



JORDAN
An Evaluation of World Bank Assistance for
Poverty Reduction, Health and Education
A Country Assistance Evaluation

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Acronyms

AAA	Analytical and Advisory Services
CAE	Country Assistance Evaluation
CAS	Country Assistance Strategy
CIP	Community Infrastructure Project
CVSD	Cities and Villages Development Bank
ERP	Educational Reform Program
EU	European Union
GDP	Gross Domestic Product
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit
GSSD	General Stores and Services Department
HUDC	Housing and Urban Development Corporation
ICR	Implementation Completion Report
ID	Institutional Development
JD	Jordanian Dinar
JEDCO	Jordan Export Development and Commercial Centers Corporation
JIPA	Jordan Institute of Public Administration
JUH	Jordan University Hospital
MENA	Middle East and North Africa
MIS	Management Information System
MOE	Ministry of Education
MOH	Ministry of Health
MOP	Ministry of Planning
NAF	National Aid Fund
NCERD	National Center for Educational Research and Development
NCHRD	National Center for Human Resource Development
OED	Operations Evaluation Department
OEDCR	OED Country Evaluation and Regional Relations
OEDST	OED Sector and Thematic Evaluation Division
OSHI	Occupational Safety and Health Institution
PAD	Project Appraisal Document
PAR	Performance Audit Report
PCR	Project Completion Report
PER	Public Expenditure Review
PHC	Primary Health Center
PIU	Project Implementation Unit
PMU	Project Management Unit
PSR	Project Status Report/Public Sector Review
RMS	Royal Medical Services
SAR	Staff Appraisal Report
SPP	Social Productivity Program
UNDP	United Nations Development Program
UNICEF	United Nations
UNFPA	United Nations
UNRWA	United Nations Relief and Works Agency
USAID	The United States Agency for International Development
VTC	Vocational Training Center
WHO	World Health Organization

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Preface

This is one of the background papers prepared as an input to the Jordan Country Assistance Evaluation, CAE, (Task Manager: Mr. Fareed M.A. Hassan) by the Operations Evaluation Department (OED) of the World Bank.

The findings in this paper are based on a review of project appraisal and completion reports, sector reports, and a number of other documents produced by the Bank (including OED), and various research papers prepared in a range of institutions. One of the authors visited the Hashemite Kingdom of Jordan in May 2002 as part of an OED mission and interviewed current and retired government officials, donor representatives, and members of the private sector. Current and retired Bank staff were interviewed at headquarters, by telephone and through electronic mail. The valuable assistance of all those interviewed is gratefully acknowledged.

Helen Abadzi (OEDST), S. Ramachandran (OEDCR), and Ashok Khanna (consultant) who were peer reviewers, together with George Schieber, Regina Bendokat, Mae Chu Chang, Ayesha Vawda, Domin Chung and Radwan Shaban from the Bank's Jordan Country Team, provided helpful and constructive suggestions on drafts of the paper. Norma Namisato and Janice Joshi's assistance in formatting, organization and checking of the text was an enormous help.

OED also received two sets of comments from His Excellency the Minister of Planning on two successive a draft and those comments have been taken into account. The comments are also reproduced as attachments to this paper.

The authors are grateful for all comments and suggestions received. They have been taken into account in preparing this version. However, the views expressed in this paper remain entirely those of the authors. They do not necessarily represent the views of OED or the World Bank.

Executive Summary

1. The World Bank's assistance to Jordan in the 1990s coincided with a period of considerable political and economic turmoil. Three important exogenous factors affected the Kingdom's economic and social development. The first was the oil crisis in the early nineties that, despite obtaining about half of its imports on concessional terms, still increased the average price of Jordan's oil imports because it is one of the few Middle East countries that does not produce oil. The second was the 1991 Gulf War that completely disrupted normal trade between Jordan and Iraq, Jordan's traditional trading partner. In addition, because of the political position taken by Jordan's leadership during the Gulf War, most Jordanians employed in the Middle East and elsewhere lost their jobs and were forced to return to Jordan. The third was the 1999 Israeli/Palestinian conflict that disrupted normal trade and movement of people to and from the West Bank and directly affected many Palestinians who live in Jordan. Conflict in the Middle East continues with severe implications for Jordan's economic and social development. These events provide the backdrop for this evaluation of the World Bank's program in assisting Jordan to reduce poverty and improve health and education services during the nineties and in 2000/2001.

Main Conclusions

2. **Poverty.** The incidence of poverty in Jordan received considerable attention in the early nineties because it rose sharply from an estimated 3 percent in 1987 to about 14 percent in 1992 following the Gulf War when remittances declined substantially and workers flooded back. While poverty is estimated to have declined to 11.7 percent in 1997, it is projected to have fluctuated between 11.5 and 12 percent toward the end of the 1990-decade. The reasons for the higher level in the nineties compared with the eighties were the continuing political conflict and consequent constraints on trade in the Region, as well as low growth and investment after the housing boom ended in 1996. Both reasons have had serious negative repercussions on employment opportunities. In response the Government focused its attention on targeted poverty reduction programs. The Bank, in conjunction with programs financed by other donors, contributed to a Social Productivity Program (SPP) that included a Community Infrastructure Project aimed at refugees, other poor groups and municipalities, and also a Training and Employment Support project designed to assist employers to train potential employees who need to gain skills. These activities, although not yet complete, are meeting their objectives.

3. **Health.** Three projects in the health sector financed by the Bank were either closed or still under implementation during the 1990s. They involved loans by the Bank amounting to US\$69 million. While primary health care and health sector staffing have improved as a result of training and construction financed by these projects, the overall results in terms of long term policy reform in the health sector has not been impressive. Obviously not all of the problems of Jordan's health sector can be laid at the feet of the Bank. On the other hand, problems that faced the health sector before the Bank's involvement such as over-capacity in hospitals, management problems and inefficiency with high costs in public health facilities, a weak referral system among health care providers, inadequate monitoring of health service quality and the lack of uniform qualification standards for physicians, together with the continued debate over the need for a universal health insurance scheme, still need to be addressed.

4. Public and private health expenditures of about 9 percent of GDP are well above regional comparators and most industrialized countries with some notable exceptions such as the USA. Although Jordan's health system performs well compared with other countries at similar levels of development, the effectiveness of the health care system does not reflect the high expenditures devoted to it. Apart from supporting continued improvements in efficiency, it is strategically necessary for the Bank and other donors to press for more effective policy leadership and coordination among the numerous public and private health care providers. In addition, a universal health insurance scheme has been under active consideration at the highest levels of Government and was regarded as a top strategic priority by both the Government and the World Bank. Today, there is still no universal health insurance scheme, although this paper questions its priority over many other activities for the Government because access to health care is already available to those employed in large public and private institutions. The poor are also assisted through the National Aid Fund and additional special arrangements are available through the Ministry of Social Development for the poorest and destitute to gain access to health services.

5. **Education.** Education indicators in Jordan are on average among the highest in the region. This is, to a large extent, due to public expenditures on education that are about 6.8 percent of GDP and about 40 percent of the recurrent budget which are high levels of expenditure compared with other countries in the region and most industrialized countries. The Government's emphasis on education derives from its policy that the development of human capital (the Kingdom's main resource) is essential to prepare Jordanians for foreign as well as domestic employment. This policy was confirmed for primary and secondary education in a high profile national conference in 1987. The Bank's own analytical work in two reports prepared in the mid eighties that covered vocational and technical training, and the efficiency and equity of education expenditures and its assistance program supported the Government's policy. The Bank's focus on primary and secondary levels continued until a third sector report in 1996 that reviewed higher education. While the Bank provided assistance to higher education in 2000, the bulk of Bank assistance was directed at supporting primary and secondary education.

6. Seven Bank-assisted education projects were either closed or still under implementation during the 1990s; they amounted to \$283 million in IBRD loans. Despite the generally satisfactory outcome for each of the seven projects in terms of their objectives (dominated by construction), this paper concludes that the assistance strategy focusing on primary and secondary education, vocational training, and lately higher education during the nineties, has not yet made a significant contribution to improvements in the quality of education at any level. The Bank-assisted program in education was not based on an evaluation of priorities among the various levels and types of education. For example, the Bank provided considerable support for vocational training but this training turned out not to be relevant to the skill demands and therefore had little impact. The Bank's support for vocational training was ultimately abandoned. This paper therefore questions why, given the importance of education to the Government, the Bank did not undertake a review of the whole education sector at any time during the eighties or nineties in order to determine priorities between the three levels of education and hence to ascertain the most important areas for Bank assistance to the sector.

7. In addition to the health and education projects there were three that focused primarily on poverty reduction and the Social Productivity Program (SPP). The Emergency Recovery Project provided assistance to sectors in the Jordanian economy (including the health and education sectors) that were most affected by the Gulf War in 1991. The SPP included the Training and Employment Support Project and the Community Infrastructure Project which were aimed at training Jordanian nationals for employment and providing infrastructure for the poor.

Overall Evaluation

8. *Analytical and Advisory Services (AAA)*. Overall, the quality of the Bank's AAA on poverty, health and education is rated as satisfactory. Through this work the Bank did identify some of the most pressing sectoral issues in health and education and developed a strategy to assist poverty reduction. But there were two major limitations of these studies in terms of their impact. First, many of the recommendations, though soundly based, have not been reflected in actions leading to improvements in either the health or education sectors. For example, improved health care management was a core recommendation of an internal 1994 health review, but it was not addressed by the Bank's assistance program until ten years later and remains a serious weakness. Second, analysis of education was, in the view of this evaluation, until the end of the nineties too narrowly focused on the primary, secondary and vocational levels to provide an adequate basis to plan a comprehensive assistance strategy for the whole education sector.

9. *Lending*. The portfolio of projects addressing poverty, health, and education issues in Jordan had varying results but, because it was dominated by generally satisfactory education projects, average outcomes were satisfactory on the grounds of the projects' average substantial relevance and efficacy. Average institutional development impact was rated as modest because a significant number of the institutional changes, agreed as part of the project objectives, were either not achieved or only partly successful. Average sustainability was rated as uncertain because it is not clear that projects can be sustained by the government without outside financial support. Looking at each sector separately, shows that projects addressing poverty and employment under the Social Productivity Program are showing a satisfactory outcome so far.

10. The health project that closed in the nineties had an unsatisfactory outcome with only modest institutional development impact and uncertain sustainability. Of the other two, one was closed in 2001 with an unsatisfactory outcome. The ongoing Health Reform project, while it will have completed a satisfactory construction program and (after long delay) started to introduce a management information system (MIS), has so far achieved little in terms of health policy reform.

11. In education, outcomes were satisfactory in terms of the construction programs, but there are doubts about the projects' impact on the quality of teacher training and hence student learning. This evaluation therefore concluded that Bank-assisted education projects had only a modest institutional development impact and that sustainability was typically uncertain. Overall this evaluation concludes that, while the Bank financed a satisfactory series of education projects, it did not support a satisfactory education development program.

12. ***Counterfactual perspectives*** Would social development and poverty reduction during the nineties have been different if the Bank had not assisted Jordan? The considerable construction program in schools and health centers, and more recently in universities and hospitals is a justifiable response to inadequacies in the infrastructure and Jordan's high population growth, would have been less extensive if the Bank had not provided financial support. The Bank's assistance supplemented Government resources substantially and also attracted a number of cofinanciers. Construction programs have been credited with improving basic education and health services. For example, there has been a substantial decline in the number of rented houses used as primary and secondary schools. The facilities and services at primary and comprehensive health centers have also been enhanced, although the efficiency of services is still said to be low compared with private medical services. Jordan would probably also not have as many trained personnel in either the health or education sectors without the Bank's project assistance but there are, as mentioned already, serious questions about the quality of training provided.

13. This paper also concludes that without the Bank's support in developing an operational approach for the SPP, originally requested by a Government, the Bank's assistance would probably have been less focused on benefiting the poor. The SPP also attracted the participation of other major donors such as USAID. On the other hand, evaluating progress on poverty reduction on the basis of the SPP alone is not appropriate because it was only one of the strategies for poverty reduction. The SPP had an impact on the poverty reduction strategies used by the Government, and despite the acknowledged beneficial impact on the poorest groups, the Bank's analysis shows that there was no substantial reduction in poverty in Jordan during the nineties. Many observers consider that in recent year there has been a tendency for the incidence of poverty to rise. The reasons for the persistence of poverty is probably sluggish investment, low growth rates, and hence an extremely tight labor market, as well as inadequate time for the benefits from projects that form part of the SPP to have a measurable impact.

14. ***Attribution of successful change to development partners.*** It is apparent from the documents available that the Bank's lending programs in health and education were largely determined by requests from the Government and that the Bank agreed to these requests without much analysis of its own in respect of strategic priorities. This review concludes that the impact of construction and training in the education sector financed by the Bank and a number of other development partners would have been more effective if the Bank and its partners had engaged the Jordanian authorities during the eighties and nineties in a review of policy issues for the whole sector rather than the narrow focus on basic education, and later on higher education. For example, the Bank's assistance would have been more strategic with greater impact on the quality of education at all levels if the Bank had adopted a broader sector-wide approach in its analytical work which would have highlighted the strategic choices that needed to be made. In the event everything became important with the result that core programs received the same attention as non-core programs. The outcome was a lack of focus on priorities, mediocrity and disappointing impact.

Lessons

15. Based on an evaluation of the Bank's assistance for poverty reduction, education and health in Jordan, this paper draws the following lessons:

- The synthesis of poverty analyses into a framework for poverty reduction, namely the SPP, was constructive and underlines the importance of following up good analysis (such as in the two poverty assessments) with the development of a sound operational program focusing on poverty reduction.
 - The lesson is that an increased focus by the Bank on poverty reduction, labor market issues, a more analytical determination of development priorities should in future lead to the design of a country assistance strategy with poverty reduction at its core.
 - The lesson is that the Bank needs to engage its counterparts inside and outside government more actively in order to reach a consensus on the incidence and depth of poverty in Jordan so as to ensure a sound basis for future poverty reduction programs.
- The Bank's assistance program for education in Jordan during the eighties was based to a large extent on responses to the short term preferences of Government rather than a balanced long term program. The program in the nineties was more programmatic in terms of objectives but in practice focused on substantial infrastructure development. The infrastructure program was completed but the impacts on human capital development in Jordan were limited.
 - The lesson is that the satisfactory completion of a series of projects in a sector does not necessarily constitute a successful assistance program for the sector unless projects were chosen and designed in accordance with an agreed sectoral strategy in the context of inter-sectoral priorities for the economy as a whole.
- Monitoring and evaluation of the training components in health sector projects were not given adequate attention. Education projects also provided no monitoring or analysis of outcomes in terms of the quality of education.
 - The lesson is that this lesson has already been learned from similar inattention to monitoring and evaluation in previous Bank-assisted projects, as pointed out in other evaluations by OED in the past.
- The series of education projects implemented with the assistance of implementation units in the Ministry of Education has resulted in sufficient capacity in the Ministry to handle matters such as project management and procurement. Indeed there is no project implementation unit in the Ministry for the ongoing second Human Resources Development Sector Investment Loan, rather the National Center for Human Resources Development (NCHRD), provides a technical unit to support project implementation and also its President chairs a project policy committee which provides overall advice on matters of policy to the project.

- The lesson from other countries is that for a sophisticated country such as Jordan there is little justification for project implementation units because the existing government structure should be able to establish temporary capacity increases to implement projects along with adequate rewards and motivation for staff.
- The lesson is that the NCHRD should focus on providing analysis and leadership on strategic and policy issues in the education sector.

Recommendations

16. The following are the six most pertinent recommendations emerging from this evaluation:

- The Bank should seek to achieve a consensus on methodology for the analysis of poverty among the various poverty analysts in Jordan.
- The Bank should undertake, in collaboration with the Government, an analysis of the whole education sector to evaluate the priorities for future investment and then insist on congruence between the conclusions of the analytical work and the design of future assistance projects.
- Lending in sectors such as health and education should be designed so that more attention is paid to raising the quality of staff and services through better staff training and improving the policies and management capacity of service institutions.
 - In health this means correcting weak policies, ensuring high standards, and achieving efficient use of the nation's medical resources.
 - In primary and secondary education it means improving instruction through teacher training, and improved curricula and textbooks.
 - At higher education it also means improved teaching as well as introducing more equitable allocation of subsidies to students on the basis of need.
- The Bank should aim at fostering capacity building in line ministries by incorporating implementation authority for World Bank-assisted projects in existing units in line ministries, rather than establish separate implementation or project support units
- Policy and strategic leadership in the health and education sectors need to be enhanced. The Bank should support the building of such leadership capacity.
- The Bank should ensure and assist the establishment of effective strategies to monitor and evaluate the outcomes of projects it finances, and ensure that it is carried out as an integral part of project implementation.

1. Introduction

1.1 During the first World War the Arabs of Transjordan and Palestine rebelled against the supremacy of Turkey, which had become an ally of Germany. In 1920 Britain was given a League of Nations mandate for Transjordan and Palestine, but in 1923 Transjordan was officially separated from Palestine and Britain recognized Transjordan as a sovereign state in March 1946. In May the territory was named the Hashemite Kingdom of Jordan.

1.2 By 2000 the Kingdom had an estimated population of 5 million growing at about 2.8 percent per annum. Almost 79 percent of the population live in urban areas. About 95 percent of Jordan is desert and hence agricultural and rural development is not a major part of the economy.

1.3 ***Development in the context of conflict and rising poverty.*** Jordan has a bicameral constitutional government and is one of the most developed countries of the Middle East with, for example, an adult literacy rate of about 90 percent and life expectancy and infant and child mortality indicators better than the average for the countries of the same region or with a similar income level. Its location in a politically turbulent region, however, creates enormous social and economic problems that have caused poverty and social deprivation to rise steeply, albeit from low levels, in recent years.

1.4 ***Objectives of paper.*** The main objectives of this paper are to first provide a brief overview of the poverty, health and education situation in Jordan, and then to evaluate the Bank's program of assistance in relation to these issues. The ultimate objective is to evaluate the Bank's performance; hence the background analysis of sectoral issues is brief. The first chapter will address poverty. This will be followed by chapters examining the major developments in the Kingdom's health and education sectors, the Bank's products and services in support of poverty reduction, improved health and education, the development effectiveness of this support, and finally the extent to which changes in the incidence of poverty and achievements in the health and education sectors can be attributed to the Bank's assistance. The period covered by this evaluation is broadly the 1990s and 2000/2001. For the Bank's analytical work, however, the coverage starts in the eighties because much of the work in the eighties was relevant to the nineties. For project lending the cohort evaluated comprises those projects that closed or were still under implementation by the end of the nineties and 2000/2001.

2. Poverty Profile

2.1 ***Consumption poverty.*** The latest survey data analyzed by the Bank indicated an incidence of poverty in Jordan of 11.7 percent in 1997 which was a decline from 14.4 percent in 1992 but a huge increase from the level in 1987 of 3.0 percent. In 1997 there were an estimated 538,000 people below the poverty line. The sharp rise in poverty in the early nineties was due largely to the Gulf War which resulted in Jordan losing major export markets, aid from Gulf countries declined, and there were substantial reductions in revenue from transit trade and workers' remittances. The War strained the Kingdom's resources because, in addition to the economic and financial costs, it needed to meet the costs of

social support for about 70,000 Jordanian workers and their families who returned as a result of the disruptions to their employment outside Jordan because of the Gulf War.

2.2 Bank estimates of the depth of poverty followed the same trend as the incidence of poverty but they were also quite low (see Table 2.1) compared with other countries in the region. The good news was that the poor were mostly just below the poverty line, and a small improvement in income would bring them out of poverty. At the same time a small depression could force many below the poverty line. The Gini coefficient fluctuated in a similar fashion to the poverty measures. It also rose from 1987 to 1992 and then declined in 1997 to about the same level as in 1987. The decline in the incidence of poverty of close to 9 percent reduced the number of poor by only about one percent (544,000 to 538,000) because of the high population growth rate during the intervening years.

Table 2.1: Summary of Poverty Measures

Items	1987	1992	1997	1999 (proj.)	2001 (proj.)
Official poverty line (JD per capita in 1997 prices)	148	261	313.5	313.5	312
Poverty Measures ^{a/}					
- Incidence of poverty (% of population)	3.0	14.4	11.7	13.6	13.5 ^{b/}
- Poverty gap (%)	0.3	3.6	2.5	3.03	3.01
- Squared poverty gap (%)	na	1.3	0.9		
Absolute Magnitudes					
- Number of poor people (thousands)	87.4	554.3	538.2	668	709 ^{b/}
- Total poverty gap (current JD million)	1.3	35.9	36.6	tbc	tbc
Inequality (Gini coefficients)					
- National	0.36	0.43	0.36	0.36	0.36
- Urban	0.36	0.44	na	na	na
- Rural	0.32	0.38	na	na	na

^{a/} These estimates have been calculated using the well-known methods suggested by James Foster, J. Greer, E. Thorbecke, *A Class of Decomposable Poverty Measures*, *Econometrica* 52, 1984, pp. 761–765. For projections for 1999 and 2001, poverty line of JD 313.5 in 1997 prices was adjusted for inflation. Projections made on the basis of “current growth rate projections” of GDP per capita made by the IMF in August 1999 (i.e., –2.09 % and 0.4 % pa in 1999 and 2001 respectively), assuming that inequality (measured by the Gini coefficient) does not change, and using population growth rates estimated by the Jordanian Department of Statistics. Incidence of poverty measures the proportion of the population whose consumption expenditures fall below the poverty line; depth of poverty is the mean shortfall of the consumption expenditures of the poor below the poverty line; the severity of poverty takes account of the inequality of the poor giving more weight to the gap between the poverty line and consumption expenditure by squaring this gap.

^{b/} Recent improvements in growth rates have changed this projection to 11.6 percent and as a result the number of the poor has dropped to 585,000.

Source: Radwan A. Shaban, Dina Abu-Ghaida, Abdel-Salam Al-Naimat, *Poverty Alleviation in Jordan: Lessons for the Future*, Orientations in Development Series 2250, June 2001, Middle East and North Africa Region, World Bank, June 2001.

2.3 There were other estimates of poverty using the same base survey data by Jordanian analysts. Some of these methods resulted in poverty lines that were higher than those used in the World Bank poverty assessment and consequently resulted in higher estimates of the incidence of poverty. Because of different assessments of the poverty line there is considerable controversy about the level of poverty. Some estimates put the headcount index of poverty in 1997 at about 30 percent compared to the Bank’s estimate for 1997 of about 12 percent.¹ One of the Bank’s roles should be to close this large gap in the

¹ For example, Al-Khasawne, Mohammad, Able Salam Al-Naiemat, and Obeid Al-Rawdhan (September 1998); *Poverty and Unemployment in Jordan*; Amman: Royal Scientific Society (in Arabic), found a poverty rate of 26 percent of households in 1996, relying on the 1996 Survey of Labor, Unemployment, Unemployment and Income. The Mrayyan and Kamal study (September 1997), *Poverty Alleviation: Policy Measure*, draft, Ministry of Planning and UNFPA, concluded that 21 percent of households were poor in 1995, using the 1995 Jordan Living Conditions Survey. An earlier study based on the 1992 Income and Expenditure Survey found that the fraction of poor households was 21.3 percent in 1992 (Al-

estimate so that the focus can be then squarely on policy and strategy to reduce poverty rather than a continuing debate on the level of poverty itself. Both of the Bank's poverty assessments reviewed the range of poverty estimates and concluded that the Bank's approach was defensible on practical and theoretical grounds. Of course no method is perfect since all methods involve some judgments and trade-offs. This evaluation agrees with the Bank's approach, but considers that any future estimate of the poverty line should take account of information from the next household survey and assess changes over time in the structure of food and other basic consumption needs of those households at or close to the poverty line. Every attempt should be made before the next poverty assessment is completed (hopefully as a collaborative effort between the Government and the Bank) to achieve consensus on the appropriate poverty line. This review is not intended to adjudicate among the various poverty estimates, but it would appear that, given the improved growth rates over the last few years, that the current incidence of poverty in Jordan could be between 11.5 and 12 percent. That is still a sufficiently high number to be cause for considerable concern and to underline the urgency of ensuring that policies and strategies are defined to reduce poverty.

2.4 Projections on the basis of projected growth rates of GDP by the Bank up to 2001, assuming no change in the level of inequality as measured in 1997, a poverty line held constant in real terms at JD 313.5 per capita per annum in 1997 prices, and using population growth projections prepared by the Jordanian Department of Statistics, suggest that the incidence of poverty up to 2001 would be the same as its level of 11.7 percent in 1997 because per capita growth rates for 1999, 2000 and 2001 were 0.0, 1.3, and 1.3 percent respectively.

2.5 **Comparisons with other countries in the region.** Annex B provides information on the incidence of poverty for seven countries in the Middle East and North Africa Region (MENA) for comparable years. It shows that the incidence of poverty in Jordan was on the low side compared with most other countries in the region in 1997, despite the Gulf War. Nevertheless, Jordan's economy remains extremely vulnerable to dislocations of various kinds among the Gulf countries and hence increased poverty is always a danger. Comparisons of poverty levels among countries in the Region are provided in Annex A. With Gini coefficients at levels between 0.35 and 0.40, inequality in Jordan for 1992 and 1997 was not out of line with inequality in other countries in the region which all had Gini coefficients between 0.30 and 0.40 in recent years.²

2.6 **Where are the poor?** Table 2.2 shows that in 1997 the incidence of poverty was greater in rural areas (18.2 percent) than in urban areas (10.0 percent) in 1997. In the same year the incidence of poverty in the capital Amman was estimated at 7.8 percent. The governorate of Mafraq had the highest incidence of poverty in 1997, namely 29.2 percent.³ This region is characterized by an extremely dry climate with very few natural

Saqour *et al.*, 1993), *Report of the Poverty Study: Reality and Characteristics*; Amman: Ministry of Social Development. Finally, Mohamed Baqer (1999), *Measuring Poverty in Western Asian Countries*; United Nations, Economic and Social Commission for Western Asia, estimated the incidence in 1992 at 21 percent and 33 percent in 1997.

² Poverty and Inequality in the Middle East and North Africa (MENA) Region: A Report on the Availability of Household Survey Data and Trends in Poverty and Inequality since 1980, prepared by Richard Adams, October 17, 2001.

³ It should be noted that the sample for the household survey was constructed to derive nationally representative information and hence the information on governorates does not carry the same order of accuracy as the national

resources or employment opportunities. The poverty gap (depth of poverty) was also greater in rural than urban areas. In 1997 the poverty gap was estimated at 4.0 percent in rural areas compared with 2.2 percent in urban areas and indicates that poverty will be much easier to reduce in urban than rural areas. The Mafraq governorate also had the greatest depth of poverty in Jordan at 6.8 percent.

Table 2.2: Regional Distribution of Poverty

Regions/Governorates	Population (%)		Headcount Index		Poverty Gap Index	
	1992	1997	1992	1997	1992	1997
Jordan	100.00	100.00	14.42	11.70	3.58	2.54
Urban	77.36	78.99	12.45	9.98	3.15	2.15
Rural	22.64	21.01	21.15	18.16	5.07	4.01
Amman (includes Madaba)	38.37	40.29	9.29	7.78	2.12	1.45
Irbid (includes Jarash and Ajlun)	25.25	24.08	11.69	16.25	2.56	3.59
Zarqa	17.72	14.98	13.42	7.70	3.55	1.73
Balqa	5.95	6.83	37.72	15.74	11.08	3.84
Mafraq	4.40	4.47	30.76	29.22	7.87	6.75
Karak	3.85	3.98	28.56	8.18	6.04	1.82
Ma'an (includes Aqaba)	2.76	3.87	17.85	14.82	5.09	3.66
Tafilah	1.70	1.49	19.74	14.70	6.73	3.81

Source: Radwan A. Shaban, Dina Abu-Ghaida, Abdel-Salam Al-Naimat, *Poverty Alleviation in Jordan: Lessons for the Future*, Orientations in Development Series 2250, June 2001, Middle East and North Africa Region, World Bank, June 2001. Note that the poverty line used to compute the measures of poverty in this table was JD 313.5 per capita per year in 1997 prices. This is an update of the poverty line used by the World Bank's 1994 Poverty Assessment, which was an update of the official poverty line originally derived by the Ministry of Social Development for the year 1987.

2.7 Health and poverty. In line with most other countries health indicators for Jordan point to the fact that people in the lower-income social strata suffer from more health problems than those in higher-income groups. Households where the main income earner is in bad health are concentrated in the lowest part of the income distribution. For example, a survey in 1996 showed that one in three households in the bottom decile of the population include a main income earners with chronic health problems, as opposed to only 7 percent of the highest income households.⁴

2.8 Education and poverty. Survey results in both 1992 and 1997 showed that there is a strong inverse relation between the extent and level of education and the incidence of poverty in Jordan. In 1997 those classified as illiterate had an average incidence of poverty of 21.2 percent and a poverty gap of 5.7 percent. For those with a secondary education the incidence of poverty was only 6.0 percent with a poverty gap of 1.1 percent. Basic and secondary school dropout rates are significantly higher for rural and lower-income children, and especially those from less-educated households. This confirms similar relationships based on data from earlier surveys. The association

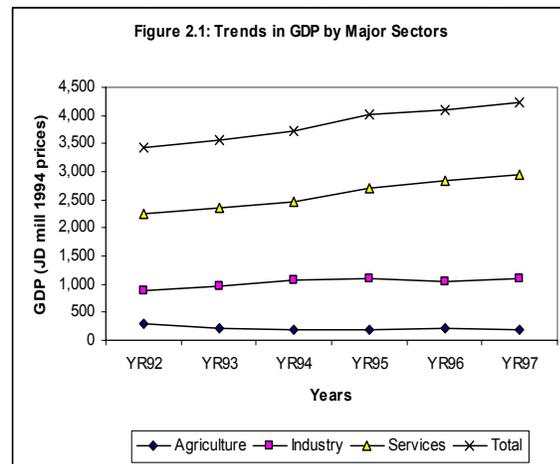
information. One additional reason for treating these estimates with caution is that poverty estimates in the governorates were made using one national poverty line. The new survey being undertaken in 2002/2003 will have a larger sample so as to be able to obtain accurate poverty estimates for governorates.

⁴ Source: Jordanian Society: Living Conditions in the Hashemite Kingdom of Jordan by Jon Hanssen-Bauer, Jon Pedersen, and Age A. Tiltnes, Fafo, 1998.

between education levels and poverty is clear. This relationship has been the rationale for the pro-education public expenditure programs.⁵

2.9 The Gulf War and employment. Household surveys in 1992 and 1997 showed, not surprisingly, that the unemployed had the highest incidence of poverty at 16.4 and 26.3 percent respectively. Therefore, a strong economy and access to good jobs would undoubtedly reduce poverty levels and this was the situation in the 1980s.⁶ But by 1989 unemployment, resulting from a weak economy, had already started to rise in Jordan (before the Gulf War), reaching 10.3 percent.⁷ After the Gulf War unemployment increased to almost 19 percent in 1991 as the working age population in Jordan grew that year by an estimated 14 percent, compared to its historical average growth of 4 percent, and the labor force increased by an estimated 100,000 workers, many times higher than base line trends, (2001, World Bank internal document). Re-entry into the workforce by those returning from foreign employment was difficult. For example, Jordanian men returning to Jordan were estimated to be 25 percent more likely to end up unemployed than local Jordanians. Restrictions on the employment of non-Jordanians in some occupations also had a depressing impact on wage levels in those remaining jobs for which they were eligible. This situation continues to exist among the 300,000 foreign workers working mainly in agriculture and the construction industry.

2.10 Reasons for the decline in poverty between 1992 and 1997. Economic growth has barely kept pace with population growth between 1992 and 1997. Population growth was 4.2 percent per annum (already a decline from the inflated rate of 7.7 percent caused by the influx of Jordanians in the early seventies) compared with aggregate GDP growth of 4.4 percent per annum. It is then curious that the Bank estimates show a decline in poverty between 1992 and 1997. Figure 2.1 shows GDP trends for the three main sectors for these years. During this period the agricultural sector had a negative growth rate of 7.2 percent per annum and hence agriculture could not have been part of the explanation. The likely sector was services which grew at a rate of 5.6 percent per annum and could have been an important source of employment for the poor.



2.11 The Bank's latest poverty assessment for Jordan concluded that the main reason for the significant reduction in poverty during the nineties was a decline in inequality resulting from increased employment opportunities arising from trade liberalization, and positive benefits from targeted government poverty alleviation programs. Trade

⁵ The other part of the rationale is the objective of providing the population with the skills to successfully take up jobs in other countries in the region.

⁶ The Ministry of Planning disagreed with this statement stating that, "Poverty in Jordan is related more to low wages rather than to unemployment."

⁷ See Bank Report No. 12675-JO, *Hashemite Kingdom of Jordan: Poverty Assessment*, Volume II-Labor Market, page 21.

liberalization could well have had a positive impact on employment in the service sector. Better consumption outcomes from better targeting were achieved because the government moved away from general food subsidies, which were probably only marginally beneficial to the poor, to progressive cash transfers after 1992 which focused benefits on the unemployed and those not physically able to take up available jobs. This program would, a priori, have had a greater impact on poverty reduction than general food subsidies because targeting of the poor was quite successful. Box 2.1 provides a brief overview of the change from general subsidies to targeted programs as well as other recent changes in social assistance programs.

2.12 Linking growth to potential poverty reduction in the poverty assessment was relevant from a policy point of view. The poverty assessment did not, however, provide information on who were the poor other than in broad geographic terms because the sample for the household survey was not large enough. More detailed information on the characteristics of the poor would probably provide more clues about the prospects for different types of broad-based and targeted poverty reduction programs in future. It is possible that large pockets of poor in a variety of locations may not benefit from national economic growth and, hence, specific targeted programs will be necessary. It should be noted, however, that the current round of the Household Income and Expenditure Survey has a much larger sample and will therefore provide much more detailed information than previous surveys.

2.13 ***Policy for future poverty reduction.*** A sustained solution to poverty reduction in the future will need to be based on stimulating growth and employment. The most recent poverty assessment estimated that a growth rate of GDP of one percent per capita per annum would be required on a sustainable basis for the incidence of poverty not to deteriorate from its current level. Hence with an observed growth rate of 4 percent per annum during 2000 and 2001 (according to official statistics) and a population growth of 3 percent per annum, poverty could not have declined. A growth rate of two percent per capita per annum will be required for the incidence of poverty to decline. This is a substantial challenge and it is therefore no surprise that the Bank has devoted significant resources to evaluating the sources of growth for the Jordanian economy. A major problem is that it is hard for the Government to expect significant growth in the economy because despite its efforts to stimulate investment, instability in the region has been a major deterrent to investment.

2.14 The Government decided in May 2002 on substantial changes to its social safety net program with objective of making the targeted transfer program for families without any source of income more substantial, and challenging the employable poor to find jobs while assisting them to make a successful transition to sustainable employment with education, training, health care and credit. The revised program is also aimed at making the administration of the social safety net program effective and efficient. The main elements of this new program are also described briefly in Box 2.1. It should be noted, however, that the changes proposed now for improving the effectiveness of the targeted assistance programs had already been recommended in 1997 in a report prepared in

connection with improving the operations of the National Aid Fund that became part of the Social Productivity Program.⁸

Box 2.1: Evolution of Social Support Policies During the 1990s to 2002

General subsidies to targeted assistance: A key commitment of Jordan's Economic Reform and Development Loans in the 1990s was the elimination of general (non-targeted) food subsidies. Food subsidies were provided in various forms from the 1970s. At first Government provided general subsidies to food prices. This was followed after 1991 by a food coupon system under which each Jordanian household was able to purchase a certain quantity of food at discounted prices. In 1994 the coupon program was changed to a targeted program under which only households with a monthly income of less than JD 500 per month (chronically poor households) were eligible. In September 1997 a direct cash transfer equivalent to the value of the coupons (JD 0.72 per capita per month) was introduced and also merged with the ongoing general bread subsidy (JD 1.28 per capita per month) and both programs became subject to the eligibility criterion of JD 500 per household per month.

The Social Productivity Program (SPP) brought a broader perspective: In early 1996 Jordan requested the Bank to assist in the design of a strategy to fight poverty and unemployment. On the basis of the Bank's response to this request and subsequent discussions with the Government a Social Productivity Program was initiated in late 1997 which included the National Aid Fund (NAF) programs and added three others.

NAF becomes focal point for social support program: The NAF (established in 1986) supplemented the coupon and cash transfer programs providing monthly cash assistance to households without an income source or in similar difficult circumstances. There were four NAF programs, namely (a) recurring cash transfers; (b) emergency cash assistance; (c) cash assistance for the disabled; and (d) assistance for physical rehabilitation and loans to beneficiaries. NAF is estimated to have assisted about 2.6 percent of the population in 1997. In 1999 the direct, targeted, cash transfers based on food costs were eliminated leaving the NAF as the sole source of assistance to the poor. In that year NAF covered about 3.6 percent of the population with a budget of about 1.5 percent of GDP. For comparison, in 1985, 1988 and 1989 the earlier system of general food subsidies accounted for 1.8, 0.9 and 2.9 percent respectively of GDP, with the proportion in 1989 inflated by a devaluation of the exchange rate. By 2002 the number of families receiving NAF assistance climbed to 53,000 which would be equivalent to about 318,000 people or 6.3 percent of the population and probably about 50 percent of the poor.

Other programs in the SPP: Programs additional to the NAF were (a) Community Infrastructure Program which supported infrastructure development in selected urban and rural areas and is supported by a number of donors and a Bank loan of \$30 million approved in August 1997; (b) Training and Employment Support Project which was a pilot approved by the Bank (\$5 million) in May 1998 designed to match the type of short-term vocational training against the business community's skills requirements; and (c) Small and Micro-enterprise support financed by USAID through technical assistance, training and business support services and credit. The target populations for this ongoing program are poor women in camps, rural areas and urban pockets of poverty. The Bank provides technical assistance for this program through non-lending services. There was a fourth element, namely the Program Implementation Component, to ensure monitoring and evaluation. Another Household Income and Expenditure Survey has been started in 2002 by the Department of Statistics. Monitoring of the SPP is the responsibility of the Ministry of Planning.

Changes in the social safety net program: In May, 2002, following a review of the social safety net program, the Government decided to revise it to extend and deepen its coverage. The broad objectives are a basic standard of living for all through cash transfers and income generation, improved education and health services, and a reduction in the population growth rate. Elements of the new program will target benefits to the poor, working poor and near poor through (a) increased direct cash transfers to households with no possible income source to a level equivalent to the poverty line limited to a family of six; (b) a Family Income Supplement for the working poor (57 percent of all the poor) to allow families to earn income while still eligible for a supplement that brings their total income to at least equal to the poverty line, supported by education/training programs; (c) access to microfinance for income generation, education and family planning and health care to assist the near poor; and (d) other elements that include a national database for all recipients of assistance and available to all social service agencies, and streamlining NAF management.

Information in this box was drawn from: *Main Report of the National Aid Fund Task Force*, Ministry of National Planning, September 13, 1997; 1999 World Bank data; *Poverty Alleviation in Jordan: Lessons for the Future*, Orientations in Development Series, World Bank, June 2001; *Poverty Alleviation for a Stronger Jordan*, Ministry of Social Development, May 2002; and mission discussions with NAF.

⁸ A core element of the Government's recently announced national strategy for poverty reduction is identical to the recommendations of a task force established by the Government and released in a report titled *Main Report of the National Aid Fund Task Force* dated September 13, 1997. This was a sound document; the Bank provided considerable assistance in its preparation. Surprisingly, the task force report was not cited in the Government paper that outlines the Government's recently announced strategy.

3. Correlates of Poverty

3.1 This part of the paper provides a summary of indicators of poverty that are not based on consumption expenditures. The indicators that reflect the extent and quality of health and education services available to the Jordanian population provide an important and rich additional perspective on what it means to be poor.

3.2 **Health.** Today, health conditions and indicators in Jordan are better than the average for middle-income countries. The coverage of health services, such as potable water, sanitation, and immunization that are of a public goods nature is generally quite high (Table 3.1). The Ministry of Health and the Royal Medical Services serve more than three quarters of the population. Jordan University Hospital and the United Nations Relief and Works Agency (UNRWA) are also major providers of health services and there is a strong private sector, especially in Amman. Given the fact that the Government is spending a generous share of GDP (9.1 percent) on public health services, high compared to other middle-income and even some industrialized countries, there generally do not appear to be major financial or physical access problems. Nevertheless there remain a substantial number of poor who are inadequately served. In such circumstances it would seem to be a more equitable policy to reduce the average benefits to all members of society in order to deliver additional targeted assistance to the poorest groups.

3.3 The situation is that although the Government provides subsidized care for the entire population and the poor have good access to health care,⁹ the equity of access for the poor and near poor could be improved. First, those who are eligible for Civil Insurance and the Royal Medical Services, have a cap on premiums so that higher income individuals pay a lower share of their income as premiums than lower paid individuals. Second, the remaining 20 percent of the population that is not covered by health insurance are poor or near poor and, despite their eligibility to purchase health care at subsidized prices, still pay more than those insured.¹⁰ Third, the near poor (rather than the poor) seem to be the most disadvantaged group in terms of financial access to health care. For example, since the income eligibility level for the poor to be covered under the Civil Insurance Program is low, many near-poor who are not covered through this program and may face financial difficulties even at the highly subsidized rates charged by Ministry of Health (MOH) facilities. Finally, many lower level positions in the Government are not classified as civil service positions, and these employees are not eligible for the Civil Insurance Program. On the other hand there are ways in which approaches to the Ministry of Social Development can result in assistance for the needy.

⁹ Approximately 80 percent of the population is covered by the Civil Insurance Program or receive services from the Ministry of Health and Jordan University Hospital at highly subsidized prices. According to the Civil Insurance Program, 0.95 million people have been issued insurance cards, which include civil servants and their dependents (810,605); retirees and their dependents (51,197); the poor and their dependents (88,022), disabled (4,076) and blood donors. While the remaining 20 percent of the population does not have formal insurance coverage; these individuals can receive health services from the public sector at highly subsidized prices.

¹⁰ See Bank Report No. 15418-JO, *Hashemite Kingdom of Jordan—Health Sector Study*, August 12, 1996, page 17; and Bank Report No. 19006-JO, *Project Appraisal Document for a Proposed Loan to the Hashemite Kingdom of Jordan for a Health Reform Project*, March 5, 1999, page 6.

Table 3.1: Selected Health Indicators, 2000

<i>Indicator*</i>	<i>Jordan</i>	<i>Algeria</i>	<i>Egypt</i>	<i>Morocco</i>	<i>Tunisia</i>	<i>Lower middle income</i>	<i>Middle East & North Africa</i>
Immunization, DPT (% of children under 12 mos.)*	85	83	95	94	100	87	92
Immunization, measles (% of children under 12 mos.)*	83	78	96	93	93	87	91
Improved water source (% of population with access)	96	94	95	82	...	80	89
Improved water source, rural (% of rural population with access)	84	88	94	58	...	69	80
Improved water source, urban (% of urban population with access)	100	98	96	100	...	95	96
Sanitation (% of population with access)	99	73	94	75	...	52	83
Sanitation, rural (% of rural population with access)	98	47	91	42	...	35	67
Sanitation, urban (% of urban population with access)	100	90	98	100	...	79	94

* 2000 data; but immunization DPT and measles is for 1999 only.

Source: SIMA database as of January 28, 2002.

3.4 Education. A 1991 World Bank internal document concluded that in spite of high enrollment, the education system in Jordan was inadequate, overstaffed and of poor quality. The rise in local unemployment and the need to keep up Jordan's share in regional labor markets, evokes a need for upgrading the quality of the labor force. An earlier, 1989 World Bank internal document stated, inter alia, that Jordan had one of the highest rates of coverage of school-age population among middle-income countries. It stated that gross enrollment rates in 1985/86 in Jordan were: 113 percent for primary schools (grades 1–6); 97 percent for preparatory (grades 7–9); 65 percent in secondary schools (grades 10–12) and 24 percent in higher education. The report added that Jordan's primary school enrollment rate exceeded that of comparable countries in the region (e.g., Morocco, Algeria, Egypt, and Morocco). On the other hand current data published by the Bank indicate that gross and net enrollment rates in primary schools in Jordan are now much lower than regional comparators (see Table 3.2), although enrollment rates in secondary schools are higher than regional comparators.¹¹

3.5 The impact of government efforts to increase enrollments and improve the quality of education is difficult to evaluate precisely because the evidence is mixed. One study prepared by the National Center for Human Resource Development (NCHRD) in 1997 showed, inter alia, that performance scores in mathematics for 8th graders had improved significantly between the pre-reform period (early 1990s) and the post reform period (1995).¹² On the other hand another NCHRD study published in 1999 (based on data

¹¹ The Bank's Jordan Country Team has advised OED that there are differences between the SIMA data (based on UNESCO information) and the data applicable to Jordan's grade structure which for basic education is 6 years "elementary" and 4 years "preparatory". The UNESCO data for Jordan are for a 10 year cycle. Net enrollment rates for elementary (primary) and preparatory (secondary) are therefore estimated as 89.6 and 81.8 percent respectively in 2000. There is some evidence, however, to support a downward trend in enrollment performance in Jordan with a decline for basic education enrollment from a peak of 91 percent in 1998 to a little over 84 percent in 2000. The Jordan Country Team has also advised, on the basis of information from the Ministry of Education, that it is believed that current estimates of the school-age population may not take into consideration the out-migration of refugees since 1994 and that this could lead to an underestimate of enrollment rates. OED has no way of satisfactorily evaluating this matter, but it would appear that even if enrollment rates are not as low as indicated in Table 3.2, there has nevertheless been a decline over the last three years.

¹² National Center for Human Resource Development, *Reform Impact on Mathematics Achievement of Basic Schools in Jordan*, 1997.

collected in May 1998) concluded that only 7 percent of fourth grade students had reached an acceptable level of competency in mathematics expected for that grade. Only 51 percent achieved a modest level of competency and 41 percent had an unacceptable competency. The results for Arabic language competency were similar.¹³

Table 3.2: Selected Education Indicators (as at 1998)

<i>Indicator</i>	<i>Jordan</i>	<i>Algeria</i>	<i>Egypt, Arab Rep.</i>	<i>Morocco</i>	<i>Tunisia</i>	<i>Lower middle income</i>	<i>Middle East & North Africa</i>
Education coefficient of efficiency (ideal years to graduate as % of actual)	...	84.1	91.7	65.5	...	...	...
Illiteracy rate, adult female (% of females ages 15 and above) ^{a/} *	15.7	42.9	56.1	63.9	39.4	21.4	45.5
Illiteracy rate, adult male (% of males ages 15 and above)*	5.2	21.8	33.3	38.1	18.6	9.2	24.4
Pupil-teacher ratio, primary	24.7	..	24.2	27.7	24.5	24.0	...
School enrollment, primary, female (% gross)	89.0	104.0	96.0	...	116.0	...	...
School enrollment, primary, female (% net)	83.0	92.0	89.0	...	96.0	...	...
School enrollment, primary, male (% gross)	89.0	114.0	104.0	107.0	123.0	...	...
School enrollment, primary, male (% net)	82.0	96.0	95.0	85.0	99.0	...	...
School enrollment, secondary, female (% gross)	81.0	67.0	78.0	35.0	73.0	...	...
School enrollment, secondary, female (% net)	75.0	59.0	...	...	...	...	...
School enrollment, secondary, male (% gross)	79.0	66.0	84.0	44.0	72.0	...	...
School enrollment, secondary, male (% net)	70.0	58.0	...	...	...	...	...

a/ for 2000.

Source: SIMA Database as of February 12, 2002.

3.6 Concerns about the quality of education and training were found in many other evaluations and commentaries of the education system. Vocational education was also said to be at a low standard.¹⁴ The mission spoke to a cross-section of employers who were unanimous in their view that applicants for jobs in their industries were less well prepared for employment now than applicants in earlier years. Improvements in the quality of education take time and are difficult to achieve under the best of circumstances. On the other hand, the situation in Jordan does raise the question: Why did the basic school education system falter at a time when Bank assistance (together with assistance from other donors) to the sector, particularly to primary and secondary schools, was substantial?

3.7 This is a serious development question because recent household survey data in both 1992 and 1997 show that there is a strong relationship between the level of educational and the incidence of poverty in Jordan. As mentioned already, the

¹³ Kapur Ahlawat and Tayseer Al-Nhar, *Monitoring Learning Achievement and Instructional Quality in Primary Grades of the Basic Cycle in Jordan: Phase III*, National Center for Human Resource Development, Publication Series (69), 1999. A number of other papers published by the Center reveal shortcomings in the education system. For example, in a report prepared by Omer Hassan Al Shiekh titled, *An Evaluation Study of School Curricula and Textbooks in Jordan*, 2001 provided many examples of poor teaching and student performance because of inadequate curricula and textbooks.

¹⁴ A paper by Zafiriz Tzannatos and Victor Billeh on education in Jordan in *Vocational Education and Training Reform: Matching Skills to Markets and Budgets*, in a Joint Study by the World Bank and The International Labor Office, March 2000 edited by Indermit Gill, Fred Fluitman and Amit Dar, noted that "Arguably the factor contributing the most to the low or mediocre quality of instruction is the workshop instructor's lack of work experience. Instructors have frequently not mastered the crafts they teach, and they lack role models with high standards," page 445.

Government of Jordan has allocated a high proportion of its public expenditures to education when compared to countries with similar levels of income. General education is a major item of public expenditure, the bulk of which goes for general primary and secondary education. Public expenditure on education and manpower training increased from 9.1 percent of the 1981–85 plan budget to 11.9 percent in the 1986–90 plan budget. In 1989, the actual total expenditures from the budget for all public education amounted to 13 percent of total budget expenditures or about 6 percent of GDP (1991 World Bank internal document).¹⁵ Education at the university level has until recently been financed from public resources, although the role of private education is rising rapidly after the government allowed private universities to open in 1990. For example, between 1990/91 and 2000/01 the enrollments at public universities increased to almost 79,355 students, while the enrollment at private universities increased very rapidly from 1,324 in 1990/91 to 39,300 students in 2001.¹⁶ Despite continued expansion, doubts have been expressed about the quality standards at private universities.

3.8 The Government's expenditures on education have paid dividends by making it possible for Jordanians to acquire skills necessary to obtain jobs in other countries in the region. Remittances from these workers have financed a large proportion of Jordan's imports and domestic investment. For example, during the mid-eighties (1984–1987) when numerous Jordanians were employed in other countries about half the value of goods and services imported were financed by remittances. But the Gulf War and the continuing conflict in the Middle East, made the export of human capital from Jordan a problematic strategy. Demand for labor domestically became tight because of the reduced foreign employment. The situation is improving gradually as increased numbers of Jordanians find jobs in other countries and remittances are growing again.

3.9 The Government has also focused on generating domestic employment. An internal report for the Seventh Bank-Assisted Education Project noted the start to this change in policy between the Government's 1981–85 and 1986–90 plans. The earlier plan had emphasized large capital-intensive projects while the next plan was aimed at generating employment and incomes through development of small-scale manufacturing enterprises and technical service firms directed at the export markets and agriculture. Unfortunately small-scale industry has not generated anywhere near enough jobs with the result that the unemployment rate is currently about 14 percent according to official statistics. Many Jordanian observers estimate it to be much higher.¹⁷

¹⁵ Education costs in Jordan are almost all allocated to salaries. Annual salaries of teachers with 15 years experience are typically a multiple of 2.9 per capita GDP which is very high by international standards. For example, the average wage of teachers with 15 years experience in OECD countries is a multiple of 1.3 of per capita GDP. (OECD, *Education at a Glance*, 2001).

¹⁶ One Government strategy to relieve pressures on its budget after the start of the Gulf War was to allow private universities to develop. They developed rapidly, but there are substantial misgivings within the Jordanian higher education community about their quality standards.

¹⁷ Unemployment data reveal that only 17 percent of women are in the workforce (Munther Masri, *Human Resources Development Strategy in Jordan*, National Center for Human Resource Development, Publications Series No. 73, 1999).

4. Bank Products and Services

4.1 This chapter, together with Annex C, provides an evaluation of the Bank's non-lending (analytical and advisory services or AAA which includes strategic work) and lending assistance in poverty, health and education. There are, however, many excellent reports and papers prepared by other institutions that have made an impact on the Bank's education policy and investment decisions. Some have already been mentioned earlier in this draft and others will be mentioned later.

Country Assistance Strategies

4.2 Three Bank's strategies were prepared for Jordan during the nineties. They all emphasized the importance of growth in achieving poverty reduction and the need to improve the country's health and education services.¹⁸ There was considerable optimism in the mid nineties that this strategy could be implemented because growth in GDP was projected in the 1995 Bank's strategy to increase from 5.6 percent in 1995 to 6.2 percent per annum in 1999. This optimism was misplaced because growth projections turned out to be seriously flawed. In retrospect the high growth projections were not consistent with the available data at that time on non-housing investment that was very low and could not have supported a high growth rate. The reasons for the flawed projections are not completely clear. Subsequent projections in the 1999 Bank's strategy suggesting a slow rise in GDP growth from 1.2 percent per annum in 1999 to 4.4 percent per annum in 2002 were more realistic. So far annual growth in the second half of the nineties has been in the range of 2.1 to 3.1 percent per annum; in per capita terms the average growth has been negative.

4.3 ***Challenges in the labor market.*** The Government's program of human capital development for the nineties needs to be seen in the context of the experience of the previous decades. In sharp contrast to the situation in the mid seventies, the mid eighties saw the rapid population growth mentioned already in an earlier section of this paper. There was also increased female labor force participation, and reduced emigration for employment in the Gulf which led to a projection by the Bank of labor force growth of 6 percent per annum in the mid eighties. Given the severely limited domestic employment opportunities, growth in the labor force in the eighties led to large manpower surpluses within Jordan in the nineties as domestic and regional labor markets continued to be tight. During the eighties and nineties the Bank, working with the Government, analyzed the demand and supply of manpower and the implications for policy and investment in education and training.

4.4 ***Human capital development and poverty reduction.*** Numerous informal reports were prepared which provided the intellectual basis for the many primary/secondary education and manpower projects approved in the eighties and completed in the nineties.¹⁹ The government responded with a strategy that included a comprehensive ten-year, three-phase reform of basic and secondary education, together with institutional and policy

¹⁸ There is one exception, namely the first Bank's strategy in 1993 made no mention of a strategy for education. This will be discussed in a subsequent section.

¹⁹ The most important reports in this group are reviewed briefly later in this paper.

development initiatives for scientific and technological capacity building.²⁰ Two of the main aims behind this strategy were to support domestic growth and the “export” of human capital which, it was anticipated, would in future generate foreign exchange through remittances. Despite these efforts, uneven access to a poorly managed health service, shortcomings in the match between educational programs and the skills required in the labor market, and a sluggish informal sector resulted in continued poverty in Jordan. Concern at the highest levels of Government about the chronic nature of poverty compared with the situation in the eighties led to the establishment of the Social Productivity Program in 1997 (see Box 2.1) involving a partnership between the Government, the World Bank and other donors with USAID playing a substantial supporting role. There were at the same time strategies for the health and education sectors in the Bank’s strategies that in theory would benefit the poor, but connections between the health and education strategies and poverty reduction were not made clear. These strategies are reviewed briefly below.

4.5 Health sector in Bank’s strategy. The first Bank’s strategy in 1993, provided an accurate diagnosis of the health sector’s problems and outlined a relevant strategy for structural reforms to improve service delivery and public sector efficiency. The 1995 Bank’s strategy addressed over-investment and underutilization of facilities as the most pressing problems in the health sector and suggested that future Bank lending support the introduction of financing mechanisms through a universal health insurance system that would improve the sector’s efficiency. Such a scheme was considered highly relevant at the time, particularly to ensure the payment of physicians who provide health services to the poor in remote rural areas. The 1999 Bank’s strategy also emphasized the importance of creating a universal health insurance system. All three Bank’s strategies proposed specific lending and non-lending activities as well as policy dialogue, to deal with the management and cost problems. However, the CASs provided no leadership on health policy reform, and the impact of the few proposals made has been limited. To date, only minor steps towards the implementation of the universal insurance system have been taken, but it is not clear that such a scheme is necessary;²¹ none of the sector analysis foreshadowed for the health sector in the 1999 Bank’s strategy have been initiated yet, and the success of lending interventions has been only moderately satisfactory.

4.6 Education sector in Bank’s strategies. Taken as a whole the strategic thrust on education in three Bank’s strategies during the nineties was piecemeal because there was no overall analysis of the needs and priorities in the whole education sector nor did the Bank’s strategies bring together the considerable analytical work by the Bank (and others) in the eighties on some relevant specific issues.

4.7 The 1993 Bank’s strategy made no reference to or proposals for the education sector. This was surprising because, as noted earlier, the Bank had already focused considerable attention on education policy and strategy in numerous reports and three Bank-assisted education projects were under implementation in 1993. Yet, in March

²⁰ The Government strategy in the late 1980s grew out of the first National Conference on Educational Reform in September 1987 under the patronage of H.M. King Hussein at which an Educational Reform Program to improve the quality of basic and secondary education was formulated and published in 1988.

²¹ See Bank Report No. 19006-JO, *Project Appraisal Document for a Health Sector Reform Project*, March 5, 1999, Annex 4.

1995 the second Human Resources Development Sector Investment Loan (not envisaged at all in the 1993 Bank's strategy) was approved to again focus on measures to improve educational quality which had already been a major focus of earlier education projects (see Table 4.2) and to introduce a more comprehensive approach to primary and secondary education.

4.8 In September, 1995 the next Bank's strategy highlighted the shortage of managerial and technical skills in the labor force which was described as a major impediment facing Jordanian companies in their attempts to achieve international competitiveness. This issue was addressed in a Higher Education Development Study, proposed in the Bank's strategy but no new lending for education was suggested in the Bank's strategy. The 1995 Bank's strategy discussed a range of concerns to the education sector. There was concern about continued shortfalls in the quality and efficiency of the education system at pre-university level. These were issues that had been the focus of most of the education projects up to this time. This Bank's strategy also drew attention to a mismatch between the skills of the university graduates in terms of their managerial, technical and problem-solving abilities and the demand from the market. The 1995 Bank's strategy did not make it clear whether pre-university or university education systems were in most difficulty but proposed a study on higher education. It should have been obvious that it was more valuable for the Bank to have reviewed the whole of the education system to lay the basis for deciding on priorities among the levels and types of public education and training, as well as determining the appropriate roles for the Government, rather than focus at that stage only on higher education. The upshot was that the Bank, on the basis of the study of higher education, predictably went ahead and financed a project to support higher education (to address the managerial shortcomings of graduates) and vocational training (to address the technical shortcomings of graduates) in much the same way as it had decided to focus on primary/secondary education and manpower projects in the eighties (see paragraph 4.3).

4.9 The 1999 Bank's strategy again noted the need for improvements in the quality of education and underlined the relevance of education quality to domestic and foreign labor markets. The Higher Education Development Study was completed and confirmed the shortage of technical and managerial expertise that subsequently formed the basis for the Higher Education Development project. The 1999 Bank's strategy noted that in spite of improvement in the quality of education, further progress is needed in both quality and relevance of education. This Bank's strategy proposed a review of the whole of the education sector in the context of a Social and Structural Review and to undertake a public expenditure review of the sector, but neither was accomplished. By then, however, the Bank had financed ten education projects without an assessment of the strategic objectives of the education sector as a whole. On balance this evaluation therefore rates the relevance of the strategy for education in the Bank's strategies as modest because, despite a number of manpower and education studies, there was no firm strategic basis for the Bank's overall assistance program in education.

Non-lending Assistance

4.10 Five pieces of formal published sector work on poverty, health and education and one unpublished report on Vocational/Professional Education and Training produced by

the Bank during the eighties and nineties were relevant to the Bank's assistance program in the nineties. In addition there was a review of Efficiency and Equity of Government Revenues and Social Expenditures in 1986, and a Public Expenditure Review in 1991 that were both published. All of these reports had implications for Bank assistance policy and lending, but they had varying impacts. A review of these studies can be found in Annex C where each is evaluated in terms of relevance, content and impact. The sector work is sub-divided into three groups, namely poverty, health, education and finally a couple that cover health and education. The following paragraph provides an overall evaluation of the eight reports and Table 4.1 is a summary of the evaluations of each report.

4.11 Overall evaluation of non-lending assistance. Individually the eight documents reviewed were predominantly satisfactory. They were all relevant and their internal quality and presentation varied from moderately satisfactory to satisfactory. Their major shortcoming was low impact. One curious aspect is that two of them, arguably among the most important for operational work, were not published. The poverty assessments, which were excellent pieces of work, have had a limited impact on the government. Although the first poverty assessment apparently convinced the Government to change its food coupon system to a targeted assistance program, many other recommendations were not taken up. The other reports also had less impact than expected since important recommendations, apparently endorsed by the Government, were not implemented. Nevertheless, the lending program proceeded without taking account of the conclusions from analytical work. A case in point is the conclusion in the Health Sector Review that health care sector management needed to be addressed; it was not addressed at all until 10 years later in the Health Sector Reform project.

Table 4.1: Summary of Evaluations of Economic and Sector Work, 1990–2000

<i>Evaluation Criteria</i>	<i>Poverty Assessment (1994)</i>	<i>Poverty Alleviation in Jordan (2001)</i>	<i>Health Sector Review (1984)</i>	<i>Health Sector Study (1996)</i>	<i>Vocational/ Professional Educ. and Training Study (1984)</i>	<i>Higher Education Devlpt. Study (1996)</i>	<i>Efficiency and Equity of Govt. Revenues and Social Expenditures (1986)</i>	<i>Public Sector Review -Health and Educ. (1999)</i>	<i>Overall Evaluation</i>
Relevance to poverty and/or education	Highly Sat	Sat	Sat	Sat	Sat	Sat	Sat	Sat	Sat
Internal quality	Highly Sat	Mod. Sat	Sat	Sat	Sat	Mod. Sat	Sat	Mod. Sat	Sat
Presentation and readability	Sat	Sat	Sat	Sat	Sat	Mod. Sat	Sat	Mod. Sat	Sat
Impact or likely impact	Mod. Sat	Mod. Sat	Mod. Sat	Mod. Sat	Mod. Sat	Sat	Mod. Sat	Mod. Sat	Mod. Sat
Overall evaluation	Sat	Mod. Sat	Sat	Sat	Sat	Mod. Sat	Sat	Mod. Sat	Sat

Note: Rating Scale: Highly Satisfactory, Satisfactory, Moderately Satisfactory, Moderately Unsatisfactory, Unsatisfactory, Highly Unsatisfactory.

Lending

4.12 Thirteen projects were reviewed, three which supported poverty reduction and the Social Productivity Program; three health projects, and seven education projects that were either closed or under implementation between FY90 and FY00. Table 4.2 provides a

summary of the education projects in terms of their objectives and achievements. Annex C provides a complete review and evaluation of each project as well as tables that summarize the evaluation methodology and the ratings for each project for the three main groups. Clearly, the most dependable evaluations will be for projects that have closed, but provisional evaluations have also been made for some projects that are under implementation but likely to be closed within a year or so.

4.13 **Overall evaluation.** The series of poverty reduction, health and education projects implemented during the nineties (amounting to a total commitments of \$397 million) had, according to the Bank's self evaluation, outcomes that were satisfactory in terms of implementation objectives. But these objectives, such as providing improved facilities and training, were a limited basis on which to measure outcome. Unfortunately a broader based evaluation of outcome which would include the impact of improved infrastructure and training on the quality of services was not possible because monitoring and evaluation were almost totally absent. In addition, there was a lack of sustainability. The following paragraphs are brief summaries of the evaluations of the three groups of projects. More comprehensive reviews and evaluations are found in Annex C and Tables 4.3 to 4.5 provide summaries of evaluations of the poverty reduction, health and education projects.

4.14 The poverty reduction projects were the most successful in this cohort of projects. The Emergency Recovery Project was highly relevant and the outcome was also highly satisfactory and it highlighted close collaboration among donors. The Training and Employment Support Project was a relevant and innovative pilot. To the extent this pilot has been implemented, it has had a satisfactory outcome according to information available at the time of the OED mission. It is regrettable that the Government chose not to pursue this pilot project because, in the view of this evaluation, it was an excellent example of a demand-driven skills training program that could be successfully implemented at low cost to the Government.²² The Community Infrastructure Project was also an important contribution to poverty reduction because it financed improvements to basic infrastructure in poor communities, refugee camps and settlements. It has so far proved to be successful but it is too early to evaluate the final outcome.

4.15 In the health sector the quality of public services remains below standards expected by the public despite years of assistance from the World Bank and many donors. Major health sector reforms, identified as necessary for the improved efficiency of the sector, have not yet been implemented. For the poor, there are arrangements for receiving assistance through the Ministry of Social Services to meet the costs of health care but this is not likely to be sustainable in the longer run without a universal health insurance program. This evaluation concludes that construction programs, though always important for the improvement of the environment for service delivery, are increasingly less relevant to improving service quality in Jordan than improvements in policies and enhancement of the capacity of personnel. The Bank's assistance to the health sector has focused far too much on construction and information systems which, while obviously important, will not be used in the most efficient way because of the limited improvement

²² The Ministry of Planning disagreed with this statement noting that, "the Government has been pushing for such programs and in fact has adopted a National Training Program in 2002 based on this same principle."

in the quality of staff and no progress so far on health sector policy reform.²³ Notwithstanding the achievements of the construction program, the average outcome of Bank-assisted health projects implemented and closed during the nineties was rated as unsatisfactory.

4.16 Education projects completed in the nineties were based on a series of formal and informal sector analyses in the mid eighties. These reports came to similar conclusions and hence it is not surprising that consecutive projects had almost the same objectives such as improving teacher quality, enhancing school management and rebuilding school facilities. Despite a concerted emphasis on these core issues, OED's evaluation of the most recently closed project in a series of education projects approved over a period of 17 years starting in 1972 deplored that the quality of school management was still inadequate, and teaching and learning remained below acceptable standards for a modern country. It also concluded that teachers were not yet motivated and equipped to deliver better instruction (1999, OED internal document). The education projects, while financing much new construction and teacher training, were also not adequately focused on poverty reduction (such as by focusing on poor regions), even in the early to mid-nineties when the sharp increase in poverty in Jordan had already become well known. In order to reduce inequities in the higher education system the Bank did challenge the continuation of general subsidies in higher education which resulted in greater subsidies for students from families in the upper income quintile than in lower quintiles. From the data available it is not clear whether the proportion of subsidies in higher education going to students from families in the upper quintiles has decreased or not. On the other hand, it is acknowledged that cost recovery in higher education is high compared with other countries in the Region as well as the rest of the world, importantly in higher education, when the provision of recurrent costs continues to be a problem for the Government.²⁴

4.17 On the whole, based on their narrow objectives, and without being able to monitor the impact of projects on the quality of education, the outcome of the completed projects in this group was evaluated as satisfactory. But, as mentioned already in paragraphs 3.5 and 3.6, a number of studies are now raising serious questions about the quality of education in the Jordanian school system.

²³ A staff training program in the management of information systems is being developed as part of the Bank-assisted Health Sector Reform Project, but there have been delays because the first contractor's contract was terminate.

²⁴ For example, 25 percent of recurrent education costs are recovered in the public system. See Bank Report No. 20028, *Project Appraisal Document for a Higher Education Development Project*, February 1, 2000, page 2.

Table 4.2: Summary of Objectives Compared with Achievements for Education Projects (1980–2000)¹

<i>Project (yr. approved/yr. closed)</i>	<i>Objectives</i>	<i>Achievements</i>
Fourth Education Project (FY82/YF90)	<ul style="list-style-type: none"> • Expand supply of technicians. • Expand supply of vocational subject teachers. • Expand general and occupational education. • Increase the number of general vocational schools and apprenticeship training programs. • Increase the supply of paramedical nursing and mid-wifery personnel. 	<ul style="list-style-type: none"> • The output of trained technicians was disappointing. Enrollment two years after project closure was only 43 percent of the plans at appraisal. • The project's four General Vocational Secondary Schools (GVSSs) operate at considerably below their capacity, but this was attributed to the extension of the primary schools program by an additional year and a reduction in the number of years that students devote to secondary schooling. • The construction of the NPITI at Irbid was delayed by three years, but the nursing program is only half of that planned at appraisal because of lack of local hospitals for practical training.
Fifth Education Project (FY83/FY88)	<ul style="list-style-type: none"> • Increase the output of skilled workers. • Improve access to primary and secondary education in remote areas. 	<p>The output of trained technicians was disappointing. Enrollment two years after project closure was only 43 percent of the plans at appraisal.</p>
Sixth Education Project (FY84/FY93)	<ul style="list-style-type: none"> • Expand compulsory schooling (grades 1-9) from 91% in 1980 to 94% in 1985. • Expand access of children from rural families to preparatory and secondary grades. • Improve quality of education, particularly in science. • Raise female participation to 66% at compulsory schools and 40% at secondary schools. • Generalize pre-vocational instruction through provision of multi-purpose workshops and fellowships for instructor training. 	<ul style="list-style-type: none"> • Enrollment rate for compulsory schools (grades 1-10) reached 94%. For females enrollment rates reached 48% for compulsory schools, 51% for secondary schools but only 35% for vocational schools. • 13 out of 37 compulsory schools and 11 out of 16 secondary schools constructed in small towns. • About 67% of student places provided at schools were for girls.
First Manpower Development Project (FY86/FY93)	<ul style="list-style-type: none"> • Increase the supply of skilled workers trained in Vocational Training Centers (VTCs) by 1,300. • Enable VTC's Occupational Safety and Health Institute to increase the productivity of the workforce by reducing accidents and injuries. • Improve the quality and coverage of the Jordan Institute of Public Administration (JIPA). • Enable the Ministry of Health, through construction of a Nursing/Paramedical Integrated Training Institute (NPITI), to increase the annual supply of health workers. 	<ul style="list-style-type: none"> • Four additional trade training centers (TTCs) were constructed. Technical assistance provided and training started. • Achievements of this component not clear from the PCR except that new facilities constructed and "well located." • JIPA efficiency improved and outreach enhanced. • Nurses, mid-wives and trained health workers exceeded appraisal targets but paramedical technician training was scaled back by the authorities to align supply with estimated demand.

Table 4.2: Summary of Objectives Compared with Achievements for Education Projects (1980–2000)¹

<i>Project (yr. approved/yr. closed)</i>	<i>Objectives</i>	<i>Achievements</i>
Education VII (FY88/FY96)	<ul style="list-style-type: none"> • Improve the quality, relevance and cost efficiency of education. • Reinforce institution building in the Ministry of Education. • Strengthen the linkage between education/vocational training and skilled manpower demand. 	<ul style="list-style-type: none"> • Most elements of the first objective were met, including new instructional materials and associated teacher training, replacement of rented facilities with 62 modern school buildings, permitting reductions in double shifts and better maintenance. • The Ministry of Education was upgraded through training and the provision of equipment. A complementary program financed by the European Union helped introduce new student and teacher performance evaluation systems. Although delayed, institution building was well executed.
Human Resources Development Sector Investment Loan (FY89/FY97)	<ul style="list-style-type: none"> • Support major aspects of the Government's 10 year Educational Reform Program (ERP). • Raise the quality of basic and secondary education so as to develop student's cognitive skills. 	<ul style="list-style-type: none"> • An important achievement was the establishment of the National Center for Educational Research and Development (NCHRD) to monitor and evaluate education programs, undertake research, and institutionalize innovation. • While the quality of the education system and its institutions was seen as having improved by the ICR, the PAR judged progress as being below the standard for a modern country such as Jordan.
Human Resources Development Sector Investment Loan II (FY95/FY02)	<ul style="list-style-type: none"> • Improve educational quality. • Enhance the teaching-learning environment through improving teaching competencies, curricula and textbooks, administration and management, and the creation of a strong institutional framework particularly in relation to vocational and technical education, examinations and national assessment. 	<ul style="list-style-type: none"> • At project closing the Project Status Report stated that implementation had been evaluated as satisfactory, and that development objectives had been achieved.
Higher Education Development Project (FY00/FY06)	<ul style="list-style-type: none"> • Initiate improvements in quality, relevance and efficiency in higher education. • Initiate improvements in governance. • Support reform of the community college system. • Support project implementation capacity. 	<ul style="list-style-type: none"> • It is too early to evaluate achievements.

¹The Fifth Education Project was not evaluated in this paper because it was closed before the beginning of FY90, but it is included in this table to complete this summary of objectives and achievements.

Table 4.3: Summary of Evaluations for Completed and Ongoing Poverty Reduction and Social Productivity Program Projects (FY90–FY01)¹

<i>Item</i>	<i>Emergency Recovery Project</i>	<i>Training and Employment Support Project</i>	<i>Community Infrastructure Project</i>
Outcome	Highly Satisfactory	Satisfactory	tbd
Relevance	High	Substantial	Substantial
Efficacy	High	Substantial	tbd
Efficiency	na	na	na
ID Impact	Substantial	Negligible	tbd
Sustainability	Likely	Unlikely	tbd

¹ An explanation of the rating methods can be found in Table 1 in Annex C ; tbd = to be determined; na = not available.

Table 4.4: Summary of Evaluations for Completed and Ongoing Health Projects (FY90–FY01)¹

<i>Item</i>	<i>FY85 Primary Health Care Project</i>	<i>FY93 Health Management Project</i>	<i>FY99 Health Sector Reform Project (preliminary)</i>	<i>Average of Closed Projects</i>
Outcome	Unsatisfactory	Unsatisfactory	Moderately Satisfactory	Unsatisfactory
Relevance	Modest	Modest	Substantial	Modest
Efficacy/Internal Quality	Modest	Modest	Modest	Modest
Efficiency	na	na	na	na
ID Impact	Modest	Modest	Negligible	Modest
Sustainability	Unlikely	Uncertain	Uncertain	Uncertain

¹ An explanation of the rating methods can be found in Table 2 in Annex C ; na = not available;

Table 4.5: Summary of Evaluations for Completed and Ongoing Education and Poverty Reduction Projects (FY90–FY01)¹

<i>Item</i>	<i>Educ. IV</i>	<i>Educ. VI</i>	<i>First Manpower Devlpt.</i>	<i>Educ. VII</i>	<i>HRDSIL</i>	<i>HRDSIL II</i>	<i>Average of Closed Projects</i>	<i>Higher Educ. Devlpt.</i>
Outcome	Mod. Sat.	Sat.	Sat.	Sat.	Sat.	Sat.	Sat.	tbd
Relevance	Subst.	Subst.	Subst.	Subst.	Subst.	Subst.	Subst.	Modest
Efficacy	Modest	Subst.	Subst.	Subst.	Subst.	Subst.	Subst.	tbd
Efficiency	na	na	na	na	na	na	na	na
ID Impact	Subst.	Modest	Modest	Modest	Modest	Subst.	Modest	tbd
Sustainability	Uncert.	Uncert.	Likely	Uncert.	Uncert.	Uncert.	Uncert.	tbd

¹ An explanation of the rating methods can be found in Table 3 in Annex C; tbd = to be determined; na = not available

5. Development Effectiveness

5.1 The effectiveness of the Bank's development assistance in the health and education sector can be viewed here as a "top down" evaluation, in contrast to the analysis in Chapter 4 which is based on an evaluation of products and services which uses a "bottom up" approach. Development effectiveness can be evaluated on the basis of (a) what might have been the outcome for the sector involved had the Bank not provided assistance; and (b) a set of goals the Bank has established as its corporate development goals. Counterfactuals are fraught with difficulties but some reasonable options could be presented. The Bank's corporate goals are well defined and can be used as yardsticks for measuring effectiveness. Development effectiveness will therefore be evaluated in this paper from two perspectives, namely: (a) some reasonable counterfactuals; and (b) the Bank's performance in the light of its corporate goals.

The Counterfactual

5.2 *The Bank's contribution to the health sector.* If the Bank had not provided its development assistance to the Jordanian Health Sector, would the efficiency and quality of health services in Jordan be very much different than they are today? The primary goal of Bank assistance to the health sector, as stated in Bank CASs, was to improve service delivery, cost recovery, and public sector efficiency.²⁵ However, over the last 10 years, Jordan's public expenditures in the health sector have increased dramatically but the improvements in health services expected from the Bank-assisted Health Sector Management and the Health Sector Reform projects have not been realized yet. In addition, steps towards implementation of the universal health insurance scheme have been minimal. On the other hand progress is being made in the construction of facilities with only limited progress in improving management information systems.

5.3 *The Bank's contribution to government education expenditures.* What would have been achieved in terms of education development without the Bank's assistance program? For the cohort of Bank-assisted projects in Jordan from 1990 to 2001, the Bank contributed \$220 million to capital expenditures in basic education which represented 34 percent of total capital spending by the Government. Bank assistance was therefore substantial in relation to the government's own investment and had the Bank not provided these resources Jordan's education system would have been less well endowed. Information on the support from other donors is not immediately available, but it was also significant. In short the education sector in Jordan has received considerable outside support. On the other hand it is possible that less external assistance and therefore a tighter budget would have forced more careful choices in the use of resources and hence much higher efficiency.

Achieving Corporate Goals

5.4 The main features of the Bank's corporate goals are a long-term approach to development, client ownership, partnership, and a results-based accountability and

²⁵ While UNDP and other donors addressed fertility, mortality, and immunization issues.

learning. The extent to which each of these issues has been addressed in the Bank's assistance program for health and education development during the years 1990–2000 is reviewed below.

5.5 *Lack of a long-term approach.* It was not until the last project in the cohort of education projects reviewed in this paper that the government and the Bank mapped out a long-term strategy for the education sub-sectors. Previous projects had addressed specific issues such as management of schools and vocational training, typically re-examining the same issues with very little strategic perspective. It is understood that the Region is now engaged in a review of the cost efficiency of the education sector although the terms of reference have not been seen yet. It is, however, unlikely to provide a strategic perspective on the future of the education sector. In the health sector there is also no up to date review of future strategy since the last one dates back to 1996.

5.6 *Strong client ownership for assistance programs.* There was little question that Bank-assisted projects responded directly to the government's requests and government ownership was therefore assured. Jordan had chronic budget deficit problems through most of the eighties and nineties and hence Government ownership was driven at least as much by budgetary and balance of payments concerns as by its interest in the long term development of education and vocational training in Jordan. In 1999 and 2000 however, the dialogue leading up to the Higher Education Development project finally revealed a different perspective on the part of both the government and the Bank. There was finally not only a longer term approach to higher education but also an interest in framing a vision for the whole education sector. The Bank's analysis of higher education probably stimulated the broader vision and the much deeper client ownership of education policy issues. In the health sector the Government also "owned" the program but, apart from wishing to increase the number and quality of tertiary medical facilities, its motives for seeking assistance seemed to be largely to supplement the health sector budget which was facing serious difficulties. The recent initiative by H.M. King Abdullah called "Accelerating the National Social and Economic Transformation of Jordan" has underlined the urgency of making progress on human capital development and reflects a strong national ownership which the Bank could build on.

5.7 *Accountability has been weak.* Experience shows that effective monitoring and evaluation (M&E) including the selection of a limited number of appropriate indicators, attention to responsibilities, and capacity for data collection and analysis, enhances the focus on results and increases the likelihood of achieving a development impact. There was little monitoring and evaluation and few performance indicators in education projects. As a result the measurement of achievements has been virtually impossible. A reading of project documents and *ex post* reviews and evaluations in the education sector leaves the impression that results were not crucial and that the solution to inadequate achievement was easily found in another Bank-assisted project with the same or similar objectives

5.8 Weak monitoring and evaluation have been shortcomings in all Bank-assisted health projects in Jordan. Failure to address monitoring issues in the project design led to poor supervision and limited success of most of the projects. For example, in the Primary Health Care project and the Health Sector Management project, the relevant indicators to

monitor training outcomes were not identified; thus, to date, it is still difficult to assess the success of the programs and formulate a strategy for any future training programs.

5.9 There was little provision for monitoring in Bank-assisted education projects until the late eighties. The National Center for Educational Research and Development (NCERD) was established under HRDSIL (approved in FY89) to monitor and evaluate educational programs as well as undertake research and institutionalize innovation in the education sector. Since then NCERD has changed to the National Center for Human Resource Development (NCHRD) with broader mandate and has continued research into education issues which has included monitoring and evaluation.

6. Attribution

6.1 This part of the paper is about the contribution of the Bank's own initiatives, its collaboration with multilateral and bilateral donors, and the role of those development partners. It concludes with an evaluation of Bank performance.

Progress in Human Capital Development Attributable to the Bank

6.2 For the education sector the main achievements attributable to the Bank have been projects financing the construction of a number of new education and training facilities, as well as support for improving the quality of primary and secondary education. The Bank provided considerable impetus for these projects through focused studies of basic, secondary and vocational education which were used as the basis for designing the Bank-assisted education projects and to support the Government's policy of providing education to enhance the employment prospects for Jordanians in the region. A program of institutional change in higher education in order to improve its quality, relevance and efficiency can be seen as attributable to an evaluation by the Bank of higher education in Jordan.

6.3 Before the start of the Bank-assisted health projects in Jordan, the population's health status was better than that of country comparators and Jordan was showing a steady improvement in terms of health outcomes.²⁶ On the other hand when the standards of Jordan's health sector are compared between the period 1970–84 (before the start of the Bank assistance in the health sector in Jordan) and 1985–00 (the period that covers the Bank's interventions in Jordan), there is not very much improvement in the health indicators. Thus, it is difficult to say what can be attributed to the Bank's assistance to the health of Jordanians over the last 20 years.

6.4 The Bank's substantial presence in the education sector in the sector has been a major determinant to the decisions by other donors to become involved in lending for education. It also appears that the Bank's support for the establishment of the NCERD (subsequently the NCHRD) has also contributed to the confidence of other donors to become involved in the sector. This evaluation has concluded, however, that due to

²⁶ Annex D, Tables 1 and 2, provide information on progress in health indicators during 1970-84 and for 1985-2000 for Jordan and a number of country comparators.

losses of staff and too much energy devoted to project implementation issues, NCHRD has not yet reached its goal of providing independent high quality evaluation, analytical support, and policy and strategic leadership to the education sector.²⁷

The Role of the Bank's Development Partners

6.5 **Partnerships.** As already mentioned, the health and education sectors have been supported by different donors. The health sector in Jordan has been supported by several bilateral donors and multilateral agencies, including the EC, USAID, GTZ, UNICEF, WHO, UNFPA, and UNRWA.²⁸ The Bank closely cooperated with USAID as a part of the Partnership for Health Reform Program. While USAID concentrated on improving general health conditions and outcomes, the Bank focused on improving the access to and the quality of care. The Bank incorporated other donors in the Primary Health Care Project; this allowed the Government to develop a larger, more comprehensive project, without placing undue strains on their own resources. Other donors also participated in the Health Care Management Project. Throughout its cooperation with donors, the Bank learned that for successful implementation and the integrity of a project involving several donors, it is critical that an efficient and effective mechanism for coordination and supervision of all project interventions be defined beforehand. This lesson was implemented in the subsequent Health Sector Reform Project, which was designed as a “stand alone” operation where other donors’ funds were welcomed to complement project activities with a prerequisite that donors make all the relevant information available to the Bank.

6.6 **Collaboration.** There has always been considerable interaction with multilateral and bilateral donors in the health and education sectors, but on the basis of evidence collected during the evaluation mission, the collaboration between the Bank and its development partners has been weak over recent years. It is clear that in the view of these partners this collaboration needs to be strengthened substantially.

Bank Performance

6.7 The performance of the Bank was affected by external factors and by its own limited strategic assessments of the most important issues in human development in Jordan. The fragile political environment facing Jordan throughout the nineties had a direct impact on the economy through lower export income and remittances. This in turn

²⁷ The Ministry of Planning disagrees with this statement on the basis that, “project implementation is a major part of the whole reform process and that it is too early to judge its output.”

²⁸ The EC has financed the construction of PHC centers in the Kerak Directorate and supports water and environment related activities with beneficial public health implications. USAID has financed several programs to help reduce population growth, including an ongoing program of social marketing of birth spacing; it has also supported the training of primary care nurses, and has started implementing a family health program. GTZ has financed the establishment of the Medical Equipment Training Center at King Hussein Medical Center, which trains medical maintenance technicians for both the military and civilian hospital services. UNICEF is sponsoring a range of mother and child oriented programs, and supports various NGOs in primary care and family planning. It has started in 1992 a family health program, to be developed over the next five years. WHO has set up a Regional Center for environmental health activities in Jordan. UNFPA supports the expansion of MCH and family planning activities, and plans to help establish a new population census. UNRWA has an important role in primary and specialized care, and supports health-related education activities targeted towards Palestinian refugees.

impinged on Jordan's need for external financial assistance which the Bank responded to positively through a regular pipeline of quite large projects, including a number of education and health projects. Had this pressure to support the Jordanian investment program not existed then it is possible that some Bank-assisted projects would have been smaller and also appraised in a more deliberate manner with greater focus on the most important issues.

6.8 The quality of the Bank's performance during the nineties in respect of the design of its assistance program for poverty reduction, based on the SPP, was satisfactory because it provided considerable support for to the Government and provided the basis for a sound series of investments by the Government. In the early years health and education projects were almost completely focused on construction and staff improvement based on a quite narrow perspective of sectoral development. Toward the end of the nineties a health sector reform project addressed much broader issues following a much more comprehensive analyses of the sector, but education projects (in the absence of a comprehensive assessment of the issues in the sector) were still very much focused in their design on a single sub-sector. The quality of project supervision in the health and education sectors was mixed. Some excellent supervision work was done. On the other hand for many projects supervision was less laudable. For these the PSRs usually repeated large amounts of dated information in successive versions over time, information and project ratings were not consistent with what was actually happening in the project, and there were virtually no management comments. On the whole the Bank's performance was rated as modest.

Borrower Performance

6.9 The borrower provided excellent support for the Bank-assisted projects. There were generally no procurement problems, even though some voices in the ministries requested additional training in procurement methods and practices. Counterpart funds were also generally not a problem. On the other hand the implementation of projects, particularly the human capital development aspects such as teacher training, curriculum management, and the establishment of a coherent and agreed vision for the future of basic education have suffered because of weak capacity within the Ministry of Education. To some extent this is a criticism leveled at the Ministry. On the other hand one might question whether the Bank assistance (or assistance from other donors) was adequately focused on providing support for capacity building in the Ministry.

Annex A

Health and Education Portfolio and Project Ratings^{a/}

<i>FY</i>	<i>Project ID</i>	<i>Title</i>	<i>IBRD/IDA Amt</i>	<i>Outcome</i>	<i>Sustainability</i>	<i>ID Impact</i>	<i>APPI</i>	<i>Latest DO</i>	<i>Latest IP</i>	<i>Proj Stat</i>
Health										
1985	P005268	Primary Health	14	Moderately Satisfactory	Likely	Modest	6.5	2	2	Closed
1993	P005319	Health Management	20					Satisfactory	Satisfactory	Closed
1999	P039749	Health Sector Reform	35					Satisfactory	Satisfactory	Active
<i>Health total</i>			<i>69</i>							
Education										
1982	P005260	Education Iv	25	Satisfactory	Likely	Modest	7.25	2	1	Closed
1984	P005264	Education Vi	40	Satisfactory	Likely	Modest	7.25	1	1	Closed
1986	P005274	Manpower Development.	10	Satisfactory	Likely	Modest	7.25	1	1	Closed
1988	P005291	Education. Vii	40	Satisfactory	Uncertain	Modest	6.75	Satisfactory	Satisfactory	Closed
1989	P005295	Human Resource. Sector Investment Loan	73	Satisfactory	Uncertain	Modest	6.75	Satisfactory	Satisfactory	Closed
1995	P005307	Human Resource. Development. Sector Investment Loan	60					Satisfactory	Satisfactory	Active
2000	P069326	Higher Education Development	35					Satisfactory	Satisfactory	Active
<i>Education total</i>			<i>283</i>							
Health & Education total			352							

a/ These ratings come from OED's data base of its ratings of projects which are prepared after the receipt of Implementation Completion Reports (ICRs). They may not always match the subsequent evaluation of projects in this background paper in Tables 3 and 4 in this annex.

Note: This table does not include the Emergency Recovery loan approved in FY91 for \$10 million. Although it is classified as a health project in the Bank's database it only contains a relatively small component for drug purchases.

Annex B

Comparing National and International Poverty Lines for Selected Countries in MENA Region

Country	Survey Year	National Poverty Lines ^a Population below the poverty line (%)	Survey Year	International Poverty Lines	
				Population below \$1.00/person/day (%)	Population below \$2.00/person/day (%)
Algeria	1995	14.1	1995	< 2	15.1
Egypt	1997	23.5	1995	3.1	52.7
Jordan	1997	11.7	1997	< 2	7.4
Morocco	1998/99	19.0	1990/91	< 2	7.5
Tunisia	1995	7.6	1995	< 2	10.0
West Bank & Gaza	1998	23.2	NA	NA	NA
Yemen	1991/92	19.1	1998	15.7	45.2

^a With the exception of Morocco, all national poverty lines based on low food and nonfood poverty line. Morocco is based on high food and nonfood poverty line.

Notes: NA means not available.

Sources: (i) *Poverty and Inequality in the Middle East and North Africa (MENA) Region: A Report on the Availability of Household Survey Data and Trends in Poverty and Inequality Since 1980*, prepared by Richard Adams, October 17, 2001. (ii) National poverty lines from World Bank data cited in the referenced paper; international poverty lines from World Bank, *World Development Report, 2001/02* (Table 2).

Detailed Evaluation of Products and Services

Non-Lending Assistance

1. Five pieces of formal published sector work on poverty, health and education and one unpublished report on Vocational/Professional Education and Training produced by the Bank during the eighties and nineties were relevant to the Bank's assistance program in the nineties. In addition there was a review of Efficiency and Equity of Government Revenues and Social Expenditures in 1986, and a Public Expenditure Review in 1991 that were both published. Finally, a Public Sector Review was completed in 1999 but it was not published. All of these reports had implications for Bank assistance policy and lending, but they had varying impacts. These studies are reviewed in three groups; first the poverty studies, second the work on health, and finally reports that cover education as well as those covering both health and education.

Poverty

(a) *Poverty Assessment 1994*

2. **Main messages.** This poverty assessment, using the household expenditure surveys of 1986/87 and 1992 as well as other sources such as two social surveys, provided an interesting overview of trends in poverty and the main correlates of poverty in Jordan. The report provided the evidence, as discussed already above, namely that poverty in all expenditure groups had increased considerably between 1986/87 and 1992 and that inequality had also increased, although the extent of the increase was quite sensitive to the poverty line and the source of data. Nevertheless, as the report states in summarizing the situation in 1992, "Regardless of which measure or survey is used, it is clear that poverty -which was minimal in 1986 - is broader and deeper in 1992."²⁹ Apart from this conclusion, the report's main message was that this sharp turn around in the status of poverty in Jordan was due to the slowdown in growth and the return of many nationals from their former employment in the Gulf area as a result of the Gulf War. The report also concluded that, assuming aggregate growth is not accompanied by any change in the distribution of growth, "... with sustained economic growth of 7 percent, poverty can be virtually eliminated by 2005."³⁰ This projection was based on a growth elasticity for Jordan of -2.5, estimated on the basis of the relationship between growth and changes in the incidence of poverty in the past.³¹ Of course, as indicated already, a growth rate of

²⁹ Bank Report No. 12675-JO, *Hashemite Kingdom of Jordan: Poverty Assessment*, October 28, 1994, page vii.

³⁰ Bank Report No. 12675-JO, op. cit., pages vii and 42.

³¹ The growth elasticity is the percentage change in the headcount index (or any other measure of poverty) in response to a one percent per annum change in growth. A growth elasticity of -2.5 is relatively low compared with some other countries in the Region. For example for Morocco it was -6.2 in 1991 and for Algeria it was -3.4 in 1988. See also an OED report, Bank Report No. 14776, *The Social Impact of Adjustment Operations*, June 30, 1995 which reviews growth elasticities in various countries. The growth elasticity used for Jordan in that report was also -2.5.

7 percent per annum was completely unrealistic considering the low level of non-housing investment for the decade.³²

3. While drawing attention to the substantial importance of the decline in per capita expenditure levels to the increase in poverty, this poverty assessment also contained a detailed annex on labor market issues (based on the 1991 Employment, Unemployment, Returnees, and Poverty Survey) which was most appropriate because of the importance of the domestic and international labor market for the welfare of Jordanian households. A major conclusion was the significance of two dichotomies in the labor market, namely (a) Jordanians compared with foreign workers who have different rights and opportunities for employment in Jordan; and (b) Jordanians who work within Jordan compared with those who work outside Jordan. The report identified distortions such as segmentation in the labor market conditions between national and foreign workers, between the public and private sector, and between Jordanians whose employment and wages were protected by unionization or immigration prohibitions while other Jordanians had to compete with immigrant workers at the lower end of the market. Basically the report characterized Jordanian workers as being “insiders” (those employed in privileged sectors such as government and in unionized jobs) and “outsiders” (those employed Jordanians who need to compete against foreign workers who consequently have relatively low incomes and savings).³³ The report recommended that a market framework for wage determination should be established by removing the distortions, including lifting the ban on private employment offices that had already been recommended in a much earlier report (1984, World Bank internal document).

4. The poverty assessment also considered the policy of “exporting” Jordanian labor to other countries in the Region. It questioned this policy on the grounds that emigration can only help if economic conditions in Jordan deteriorate compared with economic conditions in the recipient countries. Unfortunately, economic conditions in Middle East countries have deteriorated in recent years because of the Region’s political violence and its considerable dependence on an often volatile oil market. The report also makes the point that the net benefits of subsidized education aimed at stimulating people to work outside Jordan accrue to countries outside Jordan unless there are substantial remittances.

5. ***Evaluation.*** This was a detailed and thoughtful report with high relevance to the World Bank’s development assistance strategy. It addressed important issues of relevance to poverty reduction in Jordan across a range of sectors and included sound state of the art analysis. As mentioned already this evaluation has some misgivings about the realism of the proposition in the report that a 7 percent rate of growth is required to eliminate poverty by 2005. The text was well presented and readable but the impact of the report has been difficult to evaluate. The Government was generally disinterested in the report and felt that poverty had been underestimated. On the other hand the report did have some important impacts. For example, in 1994 the food coupon program was changed to a targeted program in line with a recommendation in the report (see Box 2.1).

³² The Minister of Planning notes that, “However, the share of non-housing investment has increased significantly in the last few years, to register 56 percent of gross fixed capital formation in 2000 compared to about 25 percent in 1995.”

³³ See *Hashemite Kingdom of Jordan: Poverty Assessment*, October 28, 1994, page 69.

There is, however, no evidence that this evaluation is aware that the government has changed its explicit policy of “exporting” Jordanian skilled and unskilled labor, or has eliminated the distortions and discrimination that exist in the labor market despite the likely economic and social costs of these policies. There is also no evidence that other recommendations in the report were pursued. The impact of the report is therefore evaluated as moderately satisfactory.

(b) Poverty Alleviation in Jordan 2001

6. ***Main messages.*** This report used the availability of the results of another household income and expenditure survey in 1997, and responded to widespread perception that the incidence of poverty in Jordan had increased since 1992. It provided the standard analysis of poverty and concluded (as mentioned already in Part 2) that poverty had declined slightly between 1992 and 1997 regardless of the choice of poverty line and also regardless of the level of consumption expenditure. This conclusion was in line with the substantial targeted subsidies to the poor between 1992 and 1997. These results questioned other analyses of poverty circulating in Jordan at the time that suggested there had been an increase in poverty.³⁴ The results also showed that inequality had declined from the level in 1992. On the other hand, poverty was still much higher than it had been in 1986/87. The report also analyzed the association between growth and future poverty reduction and concluded that a growth rate of at least 2 percent per capita per annum (i.e. about 5 percent per annum for the economy as a whole) would be necessary to achieve a decline in poverty of 30 percent from 11.7 percent in 1997 to 8.3 percent in 2002. This is a lower demand on growth than a similar estimate in the 1994 poverty assessment that suggested about 7 percent for the economy as a whole would be necessary. Regrettably, the growth rate of 5 percent per annum was not achieved and hence poverty in Jordan rather than declining since 1997 has almost certainly increased.

7. While the report provides information on the relation between poverty and labor markets and also examines some of the correlates of poverty, these areas are not presented or discussed in any depth and one is left wondering whether the continuation of poverty at well above historical levels may not be caused by factors such as some remaining labor market distortions, as well as inadequate education and health services related to differential educational opportunities and discrimination in access to health services among the major ethnic groups. The assessment of many experienced observers in Jordan is that poverty has certainly increased since 1997.

8. ***Evaluation.*** While this poverty assessment was not as comprehensive as the earlier poverty assessment its relevance was nevertheless satisfactory because it intensified the quest for an understanding of poverty in Jordan. It also provided the

³⁴ Some controversy about the World Bank’s estimates of poverty for 1997 still remains. The poverty assessment itself mentions others estimates of poverty but doubts their veracity because they were based on income data that were regarded as suspect when used as indicators of welfare. Nevertheless, as paragraph 2.3 above has pointed out, there other estimates of poverty for 1992 and 1997 were based on the same household survey data as the Bank. For example, Mohamed Bakir adjusted the poverty line for changing patterns of consumption, and also used a minimum Calorie requirement of 2,440 per person per day which is high compared to the commonly used level of 2,200. This method resulted in higher poverty lines and hence higher estimates of poverty than in the Bank’s report.

reader with a wealth of information. Many of the policy conclusions in this document, such as the crucial role of growth for poverty reduction in Jordan, were reflected in the 1999 Bank's strategy. Its conclusions were also used in the Government's recent document that launched a new strategy for poverty reduction.³⁵ Nevertheless, this evaluation has concluded that the Bank unduly discounted other estimates of poverty available at the time which, using the same basic data but a different methodology, were higher than the Bank's. Internal quality is therefore evaluated as moderately satisfactory because it is not clear that a higher estimate of poverty would not be equally as plausible as the lower estimate in the Bank's report. The impact of the report is rated as substantial since it is still frequently cited as the most authoritative analysis of poverty in Jordan, but one is left wondering whether this level of impact is warranted. Overall the report is rated as moderately satisfactory.

Health

(a) Health Sector Review 1984

9. **Main message.** The 1984 Health Sector Review was the first piece of economic and sector work by the Bank that provided a comprehensive review of national health issues in Jordan and helped formulate a strategy for the sector. The Review identified health care access, costs, and quality as the most pressing problems and proposed six sets of priority operational activities consisting of: (a) strengthening primary health care services, especially to mothers and children; (b) a human resource development program; (c) improving health sector management; (d) a hospital facility development program; (e) improving public health laboratory services; and (f) further sector studies including studies to estimate the costs of health insurance, health services utilization; and national nutrition survey. The Review also emphasized the importance of focusing resources on primary health in preference to curative care.

10. **Evaluation.** The Review was highly relevant because it provided a thorough analysis of the strategic priorities for the sector. Clearly written and precise, it identified main problems and made specific recommendations for the Government and the Bank. However, its immediate impact was only moderately satisfactory because Bank lending operations following the study addressed only primary health care access. The Bank finally tackled health care sector management in the Health Reform Project only 10 years later, despite making an attempt in the earlier Health Management Project.

(b) Health Sector Study 1996

11. **Main message.** The principal recommended reform initiatives were to; (a) improve management of the health sector, (b) obtain better value from health sector expenditures; (c) improve clinical practice, quality of care, and consumer satisfaction; (d) improve equity among income groups in terms of their access to the health care services.

³⁵ Ministry of Social Development, *Poverty Alleviation for a Stronger Jordan: A Comprehensive National Strategy*, released by H. E. Minister of Social Development, Mrs. Tamam El-Ghul in May 2002.

The study contained an annex with an economic analysis of health insurance for Jordan. Based on the assumptions made, the analysis suggested that a universal health insurance scheme could be introduced that would cost only 3 to 6 percent more than total current health expenditures the Government. The study pointed out that there would be a range of options for the financing of a universal health insurance scheme such as through increased premiums and various cost-sharing arrangements between the private sector and the Government. The study concluded that a carefully developed health sector reform program that include cost-benefit analysis of a universal health insurance program, would improve the health status of the population, increase economic efficiency and clinical effectiveness, and enhance quality and access to services for all participants including the poor. It would also protect the poor against the debilitating costs of catastrophic illness.

12. ***Evaluation.*** The study was relevant because it addressed the sector's main short and long term problems. Its presentation, readability, content, and internal quality were rated as satisfactory. The impact was rated as moderately satisfactory because important parts of the Study's recommendations have not yet been implemented. Through lending operations following the study, the Bank addressed high costs and poor management in the Health Sector Reform project but the much needed reforms have not yet emerged. The further analysis of a universal health insurance system, as recommended by the study, has not been pursued. On the other hand, given that the current informal system does provide considerable assistance to the poor if they need health care, the arguments for introducing a universal health care system are not strong. Indeed a system in which the formal sector already has various adequate health insurance programs along with a system of "self insurance" that the Government currently pursues for those that are not part of a formal system may be just as efficient as a universal health insurance program.

Education

(a) Special Study on Vocational/Professional Education and Training 1984

13. ***Main messages.*** This report, also requested by the Government, arose out of continuing concern over the rapidly increasing labor force and the prospects for future employment. The object of the report was to (a) evaluate the industrial skill training system and its institutional linkages with other parts of the education and training system; (b) assess industrial technician training arrangements; and (c) survey the training demand for public administration, management and technology development. A major conclusion of the report was that information on the characteristics of the current and future demand for all types of labor in Jordan and abroad were weak. It was recommended that a labor exchange mechanism be established to provide up to date information on job opportunities and that surveys of the potential demand by employers for various types of labor be continued. The report also contained a range of practical recommendations on how to improve the planning, quality, efficacy and efficiency of skills training in Jordan.

14. ***Evaluation.*** This report was relevant to the manpower issues of the day, but its limited scope naturally resulted in a report with limited perspective. It did not address questions such as the best balance between technical/vocational training and more

general education institutions which emerged as an issue in the nineties. The title of the report is misleading since the only professional education covered in the report is public administration and management. Within its limited scope, however, its internal quality and readability were satisfactory. Nevertheless, its impact was only moderately satisfactory. On the one hand a number of the recommendations, such as support for the Institute for Supervisory Training and Occupational Safety, were subsequently incorporated into the Bank's First Manpower Development Project. On the other hand a Labor Market Information System that was also part of the original design of the Manpower Development Project was dropped because the Government had made an arrangement to receive grant assistance for this component from the Arab Labor Organization, along with some additional assistance in connection with an occupational information system from USAID. The impact of this study was rated as moderately satisfactory. Along with other manpower reports this study did have a significant impact on the Bank's operational decisions, but such narrow studies may have drawn the Bank into projects that were themselves too narrowly focused. Overall, bearing in mind its limited objectives, this study is rated as satisfactory. To reiterate an earlier point, the more important issue was the absence of a broad-based review of the education sector as had been prepared for the health sector in 1984.

(b) Higher Education Development Study 1996

15. ***Main messages.*** This study, prepared at the request of the government, covers many issues that affect the development of the higher education sector. It is structured mainly along institutional lines and provides a detailed listing of problems facing the higher education system in Jordan. A better presentation of the main issues covered in the study, however, is found in the Project Appraisal Document (PAD) for the Higher Education Project (February 2000). In that document the main issues are listed as: (a) insufficient quality in public higher education; (b) weak economic relevance of higher education; (c) inadequate financing and financing mechanisms; (d) inefficient governance, policy making and management practices; (e) need for community college reform; (f) limited graduate training and research; and (g) reliance on the private sector should increase.

16. Overall the study takes the view that there are two major economic challenges facing higher education, namely: (a) restructuring the incentive system for institutions and individual students so as to produce a better match between the skills produced by the higher education system and the labor market; and (b) rationalizing the financing for higher education institutions so that there is transparency and predictability in budget allocations while protecting against declines in quality and ensuring access to education. The conclusions of the report are presented as "policy considerations" presumably because of the sensitivity of the Government to specific recommendations from an outside institution such as the Bank. The "considerations" are too numerous to mention here but a shortcoming is that they are too focused on institutional issues rather than the fundamental problem of the quality of education and the financing of the system.

17. ***Evaluation.*** This study was relevant to the Government and to the Bank's strategy formulation because it highlighted the many crucial problems in the higher education sector. It also marked a turning point for the Bank by moving away from primary and

secondary education towards higher education, albeit not a broad-based analysis of all the elements of education. While the study made many substantial points about the weakness of the higher education system, it was not well structured to deliver the main messages clearly. Hence internal quality and presentation are rated as moderately satisfactory. On the other hand impact is rated as satisfactory because, as will be seen later, a number of changes made by the Government to the institutional arrangements in the higher education sector were consistent with the conclusions of this report.

Public Sector

(a) Efficiency and Equity of Government Revenues and Social Expenditures 1986

18. ***Main messages.*** The objectives of this broad report were to (a) briefly evaluate the distributional impact of Jordan's rapid economic development in the past and likely impact of the changed economic conditions in Jordan and the region in the mid to late eighties; (b) examine the revenue generating and redistributive features of Jordan's tax system; (c) and assess the cost effectiveness of the Government's social services. The report contained recommendations on policies for more labor intensive growth, and addressed options to finance social services through more cost-effective programs and increased cost recovery without sacrificing equity. It also proposed a more efficient tax system to generate adequate additional financial resources to meet the needs of a rapidly growing population.

19. With respect to education sector the report noted the rapid increases in Government expenditures during the first half of the eighties on education; it was clearly necessary to reverse this trend. On the other hand the report concluded that to meet future demand for skilled labor, Jordan's primary and secondary education system faced sharp increases in costs unless the efficiency of the education system could be substantially improved. Given the budget constraints, the report concluded that efficient use of schools was the priority, not build more schools but explore options for equitable cost recovery measures. In looking at the options, the report concluded that budget allocations devoted to fixed costs of teachers could not be changed because neither numbers of teachers nor their salaries could be reduced; indeed they should be increased. On the other hand the report suggested that a more adequate supply of text books and improved management of schools would pay high dividends in terms of enhancing the effectiveness of education in Jordan.

20. On health, allocations from the budget were also high in the first half of the eighties, but they did not increase because tighter budgets forced the Government to stabilize health expenditures. As a result the sector took a number of cost saving measures. The report noted the conclusions of the earlier Health Sector Review that the MOH would need to continue to address the system's efficiency and quality because they were critical weaknesses. As the report observed, because services at health clinics were poor, people frequently used costly hospital services rather than lower cost local facilities because the quality of care at the local level were unsatisfactory. Part of the problem was diagnosed as a mismatch between the demand for and supply of certain skills at health clinics. Midwives, female nurses, qualified laboratory technicians, and professional health care administrators were in short supply. In addition there were weaknesses in management and administrative capacity in the MOH which impacted negatively on the

clinics. On the other hand there was a growing surplus of general practitioners and physicians in some specialties. Part of the reason for the general malaise of the health sector was that most services were free or almost free and with little payment for service and therefore insignificant rewards for service providers. The analysis of appropriate fees for health services was too narrowly based since it did not consider the potentially large externalities associated with the control of infectious diseases and hence the substantial benefits of maintaining low costs for service (presumably by public institutions) to ensure that the most serious diseases do not become a public health hazard. The report concluded that fees set closer to the marginal cost of services should be levied. It also examined, in general terms, the issue of national health insurance coverage and the role of the public sector vis-à-vis the private sector in the provision of health services, but without coming to any specific conclusions except raising questions about the improved prospects for health care services by the private sector in remote regions with the existence of a universal health insurance program.

21. ***Evaluation.*** In terms of the health and education sectors, the relevance of this report was satisfactory. The report's emphasis on efficiency and equity was also more strategic than most previous work in Jordan on the social sectors. While it repeated descriptive material seen in some earlier reports, it also contained more analytical content and drew clear conclusions on action that needed to be taken. Its internal quality as well as its presentation and readability were satisfactory. The impact of this report can be seen in subsequent projects such as the focus on institutional development, the components for training of nurses and the attention to the cost-effectiveness of the education sector in the First Manpower Development Project and the Seventh Education project. On the other hand it is noted that in the Human Resources Development Sector Investment Loan II there is a component for "enhancing teacher competencies" which sounds awfully close to teacher training which this report had concluded, on the basis of research work, was not productive. The report was presumably also used in the Bank's dialogue on the Government's social expenditures generally. In sum, the impact of this report is rated as moderately satisfactory.

(b) Public Sector Review 1999

22. ***Main message.*** The Review provided a brief overview of public sector management and expenditures in the health and education sectors in Jordan as a part of a more comprehensive review of the effectiveness of the public sector. For the health sector, the Review drew attention to the absence of relevant statistics, inattention to externalities related to the occurrence of infectious diseases, and inadequacy of health insurance institutions. The report surprisingly stated that public expenditure on health (4 percent of GDP) is well within the range that countries at Jordan's level of income typically spend, while the Bank database indicates quite the opposite (see Annex D, Table 3). Nevertheless it is acknowledged that when private expenditures on health are taken into account (making a total of about 8 percent of GDP) health sector expenditures are high by international standards. The Review emphasizes that the sector is not short of funds and that its inefficiency is due to poor management. On the education side, this Review covers only the higher and secondary levels of education, although it briefly acknowledges and endorses the strong and consistent Government financial support to

primary education. The education section focuses most of its analysis on higher education and addresses the subsidies to students attending universities and other higher level Government education institutions. It concludes that the benefits of this level of education accrue only to students and their families and that additional enrollments attracted by subsidies come from the richest groups in society. It is therefore concluded that public subsidies, which result in the student not paying the full cost of education, are not appropriate on equity grounds. The report suggests that if students who wish to follow higher education need assistance to pay fees based on realistic costs, then the Government should offer student loans. The Review also examines the situation for secondary school enrollments and concludes that the appropriate policy is to encourage an increased enrollment of secondary students would be a progressive policy because additional enrollees would come from the poorer groups in society. It is suggested that on this basis a subsidy for the additional students is justified.

23. ***Evaluation.*** The analysis of the health sector in the Review is limited in scope, highlighting only some of the relevant questions, while providing no recommendations for the fundamental issue of universal insurance coverage or sector cost and management problems. The analysis of health is based on a number of well-known principles with limited complementary information about the circumstances in Jordan,³⁶ thus the internal quality is rated as only moderately satisfactory. Readability and presentation on health issues are somewhat cursory for the average reader and it is therefore rated as moderately satisfactory. This section of the Review does not appear to have had an impact on the Government's health sector policy in Jordan. The analysis of the education sector is straightforward and relevant to policy questions facing the Government such as the extent to which the tuition costs of university students should be subsidized. The conclusions about policy are backed up with facts and analysis. The material is readable and well presented. The Government rejected the report and did not approve its release as a gray cover because of disagreement with the report's conclusions, in particular in respect of conclusions on the health and education sectors. This does not necessarily mean that it will one day not influence policy and therefore the Review's impact has been rated as moderately satisfactory.³⁷

Lending

24. This section will review and evaluate three poverty reduction/Social productivity Program, three health, and seven education projects that were either closed or under implementation between FY90 and FY00. Clearly the most dependable evaluations will be for projects that have closed, but provisional evaluations will also be made for some projects that are under implementation but likely to be closed within a year or so. A summary of the evaluations will be found in two tables at the end of this annex. They also provide a summary of the basic methodology used to rate projects.

³⁶ The Review claims that inadequate information is available for a detailed evaluation of a number of issues.

³⁷ An internal review of the report reviewed the quality of this report and found it to be satisfactory based on highly satisfactory relevance, and satisfactory internal quality, presentation, readability and likely impact.

Table 1: Summary of Evaluations of Non-Lending Assistance, 1990–2000

<i>Evaluation Criteria</i>	<i>Poverty Assessment (1994)</i>	<i>Poverty Alleviation in Jordan (2001)</i>	<i>Health Sector Review (1984)</i>	<i>Health Sector Study (1996)</i>	<i>Vocational/ Professional Educ. and Training Study (1984)</i>	<i>Higher Education Devlpt. Study (1996)</i>	<i>Efficiency and Equity of Govt. Revenues and Social Expenditures (1986)</i>	<i>Public Sector Review -Health and Educ. (1999)</i>	<i>Overall Evaluation</i>
Relevance to poverty and/or education	Highly Sat	Sat	Sat	Sat	Sat	Sat	Sat	Sat	Sat
Internal quality	Highly Sat	Mod. Sat	Sat	Sat	Sat	Mod. Sat	Sat	Mod. Sat	Sat
Presentation and readability	Sat	Sat	Sat	Sat	Sat	Mod. Sat	Sat	Mod. Sat	Sat
Impact or likely impact	Mod. Sat	Mod. Sat	Mod. Sat	Mod. Sat	Mod. Sat	Sat	Mod. Sat	Mod. Sat	Mod. Sat
Overall evaluation	Sat	Mod. Sat	Sat	Sat	Sat	Mod. Sat	Sat	Mod. Sat	Sat

Note: Rating Scale: Highly Satisfactory, Satisfactory, Moderately Satisfactory, Moderately Unsatisfactory, Unsatisfactory, Highly Unsatisfactory.

Poverty Reduction and Social Productivity Program

(a) *Emergency Recovery Project (\$10 million; approved FY91, closed FY94)*

25. **Objectives and results.** The need for this project arose out of the sudden return of about 400,000 Jordanians from employment in various Gulf States because of the secondary impact of the Gulf War in 1990-91. Even after the end of the War most Jordanians could not return to the jobs they once held outside Jordan because of the political fall out of Jordan's support for Iraq. The prolonged stay of these returnees created many pressures on schools, health facilities, water supplies, and public transport. To address these needs a Gulf Crisis Financial Coordination Committee was established to which the Bank provided technical assistance. The Committee was supported by a number of donors (Canada, Luxembourg, Sweden and Switzerland) who collectively supported the approved project of \$60 million to which was added another \$15 million for project related activities.³⁸ The PCR declares that overall project implementation was excellent. Project components were implemented speedily and effectively. As a result the supply of goods and services were increased rapidly and delivered to the areas where most of the returnees has located. Hospitals, roads and buses, which had been damaged during the rapid return of workers from the Gulf, were repaired and domestic water supplies were improved. Additional classrooms for schools were rented and the supply of books and other materials was augmented to cope with the influx of some 60,000 children. There was also success in efforts to generate exports to compensate the loss of exports to traditional markets in Iraq and other Gulf countries.

26. **Evaluation.** The project was highly relevant to the situation that Jordan found itself in at the start of the Gulf War. The project was also effectively implemented, fully disbursed and therefore the outcome was rated as highly satisfactory. During

³⁸ In the event the Bank disbursed \$15.864 million.

implementation the project also relieved the Government of a substantial pressure on its budget. Donor cofinanciers in the project expressed their satisfaction with the way the project had been coordinated and managed. Contrary to general practice, donors participated in joint implementation completion meeting in Amman in December 1993. Institutional development was substantial as many institutions in Jordan developed rapidly during the time the project was implemented. Sustainability, as characterized by the Jordanian Export Development and Commercial Centers Corporation (JEDCO) that continues to provide support for export promotion, was rated as likely.

(b) Training and Employment Support Project (\$5 million; approved FY98, closing date is August, 2002)

27. ***Objectives and results.*** This is a pilot project intended to explore efficient and effective linkages between public expenditures for short-term training and the skill requirements of the business community. The project, in partnership with the Government and the UNDP, establishes a Pilot Training Fund (TFC) of \$5.0 million that is available to finance short (up to six months) and related support services for in-service training of unemployed people who have been offered a genuine job to fill a genuine vacancy with a Jordanian enterprise. There is a monitoring and evaluation component. A small project implementation unit in the Ministry of Labor manages the program.³⁹

28. Although this project was originally extended by two years because it was regarded by the Government and the Bank as successful, a change in leadership of the Ministry of Labor resulted in the project being terminated with a closing date of August 2002. The most recent Bank supervision mission reported that the project had achieved its development objectives satisfactorily. Implementation progress had also been satisfactory. The mission recorded that all other performance indicators for the project were satisfactory. Annexes E and F show the number of trainees by sector and by Governorate. Average costs of training per trainee were about JD 235. For those trained in the textile industry (about half the trainees) the training cost was only about JD 100 per person trained. The Government's conclusions about this project, however, are different. It is understood that an internal review conducted by the Ministry of Planning concluded that there had been considerable wastage of funds because employers had allegedly abused the program by making multiple applications for trainees who they hired only for the short mandatory period required under the program before they were released and other trainees taken on who would then work at a lower (subsidized) cost than a permanent employee. A tracer study is being conducted to verify the truth of this criticism and to assess the overall outcome.

29. ***Evaluation.*** While a Project Completion Report has not yet been prepared (at the time of the evaluation), some information about this project appears to be clear. The project was relevant to the manpower problems in the Kingdom and implementation was satisfactory. It was widely regarded as a perfect model of demand-driven training. It is not yet clear, however, what the impact of the project has been on entrepreneurs who made use of the graduate output and whether the quality of human capital among

³⁹ An extraordinary discriminatory aspect of this pilot, approved by the Bank, is that a vacancy is regarded as genuine even if it is currently held by a non-Jordanian.

graduates justified the considerable costs. Institutional development impact at this stage is rated as modest but sustainability is unlikely given that the Government has shut the door on this interesting pilot. The mission was interested to learn, however, that a new fund is being considered which would finance vocational training and to which all companies in Jordan will be required to pay a proportion of their profits. A Council for Training and Vocational Training was established in 2001 to manage this fund. It is expected that the Vocational and Training Center (VTC) would make the most use of this fund, although its sustainability would be dependent on the doubtful continued preparedness of companies to contribute their profits to the fund.

(c) Community Infrastructure Project (\$30 million: approved FY98 and revised closing date June 30, 2003)

30. ***Objectives and results.*** Box 2.1 above described the genesis of the Social Productivity Program and mentioned among the results of that program the design of a Community Infrastructure Project (CIP). The project had three components/parts namely: Part A—improve the living conditions of the poor by upgrading on-site infrastructure in squatter settlements, refugee camps in the central region and also off-site infrastructure in refugee camps and adjacent areas in the central region. About 14 squatter settlements and 13 refugee villages involved in this part. Part B—improve the capacity of central and local government agencies to upgrade infrastructure in poor municipalities and villages. About 300 poor municipalities and villages were identified for this part. Part C—project management, poverty surveys, consultancy, training and pilot projects. The project is under the overall management of a small project management unit in the Ministry of Ministry of Planning (MOP) but the implementation of the three major components of the project noted above are under the Housing and Urban Development Corporation (HUDC), the Cities and Villages Development Bank (CVDB); and the three institutions (MOP, HUDC and the CVDB) are responsible for the implementation of the third component with MOP taking the lead. The total project cost is \$40 million and cofinancing is being contributed by the Arab Bank, the Islamic Development Bank and KfW, UNDP, USAID, Norway and Italy.

31. The project has many features that are similar to a social fund except in this case the Government, with the agreement of the World Bank, chose to use existing institutions such as HUDC and CVDB to implement programs. The start of implementation was delayed and hence the closing date has been extended by one year. The latest Bank supervision mission report states that most major contracts for the project have been awarded and construction work is continuing. In addition five NGOs have been chosen to implement the pilots designed to investigate income generating projects. The mission confirmed that the infrastructure aspects of this project are proceeding rapidly and according to monitoring studies so far the impact of the work resulting in the provision of basic infrastructure in Part A such as potable water supplies and roads in the refugee camps has been favorable. Baseline surveys have been conducted and plans are under way to mount careful impact studies in all camps and settlements. The activities in Part B managed by the CVDB and distributed among 14 poor municipalities in Jordan, are based on needs assessments and focused on community infrastructure such as vegetable markets, career development for tradesmen, and investment and services for tourist areas.

The CIP activities in this context are additional to the normal responsibilities of line ministries.

32. ***Evaluation.*** This project is certainly substantially relevant to the objective of providing assistance for targeted poverty reduction programs. It is too early, however, to provide an overall evaluation for this project. Information is available from the latest Bank supervision mission report; it states that the Bank management anticipates that implementation is satisfactory and development objectives are being satisfactorily achieved. All other aspects of the project are recorded in the Bank supervision mission report as being satisfactory. This preliminary evaluation suggests that efficacy will be substantial and, if so, outcome will be satisfactory. Indications are that institutional development will be substantial because the project uses existing institutions to implement the project which is refreshing change from the many project implementation units that have been established to implement other World Bank-assisted projects. It is difficult to make a judgment about sustainability of the project activities at this stage, but the crucial issue will be the provision for maintenance of infrastructure and the budgeting of services after the capital construction and service arrangements has been completed. In Part A construction brings one phase to an end and thereafter the Department of Palestinian Affairs will be responsible for the maintenance of infrastructure in the camps and settlements. Part B provides grants through the CVDB to poor municipalities to construct infrastructure which the municipalities will then maintain, but the termination of Bank assistance will force those poorer municipalities to return to borrowing from the CVDB for their remaining investment needs. Therefore sustainability is a mixed issue. On the one hand provision for the sustained effectiveness of the infrastructure in camps, settlements and municipalities has been assured. On the other hand the sustained access of municipalities to sufficient resources to ensure their infrastructure construction program is in doubt unless they find ways of generating additional revenue to pay for the loans from the CVDB. Hence the sustainability of this project is provisionally rated as uncertain.

Health

(a) Primary Health Care Project (\$13.5 million loan; approved FY85 and closed FY93)

33. ***Objectives and results.*** This loan was designed to support the Government's efforts to reorganize primary health care in Jordan and improve the coverage, quality, and efficiency of PHC, referral services, and provide manpower development, and it was the first Bank operation in the health sector in Jordan and in line with the recommendations of FY84 Health Sector Study. However, the project had serious design⁴⁰ weaknesses. The quality of manpower training and health education provided could not be assessed. Though reasonably successful,⁴¹ with substantial gender impact, this project did not

⁴⁰ Project design problems included inadequate attention to the training needs of the staff of the PMU, absence of an efficient and effective mechanism for donor coordination, lack of clear monitoring and supervision guidelines, and absence of a provision for the acquisition of land if a community was unable to donate an appropriate site.

⁴¹ Although it is difficult to assess the precise impact of the project interventions on the improved health status of the Jordanian population, health indicators did improve over the life of the project. For example, the share of pregnant women receiving pre-natal care has risen from 20 to 42 percent, and the contraceptive prevalence rate increased by 12 percent.

significantly improve primary health care delivery, mostly because its training component was not strong enough. Furthermore, there is no indication that the project led to improved planning and management in the health sector.

34. ***Evaluation.*** The project achieved little in terms of outcome, sustainability, and institutional impact. Outcome was rated unsatisfactory because the relevance and efficacy, of the project could not be rated higher than modest. The relevance of the project was rated as modest because, although it was in line with the recommendations of the government and the Bank with respect to the importance of primary health care, the proposals for community health centers (CHCs) were far beyond the limits that Bank management had established. By way of background, the Health Sector Study (FY84) stated that overall, Jordan had well above average coverage in terms of the physical availability of health facilities, and that additional community health centers should only be approved for construction after a careful evaluation of population-based needs on a sector-wide basis. An internal Bank memorandum stated that there were 507 health centers and 44 hospitals in Jordan and recommended that the number of CHCs to be constructed should be limited to no more than 9. Insufficient evidence was found in the project documents to justify the construction of 38 additional new CHCs (\$9 million), which represented the lion's share of the project costs.

35. In terms of efficacy (achievement of objectives), the project was also rated as modest because the direct benefits turned out to be lower than the appraisal estimate; maintenance of both facilities and equipment was ad hoc; material and supply distribution systems were weak; and staff tended to be drawn to working in urban, better equipped facilities than in rural areas. Thus, given the Government's fiscal constraints and Bank management's explicit perspective on CHCs, the CHC component should have been much smaller than it was. Furthermore, the success of the training component was also limited. According to the Bank's own internal report for the subsequent Health Management Project approved in FY93, the quality of health services were low, professional and support staff were inadequately trained, and unit costs were high, suggesting underutilization of facilities. Taking into account all these factors, the project was also rated as modest in terms of institutional development. Sustainability is rated as unlikely.

(b) Health Management Project (\$20 million; approved FY93 and closed FY02)

36. ***Objectives and results.*** This project was designed to enhance the health status of the population and focused on the MOH through two main channels, namely (a) qualitative improvements in MOH primary and hospital services; and (b) reform of MOH organization, management, finances and planning capacity. The first objective was to be achieved through training health manpower and rehabilitating priority hospital facilities; the second objective was to be achieved through developing a management information system (MIS) for the MOH and a pilot facility, strengthening the General Stores and Supplies Department (GSSD) in the MOH, and strengthening equipment maintenance service. While the manpower development and facilities rehabilitation component are still being completed and therefore premature to assess, the achievement of the second objective has been limited. The development of MIS improvements including the MIS for the GSSD have been canceled and the Bank's supervision mission expressed serious concerns regarding the impact of this on improved management and efficiency of the

MOH. To date, 91 percent of the loan has been disbursed. The closing date was extended for one year, but now most of the project activities which included a substantial amount of construction (but excluding the MIS) have been completed.

37. ***Evaluation.*** While the project's relevance was rated as modest much of the construction components were implemented, project management was weak, implementation was delayed, some aspects of the project were cancelled, and as a result the effectiveness of the MOH in policy making, planning and management was not enhanced, and no progress was made on universal health insurance. The efficacy of the project was therefore rated as modest. Hence the outcome of the project was rated as unsatisfactory. The modest level of performance was because the Bank was overly optimistic in expecting rapid improvements in the effectiveness of the MOH on the basis of its re-organization and training financed by the project. The Bank assumed that training of MOH management personnel, primary health care doctors, nurses and midwives would quickly raise the quality of primary care and that training emergency service staff and improving their equipment would improve treatment and reduce the adverse after-effects of emergencies. In effect the Bank had not learned from the preceding Primary Health Care Project that it had to take a more thorough approach in designing the training component. As a result, the Bank repeated the same mistake, namely, paying inadequate attention to the quality of training. Relatively few staff completed training in emergency services and ward management and the quality of training received appears to have been indifferent. The impact of training was described in the Bank's project supervision mission report as having caused significant concern. Regrettably the project does not provide for any monitoring and evaluation and it is therefore not possible to interpret such judgments. Recognizing the successful construction program, but taking into account the failure of project management, the inadequate training component, and the lack of progress on universal health insurance, the institutional development impact in the project was rated as modest. Project sustainability was rated as uncertain because the current Government budget already allocates large sums to the health sector.

(c) Health Sector Reform Project (\$35 million; approved FY99 and due to close FY04)

38. ***Objectives and results.*** The project is expected to increase the efficiency, quality, and long-term financial sustainability of health services in Jordan. Indicators to measure the achievement of these objectives include increased hospital occupancy rates, adoption of treatment protocols, and a reduction in spending on pharmaceuticals as a share of total expenditures. This is the first project to involve all key players in public health sector reform and was designed to increase the efficiency, quality, and long-term financial sustainability of public health services in Jordan through rationalization of the public health delivery system, development and implementation of health information systems, improved public hospital financing and management, and pharmaceutical reform, including a coordinated drug purchasing arrangement. It is reported in the latest Bank supervision mission report that close to 61 percent of the loan has been disbursed. Most of this has been for construction. Project management has been satisfactory although

there is a risk of fragmentation⁴² and as the report complained that this project is being implemented as an investment and not as a reform project. Indeed the OED mission, noting the objectives of the reform program and becoming aware that the secretariat to the Higher Health Council had not yet been appointed and therefore stalling any action on health policy reform, concluded that it was not clear whether any real reforms would be achieved as result of this project. This evaluation is mystified as to why the construction program financed by the project was allowed to even start before the appointment of the secretariat. The project has also experienced problems with the pharmaceutical, hospital financing and management components.

39. **Evaluation.** The project's objectives are substantially relevant to achieving improved efficiency of the health sector.⁴³ A definitive evaluation of the project's efficacy will be difficult at any stage because health sector reform objectives which are at the core of the project design have not been clearly defined in the project document and hence there are no benchmarks against which to measure progress. On the basis of overall project performance so far, efficacy is rated as only modest which, together with substantial relevance, means a preliminary rating of moderately satisfactory for project outcome. Establishing an organization for analyzing, implementing and monitoring health sector reform in Jordan is the main institutional development objective in this project. Judging by progress made towards this goal so far and the continued bottlenecks to getting anything done, the ultimate result is likely to be negligible. Finally, sustainability of any reforms that might eventually be decided is also evaluated as negligible at present because there are serious doubts about whether there will be sustained support for reform. On the other hand the sustainability of other aspects of the project such as the construction activities, training and the MIS is probably likely. Therefore, on balance sustainability of the project is given a preliminary rating of uncertain.

Education

(a) Fourth Education Project (\$25 million: approved FY82 and closed FY90)⁴⁴

40. **Objectives and results.** This project was designed to continue the World Bank's support to improving the technical training in Jordan. The main objective of Education IV was to: (a) expand the supply of technicians; (b) expand the supply of vocational subject matter teachers; (c) expand general and occupational education; (d) increase the number of general vocational secondary schools and apprenticeship trade training programs; and (e) increase the supply of paramedical, nursing, and midwifery personnel. As the internal audit report prepared by OED notes, the vehicles for achieving these objectives were: (a) establishment of a new polytechnic at Tafilah to augment the two

⁴² An earlier World Bank stated that, given the fact that the project is implemented by three separate PIUs in three separate entities, there is a risk of fragmentation of the project which will be detrimental to the reform process.

⁴³ A rating of highly relevant was seriously considered but rejected because of design weaknesses in the project. First, the health sector reform program (even in terms of broad principles) expected from this project is not clear. Second, implementation of the construction program was not made conditional on the appointment of the secretariat for the Higher Health Council which was designated to carry the project's essential health reform component.

⁴⁴ Note that Education IV was followed closely in FY83 by Education V which had similar objectives to Education IV. Education V closed on schedule in FY88 and is therefore not evaluated in this paper; it was, however, evaluated in both a self-evaluation report and an OED internal audit report as unsatisfactory because the educational facilities constructed under the project were substantially in excess of the demand and therefore underutilized.

polytechnics already financed with Bank support in central and northern Jordan; (b) expand and improve teacher training at polytechnics; (c) convert two teacher training institutes into community colleges; (d) establish four new vocational schools; and (e) establish a new Nursing/Paramedical Integrated Training Institute. The project internal report had made a strong case for this project based on projections showing that, in the context of strong domestic and regional economic growth, there would in the short term be a considerable shortfall in the supply of graduates with technical skills.

41. The results of the academic and communal construction program (accounting for close to 63 percent of total costs) were satisfactory. On the other hand, at the time the project was completed, the enrollment performance for the educational institutions that the project supported were disappointing compared to targets set in the appraisal report. For example enrollments in 1991/92 at general vocational secondary schools constructed under Education IV reached only 53 percent of their design capacity in schools for girls and only 37 percent for boys. A new polytechnic at Tafilah, financed under this project, had its scope reduced to cover only post secondary courses (compared with secondary and post-secondary) and was operating at an enrollment rate of only 65 percent.

42. ***Evaluation.*** While the object of increasing the quality and number of technically qualified graduates in Jordan to meet the projected domestic and regional demand was substantially relevant, it is apparent that the Bank's projections of demand were either far too optimistic, or potential entrants were not interested in technical training. An OED internal evaluation suggests that one of the problems seems to have been the weak linkages between training institutions and potential employers which resulted in inadequate information on manpower demand. It is also likely general vocational secondary schools and centralized secondary schools have limited flexibility to adjust their programs to meet changes in manpower demand. The combination of low enrollments and limited capacity of training institutions to adjust to changing manpower demands indicates that the efficacy of this project was modest at project completion, although circumstances may have changed to increase the rating for this project. Combining a substantial relevance with modest efficacy suggests a moderately satisfactory outcome. The evaluation concludes that institutional development has probably been substantial because institutions capable of delivering training programs have been established. Sustainability was evaluated as uncertain at the close of the project. That evaluation remains realistic because, although other projects followed, they all required substantial outside support.

(b) Sixth Education Project (\$40 million loan; approved FY84, closed FY93)⁴⁵

43. ***Objectives and results.*** This was another loan in a series that started in FY79 supporting the increased supply of trained workers to meet manpower needs both within and outside Jordan. It was a continuation of the "golden age" of Bank-assisted public

⁴⁵ Note that the project report submitted for negotiations showed a total IBRD loan of \$30 million. It was acknowledged in memoranda which preceded negotiations that \$30 million would not be an adequate external contribution for the project to be successfully implemented. Because the Bank's funds were limited the Government was therefore advised to obtain additional financing from other sources. After negotiations, however, the loan amount became \$40 million. The project files contain no record of negotiations nor is there an explanation in the files why this change in the loan amount occurred.

education projects in Jordan. The Sixth Education Project was designed to support key Five-Year Plan (1981 to 1985) objectives, particularly increasing the quality of education, expanding compulsory school enrollment to 94 percent in 1985 conditions in compulsory (grades 1 to 9) and general secondary schools, increasing vocational content of curricula, and also completing the strengthening of the Ministry of Education started under earlier Bank-assisted projects. The results of OED's internal evaluation confirmed that that Education VI had achieved its main goal of increased access to compulsory and secondary education in small towns and rural areas, and improved physical conditions in schools. Female participation was improved as 67 percent of student places provided under the project were for girls but, because of cultural constraints, girls' enrollments did not increase as fast as school places, which were filled instead by boys.

44. ***Evaluation.*** This evaluation considers that the relevance of project objectives and its efficacy were substantial and hence outcome was satisfactory. It is curious, however, that for this and the similar previous Bank-assisted education projects there was no sector work or other intellectual basis for determining whether this project was the most important and relevant priority. The Bank seemed to be locked into a string of projects supporting primary and secondary education, presumably on the basis that if it was education then it was good for economic and social development. In this case economic and social development was mainly equated with supporting a diversified secondary education that included pre-vocational training to ultimately stimulate an increase in the supply of skilled labor for the domestic and foreign labor markets. Many aspects of this strategy were not clear; for example it was not clear that the planned supply of labor from vocational training would match demand. Institutional development was evaluated as modest largely due to delays and non-implementation of technical assistance and fellowships and numerous changes in the roles and responsibilities of government agencies for the project. Sustainability was rated as likely as two subsequent education projects were also successful in advancing the Government's human resource development strategy. However, the increased cost arising from the improved access and further prospective quality enhancements are not considered of such a magnitude as to cause undue budgetary stress. This evaluation expresses some misgivings about this overall evaluation because subsequent projects were only possible because of substantial external assistance which alleviated immediate pressures on the domestic budget and therefore rates sustainability as uncertain.

(c) First Manpower Development Project (\$10 million; approved FY86, closed FY93)

45. ***Objectives and results.*** This project was aimed at supporting the Government's Vocational Training Corporation which had as its objective the promotion of manpower training and to develop job organization and classification. It offered apprenticeship programs and a variety of less intensive training programs.⁴⁶ Again the Bank was aiming at supporting the government's manpower training effort. The specific objectives of this project were to: (a) increase the annual supply of skilled and semi-skilled workers trained in Vocational Training Centers (VTC) by about 1,300; (b) enable VTC's

⁴⁶ The VTC was established in May 1976. Its development and sustainability had already been supported under the First and Fourth Education Projects.

Occupational Safety and Health Institute (OSHI) to increase the productivity of the workforce by reducing accidents and injuries; (c) improve the quality and coverage of the Jordan Institute of Public Administration (JIPA); and (d) enable the Ministry of Health (MOH), through the construction of a Nursing/Paramedical Integrated Training Institute (NPITI), to increase the annual supply of health workers and thereby address shortages of skilled personnel, replacing non-Jordanian staff, and improving the quality of service.

46. Implementation was achieved through a project management unit. This unit took advantage of experienced government staff who had already worked on the implementation of previous Bank-assisted education projects. At project completion, the Bank concluded that the project components were substantially completed by the planned project closing date. Specifically, additional VTC centers were constructed, technical assistance was provided and training in the new facilities was started. The JIPA component also performed well with its efficiency improved and its outreach to and collaboration with other institutions enhanced. There was, however, no clear statement of progress for the component aimed at supporting OSHI in the completion report except that its new facilities were constructed and well located. This comment gave no clue about the efficacy of the component. The stock of nurses, mid-wives and trained health workers exceeded appraisal targets but paramedical technician training was scaled back by the authorities to align supply of these graduates with estimated demand.

47. **Evaluation.** The relevance of training additional teachers and medical staff in Jordan in the late eighties was clearly substantial. Project implementation overall was also substantial and hence the outcome has been evaluated as satisfactory. Sustainability of the project was judged as likely since technical training programs were established and there is strong support for them from the Government. An OED internal evaluation of the project notes that the project's implementation unit and project training institutions improved during implementation, the rating for institutional development given is "partial." This evaluation found that Government support for vocational training continues and the VTC has been elevated in terms of status because of this support. While most vocational training programs offered are not demand driven, a change in approach does appear to be taking place. For example, a new VTC program in 2002 invites individuals to apply for specific vocational training to be provided free; against a planned enrolment of 12,000 for this free program over two years some 36,000 applications have already been received. Given the continued support from the Government for the VTC, the institutional development impact of this project is rated as modest.

(d) Education VII (\$40 million; approved FY88, closed FY96)

48. **Objectives and results.** This project, as described in an internal Bank report was aimed at assisting the government to further develop its medium-term education and training strategy. It was implemented in the wake of the Gulf War and designed to focus on the quality, relevance and cost efficiency of education, on institution building, and on strengthening the linkages between education/vocational training and skilled manpower demand. Project components included in-service training for teachers, improving the quality of physical facilities and reducing costs per student, introducing pilot vocational training programs for girls in areas of rapid employment growth, and strengthening

education planning and management. A construction program to support the improvement of educational quality, accounting for close to 65 percent of total project costs, was also included in the project.

49. Results have been mixed. The first project objective of improving the quality of education was partly achieved. Objectives that were fully achieved were providing new instructional materials, replacing rented facilities with modern schools buildings (albeit at lower standards), reducing double shifts, and laying the basis for modern school maintenance. Teacher training, aimed at improve the quality of instruction, was not achieved under this project but was implemented under the first Human Resources Development Sector Investment Loan (HRDSL) which (approved in FY98) for reasons of competence and comprehensiveness. The project completion states that enrollments in new schools were at 86 percent of the appraisal estimates and that the project made a distinct contribution to institution building in the education sector and thus met an important objective. The project completion also claims that the project was fairly successful in improving the responsiveness of vocational training to labor market needs. On the other hand, the an OED internal evaluation which reviewed this project and its successor namely the HRDSL (to be discussed immediately below), commented that project investments were slow to produce improvements in teacher effectiveness and student achievement, but acknowledged that teachers take at least ten years to become accustomed to a new curriculum and different teaching methods. A significant weakness highlighted by the report was that the project had no monitoring and evaluation arrangements.

50. ***Evaluation.*** This project, like its predecessors, was relevant to the need to upgrade the quality of education and the improvement of physical facilities. Improvements in teacher quality were obviously delayed as a result of a joint decision by Government and the Bank to transfer this component to the next project to be discussed below. On the other hand the remaining planned improvements to educational facilities were achieved, as were the vocational training programs (including the programs for girls). This project is therefore evaluated as having substantial relevance and substantial efficacy and therefore the outcome was evaluated as satisfactory. Sustainability was evaluated as likely at project completion because it was judged that the government would be able to maintain the new facilities and continue the vocational education program. The subsequent evaluation by the OED suggests that sustainability is uncertain because of concerns about the government's fiscal situation. This evaluation agrees with the rating in the OED internal evaluation. It also endorses the view of the internal evaluation that institutional development is modest because many of the planned institutional changes in schools have not yet been achieved, not have there been the anticipated improvements in planning, monitoring and evaluation in the Ministry of Education.

(e) Human Resources Development Sector Investment Loan (\$73 million; approved FY89, closed FY97)

51. ***Objectives and results.*** This was an education sector loan and its major purpose was to support the first phase of the Government's 10-year Educational Reform Program (ERP) for 1988 to 1997. Specifically the object was to raise the quality of basic and secondary school education so as to develop students' cognitive skills to give Jordan the

skill and knowledge-intensive manpower base it needed to develop its domestic capacity. The project financed: (a) restructuring of the schools system to extend basic education from 9 to 10 grades; (b) improve the quality of teachers and of school facilities, as well as improving the students' cognitive abilities; (c) improve efficiency of resource use in schools; and (d) enhance the capacity of the education system to sustain reforms.

52. A feature of this project was that it established an independent and centralized unit, namely the National Center for Human Resource Development (NCHRD) to: (a) monitor and evaluate the implementation and impact of education reform activities; (b) conduct policy-based research and policy analysis; and (c) institutionalize educational innovation and an education management information system. The completion report concluded that the project's quality and institutional development objectives were achieved and that they have proven to be sustainable. On the other hand the efficiency objective was less successful because there was at the time of the report no evidence of a linkage between the reforms in the primary schools system and student achievements at school. Of course it was also acknowledged that the ultimate goal of improving students' critical thinking abilities would take more than a few years to develop and would not be measurable in the short run (World Bank internal report, 1997). The report concluded that the project had largely achieved its quality and institutional development objectives, but also noted that limited action had been taken on vocational training and more work would need to be done on improving the quality of in-service teacher training. An OED internal evaluation took a less charitable approach to the results, noting that the quality of school management, teaching and learning remain below standard for a modern country such as Jordan. It went on to state that most teachers were not yet motivated and equipped to deliver better instruction. The Ministry of Education (MOE), although given the opportunity to respond to this characterization of teacher competence and motivation, did not respond. The CAE mission found that there was no objection from Jordanian education experts to this characterization of teacher attitudes. The OED internal report also drew attention to significant shortcomings in management information systems and financial controls (OED internal evaluation, 1999).

53. ***Evaluation.*** A program loan to assist in implementing a long term reform program in a sector that still faced considerable difficulties was the right choice, although it was curious that a large sector loan such as this was not preceded by an updating of previous analyses in the 1980 of primary and vocational education.⁴⁷ It would also have been logical to provide at least an analysis of the Government's education policies and present the Bank's prognosis for assistance strategies in this sector. Nevertheless it is hard to argue that this loan with its emphasis on the quality and effectiveness of the primary and secondary education system was not relevant to Jordan's needs. Despite the fact that some fundamental objectives were only partially achieved, the overall efficacy has been evaluated as satisfactory because most of the important objectives were achieved. On the basis of this evaluation of relevance and efficacy the outcome is evaluated as satisfactory. Institutional development such as the weak financial

⁴⁷ It should be recalled that the Bank did complete a special internal study of Vocational/Professional Education and Training in 1984, and an internal study of the Efficiency and Equity of Government Revenues and Social Expenditures in 1986. As mentioned already, the first National Conference on Educational Reform was held in Jordan in September, 1987.

accounting and the impact so far of the NCERD were uneven and limited and overall institutional development impact is therefore evaluated as modest. Finally, sustainability is evaluated as uncertain because of the severe fiscal strains facing the government which will probably impede the sustained implementation of the program of improvement. The modest institutional development has also influenced the sustainability rating.

(e) Human Resources Development Sector Investment Loan II (\$60 million; approved FY95, closing date December 31, 2002)

54. **Objectives and results.** It was understandable that the Government and the Bank felt sufficiently encouraged by the prospects for success from the first sector investment loan to launch a follow-up project with the same central objective as the first. It was no doubt also a way of ensuring the sustainability of the primary education reform program. As an internal report for the second project stated that the fundamental objective is to improve educational quality. It goes on to explain that the focus in the second project will be on measures to enhance the teaching-learning environment including teaching competencies, curricula and textbooks, administration and management, and creating a strong institutional framework particularly in relation to vocational and technical education, examinations and national assessment. These were not, however, new issues.

55. The results so far for this project appear sound. The Bank supervision mission reports state that the achievement of development objectives and implementation progress are both regarded as satisfactory, and Bank management anticipates that most, if not all, development objectives for the project will be achieved.

56. **Evaluation.** Since this project has not yet closed a preliminary evaluation is provided here on the basis of discussions with the Government, the Bank's task manager, and the Bank supervision mission reports. Again, one cannot question the relevance of this project, particularly if the education quality improvement objectives of the last nine projects have not yet been achieved and it is therefore rated as substantial. On the basis of information in the Bank supervision mission reports and discussions with project staff, the preliminary rating of efficacy is substantial and hence outcome is rated as satisfactory. There was particular satisfaction among MOE staff with the building program, although some concern was raised about the lower standard of construction that had been endorsed by the Bank in order to save on construction costs. MOE staff contended that the lower construction costs were soon wiped out by higher rehabilitation costs. Another important evaluative question for this project is whether institutional development objectives have been achieved and whether the proposed program (started with the first sector loan) is sustainable. The latest Bank supervision mission report indicated that institutional development was satisfactory and hence the preliminary evaluation in this paper is that institutional development impact will be substantial. There is obviously some uncertainty about sustainability since a third sector investment loan is being prepared which no doubt means that the government still needs external support to sustain its reform program and therefore a rating of uncertain for sustainability is inevitable.

(g) Higher Education Development Project (\$35 million; approved FY00, closing date is December 31, 2005)

57. **Objectives and results.** This project was designed following the completion of the Jordan: Higher Education Development Study. A feature of this project that contrasts with all previous projects is that the Bank held a formal dialogue with the Government on the possible elements of a long-term vision for the sector, and the role of this project in that vision. As planned this project was clearly part of a long-term investment strategy in higher education in Jordan. Subsequent discussions “highlighted the need, over the long-term horizon (for example, ten years), for the private provision and financing of higher education” under a number of conditions. The Project Appraisal Document (PAD) lays out a possible sequence of future Bank Group operations to help achieve the aims of private sector involvement with government in higher education. This project’s overall objective is to initiate improvements in the quality, relevance and efficiency of Jordan’s higher education institutions, and to support the Kingdom’s program to reform governance of the higher education sector. These repeat the familiar objectives of almost all of the Bank’s education projects in Jordan. Four specific activities are to be pursued in this project, namely (a) establish a system-wide modern information technology, management information system, and library infrastructure; (b) support a Higher Education Development Fund that would provide grants on a competitive basis to public universities to improve teaching and learning; (c) initiate improvements in higher education governance including the introduction of a formula-based allocation of recurrent budget to public universities from the Government; (d) support reform of the community college system through the Al-Balqa Applied University. There is, however, no reference in the project to the conclusions of the Public Sector Review (discussed earlier in this paper) that public subsidies to students in higher education institutions are unjustified and it does not take up the recommendation in that review that any assistance to students should be through student loans and not through subsidies. The project has been “effective” for barely one year and it is too early to discuss results. The Bank supervision mission reports that it is at present achieving its development objectives and that the progress of implementation is satisfactory. The mission confirms this evaluation on progress so far, but the broader project objectives are still to be addressed.

58. **Evaluation.** It is too early to evaluate the outcome of this project but relevance can be considered. The project’s main objectives are relevant to the current situation of institutions of higher learning in Jordan, but the real issue is whether there is evidence that providing assistance for the institutional development of higher education was a priority for the Bank or whether it would have been more important for the Bank to focus on primary and secondary education where a number of issues are still not resolved, despite 25 years of Bank assistance. As mentioned already there has been no overall assessment of the education system at all levels and hence priorities among the different levels have not been analyzed by either the Bank or the Government.⁴⁸ Why, for

⁴⁸ On page 12 of the Project Appraisal Document it is stated that because the Bank has financed 10 education projects since 1975 that “... the Bank can help prioritize sector issues, putting them in a context which ensures that higher education measures are not adopted which adversely affect the rest of the system.” It is not clear why such a strong statement of the Bank’s capacity to establish priorities is made in the absence of any analysis that this evaluation is aware of.

example, could this project not have been the third HRDSL with a balanced strategic approach to education at its three levels?⁴⁹ On the other hand, if the Bank wanted to support institutional development in higher education should the Bank not have focused on reducing or eliminating government subsidies for higher education students as a condition of its support? Since the Bank's sector work had emphasized the importance of the future role of the private sector in higher education it is also surprising that this project does not involve the private sector in a formal way, although the role of the private sector is foreshadowed as the focus for a follow-up operation and this project will tackle the question of accreditation in public and private universities. In the light of these questions, not considered in the project document, the relevance of this project to the Bank's broad assistance strategy is therefore rated as modest.

⁴⁹ Note that HRDSIL III is now being prepared and appraised as a separate project.

Table 2: Summary of Evaluations for Completed and Ongoing Poverty Reduction and Social Productivity Program Projects (FY90–FY01)¹

<i>Item</i>	<i>Emergency Recovery Project</i>	<i>Training and Employment Support Project</i>	<i>Community Infrastructure Project</i>
Outcome²	Highly	Satisfactory	tbd
Relevance	Satisfactory	Substantial	Substantial
Efficacy	High	Substantial	tbd
Efficiency	Substantial	na	na
	na		
ID Impact	Substantial	Negligible	tbd
Sustainability	Likely	Unlikely	tbd
ASPI	10.0	6.0	tbd

1 Sectoral Rating Scales

Outcome:	Highly Satisfactory, Satisfactory, Mod. Satisfactory, Mod. Unsatisfactory, Unsatisfactory and Highly Unsatisfactory
Relevance:	High, Substantial, Modest, Negligible
Efficacy:	High, Substantial, Modest, Negligible
Efficiency:	High, Substantial, Modest, Negligible
ID Impact:	High, Substantial, Modest and Negligible
Sustainability:	Likely, Uncertain and Unlikely

2 Outcome Components and Aggregation Methodology

- a. We have slightly modified the standard OED algorithm embedded in the OED's Project Information Form (PIF) used for aggregating the component ratings (i.e., the combination of relevance, efficacy, efficiency) for project outcome to give more weight to relevance. In this study, when rating sectoral or country-wide Bank assistance, almost all combinations with less than substantial relevance yield a moderately unsatisfactory or worse outcome rating. There is one exception: modest relevance and high efficacy yield a moderately satisfactory outcome.

3 Aggregate Sectoral Performance Indicator (ASPI)

OED has developed during the last two years an Aggregate Project Performance Indicator (APPI) summarizes the project-specific project ratings of Outcome, Institutional Development Impact, and Sustainability. The APPI/ASPI is a cardinal index from 2 to 10 whose additive components are as follows. Outcome: HS = 7.75; S = 6.0; MS = 5.25; MU = 4.5; U = 3.75; HU = 2.0; ID Impact: SUB=1.5; MOD = 0.5; NEG = 0; Sustainability: LIK = 0.75; UNC = 0.25; UNL= 0. These scores were used to calculate the APPI scores in the table (M=Moderately; SAT=Satisfactory; UNSAT=Unsatisfactory; MOD=Modest; NEG=Negligible; LIK=Likely; UNC=Uncertain; UNL = Unlikely).

Table 3: Summary of Evaluations for Completed and Ongoing Health Projects (FY90–FY91)¹

<i>Item</i>	<i>FY85 Primary Health Care Project</i>	<i>FY93 Health Management Project</i>	<i>FY99 Health Sector Reform Project (preliminary)</i>	<i>Average of Closed Projects</i>
Outcome	Unsatisfactory	Unsatisfactory	Moderately Satisfactory	Unsatisfactory
Relevance	Modest	Modest	Substantial	Modest
Efficacy/Internal Quality	Modest	Modest	Modest	Modest
Efficiency	na	na	na	Na
ID Impact	Modest	Modest	Negligible	Modest
Sustainability	Unlikely	Uncertain	Uncertain	Uncertain
ASPI	4.25	4.50	5.50	4.50

1 Sectoral Rating Scales

Outcome:	Highly Satisfactory, Satisfactory, Mod. Satisfactory, Mod. Unsatisfactory, Unsatisfactory and Highly Unsatisfactory
Relevance:	High, Substantial, Modest, Negligible
Efficacy:	High, Substantial, Modest, Negligible
Efficiency:	High, Substantial, Modest, Negligible
ID Impact:	High, Substantial, Modest and Negligible
Sustainability:	Likely, Uncertain and Unlikely

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We have slightly modified the standard OED algorithm embedded in the OED's Project Information Form (PIF) used for aggregating the component ratings (i.e., the combination of relevance, efficacy, efficiency) for project outcome to give more weight to relevance. In this study, when rating sectoral or country-wide Bank assistance, almost all combinations with less than substantial relevance yield a moderately unsatisfactory or worse outcome rating. There is one exception: modest relevance and high efficacy yield a moderately satisfactory outcome.

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Table 4: Summary of Evaluations for Completed and Ongoing Education and Poverty Reduction Projects (FY90–FY01)¹

Item	<i>Education IV</i>	<i>Education VI</i>	<i>First Manpower Development</i>	<i>Education VII</i>	<i>Human Resources Development Sector Investment Project</i>	<i>Human Resources Development Sector Investment Project II</i>	<i>Average of Closed Projects</i>	<i>Higher Education Development</i>
Outcome²	Moderately Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory.	Satisfactory	Satisfactory	tbd
Relevance	Substantial	Substantial	Substantial	Substantial	Substantial	Substantial	Substantial	Modest
Efficacy	Modest	Substantial	Substantial	Substantial	Substantial	Substantial	Substantial	tbd
Efficiency	na	na	na	na	na	na	na	na
ID Impact	Substantial	Modest	Modest	Modest	Modest	Substantial	Modest	tbd
Sustainability	Uncertain	Uncertain	Likely	Uncertain	Uncertain	Uncertain	Uncertain	tbd
ASPI³	7.0	6.75	7.25	6.75	6.75	7.75	6.75	tbd

1 Sectoral Rating Scales

Outcome: Highly Satisfactory, Satisfactory, Mod. Satisfactory, Mod. Unsatisfactory, Unsatisfactory and Highly Unsatisfactory
 Relevance: High, Substantial, Modest, Negligible
 Efficacy: High, Substantial, Modest, Negligible
 Efficiency: High, Substantial, Modest, Negligible
 ID Impact: High, Substantial, Modest and Negligible
 Sustainability: Likely, Uncertain and Unlikely

2 Outcome Components and Aggregation Methodology

a. We have slightly modified the standard OED algorithm embedded in the OED's Project Information Form (PIF) used for aggregating the component ratings (i.e., the combination of relevance, efficacy, efficiency) for project outcome to give more weight to relevance. In this study, when rating sectoral or country-wide Bank assistance, almost all combinations with less than substantial relevance yield a moderately unsatisfactory or worse outcome rating. There is one exception: modest relevance and high efficacy yield a moderately satisfactory outcome.

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Annex D

Health Sector Indicators and Comparators

Table 1: Developments in Jordan's Health Sector Before and During Bank Assistance

<i>Jordan</i>	70	75	77	80	81	82	83	84	70-84 (% change)	70-84 (mean)	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	00	85-00 (% change)	85-00 (mean)
Births attended by health staff (% of total)	35	..	..	..	75	..	114%	55	..	82	..	..	..	87	..	..	..	..	..	..	97	..	..	..	18%	88.7
Hospital beds (per 1,000 people)	1.1	1	..	1.3	1.2	..	..	..	7%	1.2	1	..	..	..	..	2	..	..	..	2	..	..	1.8	..	..	..	49%	1.6
Immunization, DPT (% of children under 12 months)	30	81	75	76	44	47%	61.2	53	88	90	98	94	92	92	96	94	96	100	100	93	91	85	..	60%	90.8
Immunization, measles (% of children under 12 months)	29	40	48	46	30	3%	38.6	39	81	80	87	84	87	85	91	88	91	92	98	95	86	83	..	113%	84.5
Improved water source (% of population with access)	89	..	..	..	89	..	..	..	..	..	97	89	..	..	..	..	..	..	..	96	..	-1%	94.0
Improved water source, rural (% of rural population with access)	65	..	..	..	65	..	..	..	..	..	92	..	..	..	..	..	..	..	..	84	..	-9%	88.0
Improved water source, urban (% of urban population with access)	100	..	..	..	100	..	..	..	..	..	99	..	..	..	..	..	..	..	..	100	..	1%	99.5
Malnutrition prevalence, weight for age (% of children under 5)	..	17	..	..	..	..	..	..	..	17.4	..	..	..	..	..	6	..	..	..	..	..	..	..	..	5.1	..	-20%	5.8
Physicians (per 1,000 people)	0.4	0.4	..	0.8	1.1	1.1	..	1.2	187%	0.83	..	..	..	..	..	..	1	..	..	2	..	..	..	1.7	..	..	23%	1.5
Sanitation (% of population with access)	76	..	..	..	76	91	..	..	..	..	98	95	..	..	..	..	..	..	..	99	..	9%	95.8
Sanitation, rural (% of rural population with access)	61	..	..	..	61	91	..	..	..	..	95	..	..	..	..	..	..	..	..	98	..	8%	94.7
Sanitation, urban (% of urban population with access)	91	..	..	..	91	91	..	..	..	..	100	..	..	..	..	..	..	..	..	100	..	10%	97.0

Source: SIMA as of February 21, 2002.

Table 2: Cross-country Comparison of Health Indicators for the 1970–84 Period Before and During Bank Assistance

Indicator	1970-84 average							1985-00 average						
	<i>Jordan</i>	<i>Algeria</i>	<i>Egypt, Arab Rep.</i>	<i>Morocco</i>	<i>Tunisia</i>	<i>Lower middle income</i>	<i>MNA</i>	<i>Jordan</i>	<i>Algeria</i>	<i>Egypt, Arab Rep.</i>	<i>Morocco</i>	<i>Tunisia</i>	<i>Lower middle income</i>	<i>MNA</i>
Births attended by health staff (% of total)	55.0	26.7	93.0	26.5	47.5			88.7	77.0	41.8	32.3	77.6		
Hospital beds (per 1,000 people)	1.2	2.8	2.1	1.4	2.4	3.1	1.8	1.6	2.4	2.1	1.2	2.0	3.6	1.8
Immunization, DPT (% of children under 12 months)	61.2	33.0	77.6	40.3	49.4	55.2	43.9	90.8	76.3	89.6	82.7	89.9	85.3	83.0
Immunization, measles (% of children under 12 months)	38.6	17.0	64.2	31.3	54.0	64.0	43.7	84.5	70.3	87.9	79.7	84.6	85.9	80.0
Improved water source (% of population with access)	89.0		90.0	32.0	72.0		67.8	94.0		94.5	67.8	80.0		87.0
Improved water source, rural	65.0		61.0	2.0	29.0		41.9	88.0		92.5	44.3	61.0		77.7
Improved water source, urban	100.0		93.0	63.0	96.0		82.4	99.5		96.5	89.3	94.0		94.8
Low-birth-weight babies (% of births)		12.0	7.0	8.6	7.5				9.0	9.0	6.5	9.3		
Malnutrition prevalence, height for age (% of children under 5)			37.7		39.5					26.3		20.2		
Malnutrition prevalence, weight for age (% of children under 5)	17.4		15.9		20.2			5.8		12.2		9.7		
Physicians (per 1,000 people)	0.8	0.3	1.0	0.1	0.2	1.2	0.5	1.5	0.8	1.3	0.3	0.6	1.7	0.8
Sanitation (% of population with access)	76.0			50.0	46.0			95.8			68.5	64.0		
Sanitation, rural (% of rural population with access)	61.0	70.0		13.0	29.0			94.7	47.0		36.5	32.0		
Sanitation, urban (% of urban population with access)	91.0	95.0		85.0	64.0			97.0	90.0		97.5	90.5		

Source: SIMA database as of February 22, 2002.

Table 3: Health Expenditures in Jordan and Comparator Countries, 1990-98 (percent of GDP)

<i>Health expenditure (total)</i>	1990	1991	1992	1993	1994	1995	1996	1997	1998	Average 1990-1998	Growth, 1990-1998
Algeria	4.2	..	..	4.6	..	4.6	..	..	3.6	4.2	-14
Morocco	2.5	3.1	..	3.4	..	..	3.6	4.0	4.4	3.5	76
Tunisia	5.6	..	..	5.0	5.1	5.3	5.2	5.4	5.1	5.2	-9
Egypt, Arab Rep.	4.3	..	..	..	..	3.7	..	3.8	..	3.9	-12
Jordan	6.9	7.9	6.6	6.3	7.5	7.9	..	..	9.1	7.5	32
Lower middle income	3.8	3.7	3.7	4.0	4.2	4.2	4.4	4.6	..	4.1	21
Middle East & North Africa	4.0	..	..	..	..	..	..	4.6	..	4.3	15

<i>Health expenditure (public)</i>	1990	1991	1992	1993	1994	1995	1996	1997	1998	Average 1990-1998	Growth, 1990-1998
Algeria	3	..	..	3.3	..	3.3	..	..	2.6	3.0	-13
Morocco	0.9	..	..	1.6	..	..	1.2	1.3	1.2	1.2	33
Tunisia	3	2.2	2.1	2.2	2.3	2.3	2.2	2.2	2.2	2.3	-27
Egypt, Arab Rep.	1.8	..	..	..	..	1.6	..	1.8	..	1.7	0
Jordan	3.6	3.6	2.9	3	3.5	3.7	..	..	5.3	3.7	47
Lower middle income	2.1	2.12	2.085	2.282	2.446	2.208	2.231	2.311	..	2.2	10
Middle East & North Africa	1.9	..	..	..	..	1.805	..	2.195	..	2.0	16

Source: SIMA database as of February 22, 2002.

Table 4: World Bank Lending in Health Sector in Jordan and Comparator Countries (US\$ per capita)

<i>Country \ Fiscal year</i>	1985	1987	1989	1990	1991	1992	1993	1995	1996	1998	1999	2000	Overall result	% share
Algeria					16								16	1.7
Egypt, Arab Republic of						27			17	90			134	14.5
Jordan	14				10		20				35		79	8.5
Morocco	28			104					68		66		266	28.8
Tunisia					56					50			106	11.5
MNA	42	13	5	119	82	27	188	36	85	140	101	87	925	100.0

Source: Business Warehouse as of February 22, 2002.

Annex E

Training and Employment Support Project

Trainees by Sector

(01/06/1998 – 26/05/2002)

<i>Sector</i>	<i>Sub-sector</i>	<i>Total Committee Approved</i>			<i>Total Approved</i>		
		<i>Male</i>	<i>Female</i>	<i>Total</i>	<i>Male</i>	<i>Female</i>	<i>Total</i>
Industry	(1729) Manufacture of other textiles n.e.c.	0	0	0	0	5	5
	(3430) Manufacture of parts & accessories for motor vehicles &	22	0	22	20	0	20
	(3120) Manufacture of electricity distribution & control apparatus	6	0	6	5	0	5
	(1912) Manufacture of luggage, handbags & the like, saddlery	250	750	1000	252	178	430
	(2811) Manufacture of structural metal products	3	0	3	3	0	3
	(1531) Manufacture of grain mill products	14	0	14	9	1	10
	(1520) Manufacture of dairy products	9	0	9	2	0	2
	(2899) Manufacture of other fabricated metal products	15	0	15	11	0	11
	(2422) Manufacture of paints, varnishes & similar coatings, printing	65	15	80	41	11	52
	(2893) Manufacture of cutlery, hand tools and general hardware	27	0	27	24	3	27
	(2022) Manufacture of builders' carpentry & joiner	18	0	18	15	0	15
	(1810) Manufacture of wearing apparel,	1025	3275	4300	378	2392	2770
	(1511) Production, processing & preserving of meat & meat	1	0	1	0	0	0
	(1721) Manufacture of made-up textile articles, etc.	46	23	69	112	114	226
	(1711) Preparation & spinning of textile fibers	16	25	41	94	43	137
	(2412) Manufacture of fertilizers and nitrogen comp	24	0	24	17	0	17
	(1541) Manufacture of bakery products	196	0	196	166	1	167
	(3691) Manufacture of jewelry and related articles	182	98	280	150	73	223
	(2710) Manufacture of basic iron and steel	0	0	0	1	0	1
	(2010) Sawmilling and planing of wood	12	5	17	9	7	16
	(2520) Manufacture of plastic products	3	0	3	3	1	4
	(2892) Treatment and coating of metals, general mechanical eng.	18	0	18	9	0	9
	(2411) Manufacture of basic chemicals	2	0	2	2	0	2
	(2925) Manufacture of machinery for food, beverage	0	0	0	29	4	33
	(2413) Manufacture of plastics in primary forms	4	0	4	3	1	4
	(2812) Manufacture of tanks, reservoirs & containers of metal	1	0	1	1	0	1
Sub-total		1959	4191	6150	1356	2834	4190
Insurance	(6600) Insurance	3	5	8	3	5	8
	Sub-total	3	5	8	3	5	8

Training and Employment Support Project

Trainees by Sector (cont.)

(01/06/1998 – 26/05/2002)

Sector	Sub-sector	Total Committee Approved			Total Approved		
		Male	Female	Total	Male	Female	Total
Services	(8511) Hospital activities	44	52	96	23	31	54
	(9309) Other service activities n.e.c	0	5	5	0	7	7
	(8512) Medical & Dental practice activities	1	0	1	1	0	1
	(9211) Motion picture and video production and distribution	5	0	5	3	0	3
	(7411) Legal activities	1	0	1	1	0	1
	(7421) Architectural and engineering activities and related technical	62	4	66	59	1	60
	(8021) General secondary education	29	186	215	24	151	175
	(7220) Software consultancy and supply	227	109	336	163	102	265
	(9302) Hairdressing and other beauty treatment	284	323	607	279	282	561
	(9241) Sporting activities	5	1	6	1	1	2
	(9301) Washing and (dry-) cleaning of textile	42	110	152	37	4	41
	(7493) Building-cleaning activities(housekeeping)	13	7	20	34	4	38
	(5510) Hotels	215	1	216	123	23	146
	(7499) Other business activities Steward	15	11	26	14	3	17
	(5520) Restaurants	44	8	52	27	4	31
	(7492) Investigation and security activities	559	2	561	443	3	446
	(8511) Hospital activities	8	3	11	10	10	20
	(7412) Accounting, book-keeping & auditing activities	1	0	1	3	0	3
	(7414) Business & management consultancy activities	1	0	1	1	0	1
	(8519) Other human health activities	32	22	54	21	31	52
	Sub-total	1588	844	2432	1267	657	1924
Transport, Storage & Warehousing	(6302) Storage and Warehousing	16	1	17	69	9	78
	Sub-total	16	1	17	69	9	78
Wholesale & Retail Trade	(5510) Wholesale on a fee or contract basis	13	5	18	12	5	17
	Sub-total	13	5	18	12	5	17
	Grand Total	3579	5046	8625	2707	3510	6217

Source: Project Implementation Unit, Training and Employment Support Project, Ministry of Labor.

Training and Employment Support Project

Trainees by Governorate

(01/06/1998 – 26/05/2002)

<i>Governorate</i>	<i>Total Firm Count</i>	<i>Total Committee Approved</i>			<i>Total Approved Trainees</i>			<i>Total Dropped Trainees</i>		
		<i>Male</i>	<i>Female</i>	<i>Total</i>	<i>Male</i>	<i>Female</i>	<i>Total</i>	<i>Male</i>	<i>Female</i>	<i>Total</i>
Amman	360	1538	724	2262	1188	572	1760	147	88	235
Aqaba	42	25	73	98	24	70	94	1	2	3
Balqa'	55	60	57	117	54	62	116	1	0	1
Irbid	139	1330	3335	4665	1043	2129	3172	132	400	532
Jarash	3	2	3	5	2	3	5			
Karak	66	115	398	513	104	295	399	9	42	51
Ma'an	11	27	23	50	22	18	40	2	2	4
Madaba	17	100	130	230	27	147	174			
Mafraq	3	37	0	37	35	0	35			
Tafeela	24	31	31	62	24	26	50	8	3	11
Zarqa'	72	315	272	587	184	188	372	27	40	67
Total	792	3580	5046	8626	2707	3510	6217	327	577	904

Total Committee Approved Trainees: The number of trainees approved by the committees

Total Approved Trainees: The number of trainees added to the database

Dropped Out :The number of trainees who withdrew (failed, discontinued, etc.)

Source: Project Implementation Unit, Training and Employment Support Project, Ministry of Labor.

THE HASHEMITE KINGDOM
OF JORDAN
MINISTRY OF PLANNING
AMMAN



المملكة الأردنية الهاشمية
وزارة التخطيط

عمان

Ref.No.

Date

الرقم

التاريخ

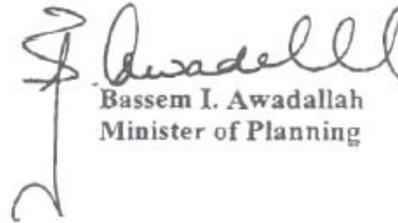
الموافق

- ◆ Many of the figures presented in the report need to be updated and revised in accordance with the most recent available official data. In addition, the methodology used in calculating some figures is not clear.
- ◆ There are numerous sentences and statements that are both incorrect and inappropriate to be included in the report.

I would appreciate it if you thoroughly look over these comments and adjust the report so as to reflect the true reality of our country. I look forward to coordinating our knowledge to produce an accurate and updated final report.

Please accept my high esteem and consideration

Sincerely,


Bassem I. Awadallah
Minister of Planning

cc: Mr. Joseph Saba

- **Specific Notes on section II: An Evaluation of World bank Assistance for Poverty Reduction, Health, and Education.**
 - ✓ Para.1.2, lines 1-2, Referring to the percentage of Jordanian Sunni Muslims is not appropriate in our country's context since sectarianism is not an issue which we face in Jordan.
 - ✓ Para 1.3, line 8, it is no longer appropriate nor relevant to mention that "about 60% of Jordanians are of Palestinian origin and that this is a significant factor in Jordan's socio-political development". Furthermore, the statement in line 12 of the same paragraph is not valid as there is no proof that most of the refugees are dominant among the poor and are of Palestinian origin.
 - ✓ With reference to table 2.1, p 3, the projected poverty line for 2001 was JD 312 per capita instead of 313.5 JDs. In addition, the National Strategy for Poverty Reduction has estimated the number of poor people in Jordan to be 636,000 and not 709,000 as indicated in the table.
 - ✓ Para.2.6, the comparison between governorates based on the national poverty line is not an appropriate approach because the living costs in each governorate varies significantly.
 - ✓ Para.2.9 Poverty in Jordan is related more to low wages rather than to unemployment.
 - ✓ Para.2.11. The Bank's latest poverty assessment referred to in this paragraph is based on a consumption expenditure approach as a means to calculate the poverty line. Though the methodology used for this assessment is an accepted one, this specific study contains several loopholes in that it did not assess consumption patterns as a means to measure the level of inequality between the poor and non-poor. Furthermore, the main reason for poverty reduction in that study was due to targeted subsidies and a change in the average price of goods and commodities in the year 1997. This led to an increase of consumption among the poor in order to satisfy their unmet needs. However, the average consumption expenditure among the non-poor declined. This was interpreted as a decline in inequality.
 - ✓ Para.2.12 attempts to overlap ethnicity with poverty and access to national economic growth. This is not true in the case of Jordan.
 - ✓ Para. 2.13 mentions that the Government has failed to stimulate investment in order to boost economic growth. Government regulations and various legislative reforms have been issued in order to attract and enhance investment. However, instability in the region has hindered Government efforts.
 - ✓ Footnote 14 on page 10 states "that current estimates of the school age population have not taken into consideration the out-migration of refugees since 1994, and that this leads to an underestimate of enrollment rates." This statement is not documented and thus there is no proof of its validity.

- ✓ Para.4.14, With reference to the Training and Support project, it is stated that 'it is regrettable that the government chose not to pursue this pilot project because, in the view of this evaluation, it was an excellent example of a demand-driven skills training program that could be successfully implemented at low cost to the Government.' This statement needs correction as the Government has been pushing for such programs and in fact has adopted a National Training Program in 2002 based on this same principle.
- ✓ Para.6.4, mentions that the NCHRD did not reach its goal of providing independent, high quality evaluation, analytical support and policy and strategic leadership to the education sector due to losses of staff and too much energy devoted to project implementation issues. This statement should not be included in the report given that project implementation is a major part of the whole reform process and that it is early to judge its output.

THE HASHEMITE KINGDOM
OF JORDAN
MINISTRY OF PLANNING
AMMAN



المملكة الأردنية الهاشمية
وزارة التخطيط
عمان

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Mr. René Vandendries
Acting Manager
Country Evaluation and Regional Relations
Operations Evaluation Department
The World Bank
Washington, D.C. 20433
USA

Dear Mr. Vandendries,

In reference to your letter dated October 10, 2002 and its attachment the revised report on the Country Assistance Evaluation (CAE) prepared by the Operations Evaluation Department (OED) of the World Bank, and further to my letter dated October 7, 2002, I would like to thank you for your efforts in taking care of some of our comments. However, it must be noted that there are some notes that need to be taken into account so as to ensure accuracy of the information presented in the report.

In addition to the following general comments, I am attaching a detailed commentary of the CAE to clarify what specific points we disagree with.

General Notes

- The general note raised in our letter no. MB/2002/154 dated October 7, 2002, concerning the use of national data sources, still valid.
- The First Country Assistance Strategy was for the period (1996-1999), and not in 1993.

I would appreciate it if you thoroughly look over these comments and adjust the report so as to reflect the true reality of our country. I look forward to coordinating our knowledge to produce an accurate and updated final report.

Please accept my high esteem and consideration

Sincerely,

Bassem I. Awadallah
Minister of Planning

cc: Mr. Mahdy Al-Jazzaf
Mr. Joseph Saba

Comments on the Country Assistance Evaluation Report of the Hashemite Kingdom of Jordan major

Specific notes:

- Para 2, page iii: The report states that "poverty projected to have risen again to about 13.5 percent in 2001". However, these projections were used in the WB study "Poverty Alleviation in Jordan: Lessons for the Future, 2001", and based on the projections made by the IMF in August 1999 (see table 2.1 and the footnote, page 3). Nonetheless, the sensitivity of poverty to growth calculated in the WB study (pp 24-25), projected poverty to decline to 10.09% in 2001 and to 9.78% in 2002 if there was a 1% real growth in the per capita GDP. The real growth rate in per capita GDP in Jordan registered 0.0%, 1.3%, and 1.3% in 1999, 2000, 2001, respectively. This comment applies for para 2.3 and para 2.4, as well.
- Para 4, page iv: The report states that "still no health insurance scheme". This statement should be "still no universal health insurance scheme".
- Para 1.1, page 1, is irrelevant to the document, therefore it should be omitted from the report.
- Para 1.2, page 1, states that urbanization in Jordan is 73%, however, this ratio was 78.7% in 2000.
- Para 3.7, page 11, used old data on university enrollment and this need to be updated from 1995/96. However, the enrollment at public universities increased to almost 79,355 students, while the enrollment at the private universities increased to almost 35,300 students in 2001.
- Para 4.2, page 13, as mentioned before, the data used in the report based on the projections made by the IMF in 1999, however, the official published data, mainly those of GDP and per capita growth rates should be used as follows:

YEAR	GDP Growth Rate (%)	Per Capita Growth Rate (%)
1996	2.1	-1.4
1997	3.3	-0.2
1998	3.0	-0.2
1999	3.1	0.0
2000	4.2	1.3
2001	4.2	1.3

- Annex C, Para 2, page 31, states that “a growth rate of 7% per annum was completely unrealistic considering the low level of non-housing investment for the decade”. However, the share of non-housing investment has increased significantly in the last few years, to register 56% of gross fixed capital formation in 2000 compared to about 25% in 1995.
- Annex C, Para 6, page 33, concludes that poverty declined due to a strong growth in per capita between 1992 and 1997. In fact, growth in per capita was not strong, it registered only 0.59%, 1.3%, 2.4%, -1.4, and -0.2 in 1993 through 1997 respectively. However, the government policy of targeting the poor through subsidies was the main factor in poverty reduction in 1997, rather than per capita growth rate.