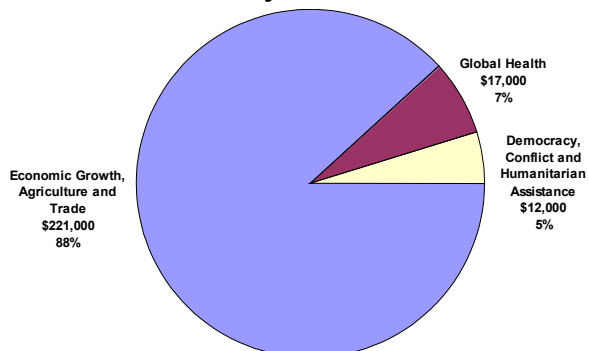
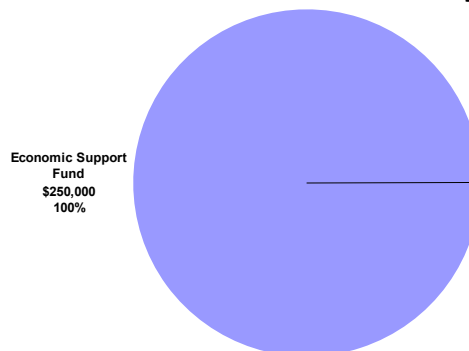


Jordan

FY 2006 Assistance by Sector



FY 2006 Assistance by Account



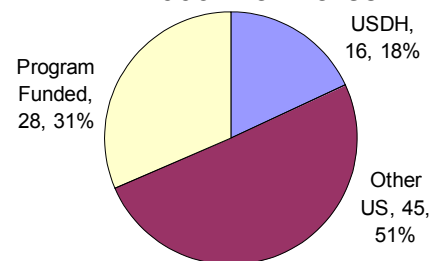
Objectives and Budget

Objective	SO Number	FY 2004	FY 2005	FY 2006
Water Resources Management	278-008	39,600	50,000	45,000
Social Sector Development and Governance	278-009	32,850	37,500	43,000
Economic Opportunities for Jordanians	278-010	37,550	42,500	42,000
Cash Transfer	278-011	238,525	118,000	120,000
Total (in thousands of dollars)		348,525	248,000	250,000

Administrative Expenses and Workforce

Administrative Expenses	FY 2004	FY 2005	FY 2006
Mission Allocation	3,974	4,158	4,418
USDH Salaries & Benefits	1,475	1,891	1,931
Program Funds	2,231	2,471	2,611
Total (in thousands of dollars)	7,680	8,520	8,960

FY 2006 Workforce



Mission Director: Anne Aarnes

Jordan

The Development Challenge: Jordan continues to play a vital role in the Middle East as both a key U.S. ally in the war on terror and a model of reform for the rest of the Arab world. This role is enhanced by the strong will and dynamism of King Abdullah II, who has actively promoted major reform initiatives in all sectors to create a better future for Jordanians. However, the Jordanian economic, political, and social sectors are still very vulnerable to regional developments, particularly in Israel and the Palestinian Territories and Iraq.

In this overall context, the Government of Jordan (GOJ) has forged ahead with economic reform. Recent figures show 7.2% growth for the first half of 2004. However, with unemployment at 12.5% and 68% of Jordan's population under the age of 25, economic growth must maintain a swift pace to ensure that the standard of living improves. Also significant for economic growth is Jordan's external debt of approximately \$7.3 billion, or 67.7% of gross domestic product. This debt has been declining but is still quite large.

Jordan has also expressed increasing interest in improving democracy and governance. In October 2003, the GOJ launched an ambitious set of political reforms aimed at promoting greater press freedom, decreasing corruption, and promoting greater civil society participation in the public realm. Under this agenda, democratic reform is seen as a tool to maintain stability and engender support for ongoing economic structural adjustment.

Serious social challenges clearly exist in Jordan. First, Jordan's growing population has now reached 5.29 million. While the total fertility rate has declined to 3.5%, with a population growth rate of 2.5% the population is still expected to double by 2026. Second, although literacy rates are high at 90%, most schools do not provide students with the skills they need for work. Third, the vast majority of early childhood education services are provided by the private sector and only affordable by the upper classes. This overall situation underscores the gap between Jordanians that are able to participate in the modern economy in all its forms, including education, and those Jordanians that have yet to see the benefits from Jordan's reform agenda.

The anticipated population increase will also place a tremendous strain on Jordan's limited water resources. In fact, water is scarce throughout the Middle East, and will be a critical issue for peace and stability for decades to come.

The USAID program advances U.S. interests by targeting the priorities of Embassy/Amman's Mission Performance Plan. These priorities include combating terrorism, increasing economic growth, promoting democratic practices and better health care, and increasing water supplies. The two highly critical U.S. foreign policy and Congressional priorities of democracy and education are prominent in our new social sectors program. Also, USAID/Jordan's new focus on public outreach is creating an understanding of the benefits that Jordan's partnership with the United States brings to the Jordanian people.

The USAID Program: USAID/Jordan is requesting FY 2005 and FY 2006 funds for four objectives that focus on: increasing water supplies and using existing water resources better; improving economic opportunities for all Jordanians through private sector development; fostering the democratic process; improving Jordan's educational system; and improving primary and maternal health care.

Throughout USAID's program, the GOJ, the private sector, and the non-governmental organization (NGO) community are heavily involved. Specifically, USAID maintains a strong partnership with the GOJ. Indeed, our close cooperation with the Jordanian Government, led by the reform agenda of King Abdullah II, has ensured that major reform initiatives in all sectors are helping to transform Jordan into a model of political and economic reform. Also, the Jordanian private sector is actively participating in and implementing the Mission's programs, particularly in the economic arena. For example, local business associations are fully engaged in directing economic reform efforts to develop new sectors and increase exports. In addition, Jordanian NGOs are key implementers in USAID's health, water, and economic programs. A local NGO, for instance, is spearheading efforts to manage and preserve Jordan's natural wonders and generate revenues from them for local populations without endangering the environment.

Other Program Elements: Several programs are underway in Jordan that are primarily managed or funded by USAID/Washington but facilitated or partially funded by the Mission. Specifically, USAID/Jordan partially funds and manages the International City/County Management Association project for hazardous waste management and the City Links Associate Award for medical waste management, both of which are funded and managed by the Bureau for Economic Growth, Agriculture and Trade (EGAT). USAID/Jordan also coordinates the Middle East Regional Cooperation and the U.S.-Israel Cooperative Development Research initiatives that are funded and managed by EGAT. The work of the International Arid Lands Consortium, managed and partially funded by the Bureau for Asia and the Near East, is facilitated and partially funded by USAID/Jordan. USAID/Jordan provides management support for Jordan Financial and Operational Restructuring and the Partnership for Financial Excellence projects funded by the Middle East Partnership Initiative (MEPI) and managed by EGAT. The Mission facilitates the Freedom House, National Democratic Institute, and International Republican Institute programs in Jordan, which are funded by MEPI and managed by the Democracy and Governance Office of the Democracy, Conflict, and Humanitarian Assistance Bureau. Furthermore, the MEPI-funded INJAZ Arabia project is fully managed by USAID/Jordan.

Other Donors: Total development assistance to Jordan totaled \$488 million in 2004, with the United States as the largest donor to the country. The European Union is the second most important donor. USAID is the lead donor in the water sector and works closely with the Germans (construction and technical assistance) and the Japanese (construction and technical assistance), the second and third largest bilateral partners in the sector. A USAID representative manages the United Nations (UN) Donor/Lender Water Group, which includes international financial institutions and other bilateral donors. USAID is also a key member of a donor group rehabilitating Amman's water distribution system. This group includes the World Bank, the European Investment Bank, the Germans, and the Italians.

In other sectors, USAID/Jordan closely cooperates with other donors. In health, USAID is the largest donor in terms of grants and technical assistance. Coordination in this sector occurs through the UNAIDS monthly group meetings and regular contact with the United Nations Family Planning Association and the United Nations Children's Fund (women's and children's health). In education, USAID also leads donor efforts, with the Germans (school construction) and the Canadians (educational reform) deeply involved. Impressively, USAID is the sole donor on the Ministry of Education's steering committee to set educational policy. USAID also participates in technical level committees at the Ministry of Education with other donors. The Arab Gulf countries play a significant role in the integration of information and communications technology in the classroom. In democracy, as the primary donor with the European Union (judicial reform, governance, and legislative strengthening), USAID plays a leadership role on the UN donor/lender committees for social development and public sector reform. The British (public sector reform) and other European Embassies also contribute to the democracy sector. Notably, USAID leads ad-hoc democracy donor committees which include the European Union and Canada. Coordination has produced solid results, with the European Union and the United Nations Development Programme focusing on strengthening human resources at the Ministry of Justice, while USAID uses its resources for high-impact programs to fully automate the courts and train judges. Finally, USAID is the lead donor in the economics arena, with the European Union (small and medium enterprises, regulatory reform, and privatization) the second largest donor. The Japanese (small and medium enterprises) and the Germans (community development) also play significant roles. However, a formal high-level donor group does not exist in the economics sector, primarily because other donors do not contribute major resources to this area. Nevertheless, technical groups closely coordinate programs in public sector reform, microfinance, labor, and poverty.

**Jordan
PROGRAM SUMMARY**

(in thousands of dollars)

Accounts	FY 2003 Actual	FY 2004 Actual	FY 2005 Current	FY 2006 Request
Economic Support Fund	248,000	248,525	248,000	250,000
ESF - Wartime Supplemental	700,000	0	0	0
ESF - FY 04 Supplemental	0	100,000	0	0
Total Program Funds	948,000	348,525	248,000	250,000

STRATEGIC OBJECTIVE SUMMARY

278-002 Water Resources Management				
ESF	41,500	0	0	0
278-003 Reproductive and Primary Health Care				
ESF	31,700	0	0	0
278-005 Broad-based Economic Growth				
ESF	174,800	0	0	0
278-007 Emergency Assistance to Jordan				
ESF	0	0	0	0
ESF - Wartime Supplemental	700,000	0	0	0
278-008 Water Resources Management				
ESF	0	39,600	50,000	45,000
278-009 Social Sector Development and Governance				
ESF	0	32,850	37,500	43,000
278-010 Economic Opportunities for Jordanians				
ESF	0	37,550	42,500	42,000
278-011 Cash Transfer				
ESF	0	138,525	118,000	120,000
ESF - FY 04 Supplemental	0	100,000	0	0

Mission Director,
Anne Aarnes

Data Sheet

USAID Mission:	Jordan
Program Title:	Water Resources Management
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	278-008
Status:	New in FY 2004
Planned FY 2005 Obligation:	\$50,000,000 ESF
Prior Year Unobligated:	\$0
Proposed FY 2006 Obligation:	\$45,000,000 ESF
Year of Initial Obligation:	2004
Estimated Year of Final Obligation:	2009

Summary: USAID/Jordan's water sector program will provide technical assistance, engineering services, training, physical improvement of water facilities, and new construction for the water sector. Interventions include: improving and constructing water supply facilities; developing wastewater treatment facilities; improving water utilization/allocation; supporting institution strengthening and private sector participation; and promoting reuse of effluent, irrigation efficiency, environmental protection, conservation and demand management, and cost recovery. Jordanians will benefit from these improvements in the water sector through increased access to water and more transparent governance in water institutions.

Inputs, Outputs, Activities:

FY 2005 Program: Improve Access to Clean Water and Sanitation (\$37,000,000 ESF). USAID/Jordan will support the Zara-Ma'in Water Supply project to increase water availability for Amman and the Dead Sea resorts area and further rehabilitate the Greater Amman Water Network to decrease the amount of unaccounted-for-water. Contingency funds will be set aside for the As-Samra Wastewater Treatment Plant to cover changes in construction cost estimates. Support will be provided for the construction of two low-cost, low-technology wastewater treatment plants in small communities; partial funding for the construction of the South Amman collection system; and the initial construction costs for the main water transmission networks for the Northern Governorates. Finally, support will be provided to cover the engineering services for the Mafraq wastewater treatment plant. Principal contractors: MW Harza Engineering, Black & Veatch Corporation, Morganti, Hazen & Sawyer, Louis Berger, Ondeo Degremont, Inc., International Resources Group (IRG), Consultant Engineering Center (sub), SIGMA Consulting Engineering (sub), ArabTech Jordana (sub), Hisham Wadi Construction (sub), and Camp, Dresser, & McKee.

Improve Sustainable Management of Natural Resources and Biodiversity Conservation (\$7,500,000 ESF). A new water demand management project will be initiated in the summer of 2005 to follow on a very successful program completed in FY 2005. Also, USAID/Jordan will support a program to promote conservation of water used in industrial processes and reuse of reclaimed wastewater for five industries, three farms, and two environment streets; support a financial accounting system to install internationally recognized accrual-based accounting; and undertake an audit of the construction contracts and the management contract for the Greater Amman water supply system. USAID will also start implementation of an information technology master plan to improve the water sector information systems platform. Principal contractors: Camp, Dresser & McKee, Development Alternatives, Inc., and Abt Associates.

Reduce, Prevent and Mitigate Pollution (\$3,000,000 ESF). USAID/Jordan will support watershed protection through land zoning and source water protection. USAID will also support groundwater monitoring and evaluation by improving the quality of groundwater data and enhancing enforcement regulations. Principal contractors: Camp, Dresser & McKee, Associates in Rural Development, Inc.

Promote Public-Private Alliances as a Principal Business Model (\$2,500,000 ESF). USAID will invest in a new project to assess the potential for private sector involvement in the Greater Amman area. USAID/Jordan will also fund training for 130 employees of the Aqaba Water Company, Jordan's first water company to use a private management model. Principal contractors: Chemonics International.

FY 2006 Program: Improve Access to Clean Water and Sanitation (\$17,000,000 ESF). USAID/Jordan will continue to support several infrastructure projects, including construction engineering services to pilot a low-cost, low-technology wastewater treatment plant in a small community, construction of the main water transmission networks for the Northern Governorates, and rehabilitation of the Tafillah Wastewater Treatment Plant. Principal contractors: IRG; Camp, Dresser & McKee.

Improve Sustainable Management of Natural Resources and Biodiversity Conservation (\$12,000,000 ESF). USAID/Jordan will support a new water demand management initiative for industry, agriculture, and landscaping, and a financial accounting system for water sector agencies. Funding will be required for new projects in institution strengthening and capacity building. Principal contractors: Camp, Dresser & McKee, Development Alternatives, Inc., Abt Associates.

Reduce, Prevent and Mitigate Pollution (\$8,000,000 ESF). Continuing support will be provided for watershed management. Support may be provided for a pilot demonstration fish garden and educational park using the brine discharged by the Zarqa desalination plant (seed money for this initiative was approved under SO 278-002). Continuing support will improve the management of medical and hazardous waste through technology and knowledge transfer, and strengthen the Ministry of Environment by involving them in water and environmental capacity-building projects. Principal contractors: Camp, Dresser & McKee, City Links, Jordan University of Science and Technology, International City/County Management Association, and Greater Amman Municipality.

Increase Agricultural Productivity (\$4,000,000 ESF). The Knowledge for Action Fostering Advances in Agriculture (KAFA'A) project will require incremental funding to change on-farm practices and improve cropping patterns. Principal contractor: Academy for Educational Development.

Promote Public-Private Alliances as a Principal Business Model (\$3,000,000 ESF). USAID plans to initiate a program that will improve the Jordan Valley Authority's management and operations of reservoir and irrigation systems. This program will further support USAID's efforts to increase private sector participation in the water sector. Principal contractors: to be determined (TBD).

Protect and Increase the Assets and Livelihoods of the Poor During Periods of Stress (\$1,000,000 ESF). USAID/Jordan will fund a new program to provide grants to rural grassroots communities to help them adapt to water scarcity by improving their water use efficiency. This program will improve their living standards and augment their incomes. Principal contractors: TBD.

Performance and Results: Major achievements were accomplished this year both to increase Jordan's water supply and promote more efficient use of water. Construction on the Zara Ma'in Water Supply project will significantly increase Amman's water supply. Similarly, the As-Samra wastewater treatment project, which serves the Amman metropolitan area, will make drinking water available through the reuse of reclaimed water, while also dramatically improving the quality of effluent currently discharging into the country's main reservoir. To improve water use efficiency, USAID is enhancing the capacities of water sector institutions by forming a National Reuse Coordination Committee, implementing a pilot program on hazardous waste in Amman, and producing soil/crop suitability maps and a geographic information system for parts of the Jordan Valley. Jordan's first public water/wastewater company, the Aqaba Water Company, commenced commercial operation, paving the way for private sector participation in the water sector. Furthermore, USAID programs improved operation and maintenance at Water Authority of Jordan (WAJ) treatment facilities and improved laboratory practices at WAJ and Ministry of Health laboratories for national drinking water testing. A set of Water Demand Management Principles for the region was announced, and a Masters Degree program on Water Demand Management was established at the Jordan University for Science and Technology. Over the next two years, major USAID-funded water supply and wastewater treatment facilities will go on line, further increasing the availability of water resources and enhancing the efficiency of water use. In addition, an industrial wastewater treatment plant in Zarqa will be constructed, which will improve sustainable management of resources and promote public-private sector alliances.

US Financing in Thousands of Dollars

Jordan

278-008 Water Resources Management	ESF
Through September 30, 2003	
Obligations	0
Expenditures	0
Unliquidated	0
Fiscal Year 2004	
Obligations	39,600
Expenditures	0
Through September 30, 2004	
Obligations	39,600
Expenditures	0
Unliquidated	39,600
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2005 NOA	
Obligations	50,000
Total Planned Fiscal Year 2005	
Obligations	50,000
Proposed Fiscal Year 2006 NOA	
Obligations	45,000
Future Obligations	250,000
Est. Total Cost	384,600

Data Sheet

USAID Mission:	Jordan
Program Title:	Social Sector Development and Governance
Pillar:	Global Health
Strategic Objective:	278-009
Status:	New in FY 2004
Planned FY 2005 Obligation:	\$37,500,000 ESF
Prior Year Unobligated:	\$0
Proposed FY 2006 Obligation:	\$43,000,000 ESF
Year of Initial Obligation:	2004
Estimated Year of Final Obligation:	2009

Summary: USAID/Jordan will improve health care, reform key elements of Jordan's primary and secondary education system, and strengthen governance. Improving the status of women will be at the forefront of USAID/Jordan's activities throughout all programming areas. Due to the breadth of USAID's programs in Jordan, it is anticipated that every citizen in Jordan will benefit from USAID's activities.

Inputs, Outputs, Activities:

FY 2005 Program: Reduce Unintended Pregnancy And Improve Healthy Reproductive Behavior (\$12,100,000 ESF). USAID will strengthen and expand primary health, reproductive health, family planning, and safe motherhood services and information. A network of 200 private sector providers will be established to serve clients referred through an outreach system. Increased demand for family planning will be generated through local non-governmental organization (NGO) services and outreach at a national level. Principal Contractors: John Snow, Inc., Abt Associates, Inc., Initiatives (sub), Informed Decisions (sub), and Transcentury Associates (sub).

Build Health Systems Capacity (\$3,900,000 ESF). USAID will provide assistance to the Ministry of Health to strengthen health systems through hospital accreditation, hospital decentralization, and related initiatives. USAID also will improve the policy environment for family planning and reproductive health, and help Jordan achieve contraceptive security by improving public sector contraceptive marketing. Principal Contractors: The Futures Group International, Abt Associates, Inc., MACRO, John Snow, Inc.

Reduce Non-Communicable Diseases And Injuries (\$1,000,000 ESF). The existing Ministry of Health surveillance system for chronic and infectious diseases, including HIV/AIDS, will be expanded and institutionalized through technical assistance and the training of 20 health professionals. Principal Contractor: Centers for Disease Control and Prevention.

Improve Child Survival, Health And Nutrition (\$2,200,000 ESF). USAID will support the development of a national health communication strategy to promote healthy lifestyles and build national capacity. This will ensure the sustainability of behavior change interventions. Principal Contractor: Johns Hopkins.

Reduce Transmission And Impact Of HIV/AIDS (\$800,000 ESF). USAID will provide technical assistance in counseling and surveillance to the National AIDS Prevention Program to keep Jordan a low prevalence country. Principal Contractor: Family Health International.

Improve the Quality of Basic Education (\$7,640,000 ESF). USAID will continue to support the development of up to 15 e-curriculum modules to transform how Jordanians learn; launch a pilot school-to-work program; and renovate up to 120 kindergartens (KG). USAID will also field test a new KG curriculum, train about 400 public KG teachers, and institutionalize an accreditation and standards system. Principal Contractors: Academy for Educational Development (AED), Research Triangle Institute (sub), and American Institutes for Research (sub).

Improve Quality of Workforce (\$1,000,000 ESF). USAID will continue to support school-to-work programs and the adoption of computers in 100 classrooms to decrease high youth unemployment. USAID also will continue to provide scholarships for 500 (mostly female) youth to acquire computer skills and other life skills for private sector employment. Principal Contractors: AED, United Nations Development Fund for

Women, and United Nations Children's Fund.

Improve Justice Sector/Legal Framework (\$4,000,000 ESF). USAID will continue to support the automation of case management in 30 of 75 courthouses, improve judicial independence, and enhance judicial integrity. Assistance will also include training for more than 600 court staff and the revamping of judicial processes and regulations. In addition, USAID will provide grants to 20 local civil society organizations to decrease corruption and develop curriculum to improve the performance of Jordan's only judicial training center. Principal Contractors: DPK Consulting, Inc., American Bar Association-Central and Eastern European Law Initiative, and others to be determined (TBD).

Strengthen Democratic National Governance Institutions (\$1,460,000 ESF). USAID will train 110 members of parliament and 70 legislative staff and strengthen committee structures. USAID will provide limited information technology equipment to promote wide dissemination of parliamentary voting records. In addition, technical support will be provided to civil society to strengthen advocacy on key issues such as women's and human rights and anticorruption. Principal Contractors: TBD.

Establish And Ensure Media Freedom And Freedom Of Information (\$500,000 ESF). Under this new program, USAID will support increased media freedom through policy reform, limited journalist training, and privatization of public sector media outlets. Principal Contractors: TBD.

Strengthen Civil Society (\$1,500,000 ESF). USAID will expand assistance to 20 local civil society organizations to strengthen their internal management systems, improve strategic planning, and promote greater networking. Support will also target policy reform and advocacy. Principal Contractors: Department of State and others TBD.

Support Democratic Local Government And Decentralization (\$1,400,000 ESF). USAID will promote local empowerment by improving municipal planning, outreach, and management of public resources. USAID will also assist the Government of Jordan to develop Jordan's National Decentralization Strategy. Principal Contractors: Research Triangle Institute and others TBD.

FY 2006 Program: Activities planned for FY 2006 continue ongoing programming. Planned funding levels for these programs are as follows: Reduce Unintended Pregnancy and Improve Healthy Reproductive Behavior (\$8,900,000 ESF); Build Health Systems Capacity (\$4,300,000 ESF); Reduce Non-Communicable Diseases and Injuries (\$1,000,000 ESF); Improve Child Survival, Health and Nutrition (\$2,000,000 ESF); Reduce Transmission and Impact of HIV/AIDS (\$800,000 ESF); Improve the Quality of Basic Education (\$10,750,000 ESF); Improve Quality of Workforce (\$1,250,000 ESF); Improve Justice Sector/Legal Framework (\$5,500,000 ESF); Strengthen Democratic National Governance Institutions (\$2,500,000 ESF); Establish and Ensure Media Freedom and Freedom of Information (\$1,000,000 ESF); Strengthen Civil Society (\$1,000,000 ESF); and Support Democratic Local Government and Decentralization (\$4,000,000 ESF).

Performance and Results: USAID achieved a number of key results in 2004. In health, USAID is contributing to a 20% decrease in the fertility rate by 2009, improving life expectancy rates, and lowering infant mortality rates. USAID has renovated more than 75% of primary health clinics; contributed to a gradual increase in the national contraceptive prevalence rate; expanded health insurance coverage; and institutionalized a disease surveillance system. Achievements in the education sector include: training of 200 KG principals, 147 teachers, and 30 supervisors on new early childhood education curriculum; training of 400 high school teachers and 30 supervisors on Information, Communications, and Technology (ICT); and improving the ICT curriculum. In the governance sector, USAID contributed to strengthening parliamentary capacity, enhancing NGO engagement in policy-making, promoting greater media freedom, improving women's status, and contributing to a more efficient court system. This last result was accomplished through an automated case management system that was installed in Jordan's largest courthouse, dramatically decreasing the backlog of cases by more than 10%.

US Financing in Thousands of Dollars

Jordan

278-009 Social Sector Development and Governance	ESF
Through September 30, 2003	
Obligations	0
Expenditures	0
Unliquidated	0
Fiscal Year 2004	
Obligations	32,850
Expenditures	1,590
Through September 30, 2004	
Obligations	32,850
Expenditures	1,590
Unliquidated	31,260
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2005 NOA	
Obligations	37,500
Total Planned Fiscal Year 2005	
Obligations	37,500
Proposed Fiscal Year 2006 NOA	
Obligations	43,000
Future Obligations	175,000
Est. Total Cost	288,350

Data Sheet

USAID Mission:	Jordan
Program Title:	Economic Opportunities for Jordanians
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	278-010
Status:	New in FY 2004
Planned FY 2005 Obligation:	\$42,500,000 ESF
Prior Year Unobligated:	\$0
Proposed FY 2006 Obligation:	\$42,000,000 ESF
Year of Initial Obligation:	2004
Estimated Year of Final Obligation:	2009

Summary: The economic opportunities program supports the following objectives: a more transparent, efficient, and responsive public sector; more effective legal and regulatory structures; and an increased level of private sector growth. This program ensures that ongoing reforms reach deep into all parts of Jordanian society and economy. In particular, USAID/Jordan includes the poorest of the poor, entrepreneurs, and rural women among its target beneficiaries. Program benefits that extend to the general population include: development around the city of Aqaba; trade capacity building and customs modernization to facilitate international trade; increased accessibility of Jordan's financial markets; and public sector reform that enhances the efficiency of government services.

Inputs, Outputs, Activities:

FY 2005 Program: Increase Participation in Global Trade and Investment (\$13,000,000 ESF). USAID will support private sector-led and broad-based growth through enhancing competitiveness, increasing trade and investment, supporting legal and institutional reform, and aiding employment generation. USAID will also help Jordanian firms and industries take advantage of the Jordan-U.S. Free Trade Agreement through coalition building, association development, firm-level assistance, policy and institutional reform, and other efforts. In addition, USAID will continue to work in Aqaba to create a southern growth pole as the model for policy changes to be implemented at the national level. Funding from the World Bank continues to allow the Jordanian Government to implement its privatization plan. Principal contractors: Chemonics, International Executive Service Corps (IESC), Nathan Associates, the World Bank, and others to be determined (TBD).

Improve Economic Policy and Governance (\$5,000,000 ESF). Through comprehensive, integrated activities, USAID will remain engaged in almost every economic policy and legal reform initiative ongoing in the Jordanian Government. For example, USAID supports the privatization of major state-owned industries including Jordan Phosphate Mining Corporation, the largest single industrial firm in Jordan. USAID also plans to provide technical assistance and training to the Government of Jordan (GOJ) to support significant parts of its new public sector and fiscal reform initiatives. Principal contractors: Chemonics, Nathan Associates, The World Bank, and others TBD.

Increase Private Sector Growth (\$16,000,000 ESF). USAID will spearhead the transformation of Jordan's investment promotion facilities to streamline investment procedures. Tourism, Jordan's chief foreign currency generator, will also be a major focus. USAID will provide technical assistance and training to help the country attract new tourists and niche tourist markets. In addition, USAID will help Jordanian firms, including small and medium enterprises (SMEs), and whole industries to become more competitive. USAID's work in Aqaba will continue to convert the city to a model for growth that can be duplicated at the national level. Work with the World Bank continues to allow the GOJ to implement its privatization plan. Finally, Development Credit Authority partnerships may appear prominently in the area of municipal bond market development and tourism. Principal contractors: Chemonics, IESC, Royal Society for the Conservation of Nature, Nathan Associates, The World Bank, and others TBD.

Strengthen Financial Sector's Contribution to Economic Growth (\$1,000,000 ESF). USAID continues to assist the GOJ to develop capital markets and facilitate access to financial services. Specific activities include assisting the GOJ to pass an anti-money laundering law and a credit bureau law, and establish a human resources management system for the Central Bank of Jordan. Principal contractor: Chemonics.

Expand and Improve Access to Economic and Social Infrastructure (\$2,000,000 ESF). USAID will continue to work on providing Kingdom-wide access to Information, Communications, and Technology services, including a pilot computer education program in two communities, liberalization of the telecommunications sector, and electronic access to government services. USAID's work in tourism will incorporate rural infrastructure development, and the public sector reform project will focus on allowing greater citizen and business access to public services. Principal contractors: Chemonics, Nathan Associates, and others TBD.

Protect and Increase the Assets and Livelihoods of the Poor During Periods of Stress (\$2,000,000 ESF). USAID will ensure that the most vulnerable members of Jordan's economy are able to participate in this period of economic growth by ensuring that projects related to tourism, SME development, and business financing address the need for training in human resources development. Principal contractors: Chemonics, IESC, Royal Society for the Conservation of Nature, Nathan Associates, The World Bank, Volunteers for Economic Growth Alliance, and others TBD.

Improve Quality of Workforce (\$1,000,000 ESF). USAID's support for entrepreneurship and vocational training ensures that Jordanians develop the skills necessary to obtain private sector employment. Principal contractors: Nathan Associates and Save the Children.

Improve Justice Sector/Legal Framework (\$1,000,000 ESF). Through capacity building and policy reform, USAID enhances Jordanian enforcement of copyright and trademark laws, facilitates transparent government transactions and decisions, promotes reform of public sector institutions that regulate commerce, and encourages transparent policymaking. Principal contractors: Chemonics and others TBD.

Strengthen Civil Society (\$1,000,000 ESF). To increase government accountability, USAID provides technical assistance and training to enhance the advocacy skills of over a dozen business associations. Principal contractors: Chemonics and others TBD.

Promote and Support Anti-Corruption Reforms (\$500,000 ESF). USAID's commercial legal work and public sector reforms encourage transparency in law development and policymaking. Principal contractors: Chemonics and others TBD.

FY 2006 Program: The activities in FY 2006 will be continued and/or expanded. The funding for these activities will be as follows: Increase Participation in Global Trade and Investment (\$13,000,000 ESF); Improve Economic Policy and Governance (\$5,000,000 ESF); Increase Private Sector Growth (\$16,000,000 ESF); Strengthen Financial Sector's Contribution to Economic Growth (\$1,000,000 ESF); Expand and Improve Access to Economic and Social Infrastructure (\$2,000,000 ESF); Protect and Increase the Assets and Livelihoods of the Poor During Periods of Stress (\$2,000,000 ESF); Improve Quality of Workforce (\$1,000,000 ESF); Improve Justice Sector/Legal Framework (\$1,000,000 ESF); and Strengthen Civil Society (\$1,000,000 ESF).

Performance and Results: With USAID's support, Jordan became increasingly integrated into the global trade and investment network in FY 2004. The number of companies registered in the Kingdom increased by 19% over the last year. Furthermore, Jordan experienced an 11% increase in foreign and domestic investment over the past 12 months. The continuing Jordan-U.S. Business Partnership (JUSBP) program exceeded targets set by USAID/Jordan. During FY 2004, JUSBP-assisted Jordanian firms exported over \$21.5 million in goods through 405 transactions. Exports to the U.S. and other markets since October 2002 totaled \$157 million through over 4,500 transactions. Finally, work in updating the investment law allowed the GOJ to implement international investment best practices. Efforts to improve the effectiveness of the Customs Department have already resulted in barriers being removed within one of the institutions most widely recognized as an obstacle to trade. All these results move USAID closer to achieving this strategic objective.

US Financing in Thousands of Dollars

Jordan

278-010 Economic Opportunities for Jordanians	ESF
Through September 30, 2003	
Obligations	0
Expenditures	0
Unliquidated	0
Fiscal Year 2004	
Obligations	37,550
Expenditures	14,027
Through September 30, 2004	
Obligations	37,550
Expenditures	14,027
Unliquidated	23,523
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2005 NOA	
Obligations	42,500
Total Planned Fiscal Year 2005	
Obligations	42,500
Proposed Fiscal Year 2006 NOA	
Obligations	42,000
Future Obligations	175,000
Est. Total Cost	297,050

Data Sheet

USAID Mission:	Jordan
Program Title:	Cash Transfer
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	278-011
Status:	New in FY 2004
Planned FY 2005 Obligation:	\$118,000,000 ESF
Prior Year Unobligated:	\$0
Proposed FY 2006 Obligation:	\$120,000,000 ESF
Year of Initial Obligation:	2004
Estimated Year of Final Obligation:	2009

Summary: The cash transfer program exists as balance of payments support to reduce Jordan's external debt burden and leverage difficult economic, health, education, water, and democracy and governance reforms.

Inputs, Outputs, Activities:

FY 2005 Program: Improve Economic Policy and Governance (\$118,000,000 ESF). This cash transfer program is a policy-based balance of payments activity. Disbursement is conditioned on economic, water, health, education, and governance policy reforms.

FY 2006 Program: Improve Economic Policy and Governance (\$120,000,000 ESF). This cash transfer program is a policy-based balance of payments activity. Disbursement is conditioned on economic, water, health, education, and governance policy reforms.

Performance and Results: In 2004, USAID assisted the Government of Jordan (GOJ) to strengthen the legal and regulatory environment in the areas of water, health and population, and economic growth. With USAID assistance, the Jordanian Government implemented reform actions that promote business growth, improved health policy, and encouraged positive change in the water sector, among other achievements. Overall, the cash transfer program, with its conditions, continues to be an effective mechanism for achieving difficult policy decisions by the GOJ.

In FY 2006, the cash transfer program will continue to provide support to implement important reforms. Local currency associated with the FY 2006 cash transfer program will support objectives of the GOJ's Program for Social and Economic Transformation. The GOJ uses the cash transfer dollars directly and immediately to repay external debt to the United States, World Bank, International Monetary Fund, and other multi-lateral organizations. The GOJ also jointly programs, with USAID, an equivalent amount of its own budget in Jordanian dinars for mutually agreed-upon purposes. Hence, the local currency is associated with the cash transfer program. In addition, other development priorities jointly agreed upon by the GOJ and USAID will receive support from the local currency program.

US Financing in Thousands of Dollars

Jordan

278-011 Cash Transfer	ESF
Through September 30, 2003	
Obligations	0
Expenditures	0
Unliquidated	0
Fiscal Year 2004	
Obligations	238,525
Expenditures	238,525
Through September 30, 2004	
Obligations	238,525
Expenditures	238,525
Unliquidated	0
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2005 NOA	
Obligations	118,000
Total Planned Fiscal Year 2005	
Obligations	118,000
Proposed Fiscal Year 2006 NOA	
Obligations	120,000
Future Obligations	120,000
Est. Total Cost	596,525