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COUNTRY PROGRAMMES

FOURTH COUNTRY PROGRAMME FOR JORDAN\*

<u>Programme period</u>	<u>Actual resources programmed</u>	<u>\$</u>
January 1988-December 1991	IPF for 1987-1991	8 250 000
	Third cycle IPF balance	306 000
	Other resources programmed	1 592 000
	Total	10 148 000

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\* Detailed listings of projects and other related data prepared as part of the country programming exercise are available on request. These listings include: (a) ongoing projects; (b) proposed projects; (c) distribution of resources by objective; (d) planned activities of operational funds and programmes under the authority of the Administrator; (e) distribution of new country programme by sector.

## I. DEVELOPMENT TRENDS, STRATEGIES AND PRIORITIES

### A. Current economic trends

1. Jordan is located in the semi-arid zone of Western Asia and a major portion of its land consists of desert and steppes. Less than 6 per cent of the land on the East Bank is cultivable, and over 90 per cent of it is comprised of rain-fed highlands, with irrigated land located essentially in the Jordan Valley.

2. The country is only moderately endowed with natural resources. Water is scarce and its supply vulnerable to climatic fluctuations. Among mineral resources, only phosphate, potash and building materials are abundant. Energy resources have been up to now largely elusive. In spite of a long history of petroleum exploration, Jordan relies entirely on imported oil.

3. The population of the East Bank was estimated in 1985 at 2.7 million. It grew during the preceding years at the exceptionally high rate of 3.9 per cent, of which 3.4 was accounted for by natural increase and 0.5 by net migration. The age structure shows a high percentage of young people, with 50 per cent of the population being 15 years old and under.

4. The combination of a narrow natural productive base of the economy, in terms of both land and resources, and of a rapid rate of population growth was bound to have a considerable influence on the shaping of Jordan's economy. It led to an unusual degree of reliance on external factors as well as to the development of a relatively large services sector.

5. The reliance of the Jordanian economy on external factors has essentially three dimensions: remittances from Jordanians working abroad; financial aid; and income from exports. All these have played an important role in the dynamic growth of the country. These factors were influenced by the geopolitical context of Jordan, a result of which is that the economy has been substantially dependent on Arab oil-exporting countries for employment, financial assistance and exports.

6. From the mid-1970s up to 1982, the economy grew at a high average rate of over 8 per cent annually. This expansion was fueled essentially by increased levels of financial aid available from neighbouring countries and substantial remittances received from Jordanians working in those countries, the combination of which reached, between 1976 and 1982, a yearly average close to two thirds of Jordan's gross domestic product (GDP). The progressive development of exports, again heavily to the markets of oil-producing Arab countries, also contributed to the maintenance during those years of a high rate of economic growth.

7. During this period, the abundant supply of foreign resources and a favourable entrepreneurial climate enabled Jordan to maintain a very high rate of investment and a very high rate of consumption. The most dynamic sectors of the economy were construction, mining, manufacturing, physical infrastructure and utilities. Agriculture was also the object of considerable attention and efforts, though intrinsic weaknesses prevented it from emerging as a major productive sector in relative terms in the national economy. Reflecting a bias that is inherent to a

narrow base of production, services accounted for a large proportion of GDP (61 per cent in 1980).

8. The serious economic contraction since 1982 in neighbouring countries, caused by the decline in oil revenues has profoundly affected the Jordanian economy in many ways. As a consequence, the rate of economic growth dropped to 3.2 per cent in 1984 and 3.7 per cent in 1985. Three main factors were responsible for this slow-down: a decline of over 50 per cent in financial aid, which triggered a reduction in public investments; a stagnation in worker's remittances and a corresponding slow-down in private investment and private consumption; and a strong decline in the export of manufactured goods and services to neighbouring countries. These negative factors were compensated for to some extent: (a) by a marked increase in the exports of raw and processed minerals; (b) imports declined in line with the sizeable reduction in public and private investment; and (c) as a result of successful efforts by the Government to reduce the recurrent budget deficit through cuts in subsidies and improved collection of direct and indirect taxes.

9. An assessment of current development prospects for Jordan must be based on the assumption that the unfavourable external economic climate which has set in since 1983 is unlikely to be significantly altered in the years ahead. It must consequently be assumed, in particular, that the external resource constraint will become in future an increasingly serious bottleneck because of stagnation in workers' remittances and a decline in foreign grants, and that there will be a substantial weakening in domestic and external demand for Jordanian labour. This situation calls for a thorough reappraisal of development policies in the direction of increased self-reliance through the further building up of indigenous productive capacity and through the mapping out of a more adequate relationship between human resources availability and national economic activity. The new Five Year Plan for Economic and Social Development is a significant step in that direction.

#### B. National development strategies

10. The development strategies of the Government are very much geared to counteracting the negative factors that have brought their weight to bear since 1983 on the pace of development. Prominent among those factors are a rather uncertain international climate for the mobilization of external resources, including the expected volume of remittances from Jordanians working abroad, as well as a serious problem of unemployment caused by the slackening of economic activity and by a population increase that partly reflects the return of nationals who had hitherto lived abroad.

11. In order to minimize the adverse effects of prevailing depressed conditions on its development process, it is consequently essential for Jordan to mobilize to the full its own financial and human resources and to put them to use in the most efficient manner. To that effect, the Five Year Plan for Economic and Social Development sets out the following objectives for the development strategies of the Government in the coming years:

- (a) To realize economic growth;
- (b) To increase job opportunities;
- (c) To increase domestic savings;
- (d) To increase domestic revenues and rationalize recurring Government expenditure;
- (e) To reduce the deficit in the balance of goods and services;
- (f) To increase Arab economic co-operation; and
- (g) To distribute development gains among the different regions.

12. Within this framework of development strategies, the Plan seeks to effect a restructuring of the economy in favour of the goods-producing sectors, with emphasis on agricultural production, on phosphate and potash exploitation in the mining and quarrying sector, and on an across-the-board support to the manufacturing sector, involving both an enhanced utilization of existing capacity and the development of small- and medium-scale export-oriented ventures. This effort is to be underpinned by greater reliance than in the past on private sector initiative.

13. Within the services sectors, the Plan envisages a restructuring in favour of services that are closely linked to the production process and in favour of exportable services in which Jordan has a comparative advantage.

#### C. Technical co-operation priorities

14. Jordan has received through the years a considerable volume of bilateral and multilateral assistance from traditional donors, including from within the region, and it has already achieved a recognized degree of self-reliance in certain areas. The need for technical co-operation remains in Jordan unabated, however, albeit at a level of greater sophistication than has been the case in the past and through modalities that will appropriately respond to evolving needs.

15. In the light of the objectives and strategies of the new Five Year Plan, the Government has decided to give high priority to technical co-operation in a number of broad areas, as follows: (a) human resources development; (b) support to the productive sectors (industry and agriculture); (c) macro-economic management; (d) natural resources, including water; and (e) science and technology. On the whole, these areas of concentration offer the framework for the development of technical co-operation arrangements with all donors, multilateral and bilateral alike.

16. In the field of human resources development, technical co-operation is to be directed towards identifying and implementing measures to alleviate the qualitative and quantitative shortage of Jordanian skilled and semi-skilled workers, coupled with the reintegration into the labour force of Jordanians

returning from abroad. A systematic approach will be introduced to manpower and employment planning, and vocational training services are to be expanded. In addition, continued support is still required, in terms of training in new and advanced technologies, by some technical departments such as civil aviation and telecommunications.

17. Technical co-operation in the field of industry should aim at improved efficiency for existing industries and the development of new manufacturing activities. It should ultimately result in an increase in employment opportunities in the industrial and mining sectors as well as in the development of diversification of exports. Agriculture is also high on the list of Government technical co-operation priorities, with an increase in production as the major objective. Comprehensive rural development and rangelands and forestry development also need support.

18. Macro-economic management is central to Jordan's approach to development, and technical co-operation has played an important role in assisting the Government in the setting up of its now quite sophisticated planning machinery. Some specific tasks, however, such as the generalized introduction of regional development planning or the refinement of some econometric planning tools still require external support through technical co-operation activities.

19. In view of its narrowness, the natural resource base of Jordan is all the more important in the development strategy of the country. Attention must be given in this respect to both potential and existing resources and technical co-operation is required on both counts. The prospects of petroleum exploitation would project the Government into a dramatically new position for which it wishes to prepare itself. In terms of existing resources, water is a crucial factor in the whole process of the socio-economic growth of the country and further support is needed to deal with all the complex aspects of this resource in Jordan.

20. Science and technology have been major factors in the development of Jordan over the past three decades. The intensive efforts which have been made to develop domestic capabilities in this respect have led to a recognized national capacity in this critical field. In the present situation of scientific and technological mobility in the world at large, it is highly important for the country to pursue these efforts. Further co-operation with both developed and developing countries as well as with multilateral institutions in the field of new and advanced technology thus represents a paramount priority for the Government.

21. The identification of specific technical assistance requirements to be included in the fourth country programme has been the result of a continuing dialogue with the Government since the submission of the Resident Representative's note. In this process, full account has been taken of relevant World Bank reports and sectoral studies as well as of reports and recommendations of missions fielded to Jordan during 1986 by a number of executing agencies.



#### D. Aid co-ordination arrangements

22. The co-ordination of external assistance is exercised in Jordan by the Government, acting through the Ministry of Planning, in respect of both bilateral and multilateral co-operation.

23. In November 1986, the Government organized an international development conference entitled "Towards Intra-regional and International Co-operation", attended by representatives of bilateral and multilateral aid programmes, during which the new Five Year Plan was formally launched. One of the aims of the conference was to ensure a closer co-ordination of the activities of donors in Jordan.

24. While no formal machinery exists for co-ordination among the donor community, the Resident Representative of the United Nations Development Programme (UNDP) keeps in close touch with major donors to exchange information on the various programmes and to explore, as appropriate, potential avenues for mutual co-operation. In this respect, the Government has in particular welcomed UNDP initiatives aimed at exploring with donor agencies and regional development banks and funds the possibility of co-financing certain UNDP-assisted projects under the modality of third-party cost-sharing.

25. Within the United Nations system, co-ordination is ensured by periodic inter-agency meetings convened by the United Nations Resident Co-ordinator. Additionally, co-ordination meetings take place periodically among UNDP, the United Nations Children's Fund (UNICEF), the World Food Programme (WFP) and the United Nations Fund for Population Activities (UNFPA) in pursuance of the special co-ordination arrangements agreed among those institutions.

## II. THE COUNTRY PROGRAMME

### A. Assessment of previous country programme

26. The third country programme for Jordan (1982-1986) was approved by the Governing Council in May 1982. Several factors affected the profile of this programme as it developed: the general decrease in the level of indicative planning figure (IPF) resources; the decision of the Government to cost-share the programme (for a total amount of approximately \$2 million); an initial over-programming, particularly in relation to the resources that were to be ultimately available; and the existence in the programme of several ongoing, fairly large institution-building projects.

27. Government cost-sharing played a very significant role in maintaining the level of UNDP activities. Nonetheless, in the context of the deteriorated resource situation, ongoing projects continuing from the second programme cycle absorbed about half of available resources. Under the circumstances, the programme had to be concentrated on a shorter list of priority projects in three sectors, human resources, education and government infrastructure, which together accounted for 98 per cent of programme expenditures. Projects contemplated in the sectors of natural resources and agriculture, however, had to receive lower priority.

28. The choice thus made of a limited number of priority objectives allowed the programme to yield results of a high quality. The establishment of advanced training colleges in the fields of telecommunication, civil aviation and hotel management are landmarks of the very successful involvement of UNDP in institution-building in Jordan. This phase of activities is now nearing completion and no further large, long-term projects are proposed in the fourth country programme.

29. During the third country programme, UNDP provided technical assistance in support of the third and fourth education projects based on World Bank loans. The relevant projects involved the programme in the implementation of an important national priority task, i.e., the development of vocational training. At the same time, they did tie up a sizeable portion of available resources. The Government thus decided to gradually explore other external sources for financing the technical assistance component of those loans. While support to the fifth education project will still be financed by UNDP, it is expected that resources for supporting the sixth such World Bank project will be provided by a bilateral donor.

30. UNDP assistance to the National Planning Council, later recast as the Ministry of Planning, has been provided continuously since 1972. This direct support proved to be very meaningful throughout the duration of a number of consecutive projects. More recently, the Government has been able to secure for the Ministry of Planning the services of a number of highly qualified officials, thereby alleviating the need for UNDP long-term expertise. Due attention will continue to be given, however, to the training needs of the country in the field of planning.

31. Jordan has demonstrated a high absorptive capacity for UNDP assistance, inasmuch as the quasi-totality of available IPF resources were committed during the third programming cycle. Encouraged by the experience gained during that period, the Government intends to continue stimulating project cost-sharing by relevant entities with a view to ensuring an optimum level of UNDP activities in Jordan.

32. The third country programme has yielded positive experience with new modalities of project implementation. The Government has undertaken the direct execution of an experimental project involving advanced technology. National consultants have become a welcome and effective feature of an increasing number of projects. These developments provide a basis for relying more and more on such modalities in the projects proposed for the fourth country programme, as distinct from direct support consultants and long-term resident experts.

#### B. New programme proposal

33. The fourth country programme for Jordan will cover the years 1988-1991. It will coincide in a large measure with the country's current Five Year Plan which encompasses the years 1986-1990.

34. In respect of resources, the IPF allocation for the fourth programming cycle is \$8.25 million, to be minimally increased by a carry-over from the third cycle of \$306,000. In addition, the Government has indicated its intention to co-finance

the programme through project cost-sharing in an amount of \$1,502,043, and third-party cost-sharing is expected to be made available in an amount of \$90,000. Total resources available for the fourth programming cycle thus amount to \$10,148,043.

35. From this total, the sum of \$2,039,873 is earmarked for ongoing projects (as at the time of finalization of the country programme proposals) and \$6,608,428 for new projects included in the country programme. The proposed programmed reserve amounts to \$404,000 and the unprogrammed reserve to \$1,095,742.

36. The following broad areas of concentration for the fourth country programme have emerged from a matching of technical co-operation potential with the priorities set for itself by the Government in the Five Year Development Plan:  
(a) human resources development; (b) support to productive sectors;  
(c) macro-economic management; (d) natural resources; and (e) science and technology.

37. While these areas of concentration have been delineated to offer a clear overall view of the main thrusts of the country programme, it is recognized that they do sometimes overlap. Thus, for instance, projects in the field of science and technology may well provide direct support to productive sectors, and human resources development projects may often have a direct bearing on objectives pursued in other areas of concentration.

38. The specific proposals of the Government for the fourth country programme are as follows.

Human resources development (\$3,254,000)

39. Since human resources are a paramount element of Jordan's development potential, the Government pays special attention to labour policies which are flexible and responsive to changing conditions in the labour market and will primarily aim at achieving a labour balance with increasing job opportunities for Jordanian workers. Technical and vocational training and employment promotion are cornerstones of those policies in respect of which UNDP assistance has been requested by the Government.

Ongoing projects

Fourth Education Technical Assistance Project (JOR/84/004)

40. Through its successive development plans, the Government has shown for many years a strong commitment to human resources development. It has been assisted in this endeavour by a series of World Bank education projects which have in turn been supported by technical assistance projects. While progress in the overall development of the education system has been remarkable, further steps are necessary to address issues related to technical, vocational and health manpower needs, teacher supply and qualifications, and the quality and maintenance of school facilities. The project aims at supporting the efforts of the Government in those directions by providing for the establishment of an additional polytechnic



institute, the expansion of the technical teacher training programme, the upgrading of teacher training in trade and commerce, the expansion of vocational and apprentice trade training and of health technician and nursing education, and the strengthening of the managerial capacity of the Ministry of Education.

Development of Telecommunication Training College (JOR/81/004)

41. The Government has undertaken a major overall development of the public telecommunications sector through the introduction of integrated digital systems and the diffusion of telecommunications services throughout the country. The reliability and quality of these services will largely depend upon the availability of properly trained staff for the planning, maintenance, operation and management of telecommunications systems. The project has played a central role in assisting the Government in the establishment of a telecommunications college, in the preparation of curricula and of teaching materials for specialized courses, and in the setting up of a management structure capable of ensuring the permanent functioning of the college. The project aims at making a specific contribution to the integration of women in the development process by giving the opportunity to young girls to enrol in the various disciplines offered by the college, thus opening new career opportunities for women.

Assistance to the Jordanian Civil Aviation Authority (JOR/85/004)

42. In view of Jordan's geographical position, air transportation is vital to the country. Civil aviation thus plays a fundamental role in the national strategy for economic and social development. Its unprecedented expansion during the past decade has given rise to a vast range of problems in air traffic and airport safety, as progress in aviation technology had to be matched by commensurate developments in civil aviation infrastructure and related manpower training. The project is assisting the Jordanian Civil Aviation Authority in its continuous effort to upgrade and improve the air transport ground infrastructure to meet the challenge of evolving operational and safety requirements. It provides for consultancy services for local training in its transfer of knowledge and for a substantial programme for the training abroad of Jordanian officers in advanced and highly specialized areas of civil aviation.

New projects

Fifth Education Technical Assistance Project

43. The fifth project of this kind is proposed by the Government in support of the World Bank-assisted Fifth Education Project. The project aims at alleviating the increasing shortage of skilled labour by expanding vocational secondary schools; promoting women labour force participation by preparing women students for productive work in occupations which offer good prospects for employment; improving access to further education for graduates of primary schools in remote rural areas by establishing a number of centralized secondary schools; and pursuing the strengthening of the managerial capacity of the Ministry of Education begun under the previous education projects.

Employment Promotion Programme

44. The evolution of oil prices in recent years has accentuated the slow-down of the Jordanian economy and has weakened the demand for Jordanian labour both at home and abroad. The country now experiences unemployment at a rate estimated at 8 per cent and rising. Employment promotion has consequently become a major objective of the Government. Manpower planning is, however, handicapped by the lack of consistent and accurate data on many aspects of the domestic and external labour market. The project is to assist the Government in overcoming this problem by identifying the various weaknesses, gaps and shortages of the system of labour-market information and of employment and migration monitoring and policies. This assessment is to serve as the basis for the design of more appropriate information and monitoring systems and the formulation of effective policies and action programmes. Attention will be given in this process to the improvement of the computer base of the existing labour-market information system.

Expansion of the Instructors and Supervisory Training Centre

45. As part of its effort in the field of human resources development, the Government established in 1976 a Vocational Training Corporation and entrusted it with the provision of vocational training in response to identified priorities of the Government or of the industrial sector. In pursuance of its mandate, the Corporation created in 1982 an Instructors and Supervisory Training Centre (ISTC) with the objective of meeting the expanding demand for qualified skill instructors and supervisors both in training institutions and within industrial, agricultural and services establishments. By 1985, more than 400 instructors and supervisors had been trained at ISTC. The project aims at assisting in the further expansion of ISTC by pursuing objectives that have been included in the Five Year Development Plan. This expansion will involve an increase in the output of instructors and supervisors graduating from ISTC as well as a strengthening of the infrastructure of ISTC through the upgrading of its current staff, programmes, curricula and equipment.

Vocational Rehabilitation of the Disabled

46. In the light of United Nations and World Health Organization estimates, it must be assumed that at least 10 per cent of Jordan's total population are persons with some sort of physical or mental disability. Available services are quite insufficient to take care of this large group of disabled persons, especially in terms of vocational needs. There are no facilities in Jordan for skilled vocational assessment and guidance of the disabled. The project is to make a contribution towards a better integration of the country's disabled population into productive activities. It will demonstrate the economic viability of employing handicapped people, thus stimulating their fullest participation in the life of the nation. To that effect, a new vocational rehabilitation centre will be built, which will have a programme of vocational assessment, vocational guidance, work preparation and job placement. It will also have a programme of training for local vocational rehabilitation staff.

### Linkages

47. Jordan is participating in an ongoing UNDP regional project set up to undertake a survey of civil aviation manpower and training requirements in the Arab States. The survey will identify manpower requirements in the various areas of civil aviation and recommend a training plan to obtain the required number and standard of trained personnel. It will also recommend where necessary the expansion of existing training centres and the introduction therein of new courses.

48. A World Bank loan in an amount of \$10.2 million for manpower development, operational since June 1986, has been designed to assist the Government in alleviating current and projected shortages of skilled and semi-skilled workers. This loan, together with the fourth, fifth and sixth education loans, places emphasis on vocational training as a major means towards the development of Jordan's manpower.

49. The World Bank also carried out and released in 1986 a study with recommendations to the Government regarding employment and labour market imbalances. This study provides important background for the proposed project on the employment promotion programme.

### Support to productive sectors (\$2,600,000)

50. In the pursuit of its development policies, the Government is striving for an optimum utilization of the existing productive capacity and a dynamic expansion of that capacity in consonance with the country's endowment in natural resources and with its international position. In pursuance of this objective, the Government has requested assistance from UNDP to support a number of concrete activities in both the industrial and the agricultural sectors as well as in respect of export development and diversification.

### New projects

#### Industrial services

51. While the industrial sector has witnessed in Jordan significant growth during the past two decades, it is still beset by a number of problems that often hinder the development of otherwise desirable or promising industrial activities. In the light of the variety and complexity of the situations to be addressed in this respect, a single multi-purpose industrial services project has been designed which will provide industrial advisory services and training opportunities in response to specific needs. Assistance will be made available, in particular in policy formulation, industrial planning (including the monitoring of progress made in plan implementation), the promotion of industrial activities, the identification and appraisal of investment opportunities, preventive maintenance, and standardization and quality control. The project will also assist in developing an industrial sub-contracting exchange facility which will act as a clearing house between inquiries and offers of sub-contracting orders and promote partnership agreements between main and sub-contractors.

### Small Enterprise Development in Rural Areas

52. In addition to their impact on the formulation of manpower development policies, the slow-down of the Jordanian economy and the corresponding rise in unemployment have also given a renewed impulse to concern for the direct stimulation of economic activity. Linked to the desire to avoid too great a concentration of population and economic activity in the capital area, this concern has led to setting among the goals of the Five Year Development Plan the encouragement to establish small, medium-size and cottage industries suited to local conditions in the various regions. The project aims at assisting the endeavours of the Government in the field of small enterprise development in rural areas. It will give particular attention to credit support through the provision of training, advisory and other services to small enterprises or would-be entrepreneurs in order to encourage small industrial and other productive projects.

### Rangelands and Forestry Development

53. Within the small vulnerable agricultural sector of the Jordanian economy, the rangelands have not traditionally received priority attention. There has been increasing awareness in recent years, however, of the fact that the rangelands are deteriorating not only because of the rate of overgrazing, but also because of excessive fuel wood collection, unwise cultivation and indiscriminate use. Recent attention given to this situation has also highlighted the extreme shortage of qualified and trained personnel in the field of range management. The project will aim in particular at strengthening the technical capacity of the Department of Forestry and Soil Conservation in programming and implementing activities and projects in the field of rangelands development. While forestry has received through the years much more considerable attention than the rangelands and afforestation has been vigorously pursued, the project will also assist the Department, particularly in respect of the management of existing forest resources.

### Biotechnology for Plant Disease Control

54. As part of the agricultural development objectives of the country, the planting of fruit trees continues to expand dynamically in Jordan. Many of the imported or locally produced seedlings are infected, however, with different kinds of fungal, bacterial or viral diseases, thus spreading the diseases all over the country. This problem affects the production of a range of species such as citrus, stone fruits, vines and banana trees. The project will aim at assisting in the establishment of a Tissue Culture Propagation Laboratory (TCPL) at the National Centre for Agricultural Research and Technology Transfer. Relying on tissue culture technologies that have been used successfully to produce some species of improved and/or disease-free fruits and vegetables on a commercial scale, the proposed TCPL will be primarily a facility for developing disease-free parent seedlings with applied research carried out only in direct support of the production function.

### Soil and Water Management for Agricultural Use

55. Salinity in soils and water is found in different parts of Jordan, especially



in the southern part of the Jordan Valley and in semi-desertic areas where plants are irrigated from underground water. Because of the great scarcity of cultivable land, farmers are compelled to practice agriculture on soils of this nature in order to survive. The project will assist the Ministry of Agriculture in finding and testing ways to improve the yield of such soils. To that effect, the project will determine local critical levels of soils and water characteristics and relate them to suitable products; attempt through feasibility studies to evolve crop patterns that would be suited to this kind of soils; in the light of the results obtained, advise the farmers on the best way of utilizing these soils; and consider practical measures for soil reclamation with a view to improving crop productivity from those soils.

#### Export Development and Diversification

56. During its period of dynamic development in the 1970s, Jordan increased its exports of manufactures at a very high rate, albeit from a very low starting base. Those exports were very heavily directed, however, to neighbouring and predominantly oil-rich Arab countries. The rapid decline of those markets, caused in large part by sharply falling oil prices, has created for Jordan a new situation, and the Government is now placing heavy emphasis on export development, especially through market diversification, and on the expansion of installed capacity in existing industries for higher productivity and increased competitiveness. The project will assist in the analysis of the supply and export potential of the country and in the identification of the main obstacles to increasing exports with a view to developing an export strategy and providing support to potential exporters at the enterprise level. It will also assist in reviewing the existing institutional framework for export promotion and in the design and establishment of a new export promotion institution as an autonomous body.

#### Linkages

57. An agreement signed in 1986 between the Government and the United States Agency for International Development (USAID) includes technical assistance to support the financing of private sector capital ventures, particularly handicrafts. Attention is given to ensuring adequate complementarity between this USAID-financed activity and the project on small enterprise development in rural areas.

58. The proposed project on rangelands and forestry development will constitute in effect the technical assistance component of two World Food Programme projects on assistance to the development of rangelands and meat production (\$3,640,000) and development of highland agricultural regions (\$17,485,000). The latter project has a component designed to afforest 10,000 hectares of Government-owned land over a period of four years.

59. Jordan also participates in a UNDP regional project on range management. The project aims at stopping the process of degradation and desertification and promoting the regeneration and development of rangelands, with due regard to the environment. To this end, participating countries will have access to appropriate



techniques for the protection of existing and the further development of grazing lands in arid zones.

60. The national authorities sponsoring the project on biotechnology for plant disease control have suggested that the laboratory to be established should preferably begin work initially on one crop only. They have pointed out that the International Potato Centre in Lima, which is a member of the Consultative Group on International Agricultural Research, has been using tissue culture to produce virus-free potatoes and could provide the initial stock for launching the work of the laboratory, thus saving time for virus indexing.

#### Macro-economic Management (\$1,101,878)

61. The Government of Jordan is committed to development planning as a systematic tool to be used for the proper allocation and utilization of all available resources, with a view to accelerating overall economic growth while ensuring an equitable distribution of benefits among the different sections of the population and among the different regions of the country. UNDP has been assisting Jordan for over 10 years in the field of development planning. While the proportion of programme resources devoted to this area of concentration is considerably lower in the fourth country programme than has been the case in the past, the Government has requested that assistance in this field be selectively continued.

#### Ongoing project

##### Enhancing and Expanding Planning Capacities and Plan Management (JOR/86/006)

62. The decision taken in 1984 to recast the National Planning Council as a fully-fledged Ministry of Planning is sufficient evidence of the importance which the Government of Jordan attaches to planning as the major tool to steer the course of its economic and social development. The profound repercussions on Jordan's economy in recent years of the depressed conditions of the international oil market have given even more weight to the planning process, as it became necessary to intensify efforts to mobilize the country's own financial and manpower resources and utilize them in the most efficient manner so as to alleviate the adverse impact of external factors on the country's growth rate. The project aims at strengthening the capacity of the Ministry of Planning by providing staff training through workshops, forums, seminars, on-the-job training, study tours and fellowships, as well as by assisting in the establishment of a system for permanent training within the Ministry.

#### New projects

##### Regional Development Planning

63. Regional planning, which is complementary to national planning, should ensure a harmonious equilibrium in the development of the various regions of the country as well as the economic diversification of the regions in accordance with their productive potential and requirements. It is also considered by the Government as an important tool to counter a natural trend to the concentration of population and

of economic activity in the capital area. To assist in this effort, the project will endeavour to develop a planning framework for regional development and rational locational patterns; to strengthen the institutional capability of the Ministry of Planning for the preparation and the follow up of regional development plans; to promote the participation of agencies concerned in the planning process with a view to facilitating the effective implementation of regional plans; and to develop cadres of Jordanian professionals who may cater to regional planning needs at all levels.

#### Input-output Analysis for Development Planning

64. The Government of Jordan is in the process of strengthening its development planning, co-ordination and related statistical capabilities and institutions. Compiling and periodically updating input-output tables is one of the requirements set for the establishment of a more efficient planning system. Previous attempts at building input-output tables for Jordan have been affected by statistical problems such as insufficiently comprehensive and infrequent family budget and industrial surveys. Moreover, if reliance on consultants for input-output table estimations has been useful, greater on-the-job training and counterpart involvement is now required in order to effectively transfer know-how. The project aims at enhancing the capacity of the Ministry of Planning, in collaboration with the Department of Statistics, to operate an effective input-output analysis unit whose task will be to periodically prepare input-output tables for the economy of Jordan to serve as a basis for national and regional planning for development.

#### Improvement of Agricultural Statistics

65. Though its contribution to the GDP of Jordan is modest, the agricultural sector occupies an important place in the development strategy of the Government, not least because it provides employment for 12 per cent of the labour force. Detailed and reliable data on key factors of the rural economy are needed on a continuous basis to systematically plan and evaluate rural development policies. While agricultural statistics have been the object of attention in the past, it is felt by the Government that a further effort should be made at this stage to acquire a deeper knowledge of various aspects of the rural economy. The project aims at assisting the Department of Statistics in the preparation of sampling designs and the development of a methodology for survey implementation and analysis of farm management and crop production cost, at-the-farm prices and food consumption; in developing a statistical methodology on crop forecasting; and in preparing plans for a livestock census. The project will provide training to national personnel in statistical methods, sampling techniques and analysis of survey data.

#### Natural Resources (\$800,000)

66. With the exception mainly of phosphates and potash, natural resources are relatively scarce in Jordan. They are none the less a mainstay of the national economy and they have received considerable attention in successive development plans, in terms of both prospects for the development of new resources and the rational exploitation of existing resources. The Government has requested UNDP assistance on both counts, in relation to petroleum and water respectively.

### New projects

#### Petroleum Investment Promotion

67. Petroleum constitutes the main foreign exchange burden on Jordan's economy. In the absence of any significant other energy resources, petroleum exploration has retained for many years the attention of the Government. While no spectacular results have been obtained to date, recent finds have somewhat altered the prevailing negative perception of Jordan's petroleum potential. Both the Natural Resources Authority of the Ministry of Energy and Natural Resources and foreign companies are presently engaged in further prospection. The project aims at assisting the Natural Resources Authority in strengthening its legal, economic, technical, financial and commercial capabilities to negotiate effectively equitable and beneficial terms with foreign investors; regulate petroleum investment in a systematic way, consistent with industry practices and developments in other countries in a similar position; monitor foreign contractors and safeguard its contractual rights and interests; and develop further its own exploration and petroleum development activities.

#### Water Resources Evaluation and Planning

68. Projections of the growing total demand for water in Jordan, for domestic and industrial use and for irrigated agriculture, point to the need to nearly double water supply availability by the year 2000. Against this prospect, the water resources plan for 1986-1990 addresses in particular the issues of the long-term policy required for reconciling water availability and need, the updating of water use regulation and improvement of its enforcement, the improvement of water data collection, processing and storage, and the improvement of water resources monitoring and surveillance of irrigation projects. The project will assist the Water Authority of Jordan, *inter alia*, in the assessment of groundwater resources potential in desert basins, the modernization of surface and groundwater monitoring networks and of hydrological data processing, and the introduction of the use of computers for hydro-data banking, processing, computations and modeling. The training of national professionals in all relevant aspects of water resources assessment, planning and development will be an important component of the project.

#### Linkages

69. Jordan is expected to participate actively in a newly developed UNDP regional project aiming at the dissemination of current technologies in water resources management.

70. The World Bank is presently extending to Jordan three loans, in amounts of \$17 million, \$30 million and \$30 million, for the development or improvement of water supply networks and sewerage services in the Greater Amman area and in 10 cities across the country.

#### Science and Technology (\$892,325)

71. Science and technology have been a major factor in accelerating socio-economic

growth in Jordan. Since the 1950s, the country has made an intensive effort to develop domestic science and technology capabilities. Past development plans have sought to integrate and upgrade this capacity, and this policy is being actively pursued by the present Five Year Plan. The Government has requested UNDP assistance in respect of a number of specific activities that call for the use of advanced scientific or technological tools.

#### Ongoing projects

##### Development of Computerized Cadastral Data Information System (JOR/84/001)

72. The Government has sought for a number of years to modernize its handling of cadastral data. The availability of modern, up-to-date and easily accessible land registers is, indeed, basic for the performance of a number of activities such as the transfer of ownership of land, the use of land holdings as collateral for bank loans or the collection of taxes on land transactions. Landowners and prospective land buyers, public authorities and the judiciary all have a major interest in easy access to accurate cadastral data. The project aims at assisting the Department of Lands and Surveys in the introduction of an owner-oriented computerized cadastral filing system, including the installation and start-up of the computer hardware, the development of the necessary software and of a data base management system, and the transfer of all land ownership data from the registration books to the new computerized system. The project is also assisting in the development of the capacity of the Department to produce computerized cadastral maps.

##### Utilization of Solar and Wind Energy to Supply Basic Energy (JOR/85/002)

73. The scarcity of traditional energy resources in Jordan negatively affects a large number of villages which have a very low level of energy availability and are often consequently abandoned by their population. The exploration of the possible use in those locations of renewable energy resources such as solar and wind is thus of considerable potential significance for the economic life and social stability of such communities. The Jordanian Royal Scientific Society has addressed this problem for a number of years and is pursuing its efforts in this field. The aims of the project, which is executed by the Royal Society on behalf of the Government, are to study the technical performance of wind energy converting and photovoltaic systems in providing electric power for village use; to transfer the knowledge concerning successful applications to other locations; to study the social and economic impact of the new technology; and to design and prepare blue-prints for the local production of some system components that are within the technical and industrial capabilities of Jordan. The project is supported by a cost-sharing contribution from the Arab Gulf Programme for United Nations Development Organizations (AGFUND).

#### New projects

##### Cytogenetics Laboratory

74. Concern in Jordan for the fate of disabled persons extends not only to the question of their integration in society (see para. 46 above) but also to the



prevention and treatment of disability. One expression of this concern is the desire of the Government to develop a national capability for the identification of genetic factors in disability, since they may be related in particular to blindness, but also to infertility. This capability would then be used to support a programme of health education and genetic counselling aiming at alleviating the impact of congenital diseases on the state of health of the population. The project, to be located within the School of Medicine of the Jordanian University, will give support to the establishment of a cytogenetics laboratory through the provision of expertise, training abroad for national personnel, and non-expandable equipment.

#### Development of a Modern Integrated Digital Mapping System

75. The Government is well aware of the importance of the timely and complete provision of up-to-date cartographic information to its own authorities and other map users. However, some serious shortcomings have developed in this undertaking, in particular with respect to the systematic and regular updating of cartographic material. The Government has thus resolved that map production by traditional methods needs to be complemented by a modern integrated digital mapping system, or computer-assisted cartography. In a first phase, the project will aim at preparing a comprehensive study dealing with the volume of information to be processed, the hardware to be used, the time table for the development of the various components of the system, and the identification of national personnel requirements to operate the system and a training schedule for such personnel. The actual training of personnel and the introduction of a partial digital mapping system should complete the first phase of the project.

#### Programmed reserve (\$404,000)

76. The Government is proposing two projects to be funded from the programmed reserve. These projects are for advisory services and training and for the transfer of knowledge through expatriate nationals (TOKTEN).

#### Advisory services and training

77. The project will be in the nature of a facility to provide for quick access to programme resources to meet unanticipated technical assistance requirements through the use of short-term consultancies and training activities. This facility will be available in areas which are not the object of specific attention in the country programme but fall within the priority sectors of national development policy as reflected in the Five Year Plan for Economic and Social Development. The two components of consultancies and training will allow for the project to perform the dual function of assisting in the solution of problems on the one hand, and of enhancing national capabilities for problem solving on the other.

#### TOKTEN project

78. Soundings indicate that a considerable number of talented Jordanian professionals, including scientists, engineers, technologists and managers, who are residing and working abroad, would be willing to provide their services to the



country for short-term assignments, if sponsored by an international entity such as UNDP. The Government has consequently decided to activate in Jordan the TOKTEN programme through which short-term, high-level expertise of expatriate nationals is put at the disposal of their country of origin at nominal cost. It is anticipated that the programme will be used essentially in support of the Government's efforts to develop the scientific and technological capabilities of the country through the introduction of advanced technologies in areas related to priority development objectives.

C. Unprogrammed reserve

79. In order to maintain appropriate programming flexibility throughout the period of the country programme, the Government has decided to set aside an unprogrammed reserve in the amount of \$1,095,742. This flexibility is required by the uncertainty that attaches to the overall situation concerning international assistance to Jordan as well as by the Government's intention to monitor the technical assistance needs of the country on a continuous basis. Both factors are certain to result in the formulation of new project proposals in the course of the implementation of the present country programme.

Annex

FINANCIAL SUMMARY

I. ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING

A. <u>UNDP-administered sources</u>	<u>\$</u>	<u>fr</u>
Third cycle IPF balance	306 000	
Fourth cycle IPF	8 250 000	
Subtotal IPF		8 556 000
Special Measures Fund for Least Developed Countries	-	
Special programme resources	-	
Government cost-sharing	1 502 000	
Third-party cost-sharing	90 000	
Operational funds under the authority of the Administrator	-	
UNDP special trust funds	-	
Subtotal, UNDP non-IPF funds		1 592 000
B. <u>Other sources</u>		
Funds from other United Nations agencies or organizations firmly committed as a result of the country programme exercise	-	
Parallel financing from non-United Nations sources	-	
Subtotal, other sources		-
TOTAL ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING		<u>10 148 000</u>

II. USE OF RESOURCES

Ongoing projects	2 039 873	
New project proposals	6 608 428	
Programmed reserve	404 000	
Subtotal, programmed resources		9 052 301
Unprogrammed reserve		<u>1 095 699</u>
TOTAL USE OF RESOURCES		<u>10 148 000</u>

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