concerted way on the cities where most of the poor live, link involved actors together and bolster their capacity to serve the poor.

C. Sub-Intermediate Results (Sub-IRs)

USAID will continue to help Jordan achieve its goals of replacement fertility (2.1 children per woman by 2025), stable population growth, and improved family health for all. To achieve this goal, USAID will focus mainly on two elements: improved maternal and neonatal health, and family planning/reproductive health. Communications, policy and capacity building and systems strengthening are cross cutting themes contributing to these elements. Inclusion of specific interventions designed to address the rapid increase in the prevalence of chronic disease in Jordan will be explored, beginning with an overall assessment of the health sector program scheduled for FY 2010. USAID health activities will be nation-wide in scope.

Sub-IR 3.2.1: Maternal and Neonatal Health are Improved. To improve the quality of and access to comprehensive essential obstetric and neonatal care services, USAID will assist with improvements in the physical environment of obstetric and neonatal wards, provision of essential medical equipment, and capacity building interventions for health care providers. The renovation work, to take place at most MOH and selected Royal Medical Service (RMS) hospitals, will be aimed at fulfilling the functional, infrastructure and prevention requirements in accordance with international standards. State-of-the-art life saving equipment as well as medical furniture will be provided.

Capacity building will continue through institutionalizing competency-based training for service providers (physicians and nurses) working in obstetric and neonatal units at MOH and RMS

hospitals. Training will be carried out according to standardized clinical protocols for managing high risk pregnancies and pregnancy complications.

The quality of services at the primary health care level will be improved through the above mentioned clinical training of service providers and establishing the performance improvement review process, building effective supervision systems, and establishing a referral and appointment system. At the hospital level, safe motherhood committees will be established to monitor the quality of care at all MOH hospitals.

Drawing on the successful partnership between the King Hussein Cancer Foundation and Cancer Center, USAID will provide support for activities to promote awareness and early detection of breast cancer.

Sub-IR 3.2.2: Use of Family Planning Services is Increased. The DHS 2007 shows only a marginal increase in contraceptive use (from 56 to 57 percent), indicating that contraceptive prevalence has reached a plateau. USAID will address the barriers to increased contraceptive use through provision of information and services designed to reduce the high rate of discontinuation by shifting from traditional to modern methods, by decreasing missed opportunities, and by changing provider bias.

Utilizing recently developed protocols and guidelines, USAID will continue its assistance for training, especially of female physicians and midwives, in advanced methods of family planning, quality assurance and counseling. Support will be provided for continuing medical education for private physicians to include interventions aimed at promoting positive provider behavior towards voluntary family planning services and strengthening information systems. In collaboration with the private sector, evidence-based approaches will be used to improve physicians' knowledge and attitudes towards hormonal contraceptives. Detailing by pharmaceutical marketing representatives will make additional information about family planning and women's health readily available to private physicians.

A number of missed opportunities for family planning exist at all levels of the health care system. They include antenatal and post-natal visits, pre-marital exams and regular visits to service providers. It is important to make family planning and reproductive health services available at each point of contact and every stage of the birth interval. Implementation of the Essential Service Package will help ensure a reduction in missed opportunities at MOH facilities. Other causes of missed opportunities for family planning services at the primary health care setting will become clearer through institutionalization of a survey that is planned on an annual basis.

Postpartum women and women who have spontaneous abortions (miscarriage) represent a major missed opportunity, as most Jordanian women give birth in a medical facility setting, but very few receive any information about family planning postpartum. As part of its safe motherhood program, USAID will assist the MOH in improving post-partum and post-miscarriage care at all MOH hospitals. Family planning counseling and services will be provided to postpartum and post-miscarriage clients in the hospital prior to discharge. Reaching these groups of women with follow-up care and contraceptives will require development of a program for emergency treatment of miscarriage, hemorrhage, and other complications of pregnancy as well as more effective community outreach services that are affiliated with health facilities.

To address unmet need for family planning services among 12 percent of married women (per the 2007 DHS), USAID will increase the role of civil society in the delivery of reproductive health/family planning services. In coordination with the mission's new cross-sectoral focus on poverty alleviation, health outreach programs implemented by local NGOs will be expanded, particularly in underserved areas where the need is greatest. Outreach workers provide information and counseling about reproductive health and family planning methods, as well as counseling and referral for women victims of domestic violence. In addition, the network of

trained private physicians who receive referrals for family planning and breast exam from these outreach workers will be expanded, with a focus on female physicians.

Sub-IR 3.2.3: Capacity of Health Systems is Strengthened. Strengthening health systems and communication are crosscutting efforts that augment increasing adoption of family planning practices and improving maternal and neonatal health services.

The MOH Health Strategy for 2008-2012 states: *“By the year 2012 the MOH will provide health prevention and curative services, with greater focus on primary health care.”* In Jordan this is the linkage/interface of essential services and information at the primary health care level and the community. USAID will continue to assist the MOH implement a set of specific interventions at each of the three levels of the health system – community, Health Directorate (primary health clinics and hospitals), and central levels. This concentration of effort is very appropriate, efficient, and systematic and will lead to a gradual strengthening of the entire public sector health system from the community to the central level.

USAID will continue efforts to build capacity of staff at the central, Health directorate, and facility levels of MOH. Training will be carried out according to a comprehensive Master Training Plan and will include clinical training, knowledge management and health management information systems, and medical records and supportive supervision. Building capacity of the MOH staff at the Health Directorate level will be a special focus, where all Health Directorates will receive technical assistance for operational planning, management, supervision and monitoring.

Improved quality and access to primary health care services will be achieved through consistent application of the well-defined and standardized package of essential health care interventions (Essential Services Package) through the use of the performance review process, and the establishment of Quality Coordinators to monitor and supervise health center performance. Promotion of the principles and practice of knowledge management, including utilization of health information systems tools and data, will help to improve the efficiency and overall quality of health care.

Quality improvement interventions at both primary health care and hospital level will continue through provider compliance with national standards, and through the comprehensive accreditation process led by the newly created national body, the Health Care Accreditation Council.

USAID will assist the MOH in developing and implementing a community mobilization model which is a set of integrated interventions to improve the quality of and expand access to primary health care services. The model is designed to foster a partnership of interdependency between health care services and the community.

USAID/Jordan will also make use of Jordan’s Population and Family Health strategy to enhance and build on its current efforts to mobilize widespread and sustained support for family planning/reproductive health and smaller family size. Advocacy tools such as the RAPID presentation will be used to increase awareness and advocate for change. Technical assistance will be provided for inclusion of population dynamics in planning for various sectors and for analysis of survey and other data.

In support of the National Population Strategy, USAID will continue to help strengthen the Higher Population Council to carry out its role in overseeing population and reproductive health in the country.

In terms of behavior change communication, USAID will continue to make use of health communication campaigns, such as the *“Hyatee Ahla”* (My Life is more Beautiful) campaign as well as continue to focus on birth spacing, small families, and gender equity. Messages emphasizing healthy lifestyles will be directed to youth, newly and young married couples, and

couples with one child. The messages for newly married couples will emphasize early planning, while families who have one child will be urged to space births at least three years apart. Families are also urged to treat their daughters and sons equally, as male preference is a factor behind large family size. A service provider component will be developed to promote higher quality health care providers through job communication aids and training in counseling. Future campaigns will emphasize behavioral or lifestyle choices related to the rise in chronic disease.

To expand message reach, multi-media behavior change communication campaigns will continue to engage a diverse group of local partners, including groups not traditionally involved in health promotion, such as religious leaders, civil society groups and the private business sector. Working through the Civil Status and Passports Department of the Ministry of the Interior, the GOJ is able to reach almost all Jordanians as it targets newly engaged couples, newlyweds and parents registering their first child.

Linking the mass media with community level interventions will be key to establishing new social norms and creating an enabling social environment for young couples to exercise their decisions to plan their families. Working with the religious leaders at community level and the journalists at national level will help maintain the discourse on the small family norm and the need for spacing of births. Community level interventions will be concentrated in the most disadvantaged communities where adoption of family planning is low due to entrenched cultural beliefs.

To sustain the successes achieved to date and further promote behavior change, USAID will support the establishment of the Jordan Center for Communication Programs (JCCP). Spinning out of the Jordan Health Communication Partnership (JHCP), the Center will be a not-for-profit legacy institution that will provide the needed technical assistance for developing a variety of health and social communication programs for Jordan.

Health communications programs also play a role in poverty alleviation, reaching the poor with messages linking family planning to women's empowerment and gender equity.

D. Coordination of U.S. Efforts

USAID is the primary U.S. agency supporting the health sector in Jordan. USAID collaboration with the Centers for Disease Control (CDC) helped enhance Jordan's health surveillance system. In partnership with the CDC, USAID will explore the potential for addressing the issue of the substantial rise in chronic diseases in Jordan.

USAID's health and education portfolios reinforce each other through programs that promote healthy lifestyles among students by incorporating "life planning" initiatives into existing curriculum. This program will be scaled up to include over 100 schools and a website will be developed so that all educators will have access to the information and materials developed. Collaboration with the democracy and governance programs has helped advance the role of civil society in promotion of reproductive health and violence against women. The new cross-cutting youth and poverty alleviation programs will capitalize on existing health programs and seek to improve the health services provided to disadvantaged youth in an effort to improve health conditions for this segment of the population. Finally, given the demand on Jordan's resources due to the rapid population growth, population policies and issues are taken into consideration when designing and implementing programs across USAID's portfolio.

E. Role of Host Country/Regional Organizations/Private Sector Partnerships

The GOJ's focus has been on developing its human potential, essentially by advancing the well-being of its citizens. The landmark passage of the National Population Strategy (NPS) in March 1996 and the passage of the Reproductive Health Action Plan, a sub-strategy of the NPS, in April 2004, made clear that Jordan was serious about family planning and recognized high population growth rate as a major constraint to Jordan's development prospects. The GOJ's

commitment to population and family planning was demonstrated again at the 2007 World Population Day, where the Prime Minister spoke about the need to focus on population growth in light of scarce resources, as well as the need to promote smaller families.

The GOJ also recognizes the need to address and to better understand population dynamics and the potential demographic dividend in Jordan. The Prime Minister issued a decree formulating a Ministerial Steering committee, consisting of decision makers in concerned ministries in addition to representatives from the private sector, and civil society organizations. A technical committee was established to study the issues and to incorporate population dynamics into sector-specific strategies.

The MOH's first-ever Health Strategy for 2008-2012 and the Reproductive Health Action Plan both stress the importance of a renewed emphasis on primary health care and the pressing issue of population growth over the next two decades. To help achieve the objectives of the National Health Agenda, they aim to reduce the total fertility rate from 3.7 in 2002 to below 3 by 2012, the maternal mortality ratio from 41/100,000 in 1996 to 25/100,000 live births, and infant mortality from 22/1,000 in 2002 to 17/1,000 live births. The Health Strategy and the Reproductive Health Action Plan, respectively, will also facilitate a shift in the administration of health services towards decentralization and delegation of authorities to health directorates and hospital directors.

USAID is the largest donor in the Jordan health sector. South Korea, Japan and Spain are providing funding for the construction and equipping of hospital and health care centers. WHO, UNICEF and UNFPA are providing support for reproductive health. The Jordanian public sector (MOH and the RMS), and an extensive network of NGOs and private sector health care providers and facilities⁹ provide maternal, neonatal and child health, as well as family planning, and reproductive health services throughout the Kingdom.

USAID's programs complement the work of the public-private sector and other donors working in the area by coordinating programs in order to reduce redundancy.

F. Anticipated Results

USAID will continue to support programs that improve the health care system in Jordan with a strong emphasis on family planning and maternal and neonatal health services. By the end of the strategy period, it is expected that USAID programs will have contributed significantly to a decrease in Jordan's fertility rate, from the current 3.6 to a projected 3.3 children per family (a decline of 0.1 percent per year). USAID will work to improve important health indicators, especially maternal and infant mortality and morbidity – working at all levels of the health system, but especially at the local level where health care workers interact most with citizens. USAID assistance will contribute to achieving the following results:

- Capacity building of health care providers is institutionalized in the MOH using a wide range of guidelines and curricula developed with USAID support.
- Health Management Information Systems supporting data for decision-making in MCH and Safe Motherhood are developed and functional.
- Improvement of the physical infrastructure of obstetric and neonatal departments and medical equipment in selected hospitals installed and utilized.
- Selected hospitals from all sectors and MOH Primary Health Care Centers are accredited by the Health Care Accreditation Council.
- Longer birth intervals are achieved, use of modern contraceptive methods (as opposed to traditional methods) is increased, and discontinuation rates and proportion of unwanted births are decreased.

⁹ Hospitals, primary health care clinics, and private practitioners

- Access to reproductive health/family planning services is made available at every stage of the birth interval and at each point of contact with childbearing women.
- Health communication and community based interventions promoting small family size are designed and implemented.
- Service delivery to the urban poor improved via targeted assistance to integrate health workers into broader poverty alleviation efforts and build health worker and system capacity to address the specific health concerns of targeted communities.
- Health communications messages and community based interventions promoting small family size and healthy lifestyles are designed and implemented, especially in poor underserved areas.

The following indicators will be used to monitor achievement:

- At the AO level the total fertility rate is reduced at a rate of 0.1 children per woman per year
- Percentage of public hospitals providing a comprehensive family planning reproductive health package for postpartum and post-abortion care to clients
- Percent of public hospitals appropriately using continuous positive airway pressure (CPAP) ventilators
- Percentage of pregnancy induced hypertension managed according to the national clinical guidelines in public hospitals
- Contraceptive prevalence rate is increased
- Percent of mothers who waited at least 3 years since previous birth is increased

Looking long-term, USAID will continue its efforts to help reduce fertility and to address reproductive and maternal health issues. It will also need to examine ways to address the issue of the substantial rise in chronic non-communicable diseases. At the same time, it will be important to provide support to the MOH to carry out its new strategy, including decentralized management of health services. Indicators will be disaggregated by gender to the extent possible.

IR 3.3: Access to Social Services for the Underprivileged is Increased

A. Situation Analysis/Problem Statement

The problems facing Jordan's youth are inextricably linked to poverty, as Jordan's poor families are typically large and young. To date, both the GOJ and donors have addressed poverty through a focus on 22 rural "poverty pockets." Recent World Bank and GOJ Department of Statistics data suggests, however, that more than 62 percent of Jordan's poor are concentrated in Jordan's three largest cities – Amman, Zarqa, and Irbid – where unsustainable population growth is occurring as jobs and water in rural areas become increasingly scarce. Once people migrate to cities, however, it is often difficult for them to secure employment, fueling rising rates of unemployment among youth and the general population.

USAID/Jordan recently conducted a poverty assessment that identified a number of major contributors to urban poverty in Jordan. These include:

- deficiencies in the climate for small enterprise startups and development;
- a mismatch between skills and economic demand;
- transportation and other barriers to women's participation in the job market;
- abuse and family violence;
- gender dynamics;
- cultural barriers to work and education;
- school dropouts;
- population growth/inadequate family planning;

- inadequate local government capacity;
- infrastructure constraints ranging from poor sanitation and waste management to lack of affordable housing;
- lack of social service coordination and availability; and
- lack of community empowerment

The above list spans all sectors under USAID/Jordan's strategy. To respond, the Mission has launched a groundbreaking, cross-cutting effort to integrate poverty alleviation/reduction goals and measures across its portfolio. In the social services area, there are a number of positive GOJ and non-governmental initiatives already underway that USAID seeks to leverage. These include efforts to develop Jordan's nascent social services sector; combat family violence; encourage women's participation and reduce cultural and other barriers to gender equality; an effort to restructure Jordan's National Aid Fund; and, support civil society initiatives aimed at alleviating urban poverty. Poverty is a sensitive area, linked to many entrenched attitudes and values. As we do already in many areas ranging from water conservation to family planning, USAID will engage with religious leaders, government, and community-based organizations as partners in its efforts to foster poverty alleviation through family-centered social services.

Compounding the existing challenges for youth and the poor in Jordan has been an influx of Iraqis who have little access to services and represent a potentially volatile sub-population. While Jordan has taken important steps to accommodate Iraqis – such as opening public schools to Iraqi children – opportunities for vocational training and work remain limited, and both schools and the health system are struggling to cope with existing and growing demand.

B. Critical Assumptions and Risks

Poverty alleviation efforts rest on two key assumptions: 1) any comprehensive anti-poverty program should focus on large poverty populations in urban areas, not rural pockets, and 2) must include activities to address employment generation, training to match skills with market demand, family planning/primary health, and social services. Previous GOJ and donor efforts centered in rural "poverty pockets" have yielded marginal results both in terms of reducing overall levels of poverty and alleviating the impacts of poverty among a significant share of Jordan's poor. Furthermore, GOJ, USAID and other development initiatives to date have tended to focus almost exclusively on the income aspect of poverty through vocational training and job programs, with the same limited impact. USAID/Jordan's cross-cutting approach therefore shifts attention to the urban poor, and recognizes that poverty is a multidimensional social, cultural, and governance issue as well as an economic problem.

C. Sub-Intermediate Results (Sub-IRs)

Sub-IR 3.3.1: Gender and cultural barriers to accessing social services are reduced.

USAID will address the social dimensions of poverty through a family-centered program that engages trusted voices for reform to reduce gender and cultural barriers to poverty and equal opportunity as well as to improve social services for the poor.

Within a larger basket of economic and social factors driving poverty in Jordan, the USAID/Jordan Poverty Assessment identified a number of challenges directly linked to the social sector portfolio. These include family violence, school violence, juvenile justice system constraints, lack of psychosocial services, gender-based barriers to women and girls' full participation in society, and a lack of capacity to address these issues at both the national and community level.

To combat these challenges, USAID is currently designing a program that will link community economic development and job skills/matching efforts undertaken under the economic growth goal, as well as link existing USAID/Jordan health, education, governance, youth, and water projects in a cross-cutting way. The goal of social services intervention is to support strong Jordanian families and neighborhoods engaged in addressing the social dimensions of poverty

and alleviating poverty's impact. Efforts will improve access to quality and delivery of social services and benefits, improve physical environments and infrastructure, enhance policy and regulatory environment, improve coordination and research, and encourage behavior change by and about the poor leading to more productive lives. To achieve this objective, existing programs will be modified and new programs initiated. Both sets of projects will center on technical assistance to build capacity in engaged GOJ and non-governmental service providers and grants to support community-led social services and public engagement activities. Stakeholders and partners will include local government, religious leaders, civil society, teachers and parent groups, police and the courts, the Family Protection Directorate, health workers, and the Ministries of Social Development, Planning and International Cooperation, and Municipal Affairs. The new poverty program will initially focus on selected communities in Amman, Zarqa, Irbid, Ma'an and Aqaba.

D. Coordination of U.S. Efforts

Poverty alleviation efforts in the social services sphere link directly to poverty reduction programs in economic growth, as well as to related water, health, education, youth, and governance programs. While USAID is the key vehicle for the U.S. to address poverty alleviation efforts, USAID will coordinate with other U.S. agencies working in Jordan or others organizations identified during the design and implementation of the poverty alleviation program.

E. Role of Host Country/Regional Organizations/Private Sector Partnerships

Poverty alleviation is integrated into Jordan's National Agenda. Several ministries play a role in implementing poverty-related programs, including Social Development, Municipal Affairs, Planning and International Cooperation, Labor, and Public Works and Housing. The Ministry of Awqaf (Islamic Affairs) plays a role in sensitive social issues that shape poverty. Other significant actors include the Coordination Commission for Social Solidarity, the National Aid Fund, and local governments.

Donors in Jordan have focused on the alleviation and reduction of poverty in Jordan through funneling funding to municipalities for local development, and by providing capacity development for central government ministries and agencies concerned with poverty. The EU, the World Bank and UNDP are the main donors supporting the social services sector in Jordan.

Many civil society actors are engaged in poverty alleviation activities, from job skills training at the national level to dedicated poverty alleviation projects largely focused on rural communities. Local-level efforts tend to center on charitable donations or service to specific groups versus advocacy or more general social services. Aside from a handful of Amman-based organizations, civil society capacity is weak. Further, coordination on countering poverty is lacking among both government and non-government actors.

To a limited extent, the private sector is engaged in poverty alleviation primarily through the National Forum on Social Responsibility and the corporate social responsibility efforts of a few large companies.

F. Anticipated Results

USAID will focus on poverty alleviation in urban areas. USAID's long-term vision is for the urban poor to have access to increased opportunities for education, participation, and employment via a coordinated, integrated, cross-sectoral approach to poverty alleviation/reduction. At the end of the strategy period, USAID envisions reaching the following goals:

- Improved data collection and analysis on urban poverty.
- Increased availability and quality of a range of social services to vulnerable Jordanian families.

- Increased access for the poor in selected urban areas to information and quality social services as well as positive models for social development and gender equity.
- Social-sector poverty interventions are linked closely to community-based economic development, governance, education, youth, health, and water programs that serve the same target group through an integrated approach to poverty reduction and alleviation.
- Enhanced civil society capacity to advocate on behalf of Jordan's poor for social services and rights.
- Improved coordination among actors engaged in poverty alleviation/reduction efforts.

Progress in achieving these goals will be measured with the following indicators:

- At the AO level the number of people benefiting from USG-supported social services (*)
- Number of USG assisted organizations and/or service delivery systems strengthened who serve vulnerable populations
- Number of service providers trained who serve vulnerable persons (*)
- Number of social protection policy reforms drafted, adopted or implemented with USG support

(*) disaggregated by gender

USAID's long-term vision is for the urban poor to have access to increased opportunities for education, participation, and employment via a coordinated, integrated, cross-sectoral approach to poverty alleviation/reduction.

Assistance Objective 4 – Economic Competitiveness Strengthened

A. Situation Analysis/Problem Statement

Since 1999, the GOJ has made great progress in social, economic, and to a lesser extent, political reform. Nevertheless, this process is far from over. Emerging from decades with an economy dominated by state-owned enterprises, the country's elite have embraced the mantra of private enterprise and free markets as the model for achieving growth. However, at the middle and lower echelons of government, career civil servants are less interested in implementing reforms approved at senior levels. Furthermore, many small and medium enterprises (SMEs) remain family-owned companies with little understanding of modern management techniques, product development, marketing and the trade expertise required to compete in a global economy. Strong protectionist tendencies still exist in both government and the private sector, impeding efforts to fully open the economy to international trade and competition. GOJ regulatory institutions remain weak and need improved systems and capacity in order to play a positive role for the economy. Too many laws, policies and regulations hamper private enterprise. In sum, more reforms are necessary to further Jordan along the path of economic growth.

Other challenges to economic growth exist. Businesses are accustomed to competing, not cooperating, on shared goals, and they are just learning the benefits of forming associations and acquiring the skills to lobby government. Little interaction occurs between universities, researchers and developers for new technology and private industry, with the latter investing only minimally in research and development. With some exceptions, product quality remains low and non-competitive globally. Labor productivity lags behind other low-middle income countries in the region. Many entrants into the labor market remain poorly equipped for modern jobs. At the lower end of the pay scale, little incentive exists to work. A further complication is negative cultural attitudes about certain types of work which results in high proportions of foreign workers in many key sectors, including tourism, construction, manufacturing, and agriculture.

The Jordanian economy is facing an unhealthy mix of unrelenting slowdown in economic growth coupled with rising inflation. Inflation started to pick up in late 2007 reaching 14.9 percent in 2008

when prices of basic foodstuffs, including milk and eggs, rose by 34.6 percent. Unemployment exceeds 14 percent and over 60 percent of working-age youth are jobless. Poverty affects one-eighth of Jordan's population. Currently, about 80,000 new entrants enter the labor force each year.

The lifting of oil subsidies in early 2008 further eroded the standard of living among Jordanians. Given Jordan's high dependence on food and fuel imports, higher international prices of oil pushed up inflation and widened fiscal and external deficits. Ultimately, the energy sector crisis threatens to provoke social, economic, and political instability. Demand for energy and electricity is expected to grow at 5 – 7 percent annually. To combat high energy costs, the GOJ seeks to develop its own energy sources such as renewable wind and solar resources and non-renewable oil shale and nuclear resources. But the GOJ must reduce demand via energy efficiency measures, ensure that the legal/regulatory climate for energy sector development is supportive of energy efficiency, better develop renewable energy sources, aggressively seek private sector investment in the energy sector, and facilitate consumer and business access to knowledge of efficient energy use practices, including energy efficient technologies.

Tourism is a key driver of Jordan's economy. It is the single largest employer and the second highest producer of foreign exchange (behind remittances), contributing 14 percent to Jordan's annual GDP. Improving Jordan's competitiveness as an international tourism destination is important for Jordan's economy as it creates job opportunities, especially for women.

Despite some debt rescheduling and forgiveness, the GOJ's external debt service burden remains high. Jordan's external debt decreased by JD 1.6 billion (\$2.3 billion) by the end of July 2008 to reach JD 3.6 billion (\$5.1 billion) compared to JD 5.1 billion (\$7.26 billion) in October 2005. Total external debt service on a cash basis amounted to JD 17.3 million (\$24.7 million) at the end of July 2008. The remaining debt leaves Jordan vulnerable to shifts in exchange rates between the dollar (to which the JD is pegged) and currencies of countries to which the debt is owed. The significant fixed cost of large annual debt service requirements keeps the government budget unacceptably vulnerable to external political and economic shocks. The annual debt service also hinders Jordan's development efforts by limiting the GOJ's ability to adequately fund development activities.

Therefore, on the economic front, Jordan currently faces three fundamental challenges: 1) high poverty and unemployment rates, 2) low private sector competitiveness, and 3) inefficient government regulatory institutions. All must be addressed if Jordan is to achieve the levels of sustainable economic growth needed to reduce poverty and develop a solid middle class. Other than specific interventions focusing on poverty reduction, USAID's economic growth activities are nation-wide in scope.

B. Critical Assumptions and Risks

USAID/Jordan assumes that the GOJ and people will be strongly committed to an ambitious economic reform agenda, and that Jordan will remain a relatively secure country and a strong ally of the United States. Significant restructuring of the USAID program in Jordan may be required if this assumption changes. Activities supported under this objective will be nationwide in scope.

Poverty reduction programming depends on GOJ commitment to addressing areas ranging from constraints in the business environment for SMEs, reducing reliance on foreign labor over time and improving GOJ-provided vocational education, and addressing transportation and cultural constraints that inhibit full youth and women's participation in the workforce.

C. Intermediate Results (IRs)

Activities focused primarily on business expansion, competitiveness and workforce development, energy, and poverty reduction are designed to address obstacles to growth at the macro and

micro levels as a means to offset poverty in urban areas. Poverty in Jordan stands at over 14 percent with over 60 percent of the poor living in cities. Economic constraints marry with social and governance factors to reduce prospects for Jordanians to break the cycle of poverty. Building on an assessment conducted in 2009, the Mission has conceived of a cross-cutting approach to reducing poverty and alleviating its impacts in targeted urban areas. The economic growth portfolio will feature increased attention to reducing the economic factors identified in this Assessment, ranging from constraints in the business climate for micro, small and medium enterprises, reducing the mismatch between skills and demand for workers, addressing food security issues, and tackling transportation and other constraints to women's participation. A combination of new projects and activity expansions to reach the urban poor targeted by this effort will leverage complementary governance and social sector initiatives to reduce poverty by improving economic prospects and opportunity for the poor in selected communities.

IR 4.1: Private Sector is Expanded and Liberalized. USAID will support liberalization of Jordan's economy through public sector reform activities to help streamline provision of government services to Jordanians. Assistance will be provided to promote large-scale public-private sector partnerships, improve budgeting and financial management within government, including debt management, tax systems and administration, and revenue collection. Efforts to make government procurement more transparent will continue, as will assistance to make Jordan an outsourcing hub in information technology. Reform of the business environment will remain a key objective with streamlining business registration and licensing as priorities as well as improvements in competition policy and facilitating investment in local communities.

To increase trade and investment, USAID will help streamline related regulations across the government. Assistance will ensure that market access barriers are lowered, business registration requirements are eased, intellectual property rights are safeguarded, and other requirements pertaining to the international trade agreements are fully met. Assistance will also aim to expand Jordan's trade and investment in the region. In conjunction with the U.S. Foreign Commercial Service, USAID will also provide support to increase two-way trade with the United States through free trade-oriented organizations and the local American Chamber of Commerce. Support for trade-capacity building and trade policy development, and sectoral assistance to export-oriented industries is underway. Assistance will continue to rationalize the customs administration, improve border management and simplify customs processing throughout the country. USAID will undertake continued improvements to the management of Aqaba as a gateway for goods to and from Jordan and Iraq while promoting the city as an industrial and services base.

Jordan's information communication technologies sector shows great potential. To this end, continued assistance from USAID will ensure that a strong regulatory agency can continue liberalizing the information sector and ensure that decisions are enforced transparently. As part of this effort, continued support for e-government and e-commerce will be provided to assist Jordan in becoming a hub for the region. USAID will also promote PPPs for outsourcing of government services and infrastructure.

Continued USAID support in the area of financial sector transparency and governance will enhance Jordan's ability to be a competitive player in this sector in the Middle East and keep funds flowing to the business sector. Building on years of USAID-assisted improvements in Jordan's capital markets, USAID will continue to assist the Jordan Securities Commission on new investment tools and market oversight, Central Bank management, and setting up a money laundering unit.

IR 4.2: Workforce Development and Competitiveness is Enhanced. The competitiveness and workforce development component of USAID's strategy involves deep engagement with the GOJ, business sector associations and firms to increase Jordan's competitiveness and workforce readiness. The approach will maintain its concentration on value chains that offer the greatest potential for expansion, broad-based participation, job creation and economic impact. A key

theme will be enhancing the competitiveness of firms in specific sectors to sell in local, regional and international markets or to provide key services. Improved competitiveness – especially of the micro, small and medium enterprises (M/SMEs) – will lead to job creation, which, combined with USAID’s efforts to promote entrepreneurship and better link youth and the urban poor to livelihood opportunities and provide them with the technical/vocational skills demanded for these jobs, will help reduce poverty. Given Jordan’s water deficit and dependence on imported energy, it is imperative for businesses to adopt water and energy efficient processes to remain competitive. USAID will also promote acceptance of Jordan’s antiquities, heritage and natural resource base as a competitive asset for development, private sector management, and job creation. Assistance in the area of business development services will be continued and expanded. With privatization mostly complete, USAID will continue to assist the Government to expand the size of the private sector through the development of large-scale PPPs in key sectors. In Aqaba, USAID will shift support to help identify and implement new community-based initiatives that increase the quality of living.

IR 4.3: Energy Efficiency is Increased. Rising demands and energy inefficiency combine with volatile fossil fuel prices region-wide threaten prospects for Jordan’s economic growth, competitiveness, political stability, and prospects for investing in people. As such, the energy focus area advances all current USAID priority goals in Jordan. Under this effort, USAID will assist Jordan in developing an incentive framework that promotes best use of national energy resources, and encourages energy producers, utilities, and consumers to utilize best energy use practices. In addition, USAID will help forge U.S.-Jordanian partnerships for energy sector development and technical expertise sharing. Finally, USAID will assist in improving access to credit for energy efficiency and renewables, particularly in the area of microfinance credit lines.

IR 4.4: Government Policies Support Economic Growth and Development. The Cash Transfer program and its associated conditions precedent (CPs) provide incentive for the GOJ to take action on policy reforms across sectors. Specifically, the Cash Transfer Program supports policy reform across sectors (ranging from democracy/governance to water) by providing foreign exchange budget support linked to CPs that further reform goals. At the same time, local currency associated with Cash Transfer has been channeled to a variety of high priority development programs, including activities which bolster employment and alleviate poverty, that directly complement USAID-implemented programs across sectors.

D. Coordination of U.S. Efforts

Coordination among U.S. Government agencies working in economic growth is strong. USAID works very closely with the Embassy’s front office, economic section, and political section on Cash Transfer and associated CPs. On environment and scientific-related issues, USAID works closely with the Embassy’s Environment, Science, Technology and Health Hub Office. Collaboration with the Foreign Commercial Service Office is growing due to shared goals of increasing trade through the U.S.-Jordan Free Trade Agreement. In addition to our Embassy partners, USAID managed a MCC Threshold project focused on customs reform. USAID also works closely with the U.S. Patent and Trademark Office (USPTO) on intellectual property rights (IPR), and the Department of Interior and the National Park Service on tourism management and brand development. USAID also partners with the U.S. Treasury Department’s Office of Technical Assistance (OTA) on money laundering issues and funds an agreement with Peace Corps on small project development in local communities.

As economic growth impacts all aspects of USAID’s portfolio, these activities are also coordinated closely within USAID, such as coordinating initiatives on water and energy efficiency or medical tourism. The cross-sectoral poverty alleviation and PPP initiatives are also planned with emphasis on collaboration within USAID’s portfolio and with other U.S. agencies. Workforce development, which is an integral part of the economic growth portfolio, complements the work undertaken through the education, youth, and poverty alleviation portfolios. Enhancing government functions and governance, in addition to building the capacities of business

associations to advocate for the interests of their members, are inextricably linked to realizing Jordan's goals of greater accountability and transparency, and are therefore coordinated closely among USAID's technical teams.

E. Role of Host Country/Regional Organizations/Private Sector Partnerships

Economic initiatives form an important part of the Government's reform programs. The National Agenda and the ensuing three-year Action Plans remain the GOJ's primary roadmap for the country's development. Jordan has embarked on a comprehensive public sector reform effort that should allow it to improve its service levels dramatically. The Aqaba Special Economic Zone was established as a model for efficient, effective, and transparent development and governance. Jordan has been a member of the World Trade Organization (WTO) since 2000. In 2001, Jordan signed a Free Trade Agreement (FTA) with the United States. The country is eager to satisfy WTO and U.S.-FTA standards and requirements, which are necessary for continued participation in the FTA. In the IT sector, Jordanian IT leaders responded to the King's vision by developing a comprehensive action plan to strengthen the sector and make it competitive in regional and global markets.

Overall, USAID is Jordan's largest donor in economic growth. Other donors such as the Chinese, EU, Germany (GTZ), Italy, Japan, Spain, and Canada support a variety of programs ranging from poverty alleviation and fiscal reform to cultural heritage. The French Development Agency (AFD) and the Global Environment Facility (GEF) are working with the Ministry of Energy and Mineral Resources to establish the Jordan Renewable Energy and Energy Fund. Multilateral financial institutions such as the World Bank, the International Finance Corporation, and the United Nations Development Programme also support economic growth activities in Jordan. USAID coordinates regularly with other donors in the areas of tourism, SME development, workforce development, and customs modernization.

The private sector has formed industry-based associations to better market Jordanian products and services regionally and globally. Increasingly, these associations are becoming advocacy forums that engage and lobby the GOJ on sector-specific issues. These associations also provide their members with customized trainings related to their sectors and organize networking events.

F. Anticipated Results

At the end of the strategy period, USAID envisions that the economy will be more liberalized through the implementation of pro-private sector policies that create a level playing field for entrepreneurs and complete privatization. A gradual reduction in expatriate laborers in selected sectors and professions as a percentage of overall employment will occur as well-trained and competent Jordanian workers replace them. In those sectors where Jordan has a competitive edge, business will be thriving and competing in the regional and global marketplace. In addition to a substantial increase in tourism receipts there will also be substantial improvements in the quality of the tourism experience in Jordan through enhanced GOJ oversight. USG assistance will contribute to achieving the following results:

- Civil servants at all levels in key ministries will display a service mentality and understand the regulatory and facilitative roles required in a modern economy
- New Labor Law is enforced and inspection capacity at the Ministry of Labor is increased, which will protect the rights of workers in Jordan's QIZs.
- The government-related costs of setting up and running a business in Jordan will be decreased significantly.
- Sustainable market linkages and value chains between M/SMEs and larger scale firms increased.
- New employment opportunities for working-age youth created, and constraints to employment for youth and women are addressed.

- Access to finance for entrepreneurs and M/SMEs is increased, including identifying alternative credit products and credit enhancement options.
- Tax system reformed to improve/increase revenue collection for the government, and a new results-oriented budgeting system established to ensure that revenues are better allocated and spent.
- The financial sector and capital markets better regulated, and a broader range of products available on the market.
- Tourism receipts doubled compared to 2004, with substantial improvements in the quality of the tourism experience in Jordan through enhanced GOJ oversight ability.
- Private sector management of tourist sites and investment in ancillary products and services such as lodging, restaurants, and handicrafts is increased.
- ASEZA management of growth and transformation of the zone into a multi-use location for high-value tourism, transportation and industry in an environmentally sustainable way enhanced with recognition of community-based needs.
- Sectors that are currently thriving in Jordan – such as IT and garments – will be increasingly competitive, while conforming to international norms on key trade issues such as IPR, and raising product quality standards to market their niche products.
- Clean tech jobs and skills developed to address new employment opportunities in environment and energy savings increased.

The following indicators will be used to measure achievement of the results listed above:

- At the AO level the number of jobs created for working-age youth (*)
- Increased sales/exports of goods and services due to improved enabling environment for small and medium enterprises
- Number of M/SMEs receiving business development services from USG assisted sources
- Number of M/SMEs that successfully accessed credit or private equity as a result of USG assistance
- Number of persons participating in USG-funded workforce development programs (*)
- Number of people gaining employment or better employment as a result of participation in USG-funded workforce development programs (*)
- Number of people receiving USG supported training in trade and investment, and financial services and environment (*)
- Number of people receiving USG supported training in energy related policy and regulatory practices (*)
- Number of people receiving USG supported training in technical energy fields (*)
- Number of policy reforms/regulations/administrative procedures drafted and presented for legislation/decreed as a result of USG assistance
- Number of improvements in laws and regulations affecting the access of poor households to financial services enacted with USG assistance
- Number of obstacles to women's economic activities (due to misperceptions or to legal or cultural discrimination) eliminated as a result of USG assistance

(*) disaggregated by gender

Looking long-term, USAID anticipates that Jordan's per capita gross domestic product will exceed the Jordan Vision 2020 goal of doubling from its 2000 level, FDI inflows will change the face of Amman and the areas around the various special economic zones that have been created in economically-deprived areas of the country, and two-way trade will have increased at least four-fold from their levels in 2005.

V. Appendices

A. Results Framework

**USAID/Jordan 2010-2014 Country Strategy
Results Framework**

Overall USAID/Jordan goal: to help Jordan become a more prosperous, democratic country, government increasingly accountable to its people, continues to play a central role in promoting peace and democracy in the Middle East, and is an active participant in the world economy.

Development Context
 - Jordan is a vital U.S. partner, tirelessly advancing regional stability and Middle East peace
 - Jordan is grappling with demographic challenges (youth bulge, population growth), water and energy crises and lagging economic competitiveness.

Assistance Objective 1:
Democratic Reforms are Strengthened.

IR 1.1: Respect for Rule of Law and Human Rights is Increased.
IR 1.2: Governance is More Transparent and Decentralized.
IR 1.3: Elections are Free, Fair and Transparent.
IR 1.4: Civil Society Has More Political Rights and Greater Professional Capacity.

Assistance Objective 2:
Water Resources Management is Enhanced.

IR 2.1: Adaptive Capacity of the Water Sector is Increased.
IR 2.2: Management of Water Resources is More Sustainable.

Assistance Objective 3:
Social Services are Improved.

IR 3.1: Education and Life Skills are Improved.
IR 3.2: Health Status for all Jordanians is Improved.
IR 3.3: Access to Social Services for the Underprivileged is Increased.

Assistance Objective 4:
Economic Competitiveness Strengthened.

IR 4.1: Private Sector is Expanded and Liberalized.
IR 4.2: Workforce Development and Competitiveness Enhanced.
IR 4.3: Energy Efficiency is Increased.
IR 4.4: Government Policies Support Economic Growth and Development.

Illustrative Indicators

- AO Level – Improved rule of law and individual rights
- Number of judges trained with USG assistance
- Number of USG-assisted courts with improved case management
- Number of legal aid groups/law clinics assisted by USG
- Number of local/national council members/staff attending USG-sponsored training and events
- Number of individuals who receive USG-assisted political party training
- Number of CSOs using USG assistance to improve internal organizational capacity
- Number of journalists trained with USG assistance

- AO Level – Number of people benefiting from improved water resources management
- Amount reduction of unaccounted-for-water
- Number of water staff trained/USG assistance
- Percent completion of water and wastewater infrastructure systems
- Number of watershed protection plans adopted
- Number of industries adopting improved environmental management practices
- Number of people with greater awareness of water allocation issues

- AO Level – Percentage of students who demonstrate mastery of all competency areas on NAFKE
- Number of MOE kindergartens that meet the Quality Assurance Standards
- Number of teachers trained/USG assistance
- Number youth retained in jobs for 6 months after participating in USG-supported programs
- AO Level – Total fertility rate is reduced at a rate of 0.1 child per woman per year
- Contraceptive prevalence rate is increased
- Percent of mothers who waited at least 3 years since previous birth
- AO Level – Number of people benefiting from USG-supported social services
- Number of USG assisted organization/service delivery systems serving vulnerable people strengthened

- AO Level – Number of jobs created for working-age youth
- Increased exports of goods and services due to improved enabling environment for SMEs
- Number of people gaining employment or better employment as a result of USG funded workforce development programs
- Number of people receiving USG supported training in energy policy/regulatory practices
- Number people receiving training in USG supported training in energy fields
- Number of persons participating in USG-funded workforce development programs
- Number of policy reforms approved and implemented.

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