



1. Project Data :			
OEDID:	L4115		
Project ID:	P044139		
Project Name :	Second Economic Reform and Development (ERDL II)		
Country:	Jordan		
Sector:	Other Non-sector Specific		
L/C Number:	L4115		
Partners involved :	none		
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Reviewed by:	Alice Galenson		
Group Manager:	Ruben Lamdany		
Date Posted :	07/30/1998		

2. Project Objectives, Financing, Costs and Components :
ERDL II was the second in a series of three one-tranche adjustment operations designed to assist Jordan's medium term reform program. It provided US\$ 120 million of balance of payments/budgetary support for improvements in trade policy, including adoption of measures to speed customs clearance, simplify tariffs and reduce the maximum rate to 40%; financial sector reforms, including strengthening of prudential regulation, gradual elimination of interest rate subsidies, and reduction of central bank intervention in commercial bank operations; and some actions designed to accelerate privatization and to modernize the legal framework affecting private enterprises .

3. Achievement of Relevant Objectives :
Since this was a single tranche operation, all relevant actions were taken before loan approval . Continuity of the program is assured by the proposed follow on ERDL III .

4. Significant Achievements :
Under ERDL II Jordan took modest, but significant steps towards establishing the policy framework required by a more competitive, market oriented economy .

5. Significant Shortcomings :
Jordan's adjustment process seems to be moving relatively slowly and the measures supported by this project are modest by international standards .

6. Ratings :	ICR	OED Review	Reason for Disagreement /Comments
Outcome :	Highly Satisfactory	Satisfactory	Relatively modest reforms supported .
Institutional Dev .:	Substantial	Substantial	
Sustainability :	Likely	Likely	
Bank Performance :	Satisfactory	Satisfactory	
Borrower Perf .:	Highly Satisfactory	Satisfactory	Overall apparently slow progress of reform since 1989.
Quality of ICR :		Satisfactory	

7. Lessons of Broad Applicability :
The lessons the ICR indicates were learned from this project - the importance of "ownership" and the value of building on past success - are generic/. However, this project also demonstrates the potential usefulness of supporting adjustment with a series of one-tranche adjustment operations with actions taken before board presentations, provided the operations are built around a comprehensive, well thought through reform agenda .

8. Audit Recommended? ☐ Yes ☒ No

9. Comments on Quality of ICR :

The ICR is satisfactory.