

Signing of a Japanese ODA Loan Agreement with the Hashemite Kingdom of Jordan

–Contributing to Stability of the Middle East Region Affected by the Arab Springs through Human Resource Development and Social Infrastructure Improvements–

Today, the Japan International Cooperation Agency (JICA) signed a Japanese ODA loan agreement with the government of the Hashemite Kingdom of Jordan in Amman to provide a loan of up to 12.234 billion yen for the Human Resource Development and Social Infrastructure Improvement Project.

The objective of this project is to expand the facilities for human resource development, health and medical care services, and primary/secondary education with the aims of industrial development and public service improvements in Jordan, thereby contributing to the stability of its economy and society.

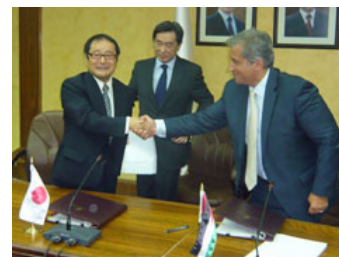
Jordan, a country with a population of approximately six million people, borders Syria to the north, Iraq to the east, and Israel and Palestinian territories to the west. It is reported that roughly 70 percent of its population consist of Palestine descendants. In recent years, a large number of refugees from Iraq and Syria have flocked to the country, which has a high geopolitical significance in the Eastern Mediterranean. The youth under the age of 30 of the country accounts for 70 percent of the population and more than 30 percent of them are unemployed, which has been a serious social problem. At the same time, there is a big disparity of the poverty rate between urban districts including Amman and local areas where it is more than twice as high. Likewise, the local areas in the south and north are faced with problems such as relatively higher infant mortality rate, severer malnutrition, and higher illiteracy rate than those in urban districts.

Under such circumstances, demonstrations sporadically take place demanding living improvements and anti-corruption in consequence of the so-called Arab Springs in the neighboring countries. As a result, King Abdullah II, the head of the state, switched the prime minister three times from 2011 to May 2012 in order to facilitate political and economic reforms. Nonetheless, against the backdrop of sharp rises in global food and fuel prices, there is an increasing need for maintaining subsidies for food and fuel and public expenditures for the poor. Moreover, under the influence of repeated explosion of gas pipelines between Egypt and Jordan at least a dozen times, the country has been compelled to buy more expensive substitute fuels, which pushed up its financial burdens. Hence, it has become more difficult to secure budgets to relieve domestic concerns and make investments in growth for the future.

This Project aims for supporting the measures taken by the Jordanian government to address its overriding economic and social problems. In the field of human resource development, it offers vocational training courses, remodels the facilities and improves equipment/machinery at vocational training centers, and expands higher educational facilities, and thereby it would develop people who will contribute to industries and address unemployment issues. In the field of social infrastructure, the funds under this Agreement will be used to expand and renovate health and medical care facilities to procure equipment and expand the facilities for pre-primary, primary and secondary school, and to construct the education facilities for persons with hearing impairments in the poor areas. It is expected that this Project will contribute to narrowing the regional gaps and economic inequality as well as contributing to employment measures in Jordan.

Jordan maintains very good relations with Japan. In the aftermath of the Great East Japan Earthquake in March 2011 Jordan dispatched its disaster medical aid team to Fukushima prefecture where it carried out health checkups such as on the economy class syndrome at evacuation centers in the prefecture.

The government of Japan, as a member state of the Deauville Partnership established at the G8 Summit held in May 2011 to support Arab countries in transition after the Arab Springs, provides its assistance to the countries including Jordan in the Middle East and North Africa in terms of human resource development and employment promotion. The Project bolsters up such assistance. At the same time, Jordan, due to its geopolitical importance, has much influence to the whole Middle East. Hence, the cooperation through the Project will lead to the stability of the whole region upon which Japan heavily depends for its energy.



Signing ceremony (Right: Mr. Hassan, Minister of Planning and International Cooperation, Jordan. Left: Mr. Tanaka, Chief Representative of JICA Jordan Office)

Reference

1. Terms and Amounts of Loan

Project title	Amount (million yen)	Annual interest rate (%)	Repayment (years)	Grace Period (years)	Procurement
Human Resource Development and Social Infrastructure Improvement Project	12,234	0.95	20	6	Local Competitive Bidding

2. Project Summaries

Executing Agency

Ministry of Planning and International Cooperation
Address: Ministry of Planning and International Cooperation
P. O. Box 555
Amman, 11118 Jordan

* In this Project, a ministry/agency in charge of each sub-project is responsible for its implementation through overall coordination by the Ministry of Planning and International Cooperation.

Planned Implementation Schedule

- (i) Completion of project: December 2014 – when the facilities and equipment are put into service and the vocational training is completed.
- (ii) Consulting service: None
- (iii) Tender announcement of initial procurement package: January 2012