

THE EBRD IN JORDAN



European Bank
for Reconstruction and Development

Results snapshot

#EBRDimpact

Overview

The European Bank for Reconstruction and Development (EBRD) has been active in Jordan since 2012 and it has invested more than €1.9 billion in the country over 70 projects, including support for sustainable infrastructure, green energy reforms and SMEs.

The Bank's strategic focus in Jordan is on:

- ▶ Competitive private sector, SME and inclusive growth
- ▶ Sustainable infrastructure and better municipal services
- ▶ Green economy transition

The EBRD is also engaged in significant capacity building and corporate restructuring, such as support to water utility companies.

EBRD results highlights for Jordan, 2017-22

Renewable energy:

EBRD supported the development of two wind farms in Jordan, expected to reduce an estimated amount of CO2 emissions reduction by 240 ktons per year, equivalent to removing nearly 47,000 cars from the road.

Better sanitation:

EBRD financing is scaling up infrastructure capacity by providing better sanitation services to Amman, Zarqa and Rusayfeh residents including 600,000 Syrian refugees. A total of 3,000 tons is disposed every day through this modern wastewater treatment plant.

Sustainable transport:

With the EBRD support, Amman introduced the country's first 15 electric buses in 2020, expected to reduce emissions by 290 tonnes CO2 per year, equivalent to removing 62 cars from the road in one year.

SME growth:

More than 800 jobs were created in the country and 41% of supported SMEs increased their turnover by €6.1 million.

The EBRD in Jordan

As of December 2022

Total	2017-2022
€1.93 billion	€776 million

Net cumulative investment

71	44
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Number of projects

59.6%

Private sector share in portfolio

€754 million	€383 million
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Green economy financing commitments

€460 million	€167 million
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Mobilised investments

11%

Equity share in portfolio

Our policy engagement

- ▶ Support to the low carbon pathway
- ▶ Facilitating of public tenders conducted on the eProcurement system

[Read the latest EBRD country strategy for Jordan](#)



Jordan in context

Jordan is demonstrating a robust recovery from the COVID-19 pandemic with a real GDP growing by 2.2% in 2021 and 5.2% year on year in the first quarter of 2022, following a 1.6% contraction in 2020. However, the previous influx of Syrian refugees, the COVID-19 shock and the current energy crisis have exacerbated key existing challenges faced by Jordan which include high unemployment rates, widening external imbalances, increasing debt levels and low investment. Nonetheless, as the first EBRD country of operations in the SEMED region, Jordan has made significant progress towards a sustainable market economy in comparison to its regional peers. The country has reduced its dependence on imported fossil fuels but still needs to strengthen its capacity to fully harness renewable energy sources and address the pressing water challenge, given Jordan is one of the most water-poor countries in the world.

While Jordan is tackling these issues, limited administrative capacity and declining external financial support have increased the challenge of doing so. Together with other IFIs, the EBRD is supporting Jordan mobilise the necessary private investment and donor resources to meet these critical needs and address transition gaps, notably in competitiveness and inclusion.



World Development Indicators

	Jordan (2017)	Jordan (2022*)	OECD comparators (2022*)
GDP per capita, PPP (constant 2017 international \$)	10,004	9,969	44,559
Unemployment, total (% of total labour force)	18.1	19.3	6.3
Unemployment, youth total (% of labor force ages 15-24)	35.4	40.5	14.1
Inflation, consumer prices (annual %)	3.3	1.3	2.8
Renewable energy consumption (% of total final energy consumption)	5.26	8.17	12.35

Our approach and operational delivery

The EBRD supports the development of the private sector through a combination of investment, policy dialogue, technical assistance, and business advice. We offer a range of financial instruments, both directly and through partner financial institutions. We provide business advisory services and technical assistance to help improve the institutional capacity and enhance competitiveness of our clients. In our policy engagement work, we address a range of factors to help shape initiatives that create favourable conditions for sustainable and inclusive economic growth.

From 2017 to 2022, the EBRD invested over €776 million in 44 deals. Investment volumes have fluctuated in recent years, reflecting the presence of a select number of large investments in the energy sector and for trade finance support. Within this period, the Bank has also supported business advice for more than 300 local SMEs tackling green and digital transformation, and business internationalisation; facilitating trade finance and investing in sustainable local infrastructure.

In addition to its own financing, the Bank also engages with many donor partners in Jordan to provide concessional finance, policy and advisory services. One such example is the SEMED Multi-Donor Account which supports Jordan achieve financial inclusion through a wide range of sectors.

* Or latest available World Development Indicators.

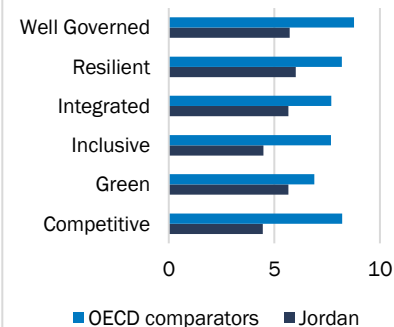
We seek to help countries transition towards democratic and sustainable market economies. We finance projects that strengthen the private sector in economies undergoing transition to a well-functioning market system. Our investment decisions are guided by six "transition qualities", which focus on making economies competitive, well-governed, green, inclusive, resilient and integrated.



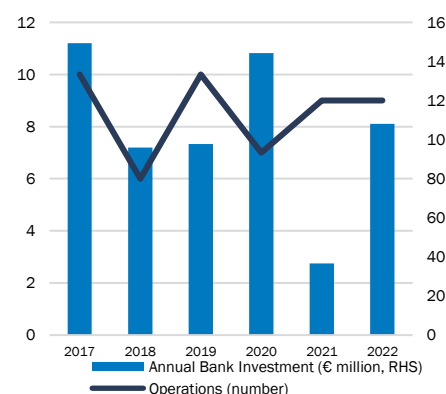
For more detail on our transition qualities visit www.ebrd.com/qualities



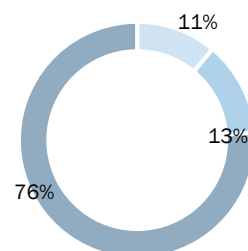
EBRD score (1-worst, 10-best)



EBRD investment



Portfolio by sector



- Financial institutions
- Industry, commerce and agribusiness
- Sustainable infrastructure

JORDAN

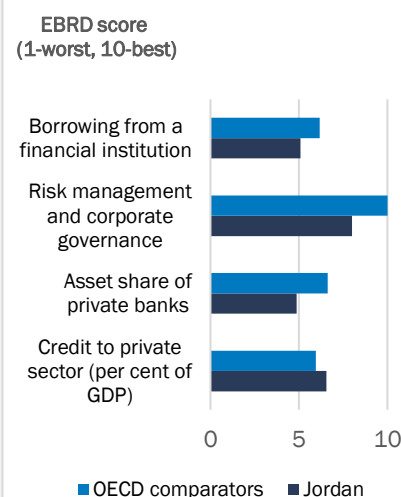
Competitive private sector, SME and inclusive growth

SDG contribution



#EBRDimpact

Before the Covid pandemic, between 2016 and 2019, real GDP growth averaged about 2%, insufficient to create enough jobs for Jordan's young labor force as labour market conditions have deteriorated. Unemployment stood at 23.3% in the last quarter of 2021, with youth unemployment reaching nearly 50% and the women's labor force participation rate standing at 14%, one of the lowest in the world. Part of this weak growth performance traces back to multiple external shocks Jordan has experienced in the past decade, including regional conflicts and the influx of nearly 1.3 million Syrian refugees, representing almost 13% of the total population. Human capital challenges remain substantial, alongside low productivity, regional instability and poor export diversification, giving limited opportunities for Jordanian firms. An unpredictable regulatory process and weak corporate governance also weigh on the business environment and limit foreign investment. Sitting at the center of a volatile region, Jordan continues to play a role as an anchor for regional stability and for the global public goods it provides by promoting cross-border regional cooperation and trade.



How we work

The EBRD helps to strengthen the resilience of the financial sector, including through improved governance standards in the banking sector, enterprise restructuring and introducing new sustainable economic activities. We provide direct and indirect financing, equity investments into systemic banks, and engage in policy dialogue with the government and market participants. To support trade, the EBRD Trade Facilitation Programme (TFP) provides guarantees covering the political and commercial payment risk. The EBRD also provides trade finance expertise to local banks through trade finance training courses, as well as the optimisation of banking procedures and the structuring of trade finance.

The EBRD in Jordan

As of December 2022

Total	2017-2022
€280 million	€49 million
Net cumulative investment in Industry, Commerce and Agribusiness	
€47 million	€5 million
Net cumulative investment in Manufacturing and Services	
€140 million	€86 million
Direct net cumulative investment in SMEs	

Quick links

- ▶ Women-in-Business Programme (WiB)
- ▶ Star Venture Programme
- ▶ Trade Facilitation Programme (TFP)

[EBRD Trade Facilitation Programme](#)

provides guarantees to international confirming banks, taking the political and commercial payment risk of international trade transactions undertaken by banks in its regions.



EBRD achievements and results in Jordan: Competitive private sector, SME and inclusive growth

We promote growth, inclusion and competitiveness of SMEs by:

- ▶ Increasing access to finance for women, youth and other underserved groups as well as enhancing access to skills development.
- ▶ Strengthening the capacity of corporates and SMEs to grow and add value through improved business standards, greater integration in regional value chains and increased innovation.
- ▶ Supporting Jordanian SMEs on standards with the delivery of 354 local and 37 international advisory contracts.
- ▶ Building resilience through development of capital market and local currency financing solutions; increasing private sector participation; and improving the business environment.
- ▶ Offering new services in areas of green and digital transformation to different firms.



We support the agribusiness sector by:

- ▶ Promoting higher value-added production, improving hygiene and sustainability, developing local supply chains in agro-production through modern retail, scaling up logistics and distribution infrastructure.
- ▶ Providing tailored assistance to improve organisational management, operations, sales and marketing, and finance.



Building skills

353 beneficiaries (329 Jordanian and 24 Syrians) have received skills training in a number of fields (including data entry and call centre training) at Abdali Mall Recruitment at Training Centre. In addition, 6 partner financial institutions benefited from bespoke consultancy services supporting EBRD transactions.



SME growth

33% of SMEs advised by the EBRD became more productive and 41% of supported SMEs increased their turnover by €6.1 million. A total of 830 jobs were created.

Boosting tourism

More than 9,000 tourism sector employees have received training through a digital course. Ayla's Makarem Training Academy hosted the first job fair in the tourism sector post-COVID, signalling a clear demand for tourism sector employees as domestic tourism rose in the wake of the pandemic.

Improving agribusiness standards

Four agribusiness SMEs saw their products, packages, marketing and efficiency improved as a result of EBRD advisory support.

"I'm grateful to have been trained to sew, and I'm now selling the pieces I make at the factory retail shop in Amman. I'm able to support my family working as a seamstress, which is something I get excited about and love very much – especially when I'm surrounded by the buzzing of sewing machines!"

Aisha Al Hameed, beneficiary from Homs League Abroad in Amman, Jordan.

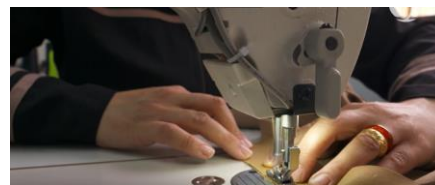


Read how the EBRD and donors are scaling digital tools to help SMEs grow in the fashion sector
[EBRD, EU and South Korea support online fashion venture in Jordan](#)



Check out how the EBRD and donors are promoting green financing to MSMEs

[EBRD, EU and GCF extend green financing to micro and small businesses in Jordan](#)



Read how the EBRD is supporting Syrian refugees in Jordan

[Bringing new business skills to Syrian refugees in Jordan \(ebrd.com\)](#)



[Read](#) how EBRD and Bank al Etihad support growth of small and women-led businesses in Jordan

The EBRD in JORDAN

Sustainable infrastructure and better municipal services

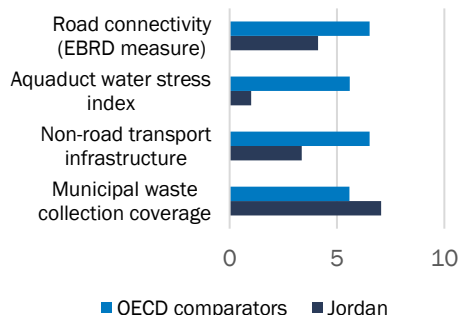
#EBRDimpact

SDG contribution



Recurring political crises in the region have forced a large number of displaced people to seek refuge in Jordan with an estimated 1.3 million Syrian refugees. Amman's population has doubled, increasing from 1.9 million in 2004 to 4 million in 2015, posing a serious pressure on the delivery of essential services, including solid waste, water supply, wastewater, urban transportation. Jordan continues to face a large financing gap in terms of the medium- and long-term assistance required to address these challenges which have been exacerbated by the Covid shock and current energy crisis.

EBRD score (1-worst, 10-best)



How we work

EBRD investments in municipal and environmental infrastructure (MEI) help lead to cleaner air, better waste collection and safer drinking water, a more reliable supply of heating, improved urban mobility, and increased access to modern hospital care. We help utility companies to modernise infrastructure after decades of underinvestment.

The EBRD in Jordan

As of December 2022

Total	2017-2022
€1.1 billion	€0.57 billion
Net cumulative investment in sustainable infrastructure	
€0.23 billion	€0.11 billion
Net cumulative investment in municipal and environmental infrastructure	

Quick links

- ▶ Green Climate Fund
- ▶ Green Economy Transition
- ▶ [EBRD Green Economy Financing Facility](#)

[The Green Economy Transition](#) (GET) is EBRD's approach for helping build green, low carbon and resilient economies.

Through the new GET approach, the Bank will increase green financing to more than 50 per of its annual business volume by 2025.



EBRD achievements and results in Jordan: Sustainable infrastructure and better municipal services

We promote sustainable essential services by:

- ▶ Improving Solid Waste Management and WasteWater Treatment Capacities as well as expanding Water Network capacities by investing nearly €223 million in the country's infrastructure such as the Ain Ghazal wastewater project through the construction of a new 30.4km wastewater conveyor.
- ▶ Financing the first-ever Landfill Gas System in the region through a €28 million loan to the Greater Amman Municipality.
- ▶ Strengthening resilience by designing crisis response instruments to relieve the local infrastructure pressures in the regions most affected by the Syrian refugees in Jordan.
- ▶ Supporting the financial sustainability of utility services companies, governance and private sector participation.



We build greener cities by:

- ▶ Financing the procurement of the first 15 electrical buses by Greater Amman Municipality and the rolling out by a private operator.
- ▶ Improving the resilience and environmental sustainability of air transportation of Queen Alia International Airport.

Greener transport

Donors helped Jordan's capital city Amman introduce the country's first electric bus fleet in 2020, expected to reduce emissions by 290 tonnes CO2 per year, equivalent to removing 62 cars from the road in one year. More than 16,000 people are expected to benefit from access to improved public transport.

Improved sanitation for all

EBRD's support to the country's Infrastructure Capacity has helped providing services to Amman, Zarqa and Rusayfeh residents including Syrian refugees through this modern wastewater treatment plant.

"This is a strategic project in the water sector in Jordan, as it will increase wastewater collection in Amman and Zarqa, as well as reduce the biological load at the As-Samra wastewater treatment plant. The project will improve the environment and reduce the movement of tankers in the Ain Ghazal area, which will solve traffic problems. We value the long-standing partnership of the EBRD and EU with the Ministry of Water and Irrigation, and appreciate the significant improvements to Jordan's water sector."

Mohammad Al-Najjar, Jordanian Minister of Water and Irrigation

Coronavirus response

In Amman, the equipment used for sanitisation and waste management throughout the spread of Covid-19 was part of a fleet of vehicles financed in 2018 with a loan from the UK's Department for International Development and the EBRD.



Check out how the EBRD and donors are upgrading the largest landfill in Jordan

[EBRD and EU upgrade largest landfill in Jordan](#)



See how the EBRD and donors are improving wastewater services in Jordan

[EBRD and EU upgrade wastewater services in Jordan](#)



Read about Amman's first green buses

[Amman to introduce new bus fleet under EBRD Green Cities programme](#)



Read how the EBRD has helped clean-up a contaminated lagoon in Jordan

[EBRD backs clean-up of contaminated lagoon](#)

The EBRD in

JORDAN

EBRD scales up green growth

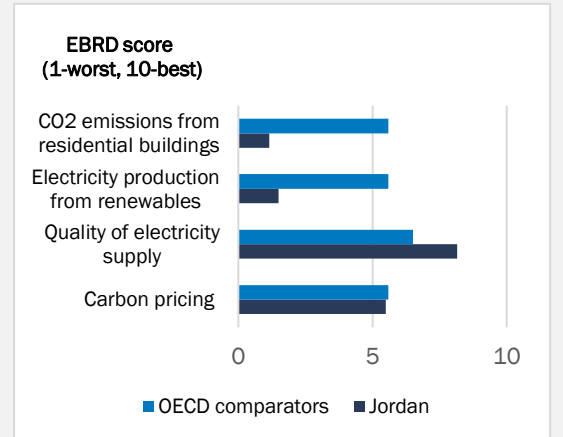
Green economy transition

#EBRDimpact

SDG contribution



Jordan is one of the most water scarce countries in the world due to low natural supply and persistent droughts, overconsumption, over-pumping and losses during distribution. The country also has the highest energy intensity in the region. While progress has been made on electricity tariff rates, with full cost recovery endorsed under Vision 2025, energy prices remain subsidised for social reasons. The potential for solar and wind energy remains promising as Jordan has considerably reduced its dependence on imported fossil fuels but efforts remains to fully harness the potential of renewable energy sources.



How we work

The EBRD helps Jordan build a green, low carbon and resilient economy through investments, reforms and policy dialogue. Our approach takes into account the context brought about by COVID-19 highlighting areas of opportunity to support a green recovery. The Bank also provides credit lines via local partner banks through the Green Economy Financing Facility (GEFF), which combines technical knowledge with finance to help clients invest in high-performing technologies and foster positive demonstration effects. The adoption of green technologies by SMEs is also supported by EBRD business advisory projects that are mostly focused on energy and resource efficiency.

The EBRD in Jordan

As of December 2022

Total	2017-2022
€834 million	€429 million
Net cumulative investment in the energy sector	
€754 million	€383 million
Green economy financing commitments	

Quick links

- ▶ Green Cities
- ▶ Municipal and Environmental Infrastructure
- ▶ Green Economy Financing Facility (GEFF)

[EBRD Green Cities](#)

strives to build a better and more sustainable future for cities and their residents. The programme achieves this by connecting cities' environmental challenges with sustainable infrastructure investments and policy measures.



EBRD achievements and results in Jordan: Green Economy Transition

We promote renewable energy solutions by:

- ▶ Financing the first wind farms in the country, Al Rajef and Shobak wind farms for a total of €93.8 million.
- ▶ Investing more than €161 million in seven solar energy projects, including the first photovoltaic tracker project to be constructed in Jordan and to be privately owned, the Ma'an Solar Power Project.
- ▶ Supporting tenders for renewable energy capacity in the country to help attract private investors.
- ▶ Strengthening the corporate governance and environmental standards of energy companies.
- ▶ Partnering up with local banks through GEFF to invest in green technologies. In 2022, the Bank signed GEFF with three local financial institutions for a total amount of USD 22 million (Bank al Etihad, Cairo Amman Bank, Microfund for Women).



We support the improvements of water and wastewater infrastructure by:

- ▶ Enhancing the delivery of water to the population by upgrading water pumping stations.
- ▶ Using solar energy to ensure the sustainability and efficiency of water provision.
- ▶ Building a greenfield wastewater treatment facility to help the Water Authority of Jordan modernise and enhance the water and wastewater management sector in the country.



Cleaner air

The two wind farms Al Rajef and Shobak, supported by the EBRD, helped reduce an estimated amount of CO2 emissions reduction by 240 ktons per year, equivalent to removing nearly 47,000 cars from the road. The two projects provided an additional renewable capacity of 95 MW.

“It gives us a great pleasure to announce a new era of green climate investments in Jordan in collaboration with EBRD and GCF. This facility will enable our bank to invest in climate change and green technology.”

Kamal Al Bakri, Chief Executive Officer of Cairo Amman bank

Green policies

The EBRD supported Jordan develop a low carbon pathway for its power sector to implement a deep decarbonisation and strengthen the country's climate resilience.



Improved governance

The EBRD helped introduce Public Service Contracts and improve the corporate governance of utility companies. The Bank has been actively engaged with Jordan's National Electric Power Company (NEPCO) to support a Corporate Reform Roadmap to meet environmental and social requirements.



Check how the EBRD supported Jordan's green energy delivery during the Covid crisis

[EBRD supports secure and green energy in Jordan](#)



Read how the EBRD has invested in the first private-to-private solar project in Jordan

[EBRD finances largest private-to-private solar project in Jordan yet](#)



Check out how the EBRD is using green technology for waste management services

[How Amman will use green tech for waste management \(ebrd.com\)](#)

Partnerships

The EBRD supports the transition process by applying a holistic approach through the combination of investment, risk mitigation, capacity building and policy dialogue with local and central governments, regulators, financial institutions and representatives of civil society. Partnership with donors is critical in this process to address transition

challenges, affordability constraints, improve market outcomes in the presence of significant externalities, steer investments towards improved sustainability and transition impact across EBRD's regions. With a focus on sustainable and inclusive private sector development, donor funds also play a key role in building low carbon economies

and mitigating climate risks. The EBRD has worked with donors since its creation and currently manages relations with a broad and varied donor community of up to 50 different partners, primarily governments and multi-lateral organisations.

Our Partnerships in Action

- ▶ A total of EUR 32 million of Technical Cooperation funds and EUR 144 million of Co-Investment funds were provided to Jordan between 2016 and 2021.
- ▶ The EU Trade and Competitiveness Programme, co-financed by the EU, helps Jordan enhance the sustainability and competitiveness of local SMEs in the agribusiness, manufacturing, logistics/distribution and ICT sectors.
- ▶ In 2022, the Bank signed the Green Economy Financing Facility (GEFF), supported by the EU and the Green Climate Fund (GCF), with three local financial institutions to scale up the use of green technologies.
- ▶ Thanks to EU support, Jordan introduced the use of Photovoltaic (PV) Systems to produce electricity for the benefit of water supply stations, addressing the country's ongoing challenges in the water sector.



Work with us

Financing

Loans

Equity

Guarantees (including to local banks for trade finance)

Advice

Expand

Improve processes and governance

Meet standards

Navigate regulatory environment

Train workers

Goods and services

Procurement

Careers

Participate

NGO roundtable

Have your say on EBRD policies and strategies

Contacts

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New business enquiries

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Shareholding

29 December 2011

Joined the EBRD

2012

EBRD started investing

EUR 9,860 m

Jordan's Capital subscription

Sarah Fountain Smith

EBRD Board Director for Jordan

Visit EBRD Results Snapshot Hub:
www.ebrd.com/what-we-do/country-results-snapshots

