



Economic and Social Productivity Programs

2006 Annual Report: Executive Summary

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1. Introduction

Politics in the region affected Jordanian Economy greatly; there was the economic burden on the country's budget as a consequence of a large flow of immigrants to Jordan, their share of infrastructural service needs, and an increase in the numbers of the unemployed.

Jordan also had its share in economic crises which started in the late eighties, when the selling price of the Jordanian Dinar collapsed. Aid from neighboring countries ceased, and transfers from Jordanians abroad became less frequent, which led to a fall in the GDP growth rates.

Due to changes the Jordanian economy faced, and their negative outcomes, the Jordanian Government, in collaboration with the International Monetary Fund (IMF) and the World Bank, worked on implementing economic reform programs that included many procedures and policies; restraining general expenditure, and increasing the efficiency of national institutions through restructuring public institutions and leaning towards privatization.

Even though the economic reform programs played an important role in repairing the economy, they had a negative impact as well. Communities with low incomes were damaged by the reform programs. The decrease of capitalist expenditure caused a reduction in job opportunities. Prices of goods and services have risen, which led to a decline in the net income of individuals with low wages. Restructuring institutions in the public sector and privatization led to a decrease in job opportunities as well.

As a result, the government adopted a strategy in 1997, with the objective of fighting poverty and unemployment through raising the productivity of individuals and improving their living conditions, especially in poor areas. The Social Productivity Program (SPP) was launched in 1998, for it was an inclusive initiative which faces both, poverty and unemployment, as it established infrastructure improvement projects, Small and Medium Enterprise development, in addition to restructuring the National Aid Fund (NAF), alongside with training and employment programs.

The Enhanced Productivity Program (EPP) was launched in 2002 as a complimentary program to the SPP and other governmental development initiatives, dealing with issues of poverty and unemployment as well. A new plan has been set with the aim of more efficient productivity through combined efforts between the public and private sectors, local communities, and both, national and international NGOs.

2. Social Productivity Program (SPP)

The Government of Jordan launched a national program to address the problems of poverty and unemployment in 1998, the Social Productivity Program (SPP). Its goal is to enhance the overall social productivity of the nation with focus on poor households. The SPP included five major components:

1. Community Infrastructure Development in Poor Areas
2. Micro and Small Enterprise Development
3. Integrated Development Projects (IDP) and Direct Interventions
4. Restructuring and Expanding the National Aid Fund (NAF)
5. Training and Employment Support Project

3. Enhanced Productivity Program (EPP)

The Enhanced Productivity Program was created in 2002, adopting a comprehensive developmental approach to improve the established achievements of the SPP. It is based on the idea that the government has a role to play in facilitating the ability of all Jordanians to improve their lives. The EPP focuses on an integrated approach to rural development through the following components:

1. Rural Community Cluster Development Program
2. Enhanced Productivity Centers Program / IRADA
3. Infrastructure Programs (Supportive to Investment)
4. Small Grants and Direct Interventions

4. Economic and Social Productivity Program (ESPP)

For the existence of similarities in components, goals, and execution policies between both, the SPP and the EPP; keeping their financial issues and expenditure separate, the programs have been merged by the end of 2003: The Economic and Social Productivity Program (ESPP) was the name given to the unit.

The ESPP works on designing and tracking projects and activities aimed at increasing productivity and improving the standards of living of targeted communities. In addition, it presents support to executing agencies, and guarantees the achievement of the main objectives of the program which takes us back to dealing with issues of poverty and unemployment.

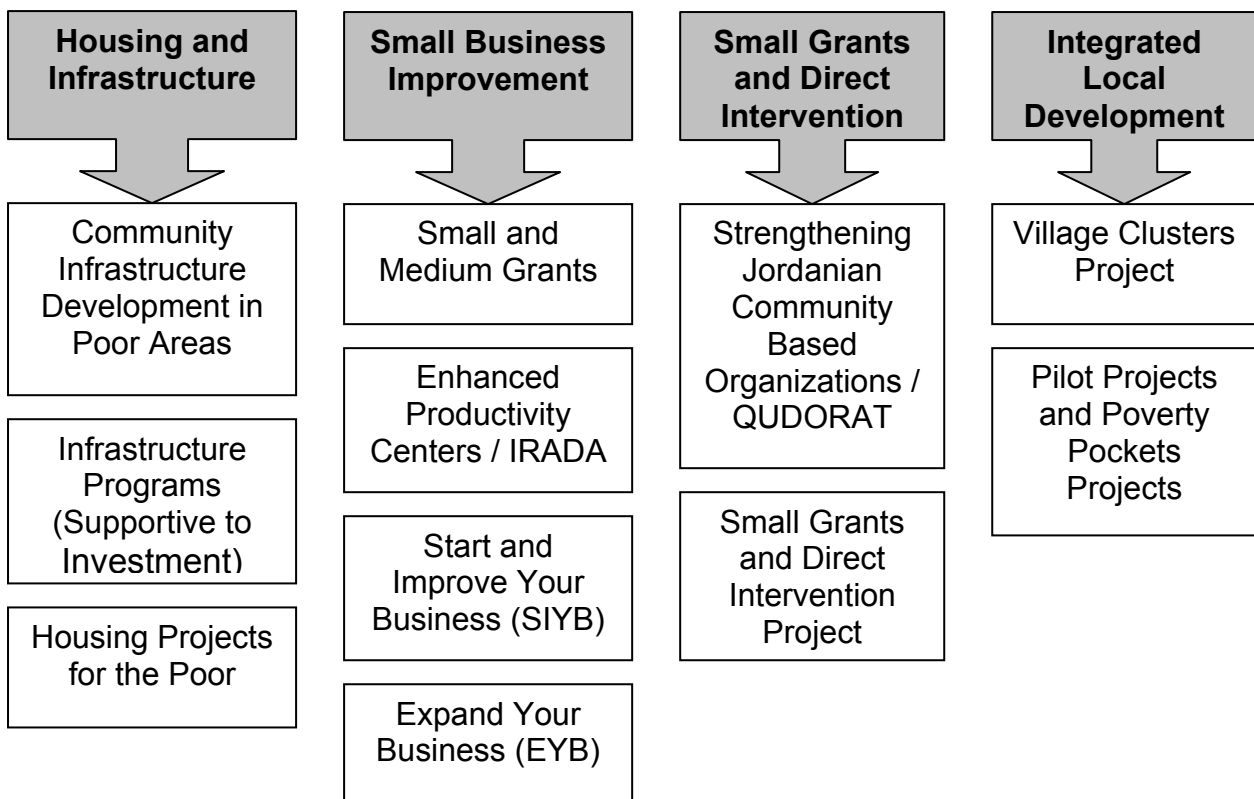
Vision

ESPP's vision is to provide an economic and social environment that has the ability to cause a change in the circumstances and living conditions of less fortunate Jordanians, based on standards that depend on productivity and sustainability in the developmental process.

Objectives

- To improve the standards of living of less fortunate communities through the advancement of physical and social characteristics that support investment in targeted areas.
- The enhancement and support of local development in targeted areas through including local associations in the process.
- The support of the small and medium enterprise sector, through presenting managerial and consultancy services that aid Jordanians establish and improve productive projects.
- To include the private sector in the execution of various projects and programs.

ESPP Components



The following achievements are of past and current programs developed under the both, the SPP and the EPP, shown under each related ESPP component.

Housing and Infrastructure

The objective of the Housing and Infrastructure component is to improve the living circumstances of poor societies through advancing physical infrastructure, like sewage systems and roads, and social infrastructure, like health care centers and schools. As well as encouraging the establishment of productive projects in poor areas and housing projects for the poor.

The **Rural Community Cluster Development Program** has:

- Studied the actual needs of community clusters that suffer high rates of poverty and unemployment.
- Established 23 pilot and developmental projects in targeted areas.
- Pushed for wide participation in verifying project priorities, execution, and follow-up for all stages.

The **Infrastructure Programs (Supportive to Investment)** achieved many fast track projects that aim to finding quick results in targeted groups, and long term pilot projects that aim to establish permanent results.

Through the **Community Infrastructure Development in Poor Areas Program**;

- Physical infrastructure sub-projects in refugee camps and squatter settlements were improved.
- Garbage collection vehicles and containers were provided.
- Many health centers, community development centers, and schools were constructed and furnished.
- Wastewater Treatment Plants in poor areas were also constructed

Small Business Improvement

This component aims to support the Small and Medium Enterprise sector through offering consultancy, managerial, and financial services that suit the nature of projects. In addition, it aims to help individuals start, expand, and improve their businesses, hence, enhancing their productivity. The Small Business Improvement component also helps individuals by offering training that helps them run their projects efficiently.

The **Micro and Small Enterprise Development Program** accomplished the following:

- Broadening the financing for small projects.
- Providing technical support to aid small projects and individual capacity building for their entrepreneurs by training them taking the job market into consideration.
- The projects has presented over 100,000 loans and trained thousands of micro-entrepreneurs.

Through the **Enhanced productivity Centers / IRADA;**

- Free consultancy services were provided.
- 2600 projects were established by mid 2006.
- Thousands of job opportunities were created.
- Hundreds of entrepreneurs were trained for free at IRADA.

Small Grants and Direct Intervention

The Small Grants and Direct Intervention program improves the standards of living of Jordanians through increment in their incomes, and that is by establishing productive projects. It is inevitable but to mention Strengthening Jordanian Community Based Organizations / QUDORAT, which has been launched in 2004, in collaboration with the Jordanian Government throughout its efforts to fight poverty and unemployment, and has proved to be a great success.

The **Small Grants and Direct Intervention:**

- 165 productive projects have been financed in cooperation with NGOs.
- Many projects have been established for the improvement of elements like infrastructure along with NGOs to enhance their activities with local communities.
- A total of 395 small projects have been financed by the program.

The **Training and Employment Support project** achieved the following:

- It financed various training programs held to offer trainees expertise in what local markets require.
- Stimulating training courses and putting the financial incentives for them.
- Establishing a detailed, updated, and inclusive database that also includes information about the Jordanian job market, and the work force.

Integrated Local Development

The general objective of this component is local development by creating productive projects and enhancing local integration in the developmental process for the purpose of making them capable of executing and financing projects independently.

The **Integrated Development Projects and Direct Intervention** established;

- Five different areas that represent all environments and standards of living have been integrated and developed.
- Creating housing projects for the poor, developmental projects for people with special needs, and productivity projects in different poverty pocket areas.
- Governmental School Feeding Program in less fortunate areas, where nutritious meals were provided daily to children in the primary levels.
(Over 55,000 students in more than 470 schools distributed in 16 areas of extreme poverty)

The **National Aid Fund** has been improved in the sense that,

- The limit for family loans has been pushed up to 8000 families, and has included 26,000 new families.
- It has also become more efficient by computerizing all its work and services in all its branches.

5. ESPP Structure

Programs Unit

The ESPP is a unit in the Ministry of Planning and International Cooperation which consists of the Units Director and Coordinators for each of the four components mentioned, where teamwork is valued and is of utmost necessity to run projects in the most efficient manner possible.

Implementation

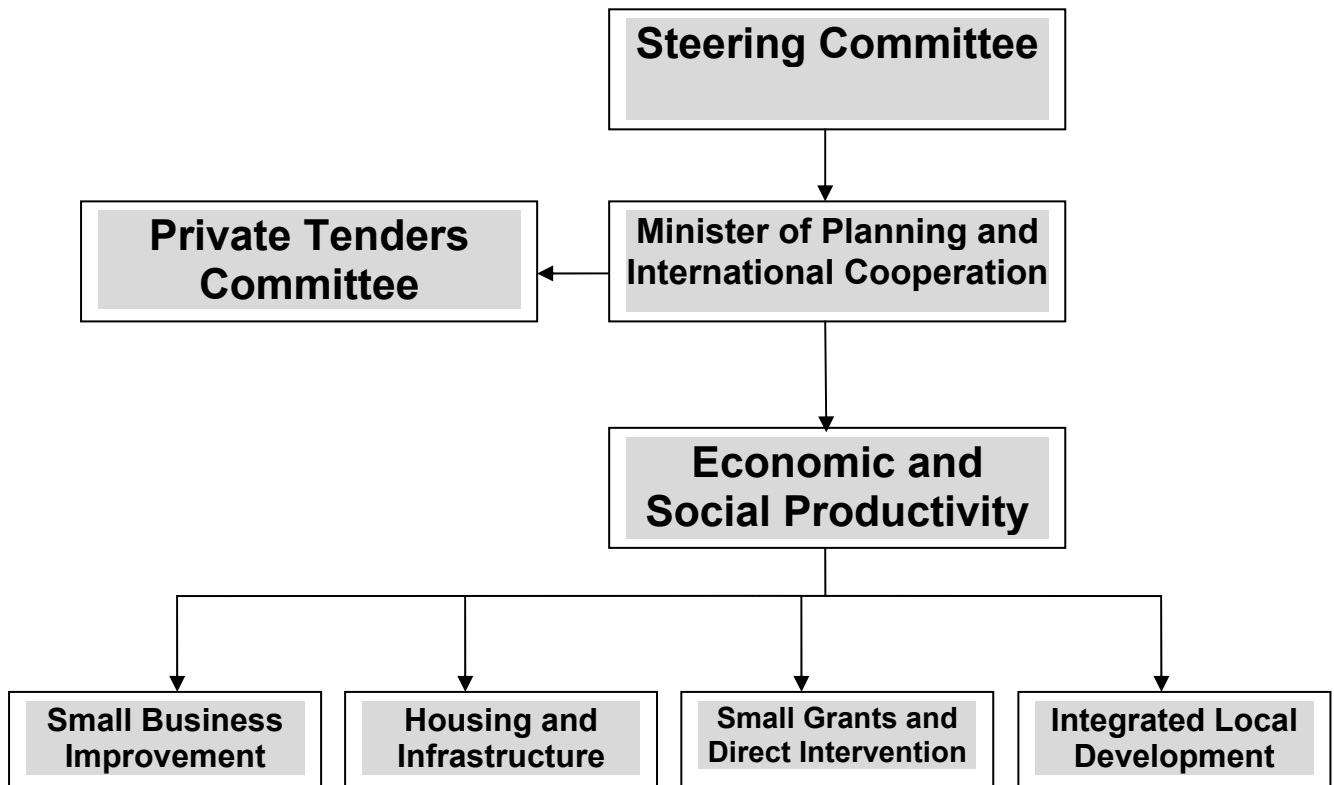
Implementation of the program and all its projects is done by various public institutions, institutions from the private sector, and Non-Governmental Organizations NGOs, to benefit from their different forms of expertise, and to include such parties to participate in the developmental process.

ESPP Objectives and Duties

- Study and assess the needs of targeted areas and groups, and to design and execute developmental programs and projects through related institutions.
- Monitor and follow-up progress and expenditure for different programs and projects that are within the Economic and Social Productivity Program, and to prepare reports in cooperation with related parties.
- Support executing parties of all projects within the ESPP.
- Regularly assess the programs' different achievements and components, and to present required suggestions for improvements.
- Provide technical, managerial, and financial coordination between participating and executing governmental and non-governmental institutions in regard to all of the program's components and projects.
- Work on providing the required financing to execute different projects that fall under ESPP's umbrella in cooperation and collaboration with intended parties that relate to the Ministry of Planning and International Cooperation.
- Guarantee organization between internal and external financing and executive parties that relate to the ESPP.
- Design and implement general awareness programs related to the ESPP's components.
- Act as an executive secretary to the program's steering committee.

Steering Committee

A steering committee supervises the ESPP unit, headed by the Jordanian Prime Minister, in addition to some members of the Cabinet, and representatives from the private sector. This Committee is in charge of handling general policies of the program and supervision on execution.

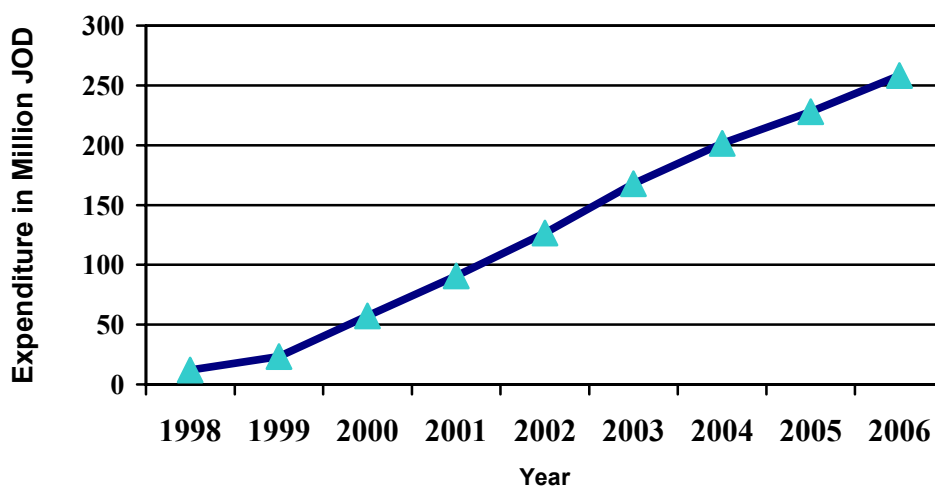


6. ESPP Budget

Total expenditure for the programs and their projects until 31/12/2006 was about 259 million Jordanian Dinars, they are distributed as follows:

Component/ Year	1998	1999	2000	2001	2002	2003	2004	2005	2006	Total
Structure	0.65	2.70	16.30	23.60	18.00	10.60	7.15	5.54	4.93	89.47
ent Projects										
ants and Direct	0	0	7.80	3.00	4.87	11.50	15.08	10.06	8.39	60.70
1										
ojects	1.90	4.90	4.20	5.80	0.16	0.18	0.00	0.0	0.0	17.14
ent										
and	0.06	0.20	0.51	0.52	0.32	0	0	0.0	0.0	1.61
nt										
uring NAF	2.10	2.50	5.50	0.05	0.48	0.06	0	0.12	0.0	10.81
usters and	0	0	0	0.10	2.29	5.47	1.7	2.60	4.17	16.33
ckets										
s Improvement	0	0	0	0	1.40	4.50	2.90	1.70	1.48	11.98
Structure	0	0	0	0	2.34	14.58	9.4	4.33	4.45	35.10
(Supportive to										
nt)										
Projects	0	0	0	0.11	0.52	1.51	4.12	1.85	7.08	15.19
Total	4.71	10.30	34.31	33.18	30.38	48.40	40.35	26.20	30.50	258.33

Total Expenditure for both SPP and EPP until 31/12/2006



7. ESPP Achievements

The following are the programs achievements with approximate expenditure.

Objectives	Achievement	Expenditure (JOD)
<p>The improvement of standards of living in poor areas</p>	<p>Community Infrastructure Development in Poor Areas Project - Ongoing infrastructure projects in certain areas (Jabal Al Amir Ali, Hay Al Nahariya, Al Talibiya Camp, with total achievement of 75%) - Ongoing in the implementation of a water purifying plant in Al Jeeza and Al Talibiya.</p>	<p>4.93 million</p>
	<p>Housing Projects for the Poor - The establishment and improvement of houses for the poor, the King Abdulla II Housing Projects and projects for improving housing in poor refugee camps.</p>	<p>7.08 million</p>
<p>Finding an encouraging environment for establishing developmental projects</p>	<p>Infrastructure Programs (Supportive to Investment) - The Achievement of a project where a safe way to use pesticides and insecticides was found in cooperation with the Ministry of Agriculture. -Projects that financed the Ministry of Tourism have all ended. - The completion of the development project for the school of hotel management which is part of Amoun College.</p>	<p>4.45 million</p>
<p>Increasing the productivity of targeted groups</p>	<p>Enhancing Productivity Centers Project / IRADA - The establishment of 500 individual projects in various areas of the Kingdom. - The creation of approximately 1500 sustainable job opportunities. - Helped entrepreneurs attain over 266 loans from various credit corporation. - Over 350 training workshops have been held for targeted groups. - Training 300 entrepreneurs. - The implementation of an Internship Program that has trained over 264 new graduates.</p>	<p>1.48 million</p>

<p>Creating a local and sustainable economy in targeted areas</p>	<p>Small Grants Program - Executing and financing 43 projects that has provided over 300 permanent job opportunities and 700 temporary job opportunities.</p> <p>Direct Intervention Program -The execution of 6 Direct Intervention projects.</p> <p>Village Clusters Development Program - The execution of 10 projects in 8 village clusters that have provided over 30 job opportunities. Pilot Projects - The execution of 6 pilot projects.</p> <p>Poverty Pockets Project (Phase One) - The execution of 10 productive projects which include 122 community clusters in targeted poverty pockets.</p>	<p>9.9 million</p>
<p>Encouraging implementing agencies in local communities in the participation of sustainable development</p>	<p>Strengthening Jordanian Community Based Organizations / QUDORAT - Capacity building 30 local NGO. - Continuing the execution of 43 projects that have started in 2005, and implementing 20 projects in targeted areas. - Creating 250 permanent jobs and 800 temporary ones.</p>	<p>2.6 million</p>

8. Future Plans

Throughout the experience and learning process, while implementing the SPP and EPP components, and in regard to the dynamic and efficient design of the programs, continuous improvements and changes were constantly made, aiming to achieve the goals, and aspiring to materialize his Majesty's, King Abdullah II, vision concerning fighting poverty and unemployment.

His Majesty confirmed through direction, and working as a role model on the necessity of steering efforts towards all areas of the Kingdom, and the participation of all targeted communities in an active manner in the development process.

His Majesty concentrated on the importance of productivity projects in targeted areas, so that its communities would work to enhance their incomes. Furthermore, his Majesty's directions regarding the Housing Projects for the Poor were clear, for numerous housing units had already been established through the Ministry of Social Development and the Housing and Urban Development Corporation.

The current programs and projects designed to combat poverty and unemployment in the ESPP are the following:

- IRADA
- Village Clusters Project
- Housing Projects for the Poor
- Poverty Pockets Project
- QUDORAT
- Infrastructure Programs (Supportive to Investment)

These programs and projects are executed by specialized governmental institutions and NGOs, as well as the private sector, where as the programs management unit in the Ministry of Planning and International Cooperation works on coordinating local and international efforts, financing, and providing certain institutional and technical support.

In addition, the ESPP is planning to implement the following:

1. Activate private sector in various areas of the kingdom.

Enhanced Productivity Centers

- Help the establishment and/or improvement of 500 individual projects in the kingdom.
- Help entrepreneurs obtain 266 loans from various Microfinance Institutions.

2. Enable local organizations to participate in managing local development for guaranteed sustainability.

QUDORAT

- Build organization capacity to 100 local NGOs.
- Execute 40 new projects.

3. Find suitable environment to attract investment in targeted areas.

Infrastructure Programs (Supportive to Investment)

- Complete projects in touristic sites.
- Improve 40 new historic sites.
- Complete the agreement regarding job generating projects- agricultural roads- with Ministry of Housing and Public Works.

4. Provide poor groups with housing.

Housing Projects for the Poor

- Establish 300 new housing units.
- Improve 300 existing houses.

5. Provide social and physical infrastructure.

Community Infrastructure Program in Poor Areas

- Completion of infrastructure development projects in Jabal Al-Amir Ali, Hay Al-Nahariyah, and Al-Talibiyah refugee camp.
- Commence infrastructure projects in Jerash and Al-Sukhna refugee camps.

6. Create interaction between governmental institutions and NGOs through getting NGOs involved in the execution of income generating projects.

Small Grants Program

- Completion of 61 income generating projects, and financing 40 new projects.
- Finding and providing close to 400 permanent job opportunities, and over 1500 temporary ones.

7. Find solutions for current problems in local communities.

Direct Intervention Program

- Completion of 50 existing projects.
- Financing 30 new projects.

8. Finding enhanced solutions for income in poverty pocket areas.

Poverty Pockets Program

- Completion of Phase One of the program in the 10 areas previously selected.
- Commencement of Phase Two of the program in 10 new poverty pocket