Ex-Ante Evaluation (for Japanese ODA Loan)

November 11, 2025

Middle East Division 2, Middle East and Europe Department

Japan International Cooperation Agency

１． Name of the Project

（１） Country: The Hashemite Kingdom of Jordan

（２） Project Site/Target Area: Entire territory of the Hashemite Kingdom of Jordan

（３） Project: Enhancing the Resilience for Economic Growth and Human Capital Development Program Loan

Loan Agreement: November 11, 2025

２． Background and Necessity of the Project

（１） Current State and Issues of Resilience for Economic Growth and Human Capital Development in the Social Sector and the Priority of the Project in Jordan

In Jordan, the real GDP growth rate had remained high since the 2000s and was strong in 2008 at about 7.2% but plummeted to about 2.3% in the aftermath of the 2009 global financial crisis. The economy was further affected by the protracted Syrian crisis that began in 2011, keeping the real GDP growth rate level to around 2 to 3%. In 2020, the economy faced a serious downturn in the COVID-19 pandemic. The real GDP growth rate dropped to -1.1% and has remained low since, at 2.9% in 2023, 2.5% in 2024, and a projected 2.7% for 2025 (IMF 2025). In addition, the unemployment rate in the first quarter of 2023 was 21.3% and was especially high among the younger age group (47.5%) and women (31.2%) (Jordan Department of Statistics, June 2025).

The Gaza conflict that began on October 7, 2023, still shows no signs of ending and has caused a severe humanitarian crisis. In December 2024, the Assad regime in Syria collapsed, having a massive impact on not only security, but also the economy and social sector throughout the Middle East. Then Israel launched an attack on Iran in June 2023 that lasted 12 days. These incidents have significantly affected Jordan, and its tourism industry that makes up about 14.6% of the GDP (Ministry of Tourism and Antiquities in Jordan, 2024) has been deteriorating rapidly since late 2023. Various countries imposed temporary travel restrictions on Israel and the countries surrounding Gaza. As a result, tourism to Jordan has fallen drastically. Particularly, the decrease in numbers of foreign tourists during the period from November 2023 to March 2024 was estimated to be about 250,000 people and 45% lower on average year-on-year in the five-month period and the accompanying loss of tourism revenue was estimated to be approx. US$289 million (Ministry of Tourism and Antiquities in Jordan, 2024). In addition, there are approx. 2.39 million registered Palestinian refugees (UNRWA 2025) and 447,000 Syrian refugees (UNHCR 202) in Jordan, making up about 21% and 3.9%, respectively, of the 11.44 million people in Jordan (IMF 2025). Although 157,000 refugees (UNHCR October 2025) returned to Syria after the fall of the Assad regime in December 2024, many remain in the country and continue to strain medical care, education, housing, and other social services.

The IMF has stated that the prolonged conflict in Gaza will likely cause further stagnation of tourism, trade, investment, and consumption, increase energy costs and borrowing costs, and cause further deterioration of the fiscal balance. The Government of Jordan is engaged in activities, for example to strengthen taxation, and is expected to narrow the fiscal deficit from 8.2% in 2024 (percentage of GDP, central government basis (excluding grants)) to 5.3% in 2025. The financing gap in fiscal 2025 (current account deficit and shortfall in foreign currency needed for debt repayment) is US$2,193 million (7.6% of the GDP) and is expected to be able to be addressed through financial support from the IMF, World Bank, Japan, and other donors. On the other hand, even if the Government of Jordan receives support in fiscal 2026 to 2027, it will still be short US$550 to 660 million (1.9 to 2.3% of the GDP) and therefore needs ongoing support from the international community (IMF 2025). In the third review related to the IMF's Extended Fund Facility (EFF) approved by its Board of Directors in June 2025, the IMF made the assessment that, despite some slowing of the growth rate in Jordan due to conflicts in the surrounding area, various types of reform are steadily progressing and there are signs of recovery, primarily in domestic demand and the tourism industry (IMF April 2025). Moody's, a credit rating company, praised Jordan's fiscal and monetary policies such as adopting electronic tax returns and adjusting policy interest rates, raising the country's credit rating on May 9, 2024, for the first time in 21 years. In 2025 as well, Jordan kept its 'Ba3 with a stable outlook' rating, showing that international confidence in its medium- to long-term reform efforts is growing. On the other hand, Jordan's economy is structurally vulnerable to external factors such as destabilization of the regional situation and changes in the external environment.

The Jordan Economic Monitor published by the World Bank stated that the main issues for the country are slowing growth in economic activity centered around the tourism industry and a decrease in the labor participation rate among women and younger people (World Bank 2024). The assessment in the FM Global Resilience Index that publishes the resilience indices for countries' economies, institutions, and infrastructure gave Jordan an overall score of 57.8 points (out of 100), ranking it sixth among 12 countries in the Middle East area. Although this is on par with Egypt and Morocco, it is behind the Gulf nations of Qatar (76.3) and Saudi Arabia (67.6). The main issues posed for Jordan were improving the quality of education, improving the productivity of industries including tourism, building a digital infrastructure, and strengthening the energy infrastructure. It is therefore essential for Jordan to have measures to boost the resilience of its economy in an environment where it can be seriously affected by external shocks.

In addition, strengthening of human capital through improvement in the education and health sectors will become the foundation for improving economic resilience, and improving the quality of education is especially important for promoting human capital development. The World Bank's Human Capital Index (HCI) is an indicator providing an overall assessment of the level of education and health. The closer the score is to 1, the more advanced human capital development is. The average score is 0.57 in the Middle East and North Africa (MENA) and in the high 0.6 range in the Gulf nations. Jordan's score is below these averages, at 0.55. In addition, the percentage of children who do not have basic reading comprehension at age 10 (Learning Poverty) is 52%, which is higher than the MENA average and a serious issue. These indices show that issues remain in Jordan in areas such as quality of education and learning results that cannot be ascertained from the school attendance rate. The numbers suggest that the current education system is not producing adequate results, and that may affect labor productivity and economic competitiveness in the future. Given this background, improving quality in the field of education, building teaching skills in teachers, and accelerating curriculum reform are essential, and activities for human capital development are urgently needed.

Under these circumstances, improving resilience for economic growth and human capital development are positioned as a key issue for Jordan. In Economic Modernisation Vision 2033 that is Jordan's development strategy document, the Government of Jordan outlines the targets and necessary activities in each field for accelerating economic growth. In tourism, this involves addressing priority issues such as the drastic decrease in tourism revenue from the impact of conflicts in the surrounding area, improving the quality of services, tourism product development, and marketing using data. The vision aims to increase tourism revenue from about US$7,230 million in fiscal 2024 to about US$9,730 million by 2033 and significantly raise the number of people employed in tourism from 56,000 in fiscal 2024 to 149,000 by 2033. In education, the plan to address declining learning results among children and issues related teaching skills of teachers is to train teachers and improve the quality of education by 2033 by strengthening the teacher training system. In energy, to address issues such as increasing demand for electricity due to population growth and delayed infrastructure development, key strategy goals are to reinforce international power interconnections and further increase the renewable energy ratio. Achieving these goals will require strengthening of systems and promotion of strategic investment.

When engaging in these activities to meet policy goals in these fields, both efforts by the Government of Jordan to help itself and financial support and technical cooperation from the international community are key. The Policy Actions set for this Project are aimed at supporting the implementation of the activities and will help Jordan achieve its national goals proposed for 2033. In tourism, Jordan will build a framework for promoting the development of products and services using the unique characteristics of the Petra area and advance digital transformation of tourism to enable data-driven policymaking and the provision of optimal services using data. These activities will promote effective marketing development and increase satisfaction among tourists by improving the quality of services. These effects may be expected to increase the number of tourists and bring recovery in tourism revenue, and they will also contribute to the development of a sustainable tourism industry. In the field of education, the Project will strengthen the training system aimed at improving the teaching skills of teachers, promote activities such as daily duties, cleaning, and classroom management, build the learning environment so that children can learn safely, and encourage continuation of schooling. These measures will increase the quality of education and may be expected to increase motivation to learn among children and improve learning results. In electricity sector, the Project targets to expand third-country training to build the capacity of power industry personnel in surrounding countries, and provide trainings to strengthen the procurement and disbursement procedures for loan projects.

This can be expected to promote smooth implementation of future loan projects and lead to expanded public investment in the energy field. In finance, activities will stably and steadily expand public capital investment that has been constrained by unrest in surrounding countries and other external factors and will develop the foundation for public services.

This Project will provide financial assistance to the Government of Jordan as it engages in reform to increase resilience for economic growth and develop human capital amidst a slowing of economic growth due to regional situations such as the ongoing conflict in Gaza. It is a high-priority Project that is consistent with the government's goals under its Economic Modernisation Vision 2033 of (1) accelerating growth by maximizing Jordan's full economic potential and (2) improving quality of life for everyone in Jordan to create a better future.

（２） Japan's and JICA's Policy Cooperation Policy and Operations for Resilience for Economic Growth and Human Capital Development in the Social Sector

Japan's Country Development Cooperation Policy for the Hashemite Kingdom of Jordan (2023) has a main objective of Enhancement of Stability and Development of Industrial Infrastructure for Economic Growth and specific objectives of Development of the Infrastructure for Sustainable Economic Growth and Promotion of Domestic and Regional Stabilization. The JICA Country Analysis Paper for the Hashemite Kingdom of Jordan (2024) also sets small goals (Development Issues) of developing infrastructure for economic growth and promoting national stability. This Project is aligned with these policies and analyses.

In addition, the Prior Actions set out in this Project correspond to part of the JICA Global Agenda (Thematic Project Strategy), namely: No. 3 Energy and Mining (Approach 1: Energy transition policy planning and implementation support), No. 8. Education (Approach 3: Improving education for leaving no one behind), No. 14 Gender Equality and Women's Empowerment (Approach 1: Gender mainstreaming), and No. 15. Digital for Development (Approach 2: Development of infrastructure as the base for digital transformation).

（３） Other Donors' Activities

（１） World Bank

In April 2025, the World Bank approved financial assistance totaling 1,050 million USD for job creation (400 million USD), the social security sector including expansion of health insurance (400 million USD), and the energy sector (250 million USD).

（２）IMF

In January 2024, the IMF's Board of Directors approved a new long-term financing system (EFF, 1,200 million USD over four years). It conducted a third review in April 2025, and the IMF Board of Directors approved the completion of the review on June 25.

（３）Other Donors

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and Kreditanstalt für Wiederaufbau (KfW), which are German agencies for international cooperation and reconstruction finance corporation, provided approx. 669 million USD in assistance for primarily public sector reform and job creation based on Jordan's national vision.

３． Project Description

（１） Project Description

① Project Objective

The objective of this Program is to implement reform related to enhancing resilience for economic growth and developing human capital through financial assistance to the Government of Jordan, thereby contributing to the promotion of the social and economic stability and development of Jordan.

② Project Components

This Program promotes sector reform based on a policy matrix (attached) that summarizes the points for reform related to the following policy areas derived from policy dialogue with Government of Jordan ministries and agencies on the topic of increasing resilience for economic growth and human capital development. After it is confirmed that all of these prior actions have been achieved, the loan will be disbursed.

- Promote sustainable tourism development and digital transformation of tourism
- Improve the quality of education
- Promote infrastructure development in the electric power sector

- Expand public capital investment

③ Project Beneficiaries (Target Group)

Hashemite Kingdom of Jordan (population of approx. 11.44 million people)

（２） Estimated Project Cost: 15,500 million JPY

（３）Project Implementation Schedule (Cooperation Period)

As this Project will support activities to increase resilience for economic growth and develop human capital in Jordan’s 2025 fiscal year (January 1 to December 31), the financial assistance start date will be January 1, 2025 (application of retroactive clause). Achievement of the Prior Actions by the end of August was confirmed as scheduled in September 2025, and so the Project will be considered completed after the signing of the loan agreement in November 2025 and disbursement of the loan (scheduled for December 2025).

（４）Project Implementation Structure

１）Borrower: The Government of Jordan

２）Executing Agency: Ministry of Planning and International Cooperation (hereinafter referred to as “MOPIC”)

The following ministries, agencies, and organizations will be involved in the Policy Actions:

- Petra Development Tourism Region Authority
- Ministry of Tourism and Antiquities
- Jordan Tourism Board
- Ministry of Education
- National Electric Power Company
- Ministry of Finance
- General Budget Department

（５）Collaboration and Sharing of Roles with Other Donors

１）Japan’s Activity

In this Program, eight of the eleven Policy Actions were set to address policy-level issues identified in technical cooperation programs related to education and the tourism sector being implemented by JICA in Jordan.

Achievement status of the attached Policy Matrix (PA 1 to 8) will be monitored in the Project for Sustainable Community-based Tourism Development by the Petra Development Tourism Region Authority scheduled for selection in fiscal 2025, Project for Promoting the Artificial Intelligence Ecosystem, and Project for Positive Learning Environment for All Children in Jordan (PLEAC) - Phase 2.

２） Other Donors' Activity

None in particular

（６） Environmental and Social Consideration

１） Environmental and Social Consideration

① Category: C

② Reason for Categorization: According to the JICA Guidelines for Environmental and Social Considerations (published January 2022), the negative effects on the natural environment by the Project are expected to be minimal.

（７） Cross-Sectoral Issues

１） Projects related to measures against climate change

None in particular

（８） Gender Category: ■GI (S) (gender activity integration project)

<Reason for Categorization>

There are issues in the tourism industry such as limited employment opportunities and participation in decision-making for women, and there is therefore a need to promote women's economic empowerment and participation. To address these issues, the number of local specialty products produced by women's groups is set as an effect indicator in the promotion of tourism product development. In addition, establishment of a cultural experience program design team within the Petra Development Tourism Region Authority to ensure participation by women is set as a Prior Action.

（９） Other Important Issues: None in particular

４. Targeted Outcomes

（１） Quantitative Effects

１） Outcomes (Operation and Effect Indicators)

The indicators, baselines (August 2025), and targets (end of December 2028) to measure effects in each policy area are as shown in the annex.

（２）Qualitative Effects

Through this Project, various reforms for Government of Jordan related to increasing resilience for economic growth and human capital development will be carried out, stimulating the government's economic activity and improving the quality of human capital.

（３）Internal Rate of Return

Not calculated because the Program is a program loan.

５. External Factors and Risk Control

（１） Preconditions

The loan shall be disbursed on the premise that there is no particular concern about the progress of the IMF EFF program from the perspective of assessing debt sustainability after the Prior Actions are confirmed to have been achieved and the loan agreement is signed.

（２） External Factors:

None in particular

６ . Lessons Learned from Past Projects

The ex-post evaluation of the Business Environment, Employment and Fiscal Sustainability Reform Development Policy Loan, an ODA loan for Jordan (evaluated in 2022) pointed out that the target values for Effect Indicators were achieved or almost achieved for only six of the 10 Policy Action targets. The reason given was that an appropriate monitoring system, including follow-up and status checks on MOPIC's achievement of targets for each Policy Action had not been built since the completion of the loan.

Based on the above lesson, in this Project, concerning the target achievement status of Policy Actions, MOPIC will compile information on the progress of Policy Actions from the relevant ministries, agencies, and organizations on a semi-annual basis and report to JICA during the period from completion of the loan until the end of 2028 that is the indicator achievement year. In addition, the departments responsible for Policy Actions at the relevant ministries, agencies, and organizations will be clearly stated, the verification procedures for each indicator will be confirmed, and agreement will be obtained between relevant parties. A framework has been developed to enable reliable follow-up to achieve targets.

７．Evaluation Results

This Program is consistent with the development issues and policies of Jordan as well as Japan’s and JICA’s cooperation policies and analyses. It will contribute to increasing resilience for economic growth and human capital development through financial assistance. In addition, it will contribute to improving Jordan’s international balance of payments and fiscal balance and will likely contribute to SDGs 4 (Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all), SDGs 5 (Achieve gender equality and empower all women and girls), SDGs 7 (Ensure access to affordable, reliable, sustainable and modern energy for all), and SDGs 8 (Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all). Therefore, it is highly necessary to support the implementation of the project.

８．Plan for Future Evaluation

（１）Indicators to be Used

As indicated in Section 4.

（２）Plan for Future Evaluation

Ex-post evaluation: Three years after the project completion

END

Appendix: Policy Action Matrix for Enhancing the Resilience for Economic Growth and Human Capital Development Program Loan

Appendix: Policy Action Matrix

Enhancing the Resilience for Economic Growth and Human Capital Development Program Loan

Policy	Objective	Prior Actions (By the End of August 2025)	Performance Indicator	Base Line (Feb 2025)	Target (End 2028)	Authority in Charge
Sustainable tourism development	Promote the development of experiential tourism programs that leverage regional characteristics.	**PA1**：To establish a Cultural Experience Program (*1) Design Team at PDTRA with active participation of women. (*2)	Number of tourism programs developed by the Cultural Experience Program Design Team.	—	6	PDTRA
	Promote the development of tourism products and enhance regional branding value.	**PA2**： To establish a committee for local products development under PDTRA. (*3)	Number of local products certified by the committee and available on the market	—	6（Produced by woman’s group）	PDTRA
Infrastructure development for Digital Transformation (DX)	Contribute to strengthening institutional frameworks to promote DX in the tourism sector.	**PA3**：MoTA approves the Data Management Roadmap.	Number of DX use cases	—	5	MoTA／JTB
		PA4：MoTA submits a request to MoF for FY2026 DX-related budget based on the roadmap.				MoTA／JTB
	Enhance digital literacy within MOTA and JTB.	**PA5**：MoTA and JTB approve that the plan of digital literacy training which is provided by MoDEE.				MoTA／JTB
Improvement of Education quality.	Formulate a national Education Strategic Plan	**PA6**：MoE publicize	Publication of an annual evaluation	—	Published	MoE

	(ESP) to enhance human capital.(*4)	Education Strategic Analysis (ESA) (*5)	report based on the new ESP, reflecting Positive Learning Environment (PLE) activities (*6)			
	Improve teaching methods to prevent student dropouts.	**PA7**：MoE approves the Standard Operating Procedures (SOP) for Field Directorate to disseminate Positive Learning Environment (PLE) activities.	Number of schools implementing PLE activities.	80	249	MoE
			Number of teachers who have participated in the training programs stipulated in the SOP.	393	1,500	
	Improve student social skills and teaching quality.	**PA8**：MoE approves the action plan of the “Life Skill” program for registration into the “Ranking System.” (*7)“	Number of teachers who have participated in the Life Skill training programs registered with the "Ranking System"	—	400	MoE
Promotion of infrastructure development in the electricity sector.	Strengthening governance and expediting external borrowing projects.	**PA9**：NEPCO approves plans for increasing the number of Third Country Training Programs (TCTP)	Number of participants in Third Country Training Programs (TCTP)	47	171	NEPCO
		PA10：NEPCO approves the training plan for procurement and disbursement procedures in external borrowing.	Number of participants in training programs for procurement and disbursement procedures in external borrowing.	—	50	NEPCO
Expansion of Public Capital Investment.	Expansion of public capital investment to	**PA11**：To increase capital expenditure	Capital expenditure in the Draft General	—	An increase of	MoF／GBD

	promote the development of infrastructure for public services.	in the Draft General Budget Law for fiscal year 2026 by 1.5%, relative to the Re-estimated amount figures in the Draft General Budget Law for fiscal year 2025.	Budget Law for fiscal years 2027, 2028 has increased respectively, compared to the Re-estimated amount of capital expenditure in the previous fiscal year.		1.5% per year compared to the previous fiscal year.	

(*1) Cultural Experience Program: Tourism offerings rooted in local culture and experience, such as cultural activities.
(*2) PA1: This action was identified in the Master Plan supported under the "Project for Formulating a Tourism Development Master Plan in Petra." It aims to enhance both the quality and quantity of cultural experience programs offered to tourists visiting Petra.
(*3) PA2: This action also derived from the master plan, aims to ensure quality and branding of local specialty products for tourists.
(*4) ESP (Education Strategic Plan): A five-year national education strategy plan for the education sector.
(*5) ESA (Education Sector Analysis): Analysis of the status and issues of the education sector to formulate a national education strategy plan (ESP).
(*6) Positive Learning Environment (PLE) activities: A model promoted in the ongoing technical cooperation project, 'Project to Reduce Dropout Rates in Primary Education through Improvement of Learning Environments.' The aim is to create an environment where each child is respected as an individual, can attend school comfortably, and acquire the necessary competencies in schools.
(*7) Ranking system: A public servant service rank system. Training courses are officially approved by the Ministry of Education as formal training and then registered in the ranking system. The participation in training courses registered in the ranking system is evaluated for teachers' promotion.