



JORDAN: GROWTH AND OPPORTUNITY

L O N D O N 2 0 1 9

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Jordan Project Pipeline Prospectus



Hashemite Kingdom of Jordan Project Pipeline Prospectus

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Contents

Abstract	3
Executive Summary	5
I. Introduction	8
Growth Themes: Exports and FDI sectors	8
Reform Themes	8
Infrastructure Opportunity	9
II. Nurturing Investment Ecosystem	9
Project Pipeline Development Facility	9
Project Pipeline	11
Methodology to Compile Project Pipeline	11
Energy	14
Water and Wastewater	17
Logistics and Transportation	21
Information and Communication Technology	24
Tourism	27
Services: Healthcare	29
Services: Education	31
Growth Impact Projects in Other Sectors	33
Local Development Projects	34
Other Low Priority or Small Projects	35
III. Annex	38
Reforms	38
Ready in 2019 Project Reference Sheets	43

Abstract

Jordan has implemented major fiscal and structural measures since 2011, whilst concurrently managing the effects of ongoing regional conflict, and moving towards macroeconomic stability. However, the impact of negative external shocks and contractionary fiscal measures have exacerbated the economic slowdown and placed pressures on the population. Despite measures to tighten the fiscal balance, a current account deficit and heavy debt burden persists, reducing the Government's capacity to invest in growth and mitigate the impact of the economic crisis on ordinary Jordanians.

As a result, there has been very low public spending on infrastructure in recent years. Concurrently Jordan's population has increased by nearly 25% due to regional instability and crises since 2012, placing a huge burden on Jordan's limited resources. Specifically, the large number of Syrian refugees in the Kingdom has taken an immense toll on Jordan's economy and resources including energy, water, housing, education, transport, and health services, especially in Jordanian host communities.

Substantial new public and private investment is now required to boost economic growth and employment, expand Jordan's strained infrastructure, and provide support for new businesses to help expand the private sector, diversify the economy and create jobs. The immediate challenge is to re-energise the economy by initiating a new national infrastructure investment programme to boost the economy across all of Jordan's governorates, and give industries the right conditions in which to grow, as well as itself providing a stimulus to sustainable growth.

For the Jordanian economy to continue to grow, people, goods, services and information must be able to move freely, and businesses require a nurturing ecosystem. Reliable, integrated, and appropriate infrastructure is vital to achieve this. Failure to make the right choices at the right time, or pausing investment, risks not only slower growth, but also threatens Jordan's international competitiveness. Yet, to be successful, infrastructure decision-making must be evidence-based and focused on the long-term future. Infrastructure projects, particularly large ones, can take years to build and often have lifetimes of several decades or more.

One of the key challenges faced by the Government of Jordan (GoJ) is the lack of a well-defined, centralised infrastructure prioritisation process to optimise project planning and budgeting. Therefore, this document has been created to provide a clear assessment of Jordan's pipeline of infrastructure projects, especially those required to enable Jordan's economy to remain competitive, to grow inclusively and sustainably, and to accommodate the rapid increase in population. It will assist the Jordanian Government prioritise those key infrastructure projects that support growth, set within a coherent national plan. The assessment sets out the infrastructure projects and investments needed to underpin economic growth in Jordan over the coming decades. It focuses on energy, water, and the key growth sectors (logistics and infrastructure, tourism, professional services and ICT and digital communications). It provides a filter where the proposed projects of different ministries can be prioritised centrally through a consistent and transparent methodology.

It remains clear that in order to achieve accelerated, export-led growth, Jordan will need to optimise the efficiency of its public investments, improve its primary infrastructure and attract more investment capital. To meet its infrastructure investment needs, the Government will need to identify new sources of financing to supplement grants and loans from the Multilateral Development Banks (MDBs) and bilateral partners, especially the mobilisation of catalytic private sector investment.

His Majesty King Abdullah II has placed sustainable development, economic growth and social welfare at the top of His priorities. Accordingly, His Majesty has issued directives to provide the necessary climate to ensure development — in all its political, economic and social forms — takes place by equipping Jordanians with the tools that enable them to contribute to the progress of their country.

He has also recognised that achieving national objectives cannot be done without building a true partnership between the public and private sectors, and the role of the private sector as the main engine of economic activity.

Fundamentally, the most important goal that this assessment seeks to achieve is to improve the welfare of citizens of Jordan and the basic services provided to them, and to create an efficient, balanced and fair society where economic opportunities are available to all. Infrastructure is critical to the success of a strong, productive and competitive economy. It allows businesses to grow, develop supplier networks, and deliver products and services efficiently. High quality infrastructure also helps to attract international investment. Jordan needs to make sure that, given limited public and private funds, investment takes place in such a way as best to: Encourage sustainable economic growth across all governorates in Jordan; Improve Jordan's regional and international competitiveness; and Improve the quality of life for all those living in Jordan.

Executive Summary

Jordan is committed to prioritizing growth in the coming years after demonstrating resiliency in spite of a series of exogenous shocks that slowed down its GDP growth to 2% from an average of 6.5% during the period prior to the global financial crisis, regional turmoil and border closures. For Jordan to grow as it did before, it must attract FDI, increase its exports, and decrease its dependence on imported energy, all of which require a nurturing investment ecosystem. Two key elements must be realized to ensure a steady flow of FDI, which, if focussed on priority growth-triggering sectors, will also result in increased exports. The first is an institutionalized process managed by an entity whose responsibility is to set strategic priorities to prepare large infrastructure projects with a long-term objective and vision. The second is a continuous pipeline of projects, which are assessed by this institution and prepared for investment through the funding of required pre-feasibility, feasibility, technical and financial studies required to present bankable growth-triggering priority projects to investors.

It is important to note that this is an iterative process that will require constant updates with new project ideas, assessments and realignment. This prospectus only marks the initial effort at compiling and evaluating projects; this process will be continued by the Project Facility Unit at the PPDF with close collaboration with governmental entities and Ministries.

Institutionalization of the process

Jordan has a wealth of strategic infrastructure investment opportunities that are aimed at ameliorating services' infrastructure needs, and are targeted towards growth. Nevertheless, the current investment ecosystem lacks the proper institutional framework to develop these opportunities and ideas into bankable, commercially viable ready-to-invest projects. In order to realize this requirement, GoJ is partnering with the International Finance Corporation (IFC) to develop a Project Pipeline Development Fund (PPDF). With a proposed fund size of US\$30 million, the IFC will provide Jordan with technical assistance in establishing and running the PPDF during its first three years, allowing enough time for Jordan to gain experience and adopt best-practice standards. On 19 January 2019, GoJ signed a Memorandum of Understanding with the IFC to formalise this agreement. It is envisaged that the PPDF would provide preparation funding to PPP infrastructure projects, prioritize them and bring them through pre-feasibility and preparation to the tendering stage. The proposed structure is subject to further updates until solidified with a third party that will manage the Fund.

The scope of the PPDF includes the creation of a Project Facility Unit that will be placed under the Prime Ministry, and will be responsible for high-level screening, identification and prioritization of projects in core priority sectors. Additionally, the PPDF will choose and manage Transaction Advisors selected on a competitive basis by referring to a scoring framework.

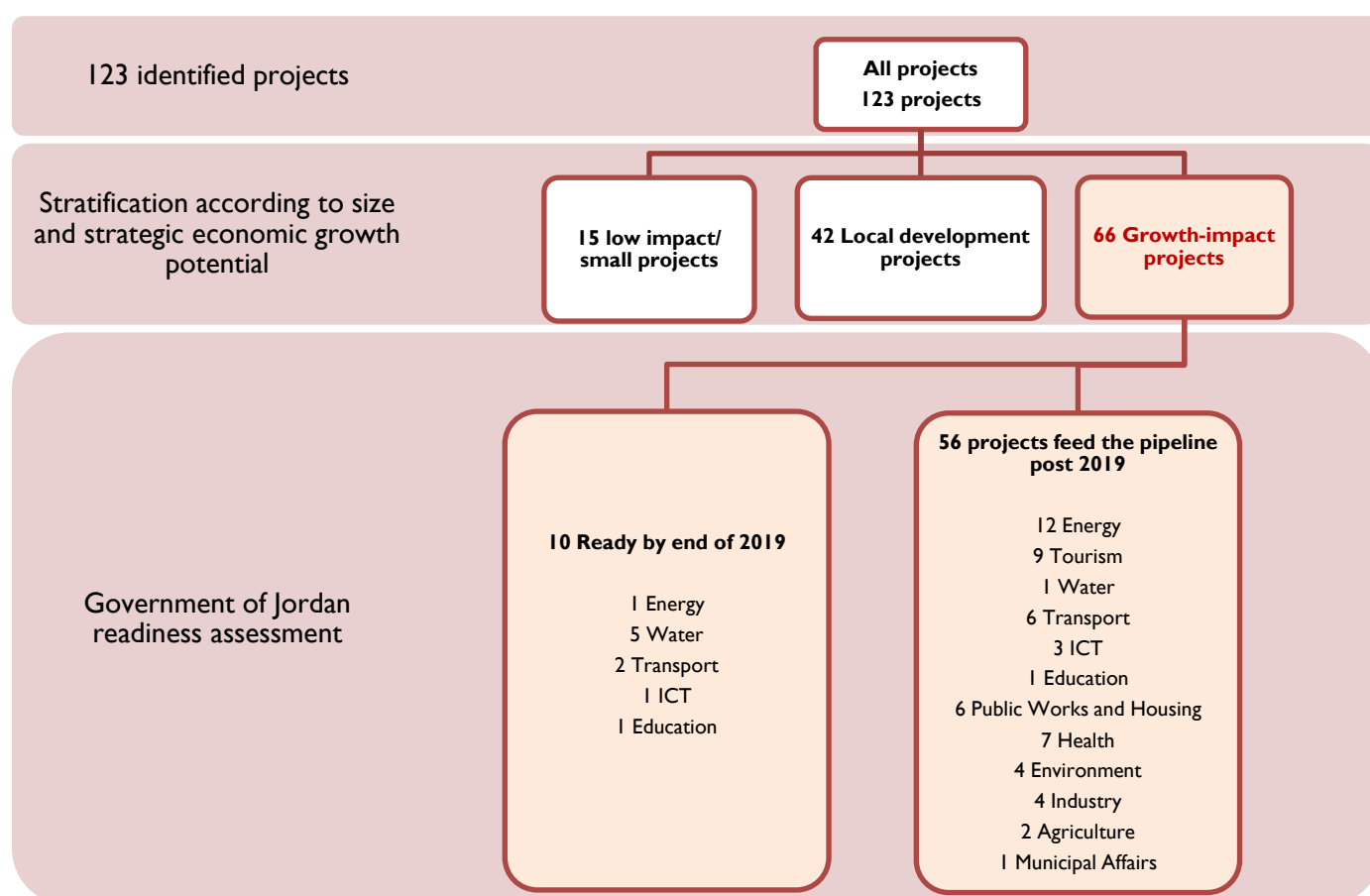
Compiling the Pipeline

The second requirement is to create an initial project pipeline to serve as a starting point for the government to attract potential investors for key infrastructure projects. GoJ initiated this process by compiling an initial list of projects listed in national strategies, institutions and international collaborators from previous and current government. The key sources include the Jordan Economic Growth Plan 2018-2022; Jordan's 5-Year Reform and Growth Matrix (2019); USAID Infrastructure Readiness Assessment (2018); individual Ministry priorities (Trade, Industry, and Supply; Planning and International Cooperation; Finance PPP Unit); the IFC and Jordan Investment Commission packaged opportunities of government projects.

The list of over 100 projects was first stratified according to investment size (most requiring no less than 50 Million JD), readiness level, and strategic economic growth potential. A total of 66 projects with growth impact potential were identified. These projects were assessed by GoJ, and some were also assessed by USAID, to determine their level of readiness for tendering. Ten projects will be ready 2019, and 56 growth-triggering projects will feed the pipeline for the following four to five years.

Additionally, 15 low-impact small projects and 42 Local development projects were also identified. Local development projects are those that may be costly for the Government to finance given their low potential for returns; however, they are still important for the development of governorates; through generating jobs and improvements to infrastructure. Such projects may require blended financing. Figure 1 below provides a summary of the key outcome of this initial process.

Figure 1: Assessment Process and Findings Summary



The local development projects will offer Jordanians better means of commuting, places for youth to interact in safe and constructive environments, and will create jobs in governorates. In the northern governorates, there are 16 projects, which include two housing developments, six roads, two youth centres and a hostel for students, a park and two projects focusing on youth recreation. For the southern governorates, there are plans for four roads and two youth centres.

For the central governorates, which in addition to Amman, include Madaba and Balqa, there are 12 planned projects. Two roads are planned for Balqa and for Madaba and there are intentions for two youth recreational centres and a road. A craft city and a youth centre are among the projects planned in Amman. Projects that are likely to span the entire country are eight, of which three focus on

ecotourism, green infrastructure and waste management. Two projects are for youth and schools and one project proposes multiple parks. These projects offer donors an opportunity to support Jordan develop equitably through the development of projects that not necessarily bankable for private investors.

I. Introduction

Growth Themes: Exports and FDI sectors

In partnership with Government of Jordan (GoJ), the Centre for International Development (CID) at Harvard University has identified the export and investment themes that have the highest growth-driving potential in Jordan, grouped into themes, which provide a roadmap for structural transformation and export diversification for Jordan over the next 10 years. The top 8 strategic export and investment themes identified were: Business, IT and Professional Services; Education Services; Healthcare Services; Creative Industries; Tourism Services; Transport Services; Construction Materials and Services; and Agriculture and Food Processing. The results of this analysis confirmed a strong orientation toward high-skill, tradable services among Jordan's most strategic sectors and represent a mix of specific industries in which Jordan already has a relatively large presence and industries that are incipient, but where global patterns suggest that Jordan has latent capabilities.

Lowering the cost of electricity production, which in turn lowers the cost of scarce water will be critical for activating sources of growth that are intensive in these inputs. To achieve this, a multi-pronged energy strategy is currently being developed based on capitalizing on the extraordinary opportunities that large-scale renewable energy generation now offers Jordan, while also carefully planning system improvements to maintain grid stability. This will require strategic investments in energy storage as technology rapidly improves. It will also require improving dispatch management such that base load and peak demand are supplied through the lowest cost sources. This transition will have direct positive benefits on the balance of payments and fiscal deficit and will open new opportunities for sustainably increasing water supply. Lowering the cost of energy will reduce the implied fiscal subsidies on water and improve the financial viability of large-scale desalination projects.

Reform Themes

Jordan's ability to achieve sustainable and inclusive growth will also depend on the government working jointly with the private sector to understand, and iteratively solve, sector-specific constraints to higher productivity and better market access. **Jordan has undertaken 51 key reform actions since 2012 to ensure an enabling environment for investors and to direct the country through needed fiscal consolidations. Additionally, Jordan has delivered a massive fiscal adjustment, equivalent to 14% of GDP since 2011, surpassing that done by Greece.**

Further economic reforms will help remove the constraints to productivity, such as removing existing restrictions and costs of hiring high-skilled workers from abroad that provide the necessary complements to high-skilled Jordanian workers.

In order to improve the competitiveness of the Jordanian economy, attract more investments, and transform the country into a vibrant export-led economy, the **Five-Year Growth and Reforms Matrix** developed with the World Bank (WB) identifies and prioritizes structural reforms- to be implemented over the coming 5 years- to achieve a transformational impact on growth, jobs and Jordan's macroeconomic position. The Matrix also seeks to improve the competitiveness of the private sector and reduce its costs. Henceforth, the growth matrix includes horizontal and vertical pillars whereby horizontal pillars address macroeconomic adjustment and regulatory reforms while vertical pillars address key growth-triggering sectors such as energy, water and transport. In consistency with the IMF regulations, the fiscal reforms aim to reduce public debt and limit budget imbalances while the regulatory reforms focus on making Jordan a conducive environment for the private sector to invest. Women inclusion in the labour force, labour market reforms as well as expanding national social safety are also highlighted as priorities. On the other hand, the vertical sectoral reforms focus on particular challenges that hinder private sector involvement as well as cost and operational efficiency within each sector.

As the Government focuses resources on unleashing the competitiveness of the strategic export and investment themes, it will work in close coordination with the private sector to identify other critical constraints to the growth of these sectors and collaborate to address them. Laws and regulations amended in areas such audit, illicit gains, secured lending, venture capital, insolvency, bankruptcy, integrity and anti-corruption, code of practices in government departments while public procurement by-law and e-procurement will be finalized by February 2019. GoJ will also work to utilize the numerous opportunities it has to use government procurement (for instance in digital teaching materials, apps to support transportation services, weather predictions tools, or refugee services) as a tool to spur innovation across many of the themes. A comprehensive list of completed and planned reforms is presented in Annex A.

Infrastructure Opportunity

Infrastructure projects in energy, water, and transport can boost the economy, improve productivity, raise living standards and make public services fit for the 21st Century. GoJ is committed to continuously improve the way infrastructure and major projects are delivered in Jordan, in order to support government priorities and improve the lives of ordinary Jordanians. The Government is particularly committed to working with all departments, industry, the private sector and investors to deliver the country's most complex and high-risk infrastructure, ensuring major projects provide value for money for Jordanian taxpayer and deliver their intended benefits for wider Jordanian society.

GoJ must improve its ability to deliver targeted infrastructure investments, among other public goods and services that will improve productivity across the board and expand Jordan's comparative advantage. Chief among these needs are improvements to public transportation services, a more rapid transformation of the electricity system to take advantage of low-cost generation technologies (especially renewables), and large-scale water investments leveraging desalination technologies.

II. Nurturing Investment Ecosystem

Project Pipeline Development Facility

Substantial new public and private investment is also required to boost economic growth and employment, expand Jordan's strained infrastructure in transport, energy, water, tourism, services (including health and education) whose strain has been exacerbated by the surge in population, and provide support for new businesses that will help expand the private sector, diversify the economy, and create jobs. Specifically, a pipeline of infrastructure opportunities has been development alongside a new facility to prioritise, develop, and finance those projects in a way that maximises their growth potential.

As a collaborative effort between GoJ and the International Finance Corporation (IFC), the Project Pipeline Development Facility (PPDF) will be established with the goal to identify, prioritize and turn investment projects into bankable ready-to-invest opportunities as well as build local capacity for an initial duration of 3-4 years. To guarantee the full delivery and sustainability of the IFC's efforts to develop the pipeline of projects, the scope of the corporation will include a capacity building mechanism to make sure that the knowledge is transferred to the local staff within the unit. The PPDF will be responsible for high-level screening, identification and recommended prioritization of projects in core priority sectors. It will choose Transaction Advisors on a competitive basis using a scoring framework.

Public Private Partnerships

In line with the Kingdom's policy and initiatives to develop private sector participation in economic activities, particularly in the infrastructure and services sectors, the Government initiated the PPP

Programme in February 2006, assigning the primary role in developing, promoting and implementing the PPP Programme to the Executive Privatisation Commission.

The aim of the PPP Programme is to encourage economic growth and employment throughout Jordan by means of a long-term partnership with the private sector in the infrastructure, utilities and services sectors. The PPP Programme aims to attract more private investment and improve the quality of Government services. In 2009, the Executive Privatisation Commission completed a comprehensive study of the legislative framework of the PPP Programme, as well as a review of the institutional and financial support required for the PPP Programme. The Executive Privatisation Commission also developed a manual for PPP projects, together with supporting documents, including a Guide for Implementing Partnership Projects, which set out procedures for PPP Programme implementation within the various legislative and institutional environments. The Commission also prepared assessment reports for a number of candidate sectors for the PPP programmes, such as the transport sector, government buildings and municipalities.

In November 2014, the Public Private Partnership Law № 31 of 2014 (the “PPP Law”) was passed by the National Assembly. Article 3 of the PPP Law sets forth the following aims for the PPP programme: (i) establishing, renovating, operating, and maintaining public infrastructure; (ii) encouraging private sector investment projects with governmental bodies; (iii) locating appropriate funding for feasible projects; and (iv) building on the experience, technical know-how and modern technologies of the private sector in project initiation and management.

Both Jordan 2025 and the Jordan Economic Growth Plan identify initiatives to encourage PPPs and other private sector participation across the principal sectors of Jordan’s economy. The Government is in the process of approving a public investment management system, which has been developed with technical assistance from the World Bank and is intended to improve the Kingdom’s governance framework by setting out a simplified methodology for appraising and prioritising proposed public investment and PPP projects. This system is expected to foster increased investment efficiency and maximise the expected return on investment projects. In May 2017, with IMF assistance, the Government conducted a public investment management assessment, the findings of which are expected to be used to form an action plan to strengthen Jordan’s public investment management programme. The Government has prepared a draft organic budget law supporting the public Investment Management System Framework, which is being submitted to the National Assembly. See “Public Finance—The Budget Process— Reform”.

Project Pipeline

Methodology to Compile Project Pipeline

Objective of the exercise:

Jordan has an extensive list of essential strategic infrastructure and growth projects, but GoJ's ability to meet the country's infrastructure investment needs have been undermined by slow economic growth, ongoing fiscal tightening and a fast-growing population. Therefore, the Kingdom must focus on attracting commercial financing, private capital, and private sector guarantees for these investment opportunities.

The exercise aims to bring together a comprehensive and consolidated list of prioritised, well-structured projects that could demonstrate financial viability and bankability and qualify for Public Private Partnership (PPPs).

To achieve this objective, the list adopted previously proposed projects from past governments and national growth strategies as well as the current government to use as the base for the overall ecosystem of investment opportunities. To validate this base, other important sources were examined to add onto and modify the list.

Data Sources

This document brings together a total of 123 potential infrastructure projects, compiled by the Government from one or more of the following sources:

- Cabinet list of current projects : this list comprises identified priorities of infrastructure and proposed investment opportunities/PPPs within each sector
- Government 2-year Plan (2019-2020): Al Nahda plan is the official plan developed and adopted by the current government under PM Omar Al Razzaz. The plan comprises of list of action items that revolve around three main pillars (Rule of Law, Growth, Social interdependence). The plan aims to employ Jordanians and unleash their potential
- The Jordan Economic Growth Plan (2018-2022): JEGP is a national growth strategy developed to recapture growth momentum and realize Jordan's development potential.
- Jordan Investment Commission packaged opportunities (governorate projects): Several projects were selected from the JIC website, which showcases 120 projects across 12 governorates.

- Individual Ministry priorities (Ministry of Planning and International Cooperation; Ministry of Finance Public-Private Partnerships Unit (PPP Unit));
- USAID Infrastructure Readiness Assessment (2018): As part of the Jordan Competitiveness Program (USAID), the USAID team took on an initiative to assess the readiness of some of the investment projects that were part of the investment ecosystem at the time.
- International Finance Corporation: the IFC showcased several projects, which have been awarded to them for the Transaction Advisory Activities

Screening for Growth-Impact Potential

The 123 original infrastructure projects have been screened and categorized by the GoJ according to investment size, readiness level, technical and financial feasibility and economic and social benefit. They have been divided into three main sections:

- Growth-triggering Projects:
These are projects that may attract FDI due to their size and the potential for revenue generation. Some of these projects were presented by Ministers as national priorities while others were deemed eligible according to their source of origin.
- Local Development Projects:
Projects, which, if approached as a PPP, may be very costly to the Government due to their low potential for returns of investment. Such projects are often important for the development of the governorates. The Government may seek blended financing for such projects whereby grant funds may offer a subsidy for the investment.
- Other (including low priority and small projects):
These projects do not meet the top two criteria; and therefore received the lowest priority.

10 of the total growth-targeting projects were identified to be “top priority”.

The screening process for selecting these 10 projects included the following:

- Investment size: 50 M and more (Exception was made for strategic projects that have been highlighted by the relevant entities)
- Projects that scored as Level 2 or Level 3 readiness based on USAID readiness exercise¹
- Projects where feasibility studies exist/have been shared (Tender documents for all 10 projects will be ready sometime during 2019)
- Projects where Ministers or Secretary Generals have communicated to GoJ that they are national priorities that are ready for tendering (i.e. Water and Energy projects)

Government of Jordan Readiness Assessment:

An additional round of review on the 10 priority projects was conducted by the relevant ministers where they added more details on existing projects, suggested new projects, and/or removed projects from the pipeline.

This prospectus prioritizes projects that will drive growth in the following growth-trigger sectors, which are the pillars of Jordan’s growth strategy:

- Energy
- Water
- Logistics and Transportation
- Information and Communication Technology
- Tourism

¹ For more information, see the USAID readiness exercise, June 2018.

- Services: Healthcare and Education

Other growth impact projects in public works and housing, environment, agriculture, industry and municipalities will be presented in short-form.

Investment Size Estimates

For some projects, especially those in the conceptual stage of readiness, investment size information was not available; thus, the total investment potential is underestimated. For others, a range of investment size values were presented. In order to estimate aggregate investment size, the median of the range was adopted.

Pipeline Revisions

This project pipeline document presents the starting point of an iterative process that requires constant correspondences with relevant line-Ministries to assess and re-assess strategic priorities and proposed projects, coordinated by the Jordan Project Pipeline Development Facility (PPDF) held under the Prime Ministry.

Energy

Overview of Sector²

As technologies in renewable energy and storage continue to advance, Jordan is now at a crossroads, where one path locks the country into reliance on high-cost, carbon-intensive energy, while the other path leads to low-cost, clean energy and positions Jordan on a technological frontier where jobs of the future are being defined today. The question is not which path to take, but how to do so³.

Jordan currently imports approximately 86% of its domestic consumption of oil and its derivatives,⁴ and is dependent on external supplies of natural gas for electricity generation purposes. The Kingdom's vulnerability to disruptions in energy supplies have been exposed in the last 7 years and compounded by unfavourable regional conditions in terms of instability and insecurity. Nevertheless, despite these disruptions, Jordan managed to achieve and maintain more than 99% electricity coverage rate without compromising the grid's performance⁵. Furthermore, GoJ has made significant efforts to secure alternative sources for its energy supply through investing in the development of a Liquefied Natural Gas (LNG) terminal in 2015, and the signing of new and cheaper energy supplies with neighbouring countries. The government has signed piped gas agreements with Egypt and Israel as well as an agreement with Iraq to import oil at favourable prices. In efforts to diversify and develop its domestic energy sources, Jordan has expanded its renewable energy production, to reach up to 20% of overall electricity consumption by 2020⁶.

Sector Objective

The main objective in the energy sector is to achieve energy security in a sustainable way through appropriate policies, legislations, and programs that increase the contribution of domestic resources such as renewable energy to the overall energy mix, diversifying resources and forms of energy, as well as activating energy efficiency programs in accordance with global best practices.

Sector Challenges

Jordan's energy security dilemmas need to be considered in the context of its diverse geopolitical challenges and the major budgetary burden and additional demands imposed on the country's energy supply by the many refugees residing in Jordan. The severe implications of high-energy costs have materialized in Jordan's electricity sector in light of the disruption of the Arab Gas Pipeline in 2011, and Jordan's need to import replacement fuels. The energy sector has been and remains a major source of public finance stress and the associated dramatic increase in public debt (US\$7 billion). Although NEPCO now operates on a cost recovery basis, the country is exposed to volatility in energy imports; any material increase in oil prices impacts heavily on the energy import bill and adversely affects the economy and finances of the Kingdom. Another challenge is to upgrade the grid and establish interconnectivity with neighbouring countries to allow Jordan to export its excess electricity. Therefore, a key element of GoJ's economic planning must be to shrink the current account deficit with a very strong import-export plan and long term measures to reduce the quantum and cost of imported energy.

² For more information see website for The Ministry of Energy and Mineral Resources

³ Center for International Development, Harvard University

⁴ Ministry of Energy and Mineral Resources, 2017

⁵ Ministry of Energy and Mineral Resources' published data

⁶ National Electric Power Company 2017 Annual Report

The Opportunity

To achieve the aspired goals in the energy sector, Jordan's energy strategy must be based on principals that aim to adopt and accelerate efficient and effective responses to Jordan's energy demands, capitalize on the extraordinary price reductions that large-scale renewable generation offers, while also carefully planning system improvements to maintain grid stability.⁷ The strategy also aims to maximize the absorption capacity of renewable energy into the grid, strengthen transmission networks, improve the efficiency of distribution networks and lower the cost of existing conventional generation through securing lower cost supplies of natural gas. The energy strategy should aim to implement its objectives while improving the finances of the publicly-owned National Electric Power Company (NEPCO), so that cost savings can be used to reduce tariffs and reinvest.

Achieving these goals will therefore require strategic investments in energy storage, improving dispatch management such that base load and peak demand are supplied through the lowest cost sources as well as the continued efforts to expand the contribution of renewable energy to the energy mix through investments in wind and energy, Hydro energy, clean technology and oil shale.

Implemented reforms

The 2012 Renewable Energy and Energy Efficiency Law allows investors to identify and propose potential electricity production projects, including wind, solar and other projects, to the Ministry's consideration. All renewable energy power plants are exempt from certain taxes, including VAT, and certain customs duties⁸. The Government has also established the Renewable Energy and Energy Efficiency Fund to provide a financial framework to support energy-efficiency programs, awareness campaigns, training and capacity building, as well as funding renewable energy projects.

In the context of rising losses at NEPCO, the Jordanian Government has developed a medium-term strategy for the energy sector, which included implementing tariff increases, diversifying Jordan's energy sources and enhancing energy efficiency and a comprehensive roadmap to strengthen NEPCO's corporate governance and financial management tools. The Ministry of Energy and Mineral Resources (MEMR) has adopted a comprehensive planning process for the sector in terms of regulation, policies and implementation to secure the Kingdom's need of energy. The Government has completed a NEPCO Grid Performance Study, and through the MEMR, adopted indicators, targets and a timeline to address grid-subsidy for self-generation and reduce cross-subsidies. The Energy and Minerals Regulatory Commission (EMRC) has taken initial actions consistent with them.

In 2010, the Parliament passed the Renewable and Energy Efficiency Law that calls for the country to generate 7% of its electricity from renewable energy sources by 2015, and 10% by 2020. In 2012, the Jordan Renewable Energy and Energy Efficiency Fund (JREEEF) was established to provide the funding necessary to meet the renewable energy targets. Exceeding the set expectations, renewable energy generation in Jordan is expected to reach 20% by 2020. Jordan ranked second in the Arab World with regards to renewable energy generation⁹ and third among emergent market countries in attractiveness for clean energy investments¹⁰. Over the past 3 years, Jordan has promoted renewable energy resources with 10 schemes¹¹ expected to generate 2,700 megawatts of electricity by 2021, 715 megawatts of which will be from wind resources. The Tafila Wind Farm is the first commercial utility-

⁷ For more information on proposed policies see the Energy sections in Jordan 2025 and JEGP

⁸ Ministry of Energy and Mineral Resource' (relevant laws and bylaws)

⁹ Innovative Jo

¹⁰ Global Climatescope

¹¹ Funding for certain proposed projects has not yet been fully secured, and these projects may result in higher Government expenditures and thus increase the budget deficit.

scale wind power project in the Middle East.¹² Additionally, Jordan is working on implementing the “first-of-its-kind” Pumped-Storage Hydropower Potential Project in the region to store electric power generated from renewable sources, expecting the work to begin next year.¹³

Planned reforms

GoJ has planned the following reforms from 2018-21:

1. **Efficient Planning and Procurement of Electricity.** The Cabinet will adopt an Integrated National Energy Strategy (INES)’ and NEPCO will adopt an Electricity Master Plan (EMP) to improve energy security, efficient investment planning and efficient, transparent and contestable procurement procedures which evaluates the economic merits of new electricity projects. Where feasible, uneconomical EMRC commitments in existing electricity projects will be restructured.
2. **Appropriate Price Signals through Cost Reflective Electricity Tariffs.** The Cabinet will adopt cost-reflective electricity tariffs for all consumer categories (including for self-generating consumers) and improved targeting of the ‘lifeline’ tariff to poor and vulnerable consumers.
3. **Strengthening of Regulatory Processes and Establishing an Electricity Market.** Tariff determination will be made transparent for consumers by adopting separate ‘Annual Revenue Requirement (ARR)’ filing for each license, structured public consultations, and public disclosure of documentation and underlying calculations. There will also be increased accountability across NEPCO’s lines of business, and a market for electricity through direct transactions.
4. **Strengthen Energy Security and Develop Domestic Energy Resources.** The Cabinet will improve energy security by reviving natural gas import from Egypt, generate a new source for natural gas through pipelines, place greater reliance on domestic clean energy, and explore electricity export to neighbours.
5. **Energy Efficiency and Demand Side Management.** The Cabinet will adopt a program for temporal alignment of demand with available supply, establish a platform for private financial institutions to finance EE and RE projects, and measures to reduce electricity generation costs and improve capacity utilization.

Growth Impact Projects

Ready for 2019 Growth Impact Priority Projects

Project ID	Project name	Description/notes	GoJ readiness	USAID readiness assessment	Investment size (JD Million)
PP3	4th Expansion of Jordan Petroleum Refinery Company (JPRC)	JPRC contracted the services of UOP-Honeywell, its technical consultant and the licensor of all the existing units in the Refinery, to study the feasibility of the expansion project, arrive at the best configuration of the Refinery, and determine the best residue conversion technology. Tender expected by Q3 of 2019	Level 4	N/A	1,140.00

*GoJ Readiness - Level 4: Ready by 2019. N/A: Not available

¹² For more information see the Jordan Wind Project Company

¹³ For status updates see the Ministry of Energy and Mineral Resources

Growth Impact Projects to be ready 2020 onwards

Project ID	Project name	Investment size (Million JD)
PP1	Generation of electric power by direct burning of waste	120-130
PP2	Expand the development of renewable energy projects for power generation (wind & solar)	300.00
PP4	Use of 'energy storage through batteries' to reinforce the electrical grid and maintain its suitability.	50.00
PP6	Develop Jordan-Iraq-Egypt Oil Pipeline	1,600.00
PP7	Developing and enhancing the production of existing wells and drilling new wells.	100.00
PP9	Geothermal Power Station	
PP10	Exploration and Exploitation of lithium at the Dead Sea	50.00
PP11	Exploration and exploitation of rare elements in the Dubaydib area	50.00
PP12	Exploration and exploitation of gold in Wadi Araba	100.00
PP13	Exploration and exploitation of potash in Al Lisan area	12.00
PP14	Exploration and exploitation of copper ores within the Dana Reserve	400.00
PP15	Exploitation and mining of uranium ores in central Jordan	250.00

Water and Wastewater

Overview of Sector¹⁴

Despite the Kingdom's water deprivation, the Government has been undertaking a number of projects to expand access to water supply in the country. Jordan is one of the few countries in the world that has succeeded in managing its meagre freshwater resources and secured a high coverage rate. As of 2017, 94% of water sources were described as "safely managed," and 95% and 90% of Jordan's population are connected to piped water supply in urban and rural areas, respectively. Jordan has also made large strides in the treatment of wastewater, which contributed 164 MCM in 2017, a %67 increase from 2007.¹⁵ Almost 91% of treated wastewater in Jordan is reused for agriculture.¹⁶ Water security has been highly prioritised in national policies, which focus on building a resilient sector based on a unified approach for a comprehensive social, economic and environmentally viable water sector development.¹⁷ Many new policies and efficiency improvements have been undertaken to augment, conserve, reuse and recycle all available freshwater. The Government has constructed dams and the Disi-Amman conveyance system to mobilize new water sources. It has also been continuously exploring additional sources of supply such as deep aquifers and brackish and large-scale seawater desalination plants.

Moreover, the Government's strategy and emphasis on wastewater collection and treatment is increasingly expanding. The national water policy includes wastewater treatment as the main sanitation intervention and sanitation coverage in both the urban and rural population has reached 93%. There are 31 central wastewater treatment plants, which are expected to treat 240 MCM/Year by 2025. According to the National Water Strategy 2016-2025, 12% of the total water secured in 2014 came from treated wastewater (125 MCM from a total of 1,211 MCM). In 2015, 13% came from treated wastewater. Furthermore, more than 60% of municipal wastewater is treated.

The financial performance of the Water Authority (WAJ) has been severely affected in recent years by the additional demand from Syrian refugees and increased electricity prices, and where the losses have been funded by the government. To address these concerns, Jordan is developing more

¹⁴ For more information, see the National Water Strategy of Jordan, 2016 – 2025.

¹⁵ For more information, see Jordan Water Sector Facts and Figures, 2017.

¹⁶ For more information, see the National Water Strategy of Jordan, 2016 – 2025

¹⁷ For more information, see the Jordan Economic Growth Plan (2018-2022)

immediate water sources, rehabilitating inefficient water networks, and is capitalizing on investment opportunities to combat issues such as Non-Revenue Water and efficient network distribution management.

Sector Objectives

GoJ's overall aim in the water sector is to ensure sustainability of water resources, rehabilitate water facilities and infrastructure, improve the quality of water services, expand coverage of water and wastewater services, reduce non-revenue water, use renewable energy in its operations to reduce overall operational cost, and provide water for irrigation and economic sectors. Furthermore, GoJ's strategy and emphasis on wastewater collection and treatment is gradually expanding.

Sector Challenges

Jordan's key water resources (main rivers and aquifers) are located at a significant distance from cities and agricultural areas resulting in high transportation costs. For example, 90% of the drinking water supplied to the capital comes from sources distanced 125 to 325 km away and elevated up to about 1,200 meters with 5 pumping stages.¹⁸ Consequently, the water sector involves an energy intensive operation due to water pumping as well as water treatment and distribution facilities. As a result, GoJ has had to invest in an extensive and expensive water network that demands constant maintenance and improvement while incurring the increasing energy and transportation costs. Non-revenue water, which reached 48% in 2017, is also a key challenge for Jordan given the scarcity of water. Climate change and changing precipitation patterns in the region present another challenge. Experts predict that climate change will result in summer temperatures in the Mediterranean region rising between 2.2 and 2.5°C, accompanied by a 4% to 27% decrease in annual precipitation, which will increase the risk of droughts. This will in turn lead to increased need for crop irrigation. All of these risks will have economic, health, and water and food security impacts.

The mitigation of these challenges is constrained by the GoJ's limited internal financial capacity to implement critical, cost-efficient projects. This limitation highlights the need for private-sector participation in the funding of needed interventions to reduce the costs of water pumping, reduce water loss, and increase wastewater treatment, among others, by capitalizing on Jordan's previous successes in implementing large projects with PPP models and its track record in renewable energy.

The Opportunity

For Jordan, initiatives encouraging efficient use of scarce natural resources will significantly contribute to reduce financial pressures. Among the measures that GoJ seeks to implement to harness the opportunities in this sector include, inter alia: use of renewable energy to power the water sector, improving the portable water infrastructure to save about 30-40% of water losses (leaks and delivery efficiency); investing in agriculture water efficiency technology and practices; investing in new water treatment technologies and sustainable water supply; increasing the use of recycled water to add to the reliability of the water supply; increasing outreach efforts to citizens and provide incentives to water conservation efforts especially from the agricultural sector; controlling illicit surface water use and illicit over-pumping from groundwater basins; enforcing existing laws and proposing stricter ones on sewerage and industrial effluent to municipal Waste Water Treatment Plants (WWTPs).

One of the greatest opportunities in the sector lies in capitalizing on the abundant solar and wind energy to power water pumping and desalination technologies.

Implemented Reforms

¹⁸ For more information, see Jordan Water Sector Facts and Figures, 2017.

The government has launched a medium-term strategy to bring WAJ to cost recovery through revenue improvement and cost reduction. Targeted actions under the strategy include introducing renewable energy in the water sector and restructuring the water systems, increasing collection efficiency, reducing accounts receivable, reducing illegal connections, adjusting tariffs, and increasing energy efficiency.

The Ministry of Water and Irrigation has set clearly defined rules to manage the scarce water resources efficiently and sustainably as part of the National Water Strategy 2016-25 and other related policies and action plans. The strategy lays out the measures and actions required to achieve Jordan's national goals for long-term water security, create a new momentum to do business differently and more efficiently, and improve inter-sector linkages to generate greater synergy and impact on the health and economic well-being of all Jordanians.

Planned Reforms

1. **Water Tariffs.** In order to increase sector revenues to improve financial space for financing future investment, the Cabinet will undertake measures to improve water tariff structure and adjust tariff levels, whilst addressing the potential welfare impact of tariff adjustments. To ensure that water is properly valued, and hence optimally allocated, there will be a restructured tariff for municipal water, at a minimum linked to the increased cost of energy, while providing targeted social subsidies.
2. **Water Sustainability.** Improve the sustainability of investments in the water sector by implementing a roadmap for an optimized O&M budget to ensure the sustainable and efficient use of existing infrastructure.
3. **Water Savings.** The Cabinet will improve the efficient use of scarce water resources and optimize the use of funding through a reduction of Non-Revenue Water program at the national level (including outsourcing and/or introduction of performance-based contracts), conversion to modern irrigation and water monitoring in the agricultural sector, and enforcement of the water allocation system.
4. **Communication of Water Allocation and Security Strategy.** The Cabinet will develop a Water Security Strategy and accompanying Investment and Financing Plan to optimize and prioritize sector investments through development, update and expansion of a National Water Database. A communication campaign will be launched around the increased municipal water tariff, linking it to the evolution of the energy tariff in order to increase the acceptability of tariff increases by the public and the use of treated wastewater in agriculture.
5. **GoJ will prioritize projects that utilize desalination coupled with renewable energy.**

Growth Impact Projects

Ready for 2019 Growth Impact Priority Projects

Project ID	Project name	Description/notes	GoJ readiness	USAID readiness assessment	Investment size (JD Million)
PP18	Aqaba-Amman National Water Conveyance Project (AAWDC Project) (National Project)	The objective of the project is to construct a water conveyance system to enhance the Kingdom's national water security by producing potable water through desalination at the Gulf of Aqaba and transferring 150 MCM/year of additional water to Amman. These flows will be obtained from the identified two Project Components – Rum/ Disi Wellfield and a Reverse Osmosis Plant to the south of Aqaba the Red Sea.	Level 4	Level 3	1,100.00
PP19	As Samra treatment plant (third phase/ second expansion)	The objective of the project is to expand the capacity of the As-Samra treatment plant from 365,000 CM to 465,000 CM per day (i.e. additional treatment capacity of 100,000 CM per day). Additionally, the project will establish a solar power plant with 10 MW capacity and will serve the adjacent unserved communities with wastewater networks.	Level 4	In market but contracts have not been awarded	200.00
PP20	Non-Revenue Water (NRW) Reduction Project	The project aims to develop appropriate techniques to reduce physical and commercial water losses in Amman through the preparation and implementation of a performance based NRW contract under a hybrid financing modality including grants and Private investment. This approach will start in Amman Governorate but will be rolled out to other governorates.	Level 4	Level 3	47.00
PP21	Hisban brackish water desalination 10-15 MCM/Year	The projects consists of: <ul style="list-style-type: none"> • Drilling 10 wells (500 meters deep) in Hisban area to provide 20 MCM per year • Constructing a water treatment plant to treat the salinity (TDS) of the water • Constructing a water pipeline to deliver the water to pump station 2 of the Zara Main Water Conveyance System • Constructing a pipeline to transfer the brine to the Dead Sea; as well as a solar power plant with a capacity of 15 MW to reduce operational costs 	Level 4	Level 3	35.00

Project ID	Project name	Description/notes	GoJ readiness	USAID readiness assessment	Investment size (JD Million)
PP23	Al Ghabawi Wastewater Septic Tank Facility Project	The objective of this project is to construct a new septic tank facility to replace and relocate an existing facility currently co-located at Ain Ghazal Treatment plant (AGTP) due to odour, traffic and pollution and capacity concerns. The capacity will be 25,000 m3 per day. The proposed new replacement septic tank facility will be located at Al Ghabawi and is intended to serve the unserved areas of Amman, Zarqa and the surrounding area.	Level 4	N/A	50-70

*GoJ Readiness - Level 4: Ready by 2019.

**USAID Readiness - Level 5: Ready for final (cabinet) approval to proceed to market, Level 4: Engineering, environmental and commercial feasibility studies completed, Level 3: Definitive Feasibility Study (DFS) under development, Level 2: Technical advisers appointed. Preliminary feasibility (PFS) in preparation, Level 1: Concept stage. No feasibility analysis commenced.

N/A: Not available

Growth Impact Projects to be ready 2020 onwards

Project ID	Project name	Investment size (Million JD)
PP22	Deep Aquifer Expansion	N/A

Logistics and Transportation

Overview of Sector

Jordan's logistics and transportation infrastructure is among the key strengths for future economic growth and integration with regional and global markets. This sector is not only vital for Jordan's economy (with exports being a key growth-driving pillar) but also for the economic development of the whole Middle East region due to its strategic location which leaves significant potential for Jordan to grow as a regional transportation and logistical hub. The transport sector also accounts for more than 8% of Jordan's GDP and demand for transportation and logistics is estimated to grow by 5-6% per annum until 2030.¹⁹ Jordan has over 80,000 square kilometre road network that spans across the Kingdom, connecting it with all its neighbouring countries. Jordan has invested heavily in the development of large national infrastructure through numerous projects in recent years by expanding the road sector, improving urban mobility, enhancing the logistic industry, and the full opening of a new seaport in Aqaba in 2015 and the revamping of Queen Alia Airport in 2013. Additionally, the railway development in Ma'an, the development of a truck management system to unlock the congestion at the port area, and the e-customs pilot digitization program all add to GoJ's goal to improve the efficiency of its domestic supply-chain infrastructure.

One of the keys to unlocking growth in Jordan requires efficient and affordable urban transportation. GoJ has started a process of liberalization of the transport sector with the purpose of raising the performance, efficiency and enhancing competitiveness.

Sector Objectives

The main objective of this sector is to develop high quality, efficient logistics and transportation infrastructure that will boost Jordan's exports sector and role as a logistical hub while also meeting

¹⁹ Investment Commission (JIC) Logistics and Transport Sector Profile

the transportation demands of the growing population. In order to achieve this, Jordan 2025 as well as the JEGP have identified a number of policy objectives that the GoJ is actively trying to accomplish despite the budget constraints.²⁰

Sector Challenges

Border closure, the lack of a reliable public transportation system and the absence of light and national railway systems have prevented the logistics and transportation sector from meeting its potential. Expanding the scope of land supply-chain services and responding to the needs of a growing population require not only infrastructure itself, but also improvements in the surrounding policy and institutional environment.

It is now vital that Jordan attracts funding for the development of the transport sector through investment in new infrastructure, the expansion and maintenance of existing infrastructure, and the optimization of the border openings and the seaport expansion.

GoJ is encouraging development in this sector through Public Private Partnership (PPPs), incentives to fund new equipment and infrastructure, and implementing and modernizing regulation in order to improve services.

The Opportunity

Jordan's central location between the Levant and GCC has driven exceptional growth in the air and land transport and logistics sector in recent years. It is an important regional transport hub between GCC countries and Turkey and Europe, and also between Iraq and the Red Sea and the Mediterranean. A significant opportunity exists to continue to develop into a regional hub, leveraging the newly expanded Queen Alia International Airport, ongoing expansion of Aqaba port and Jordan's extensive road networks into adjacent markets.

The cargo payload for land transport in Jordan alone is expected to almost double by 2030. In addition, upgrading public transport to ensure a predictable and affordable network will ensure positive spill over effects on economic activity as well as improve accessibility between governorates and growth areas. This sector is now one of Jordan's largest employers. Moreover, the World Bank has determined that affordable and reliable transportation would contribute to women's labour force participation, which would help unleash the untapped potential of educated, young women.

Implemented Reforms

As part of its scheme to improve this sector, GoJ continues to invest in transport systems. Among these efforts are the Amman-Zarqa BRT which is under construction and expected to commence operation in 2020. Another achievement is the opening of the 100 KM King Salman bin Abdulaziz road connecting Zarqa, Azraq and Al-Omari Bridge in December 2018. In February 2019, the Saudi-Jordanian Investment Fund and the Aqaba Special Economic Zone Authority (ASEZA) signed a MOU to build a railway connecting Aqaba seaports to a dry port that will be constructed in Ma'an.

Since 2002, the Ministry of Public Works and Housing has been implementing a 25-year plan aiming to complete an extensive road network around the Kingdom. In terms of efforts to expand the public transport system, the role of private management and financing in improving and extending public transport services have been approved.

Planned Reforms

Additional measures to implement bus fleet consolidation and modernization have been initiated, such as increasing the number of buses per 1,000 citizens by 11% by the end of 2020, modernizing 25% of

²⁰ For more information on proposed policies see the logistics sections in Jordan2025 and JEGP

the fleet of public transport by the end of 2020, and improving bus scheduling through a mobile application developed through a hackathon spearheaded by Ministry of Information and Communication Technology.²¹

Additionally, the Cabinet is focused on the coordination and management of services to clients such as quality and timeliness, including tariff setting and subsidies. This includes quality improvement in complementary infrastructure and leveraging private management and financing. As evidenced by a decrease in percentage of women feeling unsafe in public transport, efforts will be made to enhance women's mobility experience and access to employment opportunities, market and services.

Road safety and quality will be enhanced through the development of a new road infrastructure program with private participation (MFD), with plans in 2020 to launch the first performance-based PPP tendering process for toll roads, and road maintenance contracts.

The Government will also adopt a roadmap to enable competitive results in trucking and logistics. The Government will commence the implementation of actions to boost healthy competition in trucking and logistics industry by launching a program for trucking fleet rationalization, and conduct necessary legal amendments.

Growth Impact Projects

Ready for 2019 Growth Impact Priority Projects

Project ID	Project name	Description/notes	GoJ readiness	USAID readiness assessment	Investment size (JD Million)
PP27	Marka Airport	The project consists of the expansion of Marka Civil Airport as well as the rehabilitation of its existing terminals. The project will serve regular low-cost flights, commercial flights in addition to charter flights and offer aviation training. The expansion will increase the airport's capacity to host up to 2 million passengers in the future	Level 4	level 2	114-119
PP36	King Hussein Bridge crossing terminal and truck yard	A Regional masterplan is being prepared in parallel with the feasibility study, The World Bank Infrastructure Development fund (\$1.5 m) is co-funding the project development with the GoJ (\$500,000). Studies with IFC and CC are underway. IFC was chosen as the transaction advisor. IFC has indicated it is ready to market soon.	Level 4	Level 2	100-150

*GoJ Readiness -Level 4: Ready by 2019.

**USAID Readiness - Level 5: Ready for final (cabinet) approval to proceed to market, Level 4: Engineering, environmental and commercial feasibility studies completed, Level 3: Definitive Feasibility Study (DFS) under development, Level 2: Technical advisers appointed. Preliminary feasibility (PFS) in preparation, Level 1: Concept stage. No feasibility analysis commenced.

N/A: Not available

Growth Impact Projects to be ready 2020 onwards

Project ID	Project name	Investment size (Million JD)
PP30	Urban Transport Project (Irbid, Salt, Madaba, Zarqa)	17.00
PP24	Madounah Dry Port/ Logistic Center	100.00

²¹ Government 2-year Plan

PP25	Southern Shuna Airport	321.00
PP28	King Hussein International Airport Improvements	35.50
PP29	Ma'an Dry Port to serve the Industrial Park in Ma'an	48.00
PP31	Amman-Zarqa Bus Rapid Transport	188

Information and Communication Technology

Overview of Sector²²

The ICT sector in Jordan presents a strategic growth-driving opportunity as one of the leading contributing sectors to service exports and youth employment. With GoJ's expansion of government digitization (e-Gov) and the growing private sector interest in ICT investments, ICT services accounted for 4.7% of total exports in 2016, created more than 1,300 jobs in 2017 and amounted 25.8% of total added value in services in 2017.²³ Jordan is home to upwards of 600 active technology companies and start-ups, including Cisco, Expedia, HP, Microsoft, Oracle, and more. Over one fourth of annual Jordanian university graduates specialize in ICT and Engineering, almost half of which are female. More than 75% of Jordan's population have access to mobile broadband (Q4 of 2017).²⁴ Internet penetration has reached 87.8% in Jordan, which is way above the Middle East average of 64.5%.²⁵ There are around 25,000 Jordanian tech professionals shaping the region's tech.

Among the ICT projects undertaken by GoJ is the National Broadband Network, which aims at connecting different healthcare, public and educational entities through fibre-optic networks, advancing e-Gov, attracting a consortium of companies to position Jordan as a tech-outsourcing hub for region and build the required infrastructure for supporting E-transformations. Additionally, Jordan's Central Bank is a regional pioneer for its FinTech "Sandbox" program.

The sector's vision is laid out in the national digitization strategy (REACH2025) in which 96 specific action items have been developed with a focus on integrating various technologies into Jordan's leading economic sectors. These actions have both public and private sector components divided along various initiatives, policies and academic programmes.

Sector's Objective

The ICT sector aims to provide adequate infrastructure that can support the robust diffusion of technologies in all sectors with the ultimate objective of digitizing Jordan's government and economy, thereby improving public services, stimulating sustainable investments, and developing diversified business environments. Such objectives are achieved by building institutional capacities as well as adopting proactive and adaptive policy measures that will aid in expanding the ICT infrastructure, and subsequently provide the platform through which innovation, entrepreneurship, and other emerging sectors can thrive.

Sector Challenges

The expansion of the ICT infrastructure and hardware, especially in the public sector, requires constant upgrading and maintenance to match the rapid and fast technological advancement. Advancing digitization relies on access to finance and gaining worldwide expertise on best practices. To this extent, lack of sufficient funding and the inability to contract foreign expertise due to constraints in labor legislation have held this sector back from reaching its full potential.

²² For more information, see Ministry of Information & Communications Technology, Reach 2025

²³ World Bank

²⁴ World Bank

²⁵ IWS

The Opportunity

The prospect for additional growth in the ICT sector lies in Jordan's high quality human capital, advanced IT infrastructure, competitive wages, convenient time zone (UTC+3), and the strategic geographic proximity to the large GCC, African and European markets. Jordan's Free Trade Agreements offer businesses access to 1.5 billion customers in 161 countries. Jordanian start-ups are winning against global businesses in artificial intelligence bids. These factors, among others, position Jordan as a digital outsourcing hub regionally and internationally through acquiring international best practices from subject matter experts such as Cisco, Expedia, and more. The full implementation of REACH2025 action plan by the public and private sector is projected to lead to an acceleration of GDP growth by 3-4%, an increase in the digital economy sectors' revenue by up to 25-30%, guaranteeing 130,000-150,000 jobs in the sector, as well as the establishment of as many as 5,000-7,000 new businesses in the digital economy.²⁶

Implemented Reforms

GoJ has set an action plan in REACH 2025 to transform Jordan into a digital economy to raise productivity and ensure growth. GoJ has invested more than JD120 million in its national broadband, and to maximize the potential benefit from this network, the Cabinet has issued a decision to lease the excess capacity of the national broadband network, based on specific PPP model.²⁷

Additionally, the Ministry of ICT has started key steps in implementing the digital economy action plan by working on (1) developing national broadband infrastructure through a PPP model, and introducing a new revenue-sharing model for rolling out 5G; (2) enacting the Data Privacy Law to enable access to unclassified data for businesses; (3) championing digital payments by implementing a new policy that transforms all national aid, bread subsidies, transport, and health payments into digital modes during by end of 2019; (4) launching a new initiative to train 500 Jordanian youth in digital skills during 2019; (5) leading a participatory approach to identify and tackle legal and regulatory constraints facing entrepreneurs, and coordinating with relevant entities to enable digital ID and e-KYC implementation. The World Bank Group team in Jordan has been supporting these actions as part of the 5-year reform matrix analytics and the second Development Policy Financing (DPF).²⁸

These reforms are not isolated from efforts led by other ministries which will further ease ICT operations in Jordan. GoJ carried out a review of the legal framework to identify causes of segmentation in the labour market and issued instructions on flexible work (part time) with minimum wage rates by unit of hours. Trade licenses can now be obtained for virtual offices (businesses that operate from home). Additionally, the Ministry of Labour removed references to gender in the Ministry's instructions and website that can be used to discriminate against women.²⁹

Planned Reforms

Many reforms that aim at easing business doing in Jordan are expected by mid-2019. Of these reforms are the amendment of the PPP Law, the amendment of investment Regulation No.77-2016 to eliminate sectoral restrictions of foreign ownership, and the launch a new e-filing system for patents and trademarks, which will reduce the cost of registering patents and trademarks in Jordan.

GoJ is also planning to simplify regulations on visas and permits for skilled labour—an issue that has been impeding the decision of foreign ICT conglomerate to consider Jordan as their regional tech-outsourcing hub. Additionally, and as has been set out in the Jordan's 5-year Reform and Growth

²⁶ Ministry of Information & Communications Technology

²⁷ Ministry of Planning & International Cooperation Reform List

²⁸ World Bank

²⁹ World Bank

Matrix, GoJ will implement a Skills Development Corporation Law in 2019 and set targets to graduate technologically literate youth from TVET programs based on labour market needs.

Expediting digital payments as part of the wider E-government transformation efforts by GoJ are also anticipated in the coming years. As part of its commitment in the 5-year Matrix to establish and implement a system for Good Regulatory Practices to increase predictability of the business environment, Jordan will digitize and consolidate business regulation into e-registry.

Jordan will also build off of the success of Fintech Sandbox to promote a conducive environment for the development of digital financial services.

Growth Impact Projects

Ready for 2019 Growth Impact Priority Projects

Project ID	Project name	Description/notes	GoJ readiness	USAID readiness assessment	Investment size (JD Million)
PP34	Jordan National Broadband Network	<p>The project aims at ensuring inclusive digital development and using digital infrastructure to increase work efficiency, improve work mechanisms, and promote socio-economic development.</p> <p>The government has invested in around 7000 KM of fiber optical cable laid around the Kingdom that MoICT is allowing it to be used by the private sector to create a whole sale operator through a PPP model which should:</p> <ul style="list-style-type: none"> • Allow Broadband internet nationwide and reach the untapped market. • Increase the overall internet speed by providing fiber connectivity. • Allow the Mobile operators to use the already made investment to be their shared infra-structure to make their investment more efficient. • Provide additional services on top of the connectivity services on scale, where security, Sandboxing and other value added services. 	Level4	N/A	100.00 over 10 years

*GoJ Readiness - Level 4: Ready by 2019.

**USAID Readiness - Level 5: Ready for final (cabinet) approval to proceed to market, Level 4: Engineering, environmental and commercial feasibility studies completed, Level 3: Definitive Feasibility Study (DFS) under development, Level 2: Technical advisers appointed. Preliminary feasibility (PFS) in preparation, Level 1: Concept stage. No feasibility analysis commenced.

N/A: Not available

Growth Impact Projects to be ready 2020 onwards

Project ID	Project name	Investment size (Million JD)
PP32	Digitization: Electronic and Digital Transformation (Phase II) through the RE-DO methodology (re-engineering procedures, services automation, outsourcing to the private sector)	60 - 80
PP33	Automate E-Services for 7 entities (Revenue Sharing Model)/ Helpdesk project	70 - 82

Project ID	Project name	Investment size (Million JD)
PP35	Consulting services, Civil works and cables and peripherals across country	80

Tourism

Overview of Sector

The tourism sector in Jordan is among the top five contributing sectors to GDP. It enjoys a number of unique and differentiated competitive advantages such as the Kingdom's various valuable tourist sites of high historical, religious, and heritage significance. Despite the political instability across the regions, which had hindered the sector's ability to meet its potential, in 2018, tourism revenues in Jordan surpassed the \$5 billion mark³⁰. This significant figure marks Jordan's exceptional recovery from the post-Arab Spring turbulence, which deterred tourists from visiting the region. Therefore, tourism has accounted for over 20% of Jordan's GDP in 2017; this is forecasted to reach 22.3% of GDP in 2027. Tourism currently provides approximately 88,000 registered jobs, but demands significantly more as Jordan moves towards reaching its potential.

Sector's Objectives

Jordan's fast-growing tourism sector involves many promising niches and high-potential investment opportunities. Travel and Tourism continues to be a vitally important pillar of Jordan's economy. Jordan's unique and iconic historical assets turn the country into a rich destination with a wide range of tourist attractions. Moreover, Jordan is becoming a tourist attraction for cultural immersion and adventure tourism with the wide range of cultural experiences and activities that it offers. Henceforth, the sector objective is to develop tourism products and services that are highly competitive at the regional and international levels spanning all seasons of the year, by exploiting the available resources across the Kingdom's governorates, to increase the tourism sector's contribution to overall economic growth.

Sector Challenges

While recent data show an uptick in numbers in tourist arrivals to Jordan, the tourism cluster should have the potential to grow at a quicker pace, and to contribute more significantly towards the country's overall growth. For example, average individual receipt has decreased by 3.7% in 2017 compared to 2016 amounting to an average of 1,600 JOD. To realize such goals, the sector is in need of further investments to brand and market Jordan to targeted countries and new regions, as well as the streamlining of new categories of niche touristic packages. The Kingdom offers a range of various types of tourism such as adventure tourism, ecotourism, leisure, education tourism and faith-based tourism; nevertheless, it needs to capitalize on the proper packaging and advertising of these standalone packages to attract different types of tourists that span all seasons.

The Opportunity

Jordan's attractive climate, natural wonders and historic sites have placed Jordan on the global tourism map for decades. The country offers a variety products and services in a variety of tourism niches such as hosting getaway resorts vacations including hotels, restaurants and entertainment facilities as part of the leisure tourism cluster, generating around 19,883 jobs in the accommodation sub-sector³¹. Additionally, Ecotourism and nature tourism have grown tremendously due to environmental

³⁰ Based on Central Bank of Jordan data

³¹ Ministry of Tourism and Antiquities

pressures and the demand for jobs outside of the cities. A few of the many nature-centric tourism activities include the Ajloun Forest Reserve, Aqaba, Azraq Wetland Reserve, Mujib Biosphere Reserve, Shaumari Wildlife Reserve, and Wadi Rum Protected Area. These nature destinations offer fun activities that include: Lodging, Camping, Hiking Trails (like the Jordan Trail and the Jordan Eastern Badia Trail), Canyoning, Oryx Safari, Cycling and more. Furthermore, Jordan's rich variety of numerous medieval mosques and churches and 34 religious sites add to the Kingdom's attractiveness as a popular faith based tourism destination. In addition to the more common clusters of touristic attractions, Jordan's excellent education programs and infrastructure attracts many international students looking to study Arabic in the Middle East or students from the Middle East looking to study at Jordan's European and American universities. Jordan has a higher percentage of foreign students in tertiary education when compared to other countries in the region and has seen an increase in the number of international students by 16% resulting in a contribution of 2.5% to GDP³².

While Jordan has been growing its potential in these tourism clusters, two strategically significant avenues remain underdeveloped: Jordan's medical tourism attractiveness and its potential positioning as a regional diplomatic and humanitarian hub suitable for MICE tourism. Niche tourist services in Jordan that cater to the needs of different categories such as family, medical and wellness tourism are significant given the reputation of the Kingdom's healthcare sector and the opportunity to integrate treatment with recuperative care and spa treatments. Nevertheless, benchmarking against peer countries suggests a need to further exploit Jordan's medical advantages (wellness tourism, skilled doctors, and strategic location), and to use a more centralized approach to marketing these packages.

With regards to the Meetings, Incentives, Conferencing, Exhibitions (MICE) field, Jordan is continuously claiming a greater share of the market due to the ongoing expansions of 5-star hotels and unique world-class facilities such as the King Hussein Conference Centre at the Dead Sea. Additionally, Jordan is already host to the World Economic Forum and major international industry conferences. The investments pipeline for this sector has been prioritized based on their projected contribution to the expansion and improvement of tourists' sites, infrastructure, and medical facilities in Jordan. GoJ is pushing for better tourism promotions campaigns and more comprehensive tourist packages, such as providing door-to-door medical tourism.

Implemented Reforms

GoJ has waived visa fees for all non-restricted nationalities coming through Jordanian tour operators whether traveling individually or in groups. The visa fee is waived on the condition that the traveller spends a minimum of two consecutive nights in Jordan³³. Additionally, In January 2019, a streamlined medical tourism classification was approved by the Cabinet.

Planned Reforms

In 2019, GoJ is committed to establishing the Jordan Medical Tourism Council with an action plan to position Jordan as a competitively priced hub for medical tourism. Additionally, GoJ plans to further the accreditation of hospitals: of 116 hospitals, only 26 are accredited by Healthcare Accreditation Council and 8 have Joint Commission International Accreditation.

Growth Impact Projects

Growth Impact Projects to be ready 2020 onwards

Project ID	Project name	Investment size (Million JD)
PP63	Infrastructure projects in the Dead Sea	1,840.00

³² Jordan times

³³ Visit Jordan

PP66	A Tourist Village Project in Zarqa	14.40
PP127	Al Qastal resorts and recreational facilities	50.33
PP128	Um Qais Tourist Village	5.00
PP129	Commercial complex near Ajloun Telefreack	70.20
PP130	3D museum in Wadi Al Musa area	3.00
PP131	Wonder Garden- Petra	5.53
PP132	Petra Convention centre	3.40
PP133	Al Kayed Heritage site	1.77

Services: Healthcare

Overview of Sector³⁴

Jordan's healthcare sector has developed a high quality cadre of doctors and healthcare practitioners, as well as a number of well-performing healthcare facilities that have made Jordan a leader in medical tourism and pharmaceuticals production. Medical tourism alone attracts at least 250,000 patients to Jordan per year, generating 66% of the country's overall tourism revenues.³⁵ The healthcare industry totals about US\$ 3.58 billion, representing approximately 10% of GDP (as spent on this sector), which is among the highest in the MENA region.³⁶ Around 86% of Jordanians are covered by health insurance and are served by 110 hospitals, 62 of which are private, and around 14 thousand hospital beds. Emergency medical treatment for cases that do not require hospitalization is free in Jordan and GoJ provides free civil health insurance for all children under the age of six and citizens over 60, amounting to over 300,000 beneficiaries. Additionally, Jordan has its own health care accreditation council in place, which is in itself accredited by the International Society for Quality in Health Care (ISQua), ensuring that health care in the country meets international standards.

Sector's Objectives

Policies of the healthcare sector aim to reorganize the overall regulatory and advisory framework of the sector as well as provide comprehensive and efficient preventive and curative health services. This is to be done through utilizing the available resources and establishing an effective partnership with the private sector and relevant institutions.

Sector Challenges

Jordan's population growth, the influx of Syrian refugees, and the growing need for healthcare services and medical supplies in neighbouring countries have placed increasing demands on the national health system. Findings from the health sector vulnerability assessment indicate that services may be inadequate to 22 percent of the population due to the fact that their local comprehensive health centres serve more people than the national standard of one centre per 60,000 people. This challenge necessitates the development of new public-private partnerships to expand the hospitals and medical centres in Jordan in the coming few years.

Jordan must find the balance between ensuring adequate health coverage for Jordanians while still offering health services to visitors from abroad in order to grow its medical tourism sector.

The Opportunity

The healthcare sector benefits from an excellent reputation both regionally and globally. It is endowed with an abundance of highly qualified doctors and nurses, in addition to a high investment in healthcare infrastructure. A prime example of Jordan's success due to high-quality medical professionals is the

³⁴ For more information, see Ministry of Health

³⁵ Medical Tourism Index, 2017 / JIC

³⁶ The International Trade Administration (ITA), U.S. Department of Commerce manages Export.gov, 2016 / JIC

King Hussein Cancer Center, which is the only specialized cancer treatment center regionally. A number of factors will continue to drive growth in the sector, including the high levels of domestic healthcare spending (more than 8% of GDP), high levels of insurance coverage for Jordanians, and the established reputation of Jordan as a destination for medical tourism. To date, 26 hospitals are accredited by the Healthcare Accreditation Council (HCAC) and eight are accredited by the Joint Commission International (JCI). Five hospitals have both HCAC and JCI accreditations.

Implemented Reforms

In 2018, the Medical Liability Law was passed by the Parliament calling for the creation of the Higher Technical Committee to address the institutional gaps in quality assurance and limit medical malpractice. In January 2019, a streamlined medical tourism classification was approved by the Cabinet—a reform that is expected to directly influence the number of medical tourists.

Growth Impact Projects

Growth Impact Projects to be ready 2020 onwards

Project ID	Project name	Description/notes	USAID readiness assessment	Investment size (Million JD)
PP71	Wadi Araba Hospital	Establishing a new medical facility (50 bed capacity) covering a 50,000 people population.	N/A	24.80
PP72	Health District at King Hussein Business Park		N/A	
PP73	Ma'an Private Hospital	Establishing an advanced private hospital in Ma'an with 115 beds, containing all specialties and high medical quality. The project will reduce overcrowding in other hospitals and health centers and attract medical tourism. IRR is estimated at %21.33 with estimated 168 job opportunities	N/A	23.00
PP74	Health Center in Na'ur (concept)		N/A	
PP75	Zarqa Private Hospital	Establishing an integrated private hospital, which provides all medical and therapeutic services. The project is driven by the insufficient number of hospitals to meet the increasing needs of Zarqa population. Hospital will be located in Jabal Tariq near the largest current private hospitals and consultant doctors' complexes. ROI is 11.2%, IRR is 22.2%	N/A	14.60
PP76	Build 3 new hospitals in Irbid, Tafileh and Ajloun by 2020		N/A	
PP77	Madaba Private Hospital		N/A	

*GoJ Readiness - Level 4: Ready by 2019

**USAID Readiness - Level 5: Ready for final (cabinet) approval to proceed to market, Level 4: Engineering, environmental and commercial feasibility studies completed, Level 3: Definitive Feasibility Study (DFS) under development, Level 2: Technical advisers appointed. Preliminary feasibility (PFS) in preparation, Level 1: Concept stage. No feasibility analysis commenced.

N/A: Not available

Services: Education

Overview of Sector³⁷

Jordan has long established a regional and international legacy of delivering high quality educational services, which has made the sector a key contributor to Jordan's economic growth. At the primary education level, the sector was able to endure the massive population increase, including the influx of refugees. According to the Jordan Response Plan, the amount of school-aged Syrians in Jordan as of 2016 is 212 thousands, more than 126 thousands of whom enrolled in Jordanian schools. The overall number of enrolled school students increased from 1.3 million in 2004 to 1.8 million in 2016 served by upwards of 7 thousand schools.³⁸

At the same time, the number of students obtaining higher education increased from 142 thousand in 2004 to 192 thousand in 2016. Jordan has 32 universities, 52 community colleges, 50 vocational training centres, in addition to top-tier international high schools. Several public universities have sealed partnerships with international institutions including New York Institute of Technology, University of Ohio, University of Sunderland, among others. In 2017, the number of international students increased by 16% and is expected to rise to make up 25% of total enrolled university students in 2019 according to the Ministry of Higher Education.

Sector Objectives

The objective of the sector is to enable current and future generations to develop the needed educational and vocational skills that will improve their overall standard of living. To meet this goal, GoJ has developed the 2016-2025 National Strategy for Human Resource Development (NHRD) to identify key interventions needed in early childhood education, basic and secondary schooling, vocational education and training, and higher education to ensure Jordan's preservation of its human capital competitive edge. GoJ has committed to implementing the recommendations of this strategy, reinforced by the recent Ministry of Education's 2018-2022 Strategic Plan. The NHRD 10-year executive plan incorporates workable programmes and plans, key performance indicators, well-defined reform priorities, potential funding options, and necessary steps for enhancing the job-market and equipping future generations with tools of knowledge, excellence, and innovation to be capable of competing effectively at national, regional and international levels.

Sector Challenges

Despite the unceasing advancements in the education and higher education systems, population increases and fiscal tightening have placed pressure on Jordan's education infrastructure. Jordan opened its public schools of Syrian refugees, which required that schools operate on two-shifts daily, resulting in accelerated depreciation of infrastructure and reduced class-time for Jordanian and Syrian children alike. At the tertiary education level, the challenge lies matching graduates' acquired skills and training with the fast-growing market needs. There is an oversupply of university graduates and an undersupply of skilled craft workers and technicians, which has affected the unemployment rate among youth.

The Opportunity

Education is the key to transforming the daunting demographic challenges into opportunities for growth and development in a country of overwhelming youth majority. Various measures have been undertaken by GoJ to address the sector's challenges and accommodate Jordanian and Syrian students despite the fiscal constraints. In order to maintain the standards of quality and excellence which are

³⁷ For more information, see Ministry of Education and the NHRD Strategy

³⁸ For more information, see Ministry of Education Annual Report 2017-2018

the trademarks of Jordan's education system, Jordan has a plan for a strategic expansion in facility to ensure that education quality remains resilient. Further investments especially in areas with the most promising returns: early childhood development and education, primary education, and technical and vocational education and training, present the opportunity for Jordan to make a leap in service quality.

Additionally, Jordan's growth strategy will open job opportunities for the continuous stream of educated graduates with tertiary education by focusing on the strategic export sectors in which Jordan has high human capital potential.

Implemented Reforms

The Ministry of Education has taken strides to improve the quality of education. Ongoing reform efforts in human capital development rely on recommendations by the NHRD (2016-2025) and the Ministry of Education's Strategic Plan (2018-2022). The key overarching reform projects include expanding KGI and KG II access and enrolment, building new schools, increasing public school facilities to be inclusive of students with disabilities, upgrading and expanding teacher skills through high-quality pre and in-service training³⁹, strengthening technological infrastructure in schools, modernizing teaching and learning in schools through technology, and reforming the TVET system at the secondary and tertiary levels to expand access to and upgrade quality of training. Additionally, the National Centre for Curriculum Development was established in 2017 to address gaps in education quality at the primary and secondary education levels.

Planned Reforms

1. **Align TVET programs with labour market demand.** In line with the Jordan 5-Year Reform and Growth Matrix, GoJ aims to improve access to address the mismatch between labour supply and demand and expand job opportunities for Jordan's youth by setting targets to graduate technologically literate youth from TVET programs in 2019 based on market needs.
2. **School infrastructure.** Jordan will continue to build new schools in order to address the surge of population associated with refugees. Adding new schools will not only create new jobs, but will also reduce class sizes and allow Jordan to shift away from the two-shift school system adopted to accommodate the sudden increase in student numbers.

Growth Impact Projects

Ready for 2019 Growth Impact Priority Projects

Project ID	Project name	Description/notes	GoJ readiness	USAID readiness assessment	Investment size (JD Million)
PP70	Supporting the Jordan Schools Program. Build 15 schools using PPP model	The aim of the project is to support the Jordan Schools Program, which entails building up to 300 new schools over the next decade under a PPP scheme.	Level 4	N/A	75-100

*GoJ Readiness - Level 4: Ready by 2019.

**USAID Readiness - Level 5: Ready for final (cabinet) approval to proceed to market, Level 4: Engineering, environmental and commercial feasibility studies completed, Level 3: Definitive Feasibility Study (DFS) under development, Level 2: Technical advisers appointed. Preliminary feasibility (PFS) in preparation, Level 1: Concept stage. No feasibility analysis commenced.

N/A: Not available

³⁹ For more information see Queen Rania Teaching Academy

Growth Impact Projects to be ready 2020 onwards

Project ID	Project name	Description/notes	USAID readiness assessment	Investment size (Million JD)
PP67	Build 4 schools	Specialized for hospitality and tourism and one industrial school	N/A	

Growth Impact Projects in Other Sectors

The table below presents projects with potential growth impact in public works and housing (7), environment (4), agriculture (2), industry (4) and municipal affairs (1) with a total investment size of at least 963.7 Million JD. All projects with available investment size information, except for the Amman tolled ring-road, require less than 50 Million JD.

Sector	Project ID	Project name	Investment size (Million JD)
Public Works and Housing	PP37	Amman 71km of tolled ring-road around Amman, followed by O&M over existing portion of ring-road (41km) as well as the new extension.	700 - 800
	PP38	Building car parking areas near bus stations and routes	N/A
	PP39	Toll Road Infrastructure	N/A
	PP40	Science College building in Al Tafileh Technical University	7.00
	PP42	Build more than 300 day-cares in both private sector and public sector	N/A
	PP43	Make available 1900 lands for housing by 2020 (PPP)	N/A
Environment	PP78	Reuse of Treated Wastewater Project/South Amman	N/A
	PP79	Establishment of hazardous waste treatment units	39.20
	PP80	Zarqa Industrial Wastewater Treatment Plant	35.00
	PP81	Build 40 parks across the country	
Agriculture	PP87	Develop veterinary quarantine projects	34.29
	PP88	Encourage the development of marketing facilities to increase the quality of the Jordanian agricultural product and increase the added value of production	32.00
Industry	PP89	Permanent Logistics Center and a Permanent Exhibition of Products in Giza /Al Qastal Area	19.90
	PP90	A Multi-Purpose Real Estate Project	28.00
	PP91	Establishment of a Commercial Shopping Center (Mall) in Zarqa	17.30
	PP92	Establishment of a Jordanian Iraqi Duty free zone	N/A
Municipal Affairs	PP93	Sorting and packing center for dates in Northern Jordan Valley	1.00

Local Development Projects

GoJ has identified a number of local development projects across governorates. These projects are important for their projected social impact; however, they may not yield profitable returns on investment for investors to warrant PPP engagements between the Government and the private sector. These projects cover Jordan from north to south and focus heavily on road infrastructure development, education, environment, parks and recreation, youth houses and employment promotion.

In the northern governorates, there are plans 16 projects, which include for two housing developments, six roads, two youth centres and a hostel for students, a park, and two projects focusing on youth recreation. For the southern governorates, there are plans for four roads and two youth centres. For the central governorates, which in addition to Amman, include Madaba and Balqa, there are 12 planned projects. Two roads are planned for Balqa and for Madaba, there are intentions for two youth houses and a road. A craft city and a youth centre are among the projects planned in Amman. Projects that are likely to span the entire country are eight, of which three focus on ecotourism, green infrastructure and waste management. Two projects are for youth and schools and one project proposes multiple parks.

Sector	Project ID	Project name	Investment size (Million JD)
Public Works and Housing	PP44-S	Al Mafraq -Al Safawi road	130.00
	PP45-S	Al Azraq- Al Safawi road 90 KM	270.00
	PP46-S	Ajloun- Irbid road	20.00
	PP47-S	Ajloun Ring road 30 KM	90.00
	PP48-S	Jerash- Balqa road 12.5 KM	16.00
	PP49-S	Strategic road from Amman to northern governorates 45 KM	65.00
	PP50-S	Al thaqafeh circle intersection	25.00
	PP51-S	Complete Salt ring road (part 4) 4 KM	16.50
	PP52-S	Al Salt- Wadi Shuaib road 23 KM	22.00
	PP53-S	Madaba ring road 18 KM	30.00
	PP54-S	Ma'an ring road (partial) 16 KM	23.00
	PP55-S	Al Rashadiyah Disi- Al Suwan road 75 KM	90.00
	PP56-S	Ma'an- Mudawarh road 119 KM	120.00
	PP57-S	Aqaba back road, with rehabilitation of existing portion of the road	23.00
	PP58-S	Phase II- Irbid	20.00
	PP59-S	Phase III- Irbid	23.00
Tourism	PP64-S	Establish 26 guest houses along the Jordan trail	15.00

Sector	Project ID	Project name	Investment size (Million JD)
	PP65-S	Infrastructure projects in Ajloun development zone	52.60
Education	PP68-S	Al AlBeit University student hostel, faculty housing and commercial development	35.00
	PP69-S	Heating and Cooling systems for Schools to benefit approximately 60,000 students	21.30
Environment	PP82-S	Swaqa Medical and hazardous waste disposal and treatment	
	PP83-S	Vehicle Lead Battery Collection & Recycling	30.06
	PP84-S	Improve green infrastructure through intensive labor procedures	9.60
	PP85-S	Build 10 model parks in Jordan to be run by civil society organizations	1.00
	PP86-S	Sustainable use of ecosystem services	4.12
Municipal Affairs	PP94-S	Craft city shared between Naour , Um Al Basateen and Husban	1.00
	PP95-S	Establish a multipurpose commercial complex / mall in Naour	750.00
	PP96-S	Amusement park in Irbid	2.00
	PP97-S	Youth center in Jerash	0.50
	PP98-S	Craft area and Truck parking space in Al Sherah	0.50
	PP99-S	Multi-floor parking area in Jerash	0.50
	PP100-S	Youth center in Jerash	0.50
Youth	PP101-S	Madaba youth house which includes a reception hall, dining hall, kitchen, healthcare facilities, suites etc. (studies)	0.70
	PP102-S	Build Madaba youth house after studies reception hall, dining hall, kitchen, healthcare facilities, suites etc. (after studies)	0.19
	PP103-S	Prince Ali complex pool/ Mafraq	0.17
	PP104-S	Al Karak youth house	0.23
	PP105-S	Al Madras youth house (studies and establishment)	0.35
	PP106-S	Construct a multipurpose hall at Princess Haya Sports complex	0.21
	PP107-S	Construct a multipurpose hall Petra youth house	0.22
	PP108-S	Build chalets at Al (No Suggestions) youth house	0.15
	PP109-S	Rehabilitate the stadium at Ajloun sports complex	0.14
Labor	PP110-S	Expansion of the "productive branches" projects. Provide training and employment opportunities for the unemployed. Attract investments to poorer areas.	16.00

Other Low Priority or Small Projects

A number of projects were deemed to be of low priority. This list encompasses projects that have the potential to become bankable projects, yet have been deemed a lesser priority due to one or more of the following reasons: small investment size (less than 50 M JOD), pending projects that are

on hold for political reasons or otherwise, projects with low strategic importance as other options are being examined and prioritized, and projects that are still at very early stages and need further development. The list spans various sectors such as ICT, Agriculture, Environment, Health, energy, water and infrastructure and logistics.

As part of the scope of the Project Pipeline Development Facility, further examination and assessment will be carried out to determine whether any of these projects should be prioritized and further developed in the future as part of the investment ecosystem.

Project ID	Project name	Description/notes	Investment size (Million JD)
PP111-OI	Attract a consortium of companies to position Jordan as a tech outsourcing hub (Expedia, Amazon, Ison BPO, etc..)		
PP112-OI	Dialysis Cantres	PPP Application approved by PPP Council on Unit's recommendation. Cabinet approval received to follow "small-scale" project development process.	2.00
PP113-OI	Queen Alia Military Hospital Parking and Commercial	Waiting for selection of TA for F/S and transaction advising.	24.00
PP114-OI	Hussein Thermal Power Station Project		
PP115-OI	Green Corridor- East Jordan Green Corridor Upgrade		
PP116-OI	Ma'an Oil Pipeline (Linked to Iraq-Jordan Pipeline)	On hold due to political reason	350.00
PP117-OI	Develop Aqaba desalination plant Phase II		7.50
PP118-OI	Reduction of persistent organic pollutants	purchasing 10 Autoclave machines and distributing it public hospitals (2018-2022)	3.70
PP119-OI	Central Station for Wastewater Treatment		27.10
PP120-OI	Build apartment buildings/ Aqaba	Building includes 22 suits, hall and outside areas	0.21
PP121-LP	Prepare a strategy and an executive plan to develop and promote local pharmaceutical industries		25.00
PP122-LP	Explore the option of obtaining shale gas and shale oil from the Serhan area.		200.00
PP123-LP	Implementation of the power plant using the direct combustion of oil shale with a capacity of 470 MW		1.60
PP124-LP	Smart Card	Still in early stages	

Project ID	Project name	Description/notes	Investment size (Million JD)
PP125-LP	Three new colleges in Theban, Al Kura and Tafileh, reaching out to a minimum of 4,000 students.		

III. Annex

Reforms



MINISTRY OF PLANNING AND INTERNATIONAL COOPERATION

Key Reforms 2012-2019

No.	Actions / Reform Measures	Status
1. Investment and Doing Business		
1.	Amendment of Companies Law enacted in 2017	Achieved
2.	A new Investment Law enacted in 2014 and related by-laws (enacted 2015-2017)	Achieved
3.	Enactment of Credit Information by-laws to enable creation of a Credit Bureau in 2011	Achieved
4.	The Government of Jordan provided the US Government with a contract for a combination of four total feasibility studies on potential PPPs as a first step to operationalize the PPP unit.	Achieved
5.	MoIT and MoICT developed a Business Enabling Platform. MOIT signed Memorandums of Cooperation (MOCs) with MOICT, Income and Sales Tax, Amman Chamber of Commerce, and Amman Chamber of Industry identifying list of approvals, preapprovals and fees required to start a business considering a re-engineered and simplified registration process by Ministry of Public Sector Development (MOPSD) determining the roles and responsibilities for each entity.	Achieved
6.	Monitoring and Inspection Law enacted in September 2017.	Achieved
7.	Monitoring and Inspection Bylaws (four bylaws) enacted in October 2018.	Achieved
8.	Secured Lending Law enacted in May 2018	Achieved
9.	Secured Lending Bylaw enacted in November 2018	Achieved
10.	Insolvency Law enacted in May 2018	Achieved
11.	Decision to grant additional benefits to the ICT supporting article 8A of the Investment Law was approved by the Investment Board.	Achieved
12.	Abolition of pre-registration approvals issued by the Ministry of Interior for business activities that have low or no impact on public safety and security.	Achieved
13.	Development of a “Regulatory Predictability Framework” to improve the process of issuing regulations that affect businesses, including instructions and decisions.	Achieved
14.	Endorsement of Public Investment Management – Public-Private Partnership Governance Framework.	Achieved
15.	Enactment of the Venture Capital Bylaw to include specific tax treatment for the VC funds in Jordan.	Achieved
16.	Enactment of Insolvency Bylaws.	Achieved
17.	GoJ strengthens its export promotion capability by centralizing the export promotion mandate within a new established public-private company.	Achieved

No.	Actions / Reform Measures	Status
18.	Council of Ministers to adopt the action plan for the Business / Investors Journey	Achieved
19.	Issue a cabinet decision to lease the excess capacity of the national broadband network, based on specific PPP model.	Achieved
20.	Council of Ministers adopts a policy position and roadmap for digitizing a designated set of Government payments.	Achieved
21.	Merge all types of vocational licenses issued by both GAM and MoMA to become one license covering all matters (vocational licenses, health licenses, professional office fees).	To be achieved by first quarter of 2019
22.	Establishment of a holding company to develop, prioritize and finance strategic projects, turning them into bankable ready-to-invest proposals.	To be achieved by first quarter of 2019
23.	Amend the Investment Regulation No.77-2016 to eliminate sectoral restrictions of foreign ownership.	To be achieved by first quarter of 2019
24.	Abolish 10% of sectoral licenses out of the 24 licenses that have been recommended for abolishment.	To be achieved by first quarter of 2019
25.	Approval of a transformation action plan for export facilitation that includes time-binding actions on the Silver list implementation, Single Window implementation, customs procedures.	To be achieved by first quarter of 2019
26.	Council of Ministers enacted a new regulation putting in place a short negative list of activities eliminating all sectoral equity restrictions to foreign investment.	To be achieved by first quarter of 2019
27.	Abolish the Crafts and Industries Law from 1953'.	To be achieved by first quarter of 2019
28.	Launch of the Online Collateral Registry for movable assets.	To be achieved by first quarter of 2019
29.	A new Public-Private Partnership Law was drafted, prepared and currently under consultation.	To be achieved by first quarter of 2019
30.	The Intellectual Property Protection Department will launch a new e-filing system for patents and trademarks which will reduce the cost of registering patents and trademarks in Jordan.	To be achieved by first half of 2019
2. Labor Market Reforms/Gender		
31.	Carried out a review of the legal framework to identify causes of segmentation in the labor market.	Achieved
32.	Issued Instructions on flexible work (part time) with minimum wage rates by unit of hours.	Achieved
33.	Ministry of Labor removes references to gender in the Ministry's instructions and website that can be used to discriminate against women.	Achieved
34.	Visa requirements for skilled workers liberalized.	To be achieved by first quarter of 2019
3. Fiscal Consolidation		
35.	Income and Sales Tax Department increased effectiveness of the ISTD auditors (tax assessment quality).	Achieved
36.	The General Budget Department increased the GoJ Units' Budget transparency.	Achieved

No.	Actions / Reform Measures	Status
37.	The General Budget Department implemented a revised chart of accounts for government units' functional expenditures.	Achieved
38.	GOJ increased Income Transparency and Targeted Audits to Combat Tax Evasion.	Achieved
39.	GOJ improved public financial management by establishing a reporting and monitoring system to report on the level of all types of budgetary arrears.	Achieved
40.	A new Income Tax Law enacted in December 2018	Achieved
41.	Endorsement and start of implementation of Public Finance Management Strategy 2018-2021.	Achieved
42.	Launch of Financial Inclusion Strategy 2018-2020.	Achieved
43.	Council of Ministers reduced exemptions and increased preferential rates in the general sales tax and the special sales tax consistent with the 2018 Budget Law.	Achieved
44.	The Ministry of Finance makes public (on its official website) the quarterly financial reports for nine major State Owned Enterprises – with expenditures of over 5 million JD.	Achieved
45.	GoJ to adopt a new Debt Management Strategy (2019-2023).	To be achieved by first quarter of 2019
4. Governance, Transparency and Accountability		
46.	Cabinet issued Independent Electoral Commission By-Law and approved related budget.	Achieved
47.	Establishment of the Independent Elections Commission in 2012	Achieved
48.	A new Integrity and Anti-corruption Law enacted in 2016	Achieved
49.	Establishment of Integrity and Anti-Corruption Commission to bolster government efforts to promote transparency.	Achieved
50.	Implemented a system of quarterly feedback on the follow up of complaints at the Complaints Management Call Centre.	Achieved
51.	GoJ implemented initiatives for the delivery of streamlined and faster services to Citizens.	Achieved
52.	Enacted the Bankruptcy By-Law.	Achieved
53.	Amendment to the Illicit Gains Law to ensure proper asset declaration for government officials as per international best practices to improve transparency and reduce corruption perception.	Achieved
54.	GoJ Issued Code of Governance Practices of Policies and Legislative Instruments in Government Departments (to improve the predictability of legal and regulatory framework governing the business environment) for the Year 2018.	Achieved
55.	A new Audit Bureau Law enacted in October 2018 to strengthen the Bureau performance, capacity and independence to be in line with INTOSAI standards.	Achieved
56.	Enact a new Public Procurement By-Law, which includes provisions for Framework Agreements, e-Government Procurement, independent review of bidder complaints, and establishment of an oversight and policy unit.	To be achieved by first quarter of 2019
57.	Implement the E-Procurement system to improve efficiency, competition, transparency and accountability.	To be achieved by first quarter of 2019
58.	Revised ETVET law was submitted to Cabinet for approval.	To be achieved by first quarter of 2019

No.	Actions / Reform Measures	Status
5. Energy		
59.	Approval of Jordan Renewable Energy and Energy Efficiency Fund (JREEEF) by-laws in 2015	Achieved
60.	NEPCO has adopted a strategy for diversification of fuel sources for power generation with increased reliance on cleaner energy sources.	Achieved
61.	Implementation of Electricity Tariff Adjustment 2012-2016	Achieved
62.	Completion of NEPCO Grid Performance Study .	Achieved
63.	The Government of Jordan, through the MEMR, has adopted indicators, targets and a timeline to address grid-subsidy for self-generation and reduce cross-subsidies, and EMRC has taken initial actions consistent with them.	Achieved
64.	Government continues to rebalance electricity tariffs to address grid-subsidy for self-generation and to reduce the cross-subsidy burden, consistent with the targeted values of the indices for Grid-Subsidy for Self-Generation and the Tariff Cross-Subsidy Index in the roadmap	To be achieved by first quarter of 2019
65.	Cabinet to issue a regulatory reforms directive to EMRC to: <ul style="list-style-type: none"> - Implement cost-reflective grid-use charges, technical regulations, and imbalance settlement mechanism for open access grid-use. - Apply only competitive procurement route for all future electricity projects and dis-allow single source contracting under the direct proposal route. - Adopt a participative and transparent tariff determination process. - Implement a 'Strategy and Roadmap for Electricity Tariff Restructuring, Cross-Subsidy Rationalization and Mechanisms for Social Protection for Poor and Vulnerable Consumers' (Tariff-Reform Strategy). 	To be achieved by first quarter of 2019
6. Social Reforms		
66.	Approval of a new Juvenile Law .	Achieved
67.	The Council of Ministers issued a regulation granting non-Jordanian children of Jordanian women a personal ID card at birth according to the concept contained in the Civil Status Law.	Achieved
68.	MoSD established a shelter for women threatened by honor crimes and the transfer of any at-risk women detained under the Crime Prevention Law to appropriate shelters.	Achieved
69.	Developed a pilot project for mobile payment distribution for NAF beneficiaries.	Achieved
70.	Council of Ministers approved plan to improve and expand the coverage of the National Aid Fund (NAF) cash transfer program to cover at least 85,000 additional households between 2019 and 2021.	Achieved
71.	NAF targeting mechanism adopted by the Council of Ministers.	Achieved
7. Justice		
72.	Enactment of a new Judicial Independence Law in 2017.	Achieved
73.	Establishment of the Constitutional Court in 2012.	Achieved
8. Syrian Refugees' Access to the Formal Labor Market		

No.	Actions / Reform Measures	Status
74.	The Government of Jordan issued a comprehensive regulation for the entry of Syrians to the labor market.	Achieved
75.	The Government of Jordan issued a waiver to fees for work permits for Syrian workers for 2018 and 2019.	Achieved
76.	The Council of Ministers issued a Cabinet Decision to allow Syrians to register and operate Home-Based Businesses inside and outside the camps.	Achieved
77.	Publication of Investor's Guide and Syrian Investor's Guide to inform investors about investment requirements and incentives.	Achieved
78.	Ministry of Labor allowed flexible work permits for Syrian working in the agriculture and construction sectors.	Achieved

Ready in 2019 Project Reference Sheets

Jordan Projects Ready for Tendering by 2019

Project Summary		
Project name	Jordan National Broadband Network	
Project ID	PP34	
Total Investment Size (JD)	<p>Already invested by GoJ: 140 Million in CAPEX (35 mln comes from a Saudi grant). Expected Additional Investment by PPP: JOD 100 Million in CAPEX over 10 years.</p>	Priority #: 1
US Readiness Assessment	N/A	Relevant Entity: Ministry of Information and Communications Technology
GoJ Readiness Assessment	Level 4	Source: Cabinet list of current projects
Project Brief		
Project Description	<p>The project aims at ensuring inclusive digital development and using digital infrastructure to increase work efficiency, improve work mechanisms, and promote socio-economic development.</p> <p>The government has invested in around 7000 KM of fiber optical cable laid around the Kingdom that MoICT is allowing to be used by the private sector to create a whole sale operator through a PPP model which should:</p> <ul style="list-style-type: none"> • Allow Broadband internet nationwide and reach the untapped market. • Increase the overall internet speed by providing fiber connectivity. • Allow the Mobile operators to use the already made investment to be their shared infra-structure to make their investment more efficient. • Provide additional services on top of the connectivity services on scale, where security, Sandboxing and other value added services. <p>The Government has conducted pre-feasibility study to with the support from the World Bank and IFC to design and tender a comprehensive broadband and digital platform as Public-Private Partnership (PPP) opportunity to manage, expand and operate the National Broadband Network (NBN).</p>	
Status Quo Update	<p>The existing network is currently a private network owned by GoJ, and is designed for the connectivity of all Governmental entities to serve more than 4,000 Governmental institutions and entities across all areas of Jordan.</p> <p>The GoJ is evaluating options to commercialize this spare capacity through a PPP to provide:</p> <ul style="list-style-type: none"> • Fiber-based backhaul services to mobile and other operators; • Fiber-to-the-home (FTTH) access in areas close to government nodes; • National and international connectivity services; and • Value-added-services, including cloud hosting, Sandboxing, database management, etc. 	
Readiness Studies	Done	Pending
Pre-Feasibility	<ul style="list-style-type: none"> • Projected annual revenues of JOD 45mln / year • expected NPV is JOD 22mln • IRR of 13% • Payback of 10 years • Projected EBITDA margin of 40% <p>The largest portion of revenue contribution is projected to come from wholesale fiber access services (53%) followed by mobile backhaul (24%), Value Added Services (16%) and Leased Lines (7%).</p>	
Technical Study		Expected completion by Feb, 15 th 2019
Environmental Impact Assessment Study		Expected completion by Feb, 15 th 2019
Project Due Diligence and Economic Valuation		Expected completion by Feb, 15 th 2019
Procurement Plan		Expected Procurement Plan by Apr 2019
Tendering Process		Tender launch and award expected within 2019

Financial and Legal Close		Pending results of tendering <ul style="list-style-type: none"> • Tendering conclusion expected by Aug 2019 • Contract award expected by Nov 2019 • Financial and Legal Close expected by end of 2019 • Implementation expected by 2020
Funding Prospects		
Government Contribution	The GoJ already invested about JD 120M in a 6500 km country-wide fiber-optic IP PMLS network. And committed to continue additional 500 KM. This Infra-structure will be allowed to be used by the private sector in a PPP model.	
Early indications from Investors/Funding	IFC is supporting to identify potential investors	
Additional comments	<p>GoJ is looking for a long-term contract to operate and develop these assets within an agreed framework and performance target in joint venture or commission setup to provide:</p> <ul style="list-style-type: none"> • Increased broadband coverage • Foster higher sector revenues • Foster stronger competition • Attractive return on investment • Lower prices for consumers <p>The expected duration of completing the current NBN will be approximately 2 years by end of 2021. GoJ is committed to financing the finalization of this rollout from the Saudi grant.</p> <p>The business model is based on providing wholesale services. The sustainability of Governmental connectivity and security services will be provided as part of the agreement.</p>	

Project Summary		
Project name	As-Samra Wastewater Treatment Plant (third phase/second expansion)	
Project ID	PP19	
Total Investment Size (JD)	200 Million (pending selection of implementation option)	Priority #: 2
US Readiness Assessment	Awarded contracts	Relevant Entity: Ministry of Water and Irrigation (MWI)/Water Authority of Jordan (WAJ)
GoJ Readiness Assessment	Level 4	Source: Jordan Economic Growth Plan
Project Brief		
Project Description	The objective of the project is to expand the capacity of the As-Samra treatment plant from 365,000 CM to 465,000 CM per day (i.e. additional treatment capacity of 100,000 CM per day). Additionally, the project will establish a solar power plant with 10 MW capacity and will serve the adjacent unserved communities with wastewater networks.	
Status Quo Update	Fichtner Water & Transportation GmbH, supported by ECO Consult and IBLAW was assigned to perform a technical, financial, legal and environmental and social due diligence in order to assess the feasibility of the Project and determine all key risks to its successful implementation.	
Readiness Studies	Done	Pending
Pre-Feasibility	✓	
Technical Study	✓	
Environmental Impact Assessment Study	✓	
Project Due Diligence and Economic Valuation		<ul style="list-style-type: none"> EBRD study includes financial modeling and analysis. WAJ SG: Due Diligence is currently being carried out by USAID to assist in the allocation of the grant portion (\$50-100 M)
Procurement Plan		Expected completion by May
Tendering Process		Expected in June 2019
Financial and Legal Close		Pending results of tendering
Funding Prospects		
Government Contribution	Government contribution includes land use/existing infrastructure.	
Early indications from Investors/Funding	USAID is showing interest in supporting the financing of the project with (\$50-100M) grant.	
Additional comments	The Ministry of Water and Irrigation is preparing a study on the preferred procurement modality based on the preferred technical scenario under an integrated solution or a standalone solution. An integrated solution means that the current treatment plant will be expanded, and under a standalone solution a new wastewater treatment plant will be constructed. Under the existing project agreement, SUEZ Environment has the right of first refusal.	

Project Summary		
Project name	4th Expansion of Jordan Petroleum Refinery Company (JPRC)	
Project ID	PP3	
Total Investment Size (JD)	1.14 Billion	Priority #: 3
US Readiness Assessment	N/A	Relevant Entity: Ministry of Energy and Mineral Resources(MEMR)
GoJ Readiness Assessment	Level 4	Source: MEMR
Project Brief		
Project Description	The objective is to expand the Jordan Petroleum Refinery, since current production is not sufficient to meet the growing demand in the Jordanian market. The opportunity of converting the low value heavy fuel oil to more valuable products will allow the Refinery to cover most of the local demand, and this is the basis for the fourth expansion project of the Refinery.	
Status Quo Update	JPRC contracted the services of UOP-Honeywell, its technical consultant and the licensor of all the existing units in the Refinery, to study the feasibility of the expansion project, arrive at the best configuration of the Refinery, and determine the best residue conversion technology.	
Readiness Studies	Done	Pending
Pre-Feasibility	✓	
Technical Study		Expected completion by June 2019
Environmental Impact Assessment Study		Expected completion by June 2019
Project Due Diligence and Economic Valuation		Expected completion by June 2019
Procurement Plan		Expected completion by June 2019
Tendering Process		Expected by Q3 2019
Financial and Legal Close		Pending results of tendering
Funding Prospects		
Government Contribution	No government contribution.	
Early indications from Investors/Funding	N/A	
Additional comments	N/A	

Project Summary		
Project name	Hisban brackish water desalination 10-15 MCM/Year	
Project ID	PP21	
Total Investment Size (JD)	35 Million	Priority #: 4
US Readiness Assessment	Level 3	Relevant Entity: Ministry of Water and Irrigation (MWI)/Water Authority of Jordan (WAJ)
GoJ Readiness Assessment	Level 4	Source: Jordan Economic Growth Plan
Project Brief		
Project Description	<p>The projects consists of:</p> <ul style="list-style-type: none"> • Drilling 10 wells (500 meters deep) in Hisban area to provide 20 MCM per year • Constructing a water treatment plant to treat the salinity (TDS) of the water • Constructing a water pipeline to deliver the water to pump station 2 of the Zara Main Water Conveyance System • Constructing a pipeline to transfer the brine to the Dead Sea; as well as a solar power plant with a capacity of 15 MW to reduce operational costs 	
Status Quo Update	<p>WAJ is conducting a test for the observation water wells to measure the yield potential of the wellfield and to understand more the quality of the wells. A feasibility study was prepared in 2011 to assess the project technically.</p>	
Readiness Studies	Done	Pending
Pre-Feasibility	✓	
Technical Study		Water wells under investigation, pump test expected completion by April, 2019
Environmental Impact Assessment Study	✓	
Project Due Diligence and Economic Valuation		Expected completion by April /May
Procurement Plan		Expected completion by April /May
Tendering Process		Expected Start by June 2019
Financial and Legal Close		Pending results of tendering
Funding Prospects		
Government Contribution	Government contribution includes use of water assets/infrastructure.	
Early indications from Investors/Funding	N/A	
Additional comments	N/A	

Project Summary		
Project name	Aqaba-Amman National Water Conveyance Project (AAWDC Project) (National Project)	
Project ID	PPI 8	
Total Investment Size (JD)	1.1 Billion	Priority #: 5
US Readiness Assessment	Level 3	Relevant Entity: Ministry of Water and Irrigation/ Water Authority of Jordan (WAJ)
GoJ Readiness Assessment	Level 4	Source: Jordan Economic Growth Plan
Project Brief		
Project Description	<p>The objective of the project is to construct a water conveyance system to enhance the Kingdom's national water security by producing potable water through desalination at the Gulf of Aqaba and transferring 150 MCM/year of additional water to Amman. These flows will be obtained from the identified two Project Components – Rum/ Disi Wellfield and a Reverse Osmosis Plant to the south of Aqaba the Red Sea. Phase I/ Component 1 of the Project will include the Rum/ Disi Wellfield systems with associated collection piping and conveyance transmission to Amman; while Phase II/ Component 2 will include the sea water intake, RO plant and conveyance to the wellfield area. This project is different from the Regional Project, however interfaces exist between both (Brine Disposal Facility)</p>	
Status Quo Update	<p>A Joint Venture was appointed to undertake the consultancy services for AAWDC Project, and two scenarios were investigated to meet the project objective to improve the current abstraction and expand the wellfield systems. The study indicates that the second scenario, which considers the abstraction of 50MCM/year (instead of 70MCM/year) from the wellfield systems and 100MCM/year from desalination which requires abstraction of 250MCM/year from the Red Sea is more realistic.</p>	
Readiness Studies	Done	Pending
Pre-Feasibility	✓	
Technical Study	✓	
Environmental Impact Assessment Study		Overall environmental screening has been conducted. An assessment of the impact of brine discharge is still needed.
Project Due Diligence and Economic Valuation		Feasibility study includes financial modeling and cost of water analysis. Tender documents are not prepared yet, but USAID approached to assist.
Procurement Plan		Expected completion by Q4 2019
Tendering Process		Expected by Q4 2019
Financial and legal Close		Pending results of tendering
Funding Prospects		
Government Contribution	Government contribution includes land use/existing infrastructure. Scope for additional contribution has not been determined yet.	
Early indications from Investors/Funding	Investors are interested in the national conveyance project such as Mubadalah, ACWA Power and Bechtel.	
Additional comments	It will be clear in March 2019 pending the way forward with the Red Sea-Dead Sea project (Regional versus national project).	

Project Summary		
Project name	Al Ghabawi Wastewater Septic Tank Facility Project	
Project ID	PP23	
Total Investment Size (JD)	50-70 Million (According to SG of WAJ)	Priority #: 6
USAID Readiness Assessment	N/A	Relevant Entity: Ministry of Water and Irrigation (MWI)/Water Authority of Jordan (WAJ)
GoJ Readiness Assessment	Level 4	Source: MWI
Project Brief		
Project Description	The objective of this project is to construct a new septic tank facility to replace and relocate an existing facility currently co-located at Ain Ghazal Treatment plant (AGTP) due to odor, traffic and pollution and capacity concerns. The capacity will be 25,000 m3 per day. The proposed new replacement septic tank facility will be located at Al Ghabawi and is intended to serve the unsewered areas of Amman, Zarqa and the surrounding area.	
Status Quo Update	<p>In 2018, Ankura Consulting was appointed by EBRD to undertake a study exploring the possibility of private sector participation for the new Tanker Discharge Station in Al Ghabawi (including updating 2009 feasibility work done by Engicon). Ankura will also be responsible for preparing the tender documents and preparation of the project cost and bankability study.</p> <p>As part of its scope, Ankura will be preparing the following documents:</p> <ul style="list-style-type: none"> • An update of demand estimates to reflect current Wastewater demand/supply taking into account future sewage connection plans and carry out revenue analyses to pinpoint revenue streams and applicable tariffs • Undertaking of treated wastewater Demand study • Detailed feasibility study with a technical advisor to right scale the facility and costings 	
Readiness Studies	Done	Pending
Pre-Feasibility	✓ 2009 feasibility work by Engicon	
Technical Study		In progress/expected completion by June
Environmental Impact Assessment Study		In progress/expected completion by June
Project Due Diligence and Economic Valuation		In progress/expected completion by June
Procurement Plan		In progress/expected completion by June
Tendering Process		Expected by September
Financial and Legal Close		Pending results of tendering
Funding Prospects		
Government Contribution	N/A	
Early indications from Investors/Funding	N/A	
Additional comments	N/A	

Project Summary		
Project name	Non-Revenue Water (NRW) Reduction Project	
Project ID	PP20	
Total Investment Size (JD)	47 Million	Priority #: 7
US Readiness Assessment	Level 3	Relevant Entity: Ministry of Water and Irrigation (MWI)/Water Authority of Jordan (WAJ)/Miyahuna Water Company
GoJ Readiness Assessment	Level 4	Source: Jordan Economic Growth Plan
Project Brief		
Project Description	The project aims to develop appropriate techniques to reduce physical and commercial water losses in Amman through the preparation and implementation of a performance based NRW contract under a hybrid financing modality including grants and Private investment. This approach will start in Amman Governorate but will be rolled out to other governorates.	
Status Quo Update	<p>USAID and the World Bank (WB) submitted a proposal for a performance-based program to reduce NRW in Amman with Miyahuna Water Company. The proposal has the following requirements:</p> <ul style="list-style-type: none"> • Work with District Metered Areas (DMAs) which are hydraulically isolated sub-zones in a distribution network for which the water consumption is monitored by water meters. • The objective is to establish more DMAs in Amman with continuous minimum light flow of water. This approach has proven to reduce NRW to 9-13% in Tabarboor and Jabal Tareq (work done by FARA USAID project). The project will probably use the Hybrid financing model relying on grants and private partners such the profit sharing will be between the private entities and Miyahuna or WAJ. 	
Readiness Studies	Done	Pending
Pre-Feasibility	✓	
Technical Study	✓ May need to be updated according to DMAs	
Environmental Impact Assessment Study	✓	
Project Due Diligence and Economic Valuation		USAID and WB has commissioned a Technical Adviser to prepare the needed economic valuation by September 2019
Tendering Process		Expected to Start in the fourth quarter 2019
Financial and Legal Close		Pending results of tendering
Funding Prospects		
Government Contribution	Government contribution may include a sovereign-guarantee through MOF (According WAJ SG).	
Early indications from Investors/Funding	N/A	
Additional comments	N/A	

Project Summary		
Project name	King Hussein Bridge crossing terminal and truck yard	
Project ID	PP36	
Total Investment Size (JD)	100-150 Million	Priority #: 8
US Readiness Assessment	N/A	Relevant Entity: Ministry of Public Works & Housing
GoJ Readiness Assessment	Level 4	Source: Jordan Economic Growth Plan 2018-2022 / IFC Jordan PPP Facility concept note / WB document/ MOF PPP Unit
Project Brief		
Project Description	The objective of the project is to expand a key land crossing for passengers and freight between Jordan and the West Bank.	
Status Quo Update	A Regional masterplan is being prepared in parallel with the feasibility study, The World Bank Infrastructure Development fund (\$1.5 m) is co-funding the project development with the GoJ. IFC was chosen as the transaction advisor	
Readiness Studies	Done	Pending
Pre-Feasibility	✓	
Technical Study		In progress
Environmental Impact Assessment Study		In progress
Project Due Diligence and Economic Valuation		In progress
Tendering Process		Expected by Q3-Q4 2019
Financial and Legal Close		Pending results of tendering
Funding Prospects		
Government Contribution	N/A	
Early indications from Investors/Funding	N/A	
Additional comments	N/A	

Project Summary		
Project name	Supporting the Jordan Schools Program. Build 15 schools using PPP model	
Project ID	PP70	
Total Investment Size (JD)	75-100 Million	Priority #: 9
US Readiness Assessment	N/A	Relevant Entity: Ministry of Education
GoJ Readiness Assessment	Level 4	Source: IFC Jordan PPP Facility concept note
Project Brief		
Project Description	<p>The aim of the project is to support the Jordan Schools Program, which entails building up to 300 new schools over the next decade under a PPP scheme.</p> <p>The IFC in partnership with the EBRD will provide advisory services to GoJ to assist in the design and implementation of a PPP transaction, including undertaking due diligence and structuring, to identify and select a private sector participant to implement the project. The agreement with IFC and EBRD was signed in Dec. 2018. 6000 students are expected to benefit from the pilot project.</p>	
Status Quo Update	<p>A project preparation and advisory services agreement has been signed with the IFC and EBRD to carry out the transaction advisory work for the project. The scope of the agreement includes designing, constructing, operating and maintaining the schools over a number of years before transferring the facilities to MoE. The MoE recently gave no objection on the TORs for the recruitment of the technical and legal consultants. Furthermore, IFC officially notified the MoE that funding has been raised to cover the costs of the consultants.</p>	
Readiness Studies	Done	Pending
Pre-Feasibility		TORS approved Expected completion by August 2019
Technical Study		TORS approved Expected completion by August 2019
Environmental Impact Assessment Study		TORS approved Expected completion by August 2019
Project Due Diligence and Economic Valuation		TORS approved Expected completion by August 2019
Tendering Process		Expected by Q4 2019
Financial and Legal Close		Pending results of tendering and feasibility study
Funding Prospects		
Government Contribution	The MoE has committed 300,000 USD to cover the cost of advisory services provided by the IFC.	
Early indications from Investors/Funding	Funding for consultant services to be procured through IFC and EBRD are guaranteed by donors.	
Additional comments	N/A	

Project Summary		
Project name	Marka Airport	
Project ID	PP27	
Total Investment Size (JD)	114-119 Million	Priority #: I0
US Readiness Assessment	Level 2	Relevant Entity: Ministry of Transport
GoJ Readiness Assessment	Level 4	Source: Jordan Economic Growth Plan 2018-2022/ 8 PPPs / WB document / Cabinet list of current projects
Project Brief		
Project Description	The project consists of the expansion of Marka Civil Airport as well as the rehabilitation of its existing terminals. The project will serve regular low-cost flights, commercial flights in addition to charter flights and offer aviation training. The expansion will increase the airport's capacity to host up to 2 million passengers in the future.	
Status Quo Update	<p>The pre-feasibility and technical studies were done by the EBRD. Initial findings from the study have identified 2 options with CAPEX amounts of 167.5 million USD and 160 million USD.</p> <p>The first phase of the feasibility study for this project has been completed with the following assumptions:</p> <ul style="list-style-type: none"> • Need for support from GoJ in the form of tax exemptions • Sorting out the issue of the existing military base at the airport as well as the challenge of land ownership <p>The ministry began to address the relevant entities for those issues and asked for a phase 2 of the feasibility study to be completed.</p>	
Readiness Studies	Done	Pending
Pre-Feasibility	✓	
Technical Study		Phase I has been completed, expected completion of phase 2 by end of Q2 2019
Environmental Impact Assessment Study		Phase I has been completed, expected completion of phase 2 by end of Q2 2019
Project Due Diligence and Economic Valuation		Expected completion by end of Q4 2019
Tendering Process		Expected tendering process by end of Q4 2019
Financial and Legal Close		Pending results of tendering
Funding Prospects		
Government Contribution	Government contribution includes the land/ property of the airport (challenge over land ownership in that area).	
Early indications from Investors/Funding	N/A	
Additional comments	There is an exclusivity clause with AIG prohibiting other airports from operating until a year after Queen Alia International Airport (QAIA) reaches 8 million passengers for a consecutive year. QAIA has already met this target and the Marka Airport project can start by end of 2019.	