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Enabling poor rural people
to overcome poverty

Hashemite Kingdom of Jordan

Country strategic opportunities programme

Executive Board — Ninety-second Session
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For: **Review**

Note to Executive Board Directors

This document is submitted for review by the Executive Board.

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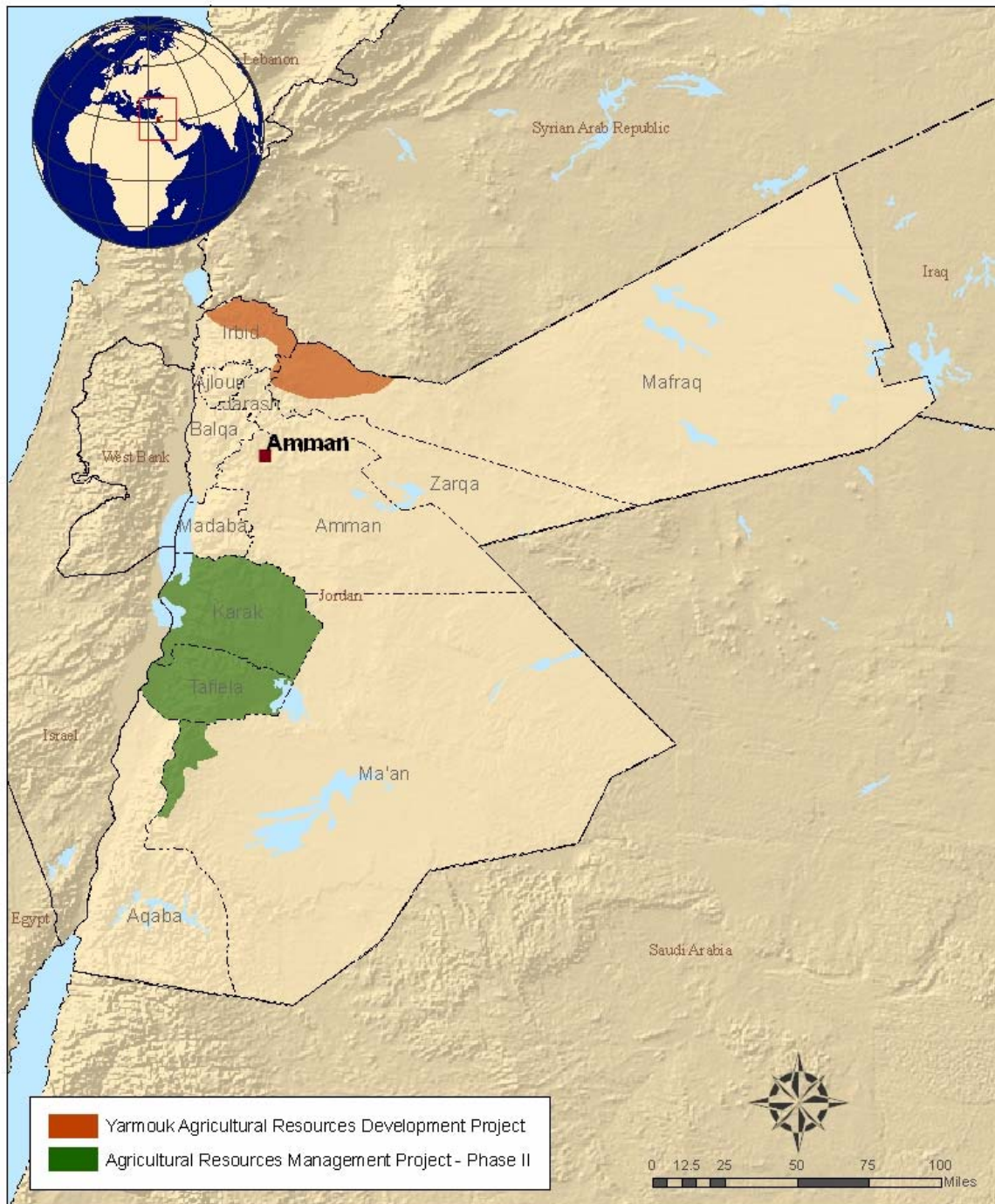
Abbreviations and acronyms

ACC	Agricultural Credit Corporation
COSOP	country strategic opportunities programme
GEF	Global Environment Facility
ICARDA	International Center for Agricultural Research in the Dry Areas
M&E	monitoring and evaluation
MFI	microfinance institution
NCARTT	National Centre for Agricultural Research and Technology Transfer
NENA	Near East and North Africa
NSAD	National Strategy for Agricultural Development, 2002-2010
PBAS	performance-based allocation system
UNDP	United Nations Development Programme
USAID	United States Agency for International Development

Map of IFAD operations in the country

Jordan

IFAD ongoing projects



The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.

Map compiled by IFAD

Summary of country strategy

1. This is second country strategic opportunities programme (COSOP) for the Hashemite Kingdom of Jordan and covers the period 2008-2012. Jordan's GDP grew by an average of 5 per cent annually between 1997 and 2005. Concurrently, poverty levels dropped by about one third from 1997 and 2003 (to 14 per cent), while extreme poverty levelled at 2 per cent. Poverty reduction efforts still need to be fine-tuned to reach the most vulnerable and address disparities, particularly in terms of geographic location and gender.
2. Of the 73 subdistricts in the country, 25 have a poverty incidence ranging from 20 to 73 per cent of the population. These pockets of poverty are mostly rural – some are in isolated and remote areas while others are merely in areas with a poor resource base and low population density. There are three main groups of rural poor households, each with a different livelihood strategy: (i) current or former nomads, who keep livestock; (ii) smallholder farm households, who in the past relied on mixed farming, but today have only a few livestock and derive most of their income from cereal cropping; and (iii) the landless rural poor, who essentially rely on wage labour and on pensions and remittances.
3. The priorities set out in the National Strategy for Agricultural Development, 2002-2010 are to promote the application of advanced technologies, develop innovative rural finance delivery mechanisms, promote linkages between crop and animal production, promote agricultural processing and marketing, ensure food safety and improve food security.
4. IFAD has committed US\$71 million in loans to Jordan to support agricultural development and reduce rural poverty. These funds have financed seven agricultural development projects, with a total value of US\$147.3 million. The major emphases have been on rainfed agriculture and livestock, small farm credit, income diversification and natural resource management. The Government of Jordan has generated significant achievements through these projects, which have also provided opportunities for learning some important lessons.
5. In line with IFAD's comparative advantages, the following strategic objectives have been developed – in consultation with IFAD's national and international partners in Jordan:
 - **Strategic objective 1: Improved access to markets, rural finance and technical advisory services for poor rural women and men.** This objective seeks to enable the rural poor to enhance and diversify their on- and off-farm income-earning opportunities. It addresses the need to strengthen the participation of rural people, particularly women, in the market economy by helping them gain access to appropriate technologies, to microfinance for agricultural and non-agricultural activities, and to markets for quality and high-value-added products.
 - **Strategic objective 2: Improved and sustainable access to land and water resources for poor rural women and men.** Expanding the successful initiatives already implemented, IFAD will focus on the need for an integrated approach to natural resource management. It will address the issues of water containment and watershed management, water harvesting, spring rehabilitation, water-use efficiency, land-use planning, highland and rangeland rehabilitation, and land usufruct arrangements.
 - **Strategic objective 3: Strengthening the capacities of rural poor and their organizations.** The focus will be on improving the capabilities of community organizations to respond to the needs of the poor and manage local resources.

6. It is estimated that around US\$22 million will be available to Jordan during the next two performance-based allocation system cycles. Accordingly, up to two new loan-financed operations will be initiated during the COSOP period. Investments will focus on areas with high rates of rural poverty and active farming communities. Project areas will be selected in different ecological zones in order to capture lessons for poverty reduction that are relevant and replicable in rural poverty zones nationwide.

Hashemite Kingdom of Jordan

Country strategic opportunities programme

I. Introduction

1. This country strategic opportunities programme (COSOP) for the Hashemite Kingdom of Jordan covers the period 2008-2012 and is the result of a consultative and participatory process that involved the main stakeholders in rural poverty reduction. The first COSOP was prepared in 2000, preceding the preparation of the Government's National Agenda, 2006-2015. The preparation of this COSOP was undertaken in partnership with the national Country Programme Management Team appointed by the Government, which includes senior officers of relevant ministries, government agencies and NGOs. A consultative workshop (attended by government authorities, NGOs, farmers' organizations, United Nations agencies and members of the donor community) reviewed and endorsed the IFAD country programme strategic objectives presented in this paper.

II. Country context

A. Economic, agricultural and rural poverty context

Country economic background

2. Jordan has a land area of 88,200 km², with mountains in the highlands of the north and west; vast eastern and southern semi-deserts; and the Jordan Rift Valley in the west. It has a population of 5.6 million (2006), growing at a rate of 2.3 per cent per annum. Since the country is at the centre of a volatile region, a succession of migrations have added to its population – the most recent being migrations from Iraq involving an estimated one million people.
3. In 2006, Jordan had a score of 0.760 on the Human Development Index, ranking 86th out of 177 countries. GNI in 2005 was estimated to be US\$13.5 billion, equivalent to US\$2,460 per capita. The economy is dominated by the service sector (mainly tourism, transport and finance), accounting for over 71 per cent of GDP; industry and agriculture make up 24 and 3 per cent of GDP, respectively. Between 1997 and 2005, GDP grew by an average 5 per cent per year. In 2005, external debt stood at 69 per cent of GDP.
4. Although Jordan has a small labour force relative to its population (reflecting a high dependency ratio and a low female labour participation rate), unemployment has averaged from 13 to 15 per cent of the labour force in the last five years – around 12 to 13 per cent for men and 20 per cent for women. Women's participation in the labour force has grown but, at 29 per cent, remains low. Women account for only 3.9 per cent of all entrepreneurs, one of the lowest rates in the Middle East. Youth unemployment is a major concern, having reached 37 per cent in 2004, and 42 per cent among the poor.
5. Jordan is a chronically water-scarce country, with an annual renewable fresh water supply of only 150 m³ per capita in 2005¹ – making it one of the ten most water-poor countries in the world. With a growing population and accelerating urbanization, tourism and agricultural activity, demand for water has increased rapidly.² Water scarcity is now the limiting factor for development, including agricultural development.

¹ National Strategy and Action Plan to Combat Desertification, Ministry of Environment, 2006.

² It is estimated that, by 2025, water supplied will exceed available renewable resources by 33 per cent.

Agriculture and rural poverty

6. **Agriculture.** The agricultural sector employs 4 per cent of the country's economically active population, contributes 2.8 per cent to GDP (2005) and generates 11.4 per cent of Jordan's exports. Structural adjustments have transformed the food sector – from food subsidies and price and import control policies in the 1970s and 1980s to a gradual liberalization and the removal of food subsidies by the 1990s – contributing to lower revenues and higher production costs for the sector.
7. Approximately 420,000 hectares (ha), or 4.7 per cent, of Jordan's land area is arable. In 2005, about 190,000 ha were cultivated, of which some 75,000 ha were irrigated. Agriculture is primarily practised in two distinct agro-climatic regions: (i) the predominantly rainfed highlands, which produce mainly wheat, barley and some pulses, in addition to olives, grapes, almonds and other stone fruits; and (ii) the more intensive, irrigated farms in the Jordan Valley and southern Ghors, which produce fruits and vegetables for the local market and export. Livestock-keeping, mainly of sheep and goats, is an important activity in the rainfed, semi-desert areas (the Badia) despite a fall in numbers of some 30 per cent.
8. There is extensive land fragmentation in the highlands, the Jordan Valley and the southern Ghors, and farm holdings are small. The highlands region is heavily dependent on seasonal rainfall; drought years reduce yields sharply and leave smallholders food-insecure. Smallholder agriculture in Jordan also suffers from poor post-harvest practices, poor market linkages and limited marketing facilities. Extension services are weak, and recent reductions in fodder subsidies have lessened the financial viability of smallholder livestock activities.
9. Desertification is a pronounced problem in Jordan, largely due to expansion of dryland farming in marginal areas (the primary driver of desertification in the ecologically fragile steppe), water erosion and urbanization (in the highlands), and increasing salinity (in irrigated areas of the Jordan Valley). Agriculture in Jordan is also vulnerable to natural disasters, mainly due to cyclic droughts and unpredictable frosts. Recurring droughts from 1998 to 2001 (the worst in 50 years) highlighted the vulnerability of Jordan's agriculture to water availability and climate change. Agriculture's share of GDP fell from 6 per cent in 1994 to a low of just over 2 per cent in 2002 – a drop that good rains in 2004-2006 failed to recover.
10. It is predicted that climate variability will aggravate the situation by further decreasing water availability thus bringing about additional threats to health, food security, productivity and human security. The ability of Jordan to adapt to increased water scarcity induced by climate change will be crucial to sustaining its human development achievements and growth.
11. **Rural poverty.** The United Nations Common Country Assessment³ indicates that Jordan is on track to meet the Millennium Development Goals by 2015, although critical challenges need to be met to reduce poverty. In particular, efforts need to be fine-tuned to reach the most vulnerable groups and to address disparities, especially those resulting from geographical location and gender.
12. A Government and World Bank joint poverty assessment for Jordan⁴ released in 2004 shows that between 1997 to 2003 poverty was reduced by about one third, from 21 to 14 per cent, while extreme poverty dropped to 2 per cent. The Gini coefficient stood at 0.388 in 2003 compared with 0.364 in 1997, suggesting greater disparity over time.⁵ There are specific subgroups that are at higher risk: separated women (who have a poverty ratio of 37 per cent), divorced women and young people.

³ United Nations Common Country Assessment: Jordan, Office of the Resident Coordinator, December 2006.

⁴ Jordan Poverty Assessment, December 2004: The Hashemite Kingdom of Jordan and World Bank.

⁵ A recent Ministry of Statistics estimation of 0.399 (2006) indicates that this trend is continuing.

13. The poverty assessment found that, while only 20 per cent of the country's population still live in rural areas, poverty incidence there is higher (19 per cent) than in urban areas (13 per cent). Out of the total 73 subdistricts in the country, the 25 poorest are located in seven governorates and have a poverty incidence ranging from 20 to 73 per cent of the population. These pockets of poverty are mostly rural – some are isolated and remote, while others merely have a low resource base and low population density. There are, however, differences in the estimation of poverty and vulnerability in Jordan. If a poverty line of US\$2 per day is applied (which the United Nations Capital Development Fund proposed as a more reasonable benchmark for a middle-income country such as Jordan) rather than the official poverty line of US\$1.40 per day, the incidence of rural poverty increases from 19 to 34 per cent. The data also show that, for 38 per cent of poor households, the head of household's primary activity is agriculture. The proportion of rural poor whose household head is unemployed is estimated at 43 per cent.
14. The most significant causes of poverty in rural Jordan are high unemployment in rural areas and low wage rates; drought seasons, which in recent years have become an almost permanent feature (annual average rainfall decreased by some 18 per cent between 1994 and 2004); an average family size for the poor in rural areas of some 9 persons (compared with a national average of 5.8); desertification and the deterioration in pasture land; and uneven economic growth, which is improving national living standards but worsening the terms of trade in rural areas (spatial price indices in 2002-2003 were 10.6 per cent higher than in 1997).
15. There are three main groups of rural households, each with a different livelihood strategy. The first group consists of current or former nomads who keep livestock. Their poverty results from reduced range for their animals (due to drought and border closures), and they are also adversely affected by the removal of fodder subsidies. Because of the significant decline in herd sizes, many nomads have withdrawn from livestock altogether and now depend on public assistance. The second group is composed of households who in the past relied on mixed farming, but today have only a few livestock and derive most of their income from cereal cropping. Their landholdings are small and they cultivate olive trees in addition to cereals. Like the first group, they traditionally draw some income from salaries in the civil or military service, and from pensions. Many of these households use their domestic water supply to irrigate home gardens for vegetables, and some are involved in market gardening. The third group consists of the landless rural poor, who essentially rely on wage labour in nearby urban areas, and also on pensions and remittances.
16. Although agriculture remains a critical livelihood source for these three groups, they have reduced their dependence on it, in part due to chronic water shortages and, with the drop in fodder subsidies and deteriorating natural resources, fewer livestock holdings. As coping strategies, poor rural households may use children as family labour when necessary rather than hire outside labour; poor women may work in casual daily labour on large farms; households rely on domestic gardens for family consumption; they re-use goods and clothes; and they borrow mainly from their relatives and within their tribal group when possible. Exchange of labour and mutual assistance can be considered another form of "borrowing", frequently used as a coping strategy. Migration to peri-urban and urban areas, in search of alternative sources of income, is a primary coping strategy, especially for rural young people and particularly in communities with limited public service provision.

B. Policy, strategy and institutional context

National institutional context

17. The Ministry of Planning and International Cooperation coordinates the Government's socio-economic policies, programmes and priorities, and enhances international cooperation aimed at addressing Jordan's priorities. It is also responsible for, inter

alia, the Enhanced Productivity Programme, a major government initiative in rural poverty reduction and economic growth. The Ministry has recently launched a new participatory, community-driven intervention – known as the Pockets of Poverty Programme – aimed at reducing poverty in the poorest subdistricts. Its implementation is tendered to qualified NGOs with the Ministry retaining responsibility only for supervision, monitoring and evaluation (M&E).

18. The lead agency within the agriculture and rangelands development sector is the Ministry of Agriculture. It plays an important role in addressing the needs of the rural poor in both the highlands and the Jordanian Badia, including as the implementing agency of IFAD projects in Jordan. Agencies closely related to the Ministry of Agriculture include the National Centre for Agricultural Research and Technology Transfer (NCARTT) and the Agricultural Credit Corporation (ACC). With a view to linking research with extension and on-the-ground changes, and to making extension more effective, NCARTT is being restructured to undertake the extension role formerly undertaken by the Ministry of Agriculture itself. Three other ministries are considered relevant to the rural poor: the Ministry of Water and Irrigation; the Ministry of Environment; and the Ministry of Social Development.
19. With strong support from United States Agency for International Development (USAID), four microfinance institutions (MFIs) – the Microfund for Women, the Middle East Micro Credit Company, the Jordan Micro Credit Company and the Al Ahli Bank – have been able to introduce “best practices” in lending, and are growing in outreach in urban areas; but legal restrictions do not permit savings mobilization, while efforts to lend in rural areas have not had encouraging results. The National Microfinance Bank, established in March 2006, had an outstanding loan portfolio of US\$10.7 million at end-2006 composed of loans ranging from US\$200 to US\$15,000.

National rural poverty reduction strategy

20. Jordan’s poverty reduction strategy is captured in four key documents, namely: (i) the National Agenda, 2006-2015; (ii) the Jordan Poverty Alleviation Strategy; (iii) the National Strategy for Microfinance; and (iv) the National Strategy for Agricultural Development, 2002-2010.
21. The overriding policy environment is framed by the **National Agenda, 2006-2015**, which sets the parameters for further transformation of the increasingly liberal, privatized economy. It foresees enhancing effectiveness and downsizing the public service; reducing subsidization; and improving the role of the financial sector, including by supporting new enterprises. The expected outputs include real annual GDP growth of 7 per cent by 2012; reduction in the Government’s wage bill to 9 per cent in 2012; and an improvement in the current budget deficit from some 11 per cent now to a deficit of less than 4 per cent by 2012.
22. The **Jordan Poverty Alleviation Strategy**, announced by the Ministry of Social Development in 2002, sets out a road map to improve education, health and employment opportunities of the poor. Interventions place special emphasis on: expanding the National Assistance Fund to reach more of the poor, encourage work and support working families; supporting job creation and higher wages in the private sector; promoting business development in targeted communities; improving infrastructure; expanding nutrition services and disease prevention; eliminating gender disparities; and developing more entrepreneurial attitudes. It identifies a number of key entry points for targeted interventions, such as sustainable microfinancing, development of local enterprises benefiting clusters of villages, and the establishment of business support centres in the governorates.
23. The **National Strategy for Microfinance**, issued in 2005, expounds the Government’s role as a facilitator, and the private sector’s role as the main provider of microfinance services, following best practice in a market-oriented environment. It foresees the Government withdrawing from retailing credit to final borrowers, and

limiting itself to developing an enabling environment and building capacities to ensure more effective outreach and affordable microfinance.

24. The key objectives of the **National Strategy for Agricultural Development, 2002-2010** (NSAD) are to diversify and improve rural livelihoods by strengthening rural population's access to technology and resources. To support and develop rural areas in the highlands, the Jordanian Badia and the Ghor, the NSAD sets out three main thrusts: (i) achieving sustainable agricultural development in its economic, social and environmental dimensions; (ii) achieving food security and reducing poverty in rural areas through the optimum use of natural resources such as soil and water; and (iii) making rural financial and marketing services available to farming households. It proposes enabling rural women to improve family incomes by providing facilities needed to develop skills in production and marketing. It also emphasizes the revitalization of the rural economy through improved market linkages, reductions in high post-harvest losses, and the introduction of mechanisms for quality control and standardization.
25. Accordingly, the priorities articulated by the NSAD are to promote application of advanced technologies, develop innovative rural finance delivery mechanisms, promote linkages between crop and animal production, promote agricultural processing and marketing, ensure food safety and improve food security.

Harmonization and alignment

26. The Ministry of Planning and International Cooperation maintains regular channels with the United Nations and international agency programmes to bring greater coherence to development assistance operations and enhance their impact and effectiveness. It coordinates with line ministries to prioritize development needs and actions, and presents the Government's position in relation to contributions by international donors and financiers. The United Nations Development Programme (UNDP), USAID and the European Commission are working together to support the Ministry's Aid Coordination Unit (ACU) to enable it to play its role more effectively with respect to donors. A Donor and Lenders Consultation Group (with a rotating chairmanship and UNDP as secretariat) complements the ACU.
27. IFAD is a non-resident member of the United Nations Country Team and has been an active participant in inter-agency efforts such as the United Nations Common Country Assessment and the preparation of the United Nations Development Assistance Framework – with which all future IFAD assistance will be integrated.

III. Lessons from IFAD's experience in the country

A. Past results, impact and performance

28. IFAD has provided US\$71 million in intermediate-term loans to Jordan, which have financed seven agricultural development projects for a total value of US\$147 million. Cofinancing has included US\$17 million from the Arab Fund for Economic and Social Development, US\$15 million from the OPEC Fund for International Development and US\$5 million from the Abu Dhabi Fund. IFAD disbursements during the first COSOP (2000 to 2007) amounted to US\$21 million, consisting of US\$20.6 million as loans and US\$0.34 million in grants.
29. The three most recent IFAD-supported projects are estimated to have directly benefited more than 19,000 farmers, about 5,800 rangeland users and some 630 rural women. They have emphasized better use of soil and water resources through the introduction of improved management practices with a particular focus on environmental conservation. They have also increasingly paid attention to strengthening local communities' capacity to involve all community members in decision-making and project implementation; and to developing women's capacity to be involved in community participatory planning processes. Earlier IFAD-supported

projects helped promote the Government's strategies for rainfed agricultural development and the extension of credit to smallholders and women.

30. IFAD grants to Jordan during the previous COSOP period supported innovative initiatives, including a US\$0.10 million grant to CARE Jordan for participatory rangeland management; US\$0.10 million to the Italian Association for Women in Development for a women's village business incubator, implemented in partnership with the Noor Al Hussein Foundation; and a US\$0.40 million grant to assist ACC in introducing microfinance best practice and in dropping conservative lending practices. These initiatives have successfully introduced new approaches with potential for replication and have strengthened beneficiary capacity.
31. Jordan has also benefited from a number of regional grants supported by IFAD. The transfer of improved technologies to farmers and the adoption of technical packages developed through these grants require further support, indicating a need to strengthen extension outreach. The research grants include:
 - Programme for Developing Sustainable Livelihoods of Agropastoral Communities of West Asia and North Africa (Mashreq/Maghreb) – implemented by the International Center for Agricultural Research in the Dry Areas (ICARDA) – which seeks new approaches to address land degradation, including relevant technical, institutional and policy approaches tested at and transferred to the community level.
 - Community-Based Optimization of the Management of Scarce Water Resources in Agriculture in West Asia and North Africa, an ICARDA-implemented programme that aims to increase the adoption of improved technologies that improve water productivity and livelihoods.
 - Regional Water Demand Initiative implemented by the International Development Research Centre (IDRC) in the Middle East and North Africa, which seeks to share lessons and develop new insights on water demand management options.
 - Programme to Develop a Knowledge Generation and Sharing Network in the Near East and North Africa (NENA) Region (Phase I), an IDRC-implemented programme that is facilitating the exchange of knowledge and experiences among IFAD-financed projects and their partners.
 - NENA Regional Programme for Capacity-Building in Managing for Results and Impact – implemented by Capacity Building International (InWEnt) and the Regional Center on Agrarian Reform and Rural Development for the Near East (CARDNE) – which seeks to develop locally available expertise in M&E.
 - Near East and North Africa Management Training in Agriculture, implemented in collaboration with InWEnt and CARDNE, seeks to strengthen the management skills of decision-makers in the agricultural sector.
 - Programme for Saving Freshwater Resources with Salt-Tolerant Forage Production in Marginal Areas of the West Asia and North Africa Region, implemented by the International Center for Biosaline Agriculture (ICBA), seeks to identify salt-tolerant varieties of fodder crops suitable for adoption on marginal lands in Jordan.
32. IFAD reviews have found that project results have led to improved agricultural and livestock production. The one evaluation exercise that took place during the COSOP period – an interim evaluation of the Agricultural Resource Management Project – Phase II in the Governorates of Karak and Tafila – estimated that when all the productive activities were combined, the economic rate of return was 34.8 per cent; and that from the Government's perspective borrowing for the intervention was

definitely worthwhile. Improvements to physical resources, enhanced and rejuvenated agricultural production, and promotion of off-farm income generation had proved positive for family incomes: the evaluation found that the likely increases to farm incomes were between 30 and 400 per cent.

33. Overall, the Ministry of Agriculture estimates that IFAD projects in Jordan have contributed to reclamation and rehabilitation of 108,000 dunums of agricultural land; cultivation of 28,000 dunums with fruit trees; rehabilitation of 450,000 dunums of rangeland; and construction of cisterns for a total capacity of 240,000 m³. Wadi protection measures (gabions) have amounted to 13,000 m²; some 54 km of water canals have been constructed or rehabilitated; and 53 earth dams (with a capacity of 900 m³) and 245 km of rural roads have been built.

B. Lessons learned

34. The Government has made important progress in enabling the rural poor to overcome poverty through IFAD projects. Farm enterprises are more market-oriented and farmers are using more inputs, resulting in production increases for both crop and livestock enterprises. ACC has increasingly engaged in lending to women microentrepreneurs, and eased collateral requirements. Community involvement in natural resource management is also growing, for example through rangeland users' associations and spring water users' associations. Together with these achievements, a number of important lessons have been learned:
- **Geographic targeting is one component of strategic outreach.** Targeting in recent projects has taken a two-step approach: first a regional or area-based geographic focus; and, second, identification of priority villages through rapid appraisals of poverty and agricultural production potential. The three most recent projects have accordingly targeted the Badia rangelands in the east and south, the northern highlands in the Yarmouk basin, and the southern highlands of Karak and Tafila. Village targeting using focal development areas and community involvement in planning has contributed to IFAD's objective of community empowerment and local planning and programming.
 - **A design focus on increasing agricultural production needs to be coupled with effective marketing.** In future interventions, quality assurance and value addition to agricultural and livestock products need to be elaborated, with due attention to engaging the private sector in supporting higher market penetration.
 - **Projects' support to non-traditional, high value-added crops has been limited.** Although IFAD projects have sought to diversify incomes through promotion of fruit orchards, potential benefits from introducing other high-quality and high-value horticultural, medicinal and herbal plants, including organic crops, have not been pursued. The Near East and North Africa (NENA) Division has organized two expert consultation workshops with ICARDA on this topic in 2007, with participation from and relevance to Jordan. Opportunities to increase the incomes of the rural poor in the NENA region through alternative crops and improved quality assurance have been reviewed, and will be further assessed in Jordan.
 - **Weak service delivery has been a constraint.** Reviews and evaluations of IFAD's projects in Jordan have identified the effectiveness of service delivery at field level as a key area for improvement. Restructuring during the past decade has not resulted in a significant increase in support services offered by the Government, and certain elements could be taken over by other service providers. In this respect, the Government recognizes the need for enhanced partnerships with the private sector and NGOs. Skills development and organization at the level

of community-based organizations is also critical for linking farmers to services.

- **Rural finance remains restricted.** Progress has been limited in the provision of sustainable rural financial services, associated with integrated credit and savings modalities. Mechanisms to engage MFIs in rural areas and to develop member-based community schemes need to be introduced. With respect to ACC, there is a need to identify the mechanisms through which the corporation can grow into a broader-based service provider, able to reach out to individuals and groups who need financial services to climb out of poverty. In particular, the modalities for ACC to operate under the Government's new guidelines for microfinancing, as a promoter and wholesaler of rural financial services, need to be developed; IFAD will continue to support this process through the grant to ACC (see paragraph 30).
- **Integrated and participatory planning is essential for the efficiency and effectiveness of natural resource management.** Projects funded by IFAD and other donors have included group-based approaches to natural resource management; but this has produced variable results depending on the ecology and the social context. This can be attributed to factors such as land fragmentation and absentee ownership in the highlands, and lack of clear user arrangements on the Jordanian steppe – with subsequent conflict among user groups. Therefore, participatory multi-stakeholder land-use plans and enabling policies need to be developed in order to facilitate an integrated catchment/watershed management approach to ensure conservation of the natural resource base.

IV. IFAD country strategic framework

A. IFAD's comparative advantage at the country level

35. IFAD has gained considerable expertise in a number of fields based on the length of its experience and its concentration on poor areas in the highlands and in the Jordanian Badia. The projects it funds are active in rainfed and marginal agriculture areas where other donors have only limited interventions. IFAD brings a good knowledge of natural resource management issues in low rainfall areas and a significant pool of knowledge and experience in targeting, capacity-building and empowerment, sustainable agricultural production and service provision for the rural poor areas of particular interest to the Government and identified through its poverty assessment. IFAD's experience is therefore highly relevant for the country's poverty reduction objectives, and would contribute towards meeting the targets set by the Government.
36. The Fund's comparative advantage also lies in its ability to work at the grass-roots, community level. Government recognizes IFAD as a leader in participatory rural development in Jordan and would like it to continue to deliver assistance in this field. The next five years will be a time of strengthened partnerships, innovation and increased policy dialogue to reach a higher platform of effectiveness and impact.

B. Strategic objectives

37. Agriculture remains a critical component of the livelihoods strategy for the rural poor – providing food, income and employment opportunities to smallholder households. For agriculture to present a viable path out of poverty, the natural resource base on which it depends must be conserved and upgraded; and vulnerability needs to be reduced – including to climate variability, which affects the rural poor disproportionately. To maximize farm household incomes, higher value commodities will be supported and marketing mechanisms developed. Particularly for the landless, alternative and complementary sources of off-farm income generation and

employment also need to be promoted. Climate change is addressed through adaptation measures, including strengthening the resilience of the target group through the diversification of livelihoods; and the rehabilitation of the natural resource base through integrated land and water conservation measures.

Strategic objective 1

38. **Improved access to markets, rural finance and technical advisory services for poor rural women and men.** In accordance with the lessons learned, this strategic objective addresses the need to develop more effective microenterprises and local and international marketing mechanisms for agricultural and rural products. It seeks to further the participation of the rural poor, in particular women, in the market economy by assisting them in gaining access to appropriate technologies, investment for on- and off-farm activities and markets (both nationally and internationally) for quality and innovative high-value products (including herbal and medicinal plants and certified organic produce). This strategic objective will also enhance the participation of the rural poor and their organizations in commodity value chains, strengthen the performance of these chains, and support higher benefits for the rural poor.
39. Increased investment opportunities for the rural poor through improved access to financial services, in rural and peri-urban areas, are an integral part of this objective. The basic model will involve the creation and mobilization of village-based savings and credit groups and associations – with a view to establishing a hierarchy of associations to gain access to wholesale credit from government agencies, MFIs or, eventually, commercial banks.
40. This strategic objective will also include strengthening capabilities for service provision to the target group, with an emphasis on the need to improve technology adoption and to expand cultivation of water-efficient medicinal and aromatic herbs and other high-value plants on smallholdings in order to maximize the incomes of poor households. Capacity-building will also be carried out to ensure more inclusive community participation, while new approaches will be introduced to achieve greater beneficiary involvement in activities other than planning, which may include written implementation agreements, joint management committees and community-based M&E of progress.

Strategic objective 2

41. **Improved and sustainable access to land and water resources for poor rural women and men.** This objective focuses on the need for an integrated approach to natural resource management. Issues to be addressed include water containment and watershed management, water harvesting, spring rehabilitation, water-use efficiency, land-use planning and highland and rangeland rehabilitation, and land usufruct and tenure arrangements on the Badia. Interventions will be founded on area-based planning in full consultation with the target group and local and central stakeholders, including the Ministries of Agriculture and Environment. Further, a framework will be pursued to gain the involvement of contiguous natural resource users.

Strategic objective 3

42. **Strengthening the capacities of the rural poor and their organizations.** It is essential for improved service provision and access to markets to be cost-efficient, and for service provision to be demand-driven, responding to farmers' needs. Moreover, the effectiveness of poverty reduction efforts substantially depends on ownership by farmer communities. This will be achieved by supporting farmers' and community groups and organizing them around mutual interests. The result will be a better articulation of service requirements, which is expected to lead to enhanced performance of local groups, to the benefit of their membership.

43. Support to community-based planning and M&E will be a cross-cutting theme for the achievement of these objectives. IFAD will pay particular attention in its two ongoing projects to community-based mechanisms for participatory planning and M&E, integrated natural resource management and market linkages.
44. Up to two new loan-financed interventions will be initiated during the COSOP period, coupled with ongoing and future support through research grants, Global Environment Facility (GEF) programming linked with IFAD projects, and IFAD grants for testing innovative solutions in service provision (e.g. in microfinance, value chain development and agricultural advisory services). GEF cofinancing is anticipated in 2008 within the Regional Integrated Sustainable Land Management Programme in the Middle East and North Africa region.

C. Opportunities for innovation

45. Innovative programming is a critical element of the country programme in view of the pervasive rural poverty constraints and challenges in the agricultural sector. Innovations under **strategic objective 1** will include greater emphasis on quality assurance and local market organization and linkage with urban and international markets; and diversification of incomes through higher-value commodities and new enterprises including ecotourism where possible. To support an enhanced market economy, new methods of delivering rural financial services will be introduced. The delivery of services will involve wholesale credit, linkage to MFIs, mobilization of savings and credit groups and associations, and formal loans by banks for onlending to association members. Opportunities to link with remittance services and collaborate with remittance providers in rural transformation will also be explored.
46. The priority placed by the Government on natural resource and water conservation provides the opportunity to initiate a number of innovations under **strategic objective 2**. Land-use planning and land development will take an integrated catchment/watershed management approach to ensure conservation of the natural resource base. The consultative/participatory approaches found to be valid in the Badia will be extended to common lands in the highlands. Under this strategic objective, opportunities for securing payment for environmental services will also be explored.
47. With respect to **strategic objective 3**, experience gained in other countries has shown that group formation and farmers' organizations can play an important role in ensuring access to services and markets, and in implementing effective integrated natural resource management plans. IFAD will support the Government in introducing the appropriate framework for empowering the rural poor by developing their social capital and improving their access to markets and services.

D. Targeting strategy

48. Jordan's detailed poverty assessment provides ample information for geographic targeting. IFAD-financed investments will focus on areas with high rates of rural poverty and active farming communities. As requested by the Government, IFAD will choose to operate in poor rural areas in different ecological systems (rangelands, highlands and the Ghor⁶) in order to discern lessons for poverty reduction that are relevant and replicable in poverty zones nationwide.
49. Based on a characterization using the livelihood strategies approach, IFAD's target groups can be identified as: (i) smallholding producers of rainfed grains and tree crops who earn on average less than US\$2 per day per person, are located in the highlands on steep slopes and have few productive assets; (ii) rangeland users who earn on average less than US\$2 per day per person and whose only productive assets are their livestock; and (iii) unemployed or underemployed landless rural poor. Women and young people are a distinct focus for IFAD assistance.

⁶ IFAD support in these areas will be dependent on partnerships with donors already active in water-use efficiency and marketing in the irrigated areas of the Jordan Valley.

E. Policy linkages

50. To facilitate Jordan's efficient adaptation to climate change, evidence is needed and thus the need to assess the direct and indirect impacts of climate change on the health, nutrition, and livelihood security of the rural poor. IFAD will support such assessments, and potential adaptation strategies will be screened and tested. For wide-scale adoption, existing national adaptation capacities must also be assessed and strengthened, and additional capacities built.
51. IFAD's approach to natural resource management will be closely linked with the Government's water policy, in particular for agriculture and environmental conservation, and the improvement of land tenure arrangements and usufruct rights on the rangelands. Policy discussions will also be held on the enabling framework to promote and support farmers' organizations in fulfilling the mutual needs of their members towards improved and commercialized agricultural production.
52. IFAD will coordinate with other donor agencies in assisting the Ministry of Agriculture in introducing enabling policies and strategic actions to improve agricultural marketing, including support to the preparation of strategic investment plans focused on commodities relevant to the target group, and related policies for supporting production and marketing. Microfinance will be another important area of policy dialogue. IFAD will support the Government in benefiting from experiences in group-lending from other countries and will continue to dialogue with ACC and the Government on developing best-practice mechanisms for microfinance diversification and outreach. Finally, IFAD will seek funding to support the Government in developing a pro-poor extension strategy to enhance service provision to the target group.

V. Programme management

A. COSOP management

53. COSOP implementation will be reviewed annually during a country programme review meeting in the country. Participants will include representatives of the key line ministries, project management teams, members of the Country Programme Management Team (CPMT), the cooperating institution(s), selected external development agencies and civil society organizations. The annual review meetings will contribute to an annual COSOP implementation progress report. The COSOP mid-term review will be in 2010 and the completion evaluation in 2012. During the review, IFAD will seek to realign the COSOP with emerging government policies and priorities.

B. Country programme management

54. The country programme will be managed by the country programme manager and the CPMT. In consideration of the Fund's pursuit of policy support to the Government outlined above, IFAD's stronger engagement through direct supervision will be sought. This COSOP, the recent project completion report for the National Programme for Rangeland Rehabilitation and Development – Phase I, the upcoming project completion report for the Yarmouk Agricultural Resources Development Project, the mid-term review of the Agricultural Resource Management Project – Phase II, the development of a GEF grant benefiting Jordan together with Jordan's participation in several IFAD-financed regional grants – all provide a sound basis for such an engagement, which will strengthen linkages and synergies between programming, supervision, implementation, knowledge management and policy dialogue, in support of a more effective country programme.

C. Partnerships

55. IFAD will continue its partnerships arrangements with government entities and with other donors. It will deepen its partnership with the Ministry of Planning and International Cooperation in all matters related to M&E and furthering the use of

IFAD instruments such as the institutional and sector analysis of the performance-based allocation system (PBAS) methodology and the yearly assessments of IFAD's Results and Impact Management System. Partnerships will be established with NGOs involved in rural development such as the Jordan River Foundation and the Noor Al Hussein Foundation, in particular for rural women's micro and small enterprises.

56. In addition to potential collaboration with NCARTT, IFAD will explore new partnerships with the Hashemite Fund for Badia Development, as well as continuing its partnerships with ICARDA and with the Arab Centre for Studies in Arid Zones and Dry Lands, considering their experience in the Badia, natural resource management and geographic information systems mapping of the status of water resources in the Middle East and North Africa region. Partnerships with private-sector players along the value chain will also be sought and elaborated during the design and implementation of new projects.
57. Partnerships with other United Nations agencies, particularly with the Food and Agriculture Organization of the United Nations, the World Food Programme, UNDP and the United Nations Industrial Development Organization, will be sought in accordance with their respective roles envisaged in poverty reduction, natural resource management and improved local governance thrusts under the United Nations Development Assistance Framework. Projects financed by IFAD in Jordan have involved partnerships with other development agencies and international research organizations, primarily the Abu Dhabi Fund, the Arab Fund for Economic and Social Development, GEF, the Global Mechanism of the Convention to Combat Desertification, the German Agency for Technical Cooperation (GTZ), ICARDA, the International Center for Biosaline Agriculture, and the OPEC Fund for International Development. IFAD will continue to collaborate with these partners and will seek out other potential future partners, such as the regional office in Amman of the Consultative Group to Assist the Poor.
58. Donor interventions relevant to IFAD will be in the domains of water conservation and the fight against desertification, market access, microfinance and local government support. Such projects and programmes include: the World Bank's support to marketing of herbal and medicinal plants; USAID's Economic Opportunities for Jordanians Program, and the Japan International Cooperation Agency's interventions on the Badia and Ghor lands.

D. Knowledge management and communication

59. Knowledge sharing and dissemination are critically important for developing and documenting innovative solutions and for attracting external financing for their replication and scale-up. Specific attention will be paid to systematizing knowledge gained in key areas of policy dialogue: improving agricultural marketing, natural resource management and rural finance; and building the capacities of farmers', rangeland users' and women's groups.
60. IFAD will assist the Ministry of Planning and International Cooperation in developing appropriate instruments to report on lessons learned not only by IFAD projects but also by other initiatives for rural poverty reduction. To this end, IFAD will coordinate its efforts with the Donor and Lenders Consultation Group (DLCG) and with the Aid Coordination Unit, particularly in areas of donor harmonization addressed in the Paris Declaration on Aid Effectiveness. For progress reporting, systematic linkages will be developed between IFAD projects and the Ministry of Agriculture's M&E functions and the Ministry of Planning, and with the DLCG, ensuring harmonization and underpinning efforts to replicate and scale up project achievements.
61. In addition to support to the Ministry of Agriculture for establishing an effective M&E function, reporting and knowledge dissemination will be supported through the Knowledge Access in Rural Interconnected Areas Network (KariaNet), the NENA Regional Programme for Capacity-Building in Managing for Results and Impact and

the Mashreq/Maghreb programmes. IFAD will work with the Ministry to introduce collaborative information technology tools that make lessons and experiences accessible to a wide range of users and contributors.

E. PBAS financing framework

62. Two indicators are used to calculate the country performance component of the PBAS: the rural sector score, summarizing the conduciveness of rural policies to achieving poverty reduction; and a project-at-risk (PAR) rating.⁷

Table 1
PBAS calculation for COSOP Year 1

<i>Indicator</i>	<i>COSOP year 1</i>
Rural Sector Scores	
A(i) Policy and legal framework for rural organizations	4.20
A(ii) Dialogue between government and rural organizations	4.00
B(i) Access to land	3.80
B(ii) Access to water for agriculture	4.29
B(iii) Access to agricultural research and extension services	3.25
C(i) Enabling conditions for rural financial services development	4.50
C(ii) Investment climate for rural businesses	5.00
C(iii) Access to agricultural inputs and produce markets	4.75
D(i) Access to education in rural areas	4.67
D(ii) Representation	4.00
E(i) Allocation and management of public resources for rural development	4.67
E(ii) Accountability, transparency and corruption in rural areas	4.00
Sum of combined scores	51.13
Rural sector overall score	4.18
PAR rating (2006)	5.0
GNI per capita (2004)	2 190
Total population	5 439 952
Overall country score	3 235
Annual allocation (US\$) for 2008	3 629 806

63. The level of funding that can be provided by IFAD for the COSOP implementation period is estimated using the country score for COSOP year 1. The resulting allocation of IFAD resources for COSOP year 1 is approximately US\$3.7 million. All other variables in the PBAS being held equal, an improvement of the PAR rating from the current score of 5.0 to a score of 6.0 would increase Jordan's allocation by 28 per cent; deterioration to a score of 4.0 would reduce Jordan's allocation by 25 per cent. The allocations for subsequent years will depend on the performance of the country programme and the resources available to IFAD.

⁷ The World Bank calculates the International Development Association (IDA) Reallocation Index for IDA countries only.

Table 2

Relationship between performance indicators and country score

<i>Financing scenario</i>	<i>PAR rating (+/- 1)</i>	<i>Rural sector performance score (+/- 0.3)</i>	<i>Percentage change in PBAS country score from base scenario</i>
Hypothetical low case	4	3.88	-25 per cent
Base case	5	4.18	0 per cent
Hypothetical high case	6	4.48	+28 per cent

F. Risks and risk management

64. The continued flow of Iraqi migrants into Jordan and increases in the price of oil are creating inflationary pressures that may adversely affect the rural poor. On the other hand, the increase in demand for food provides an opportunity for agricultural growth. The risk facing the rural poor will be managed by increasing the target group's participation in agricultural market chains and by diversifying and commercializing their production. An additional risk is that farmers and rangeland users will not be prepared to work together for integrated natural resource management. This can be mitigated through the introduction of clear incentives including support to community initiatives and to land-user groups along the model developed in the National Programme for Rangeland Rehabilitation and Development – Phase I. Finally, there is the risk that participatory methodology will not be properly applied. This requires comprehensive training of staff and of the involved communities, and exposure to participatory and consultative processes adopted elsewhere in the NENA region.

COSOP consultation process

I. Introduction

1. As required under the new guidelines for the preparation of COSOPs, the COSOP Mission organized three sets of distinct consultations. The consultation process effectively started with participatory workshops conducted during the project review of the YARDP in 2005 and the programme completion evaluation of NPRRD in 2006.
2. During the current COSOP exercise a national team was formed to deliberate the findings of IFAD. Three meetings were held and the consensus of the future vision was elaborated in July-August 2007. A final consultation was held through a broad consultation workshop on 17 September 2007 with representatives of government authorities, representatives of the donor community and non-governmental organizations

II. Consultations with Beneficiaries and Farmer Organizations

3. Consultative workshops were held with beneficiaries, farmer organizations, PMU staff and other Government officers. The first of these workshops was held during the IFAD Review of the Yarmouk Agricultural Resources Development Project (YARDP) in Irbid on 1 July 2005, which involved some 60 participants of whom 25 were women. The second workshop was held during the IFAD Completion Evaluation of the National Programme for Rangeland Rehabilitation and Development (NPRRD) in Amman on 7 November 2006 which involved some 50 participants, including women's representatives from MOA and national NGOs.

III. Objectives and Methodology

4. The methodology in both workshops was based on presentations by the IFAD mission teams on their findings and then discussions within a workshop format on the findings and response from the leaders of sub-groups on the selected objectives, outcomes and constraints. In Irbid, the participants addressed issues in the Yarmouk River catchment, in particular in the northern highlands. In Amman the participants addressed issues in the Jordanian Badia, in particular the concerns of environmental degradation, impact of efforts to rehabilitate and develop the rangeland, and the role of groups and their socio-economic aspirations. In each workshop the participants addressed the issues present in the regions where IFAD has focused its interventions. They summarized their conclusions at the end of each workshop and made comments on the usefulness of the exercises.

IV. Findings

Main Income Generating Activities

5. Principal income-generating activities identified include: (i) in the highlands – olive production, fruit and nut trees, basic grain crops (barley and wheat) on the lower slopes, vegetables (where irrigation is available), and pensions; (ii) in the Badia – extensive livestock on common lands, intensive livestock in small-scale feedlots, basic grains (barley) in areas where water harvestings can be practiced, added value through processing milk products (which is a nascent industry), and pensions in particular from military service. In general, within the regions there is little importance attached to export-oriented production; and the presence of private sector firms is virtually absent.
6. Activities such as added-value processing (by women) was placed as a high priority but remittances were not identified as significant. In the highlands in particular, pensions were identified as an important part of the household economic framework. This raises questions of the *bona fides* of freehold landholders where it may be construed that rural enterprise is a secondary enterprise and in some cases

is a means of gaining capital gain. On the Badia, there is competition between traditional land users and incursive livestock owners.

V. Conclusions and Recommendations

7. The participants of the YARDP and NPRRD workshops identified a number of restrictions and opportunities in terms of increasing their income. These included:
 - Land use planning and land development needs to take an integrated catchment/watershed management approach to ensure conservation of the natural resource base.
 - Farmer (land care) groups would form the best foundation for agricultural resources development in the highlands.
 - A comprehensive extension strategy with farmer and farmer group participation modalities needs to be developed; this may be different depending on the situation in each District.
 - Greater use should be made of cooperating farmers to demonstrate improved production packages.
 - The modalities for ACC to operate under the new guidelines of Government for micro-financing as a wholesaler of financial services need to be developed.
 - There are opportunities for forming groups for financial intermediation and the introduction of innovation with respect to such constraints as collateral for the poorest, both women and men; this may include a window for the poorest women.
 - Since irrigated crop production is an enterprise that is well suited to women in their home gardens, loans for such enterprise should be considered under Income Generating Activities.
 - The participatory approach is valid on the rangelands in Jordan; however, project designs should take into account the demands of the target group to see tangible benefits in the initial stages of intervention.
 - Rangelands target groups should be more precisely identified; it is of prime importance that each group is relatively homogeneous and if more than one group is involved, that there are harmonious relationships.
 - The selection of sites of intervention should take into consideration both their land use potential and the characteristics of the rangeland users.
 - Future interventions should build on successful prior interventions when they are in place.
 - Pastoralists' grazing areas need to be clearly demarcated; this has been found an effective tool in controlling access and assuring grazing systems under the control of rangeland guards.
 - The need to have complementary interventions to encourage beneficiaries' participation in interventions which have long-term benefits but intangible or short-term negative effects on their livelihoods.

VI. COSOP National Programme Management Team

8. The preparation of the COSOP was initiated through a strategic issues paper, highlighting key challenges and opportunities discerned from rural development efforts in Jordan (drawing particularly from IFAD projects and programmes in rainfed areas of Jordan) that was shared and discussed with the Government of Jordan in early 2007. Preparation of this COSOP built on the Strategic Issues through a comprehensive review of relevant IFAD, Government and development agency documents, including those containing secondary data.

9. A COSOP Mission visited Jordan from 1 July to 2 August 2007, during which it met with senior officials of the Ministry of Agriculture, the Ministry of Planning and International Cooperation, and the Resident Coordinator of the UN Delegation. The Government established a National Team that included senior officers of relevant ministries, government agencies and NGOs.
10. The national country programme management team for the development of IFAD Strategy in Jordan was formed and consisted of representatives from the Ministries of Planning and International Cooperation (MOPIC), Agriculture (MOA), Water and Irrigation (MOWI), Environment (MOE), the Agricultural Credit Corporation (ACC), the National Centre for Agricultural Research and Technology Transfer (NCARTT), the Jordan Valley Authority (JVA) and the Hashemite Fund for Badia Development. Three meetings were held with the objective of explaining IFAD's consultative approach to the Country Strategy and Opportunities formulation process, and to gain constructive opinions.

VII. Ministry of Agriculture Considerations

11. MOA as IFAD's traditional lead implementing agency presented its comments on enhancing IFAD's COSOP. Firstly it had reviewed IFAD's Strategic Issues Paper and determined that it aligns to a large extent with the National Strategy for Agricultural Development. MOA considered that the following points should be taken into account:
 - COSOP should concentrate on the selection of poor regions when financing projects in the rural areas.
 - Projects should focus on combating poverty and unemployment, as well as conservation of natural resources.
 - Proper financing mechanisms should be developed that suit financing rural small enterprises, to assure getting the necessary funds to the poor.
 - The amount of future grants that are allocated for training, technology transfer, environmental awareness, and improvement of extension services in rural areas should be increased.
 - Environmental impact assessment (EIA) should be incorporated in future project components in such a way that this is elaborated at the beginning of projects and evaluate the EIA at the end of projects.
 - Due consideration should be attached to the regional dimension in exchange of experiences and information, such as organizing regional workshops with respect to poverty alleviation and rural development projects, and establishment of a regional information network for IFAD projects in order to facilitate communication between those projects.
 - Jordan features a large number of smallholders that have moved out of agriculture but continue to own land. In some cases these farmers have benefited directly from project investment, but have not resumed agricultural activities. Mechanisms to ensure the commitment of targeted farmers, e.g. through advance financing with an obligation to refund in cash or in kind at a later stage, are needed.

VIII. Plenary Consideration

12. A number of issues were agreed by the national management team:
 - The milestone indicators in the COSOP should be aligned with NA performance indicators; key links would be in four sub-themes contained in the NA: (i) women's empowerment; (ii) quality agricultural products (marketing chain); (iii) financing; and (iv) natural resources and land use.

- Community-based organisations (CBO) such as farmers' (e.g. for land care) and women's groups (e.g. for financial intermediary services and added-value market support) should be a fundamental implementation approach with the view to capacity building; as well as building the capacity of local government cadre (MOA) to deliver services and apex NGOs.
- With respect to a new operation during the COSOP period, it was noted that this could be a parallel intervention in poor rural areas to MOPIC's Pockets of Poverty Programme; and that this could improve linkages between rural and urban areas. In the initial stage the new operation should focus on 3 to 5 distinct pockets of poverty where there were opportunities for improving agricultural and rangeland productivity and value-adding activities.

IX. National Consultation

Background

13. The consultation with government authorities, the donor community and NGOs was organised by MOA and held on 17 September 2007. Government representatives included high level officials from MOA, MOPIC, the Jordan Valley Authority and ACC responsible for implementation of poverty alleviation programmes and the national strategy for agricultural development. The donor community was represented by the World Bank Group, the United Nations Country Team, USAID, JICA, GTZ, Coopération Française and MercyCorps International. National NGOs and financial intermediaries included the Jordan River Foundation, the Hashemite Fund for Badia Development, as well as the Jordanian Farmers' Union and the Jordanian Women's Union. Regional and international research organisations were represented by ICARDA and the Arab Centre for Studies in Arid Zones and Dry Lands. During the consultation, IFAD's Country Programme Manager from the Near East and North Africa Division presented the initial findings and proposals for the COSOP which were then discussed with the participants.
14. The Minister of Agriculture outlined areas where support to the rural sector in general and agricultural sector is needed. These were: community organization and empowerment; gender mainstreaming; rural finance (e.g. through village funds); promotion of high value herbs and naturopathic plants; technology transfer to increase agricultural productivity; rangeland management and rehabilitation; soil and water conservation; livestock production and integration between crop and animal production; agricultural research and extension; agricultural marketing; working with the private sector; and selecting national pockets of poverty to focus interventions. He particularly called for IFAD's support in capacity building and technical assistance in these thematic areas.
15. The consultative process involved the discussion of the findings and proposals of the COSOP by working groups focused on specific themes within the ambit of five basic questions specifically related to each theme.

Findings

16. The working group stated that all natural resources (water, land and vegetation) are over-exploited and that this situation is threatening the livelihoods of the rural population. It was therefore considered that the proper management of the natural resources base will be essential and needs to be a top priority in rural development projects. To exploit opportunities IFAD should explore potential partnerships with the international donor community, government institutions and the private sector including NGOs, and independent national and international research institutions.
17. There are opportunities in two specific areas, namely research and development; and development action extension. Topics for intervention included: (i) water conservation (groundwater protection, overland flow water harvesting, effluent water re-use; (ii) land management and soil conservation practice (rangeland

rehabilitation and grazing management; (iii) organic agriculture and certification; (iv) maintenance of biodiversity (conservation of the natural plant and animal resource). In these respects IFAD should assess in its programme local activities and complementarities in resource utilization by other organizations and take into account the results of ongoing research and its outcomes.

18. The working group believed that the road to sound natural resource management requires IFAD's COSOP approach of grassroots community-based participation together with inclusion of the public and private sectors (a consultative approach) to integrated watershed development with appropriate technology/institutional policy. This needs to be coupled in the highlands with the testing and introduction high value drought resistant crops and their marketing.

Working Group 2: Rural Finance and Employment Generation

19. It was the general consensus that the provision of equitable rural finance and employment opportunities through small and micro enterprises has to be a top priority for poverty alleviation in rural areas. The main government player is ACC but there are real concerns about the outreach, sustainability and indeed relevance of its approach for the target group. This raises questions of the role or potential role of national NGOs which focus on rural areas and their inter-relationship with urban financial services providers.
20. IFAD's proposed COSOP objective of working with national NGOs acting as financial intermediaries was endorsed. The initiatives would have to elaborate a policy of best practices and the partnership between the different stakeholders (banks and MFIs/NGOs), and in particular those already working in rural financial services with modalities such as Islamic banking that are acceptable to conservative societies. This would imply the development of best practices from lessons learned by other donor agencies such as GTZ.
21. A good entry point in the new COSOP period to test innovative approaches could be the on-going ARMP-II. A pilot project to mobilize savings could be instigated perhaps using the existing facility of the Postal Savings Bank, which could be extended to village (bank) savings and credit groups.
22. With respect to employment generation in the Badia, it was proposed that support to local community groups could be provided through technical assistance grants in the form of community funds through such organisations as the Hashemite Fund for Badia Development.

Working Group 3: Extension and Farmer Organisations

23. The working group generally agreed that extension, and farmer organisation is a critical issue for the successful outcome of agricultural development initiatives. A common approach needs to be elaborated by all stakeholders including government, the donor community, national NGOs and the private sector. The concept of farmer organisation with the exception of the national unions is nascent in Jordan as well as the role it may take with respect to commodity marketing chains, in particular for horticultural production, and geographic focus. Though challenged by Jordan's difficult experiences in relation to cooperatives and farmer groups, it is an essential area for ensuring effective extension and marketing. IFAD should focus in the instance in supporting the concept of farmers' organization, learning from successful and unsuccessful experiences in Jordan and replicating successful examples.

Donor Representation

24. In addition to the participation of JAICA, GTZ and USAID in the above workshop, written comments were received from the World Bank and UNDP. The **World Bank** had the following observations:
 - IFAD's new COSOP is based on a diagnosis of the profile and causes of poverty in the country. The strategy links the proposed IFAD programme to the poverty

assessment and explains how key lending programmes and other services contribute to poverty reduction. The fact that IFAD intends to work in the most problematic eco-systems of the country (low rainfall areas and rangelands) is a good illustration of the poverty focus. Since other donors have limited interventions, the COSOP makes the emphasis on the rainfed and rangelands extremely relevant.

- The draft COSOP document makes a clear case why IFAD financing is needed. It surely intends to fill a high-risk high-return gap that other international financing institutions are not willing to get into. Long term presence, a good knowledge of the NRM issues in low rainfall areas and a significant pool of knowledge resources makes IFAD's interventions very relevant to the Jordanian context.
25. **UN Country Team's** observations on the draft COSOP document included:
- The approach is in line with the CCA and UNDAF, but the establishment of a relevant partnership in poverty alleviation and natural resources management need to be elaborated.
 - The first objective complements work already made by UNDP such as desertification, biodiversity national strategies; and linkages should be considered.

Conclusions and Recommendations

26. The consultation concluded and recommended that:

- Projects should be designed taking into account the governments' poverty alleviation strategy and vision for agricultural development.
- Goals and indicators based on IFAD RIMS should be harmonized with Government NA and NSAD targets and clearly identified by way of a baseline and be measured periodically.
- Projects should deepen their support to service providers, both local Government and national NGOs.
- Partnerships and information sharing with other donor agencies is paramount and mechanisms to measure progress and ensure feedback should be implemented.
- With respect to natural resources management there is a fundamental need to strengthen extension, to continue with the elaboration of participatory community-based mechanisms, and to adopt an integrated watershed approach both to assure sound rural land use and conserve and optimize increasingly scarce water resources.
- To enhance to effects of rural financial services the formal banking sector needs to be linked to informal financial service providers in particular to MFIs. Banks and national organisations prepared to take on the role of micro-financing and savings mobilization should be encouraged to enter partnerships with institutions such as the Foundation for International Community Assistance (FINCA) and other international players in the field.
- Capacity building both of farmers' and government agencies is an important aspect of intervention. Extension providers and farmers' groups' apex organisations need to be inculcated with demand-driven philosophy so that farmers' and women's groups can effectively voice their real needs for services and to minimize costs in providing essential extension services. In this regard there are two key elements: the formation of groups with clearly defined opportunities to reduce risks, and the piloting of commodity marketing service chains.

Country economic background

JORDAN

Land area (km² thousand) 2005 1/	88.2	GNI per capita, Atlas method (USD) 2005 1/	2 460
Total population (million) 2005 1/	5.5	GDP per capita growth (annual per cent) 2005 1/	4.8
Population density (people per km²) 2005 1/	62	Inflation, GDP deflator (annual per cent) 2005 1/	4.0
Local currency	Dinar (JOD)	Exchange rate (July 2005):	USD 1 = JOD 0.709
Social Indicators		Economic Indicators	
Population (average annual population growth rate) 2005 1/	2.3	GDP (USD million) 2005 1/	12 700
Crude birth rate (per thousand people) 2005 1/	27.8	Average annual rate of growth of GDP (per cent) 1/	
Crude death rate (per thousand people) 2005 1/	3.3	1995-1999	2.9
Infant mortality rate (per thousand live births) 2005 1/	22	2000-2004	5.6
Life expectancy at birth (years) 2005 1/		2005	7.3
Male	70.5	Sectoral distribution of GDP 2005 1/	
Female	73.6	per cent agriculture	2.8
Number of rural poor (thousand) (approximate) 1/	179.6	per cent industry	29.6
Poor as per cent of total rural population 2002 1/	18.7 a/	per cent manufacturing	19.2
Total labour force (million) 2005 1/	1.84	per cent services	67.6
Female labour force as per cent of total 2005 1/	24.4	Consumption 2005 1/	
Education		General government final consumption expenditure (as per cent of GDP)	15.3
School enrolment, primary (per cent gross) 2004 1/	95.8 /a	Household final consumption expenditure, etc. (as per cent of GDP)	102.6
Adult literacy rate (per cent age 15 and above) 2006 1/	89.9	Gross domestic savings (as per cent of GDP)	-17.9
Nutrition		Balance of Payments (USD million)	
Daily calorie supply per capita (2000-2002) /2	2 670 a/	Merchandise exports 2005 1/	4 300
Malnutrition prevalence, height for age (per cent of children under 5) 2002 1/	8.5 a/	Merchandise imports 2005 1/	10 500
Malnutrition prevalence, weight for age (per cent of children under 5) 2002 1/	4.4 a/	Balance of merchandise trade	-6 200
Health		Current account balances (USD million) 2005 1/	-2 300
Health expenditure, total (as per cent of GDP) 2004 1/	9.8 a/	Foreign direct investment, net 2005 1/	1 530
Physicians (per thousand people) 2004 1/	2 a/	Government Finance	
Population using improved water sources (per cent) 2004 1/	97 a/	Cash surplus/deficit (as per cent of GDP) 2005 1/	-4.7
Population using adequate sanitation facilities (per cent) 2004 1/	93 a/	Total expenditure (per cent of GDP) 2005 1/	141.5
Agriculture and Food		Total external debt (USD million) 2005 1/	7 700
Food imports (per cent of merchandise imports) 2005 1/	13.6	Present value of debt (as per cent of GNI) 2005 1/	64.6
Fertilizer consumption (hundreds of grams per ha of arable land) 2002 1/	1 718 a/	Total debt service (per cent of exports of goods, services and income) 2005 1/	6.5
Food production index (1999-01=100) 2004 1/	118.2 a/	Lending interest rate (per cent) 2005 1/	7.6
Cereal yield (kg per ha) 2005 1/	1 335	Deposit interest rate (per cent) 2005 1/	2.9
Land Use			
Arable land as per cent of land area 2005 1/	2.1		
Forest area as per cent of total land area 2005 1/	0.9		
Irrigated land as per cent of cropland 2005 1/	28.6		

a/ Period other than the common date

1/ World Bank, *World Development Indicators* on-line database July 2007

2/ FAO, *Food and Agriculture Indicators*, 2005

3/ Period other than the common date

COSOP results management framework

Country Strategy Alignment	Expected COSOP Key Results			Institutional/Policy Objectives
National Strategy for Agricultural Development Objectives and Targets	Strategic Objectives	Outcome Indicators	Milestone Indicators	Policy Dialogue Agenda
<p>Improving the agricultural sector competitiveness.</p> <p>Baseline:</p> <ul style="list-style-type: none"> • 15per cent of population deriving their income from agriculture • 42 per cent youth unemployment • 5 per cent of poor population with access to microfinance. • 29 per cent of total females of working age economically active • 4500 annual employment opportunities in agriculture • 10 per cent share of agriculture in total exports. • Horticultural imports: 7 million MT • 180 million JD value of agricultural exports • 1.355 million t meat and dairy products produced (2002/04) 	<p>SO1: Improved access to markets, rural finance and technical advisory services for poor rural women, and men.</p>	<ul style="list-style-type: none"> • 25per cent of target communities have access to improved rural financial services by year 3 and 50per cent by year 5 • At least 15 communities with improved market linkages reporting increased sales of agricultural products by 25per cent • Youth unemployment reduced by 10per cent in programme areas (baseline: 42per cent) • 30per cent of farmers trained or supported in programme area use improved technologies and report production/yield increases (by type and disaggregated by gender) 	<ul style="list-style-type: none"> • At least 1 MFI participates in IFAD projects by mid-term • At least 40 village-based savings and credit groups operational in programme area after 5 years (baseline: 0) • 20 per cent of SMEs presenting business plans access credit annually (baseline 0) of which at least 40 per cent of borrowing enterprises are operational after 3 years • Volume and type of on and off farm SMEs' products and services going to domestic and export markets • Number of people trained (disaggregated by gender). 	<ul style="list-style-type: none"> • Extending micro-finance services to rural areas, through improved policy environment, support to microfinance best-practices, and public partnership with MFIs • Engage with MOA in discussing the establishment of complementary action between the different links in agricultural marketing chain • Contribute in the preparation of different new frameworks for support to production and marketing.
<p>Sustainable agricultural development.</p> <p>Baseline:</p> <ul style="list-style-type: none"> • 0.14 Environmental Sustainability Index. • 19 per cent of crop land irrigated. • 0.095 million t of cereals produced (2002/04). • 1.2 million MT of fodder imported 	<p>SO2: Improved and sustainable access to land and water resources for poor rural women and men.</p>	<ul style="list-style-type: none"> • 30 per cent increase in area of community property resources under improved management practices in programme area • 60 per cent number of households with security of tenure over natural resources 	<ul style="list-style-type: none"> • At least 5 resource plans enacted. • Number of cisterns/water harvesting structures constructed. • Number of animal water points improved/constructed. • Number of irrigation schemes constructed/rehabilitated. • Number of farmers working on rehabilitated/new spring irrigation schemes. 	<ul style="list-style-type: none"> • IFAD's approach to natural resources management will be closely linked the Government water policy in particular for agriculture and environmental conservation • Support to conducive land tenure and usufruct rights on the rangelands and public lands.
<p>PRS Objective: Improving the enabling environment.</p>	<p>SO3: Strengthening the capacities</p>	<ul style="list-style-type: none"> • 80 per cent of IFAD target group in identified programme areas have 	<ul style="list-style-type: none"> • At least 20 village/community action plans prepared. • Number Groups formed/ strengthened 	<ul style="list-style-type: none"> • IFAD will support MOA and NCARTT in the elaboration of a comprehensive national

Country Strategy Alignment	Expected COSOP Key Results			Institutional/Policy Objectives
National Strategy for Agricultural Development Objectives and Targets	Strategic Objectives	Outcome Indicators	Milestone Indicators	Policy Dialogue Agenda
<p>Baseline:</p> <ul style="list-style-type: none"> • 25 per cent of farmers utilizing improved agricultural practices • 0.027 million tonnes of olive oil produced (2002-04) • 0.366 million t of fruit and vegetables produced (2002/04). 	<p>of rural poor and their organizations</p>	<p>Community Action Plans or investment plans included in local government plans.</p> <ul style="list-style-type: none"> • 50 per cent of groups operational/ functional (disaggregated into land care, productive/marketing, savings and credit) • 50 per cent of groups with women leaders. 	<p>(disaggregated into land care productive, savings and credit, and social).</p> <ul style="list-style-type: none"> • Number of people belonging to groups (by type of group). • Number of farmers participating in NCARTT research trials. • Number of demonstrations held on farmers' land. 	<p>extension strategy</p> <ul style="list-style-type: none"> • COSOP support would include a review of and dialogue on the regulatory framework for farmer organizations and associations
<p>Baseline data</p> <ul style="list-style-type: none"> • National per capita income: equivalent USD 2 460 in 2005. • Child malnutrition: <ul style="list-style-type: none"> Height for age: 8.5 per cent in 2002. Weight for age: 4.4 per cent in 2002. 			<p>Mandatory Impact Indicators:</p> <ul style="list-style-type: none"> • Household asset ownership index. • per cent Child malnutrition: height for age, disaggregated by sex. • per cent Child malnutrition: weight for age disaggregated by sex. • per cent Child malnutrition: weight for height disaggregated by sex. • Number of people with access to quality drinking water. 	

Previous COSOP results management framework

	STATUS AT COSOP DESIGN	STATUS AT COMPLETION	LESSONS LEARNED
A. Country Strategic Goals:			
<p>Institutional building for good governance with special emphasis on the public institutions providing support to the rural sector.</p> <ul style="list-style-type: none"> Poverty reduction, with special emphasis on social and economic empowerment of the rural poor, including women. Protection of the environment, with special emphasis on conservation of natural resources, soil, water and rangelands. 	<p>Economy (1999)</p> <ul style="list-style-type: none"> GDP per capita USD 1 720 GDP growth rate 3.4 per cent External debt as per cent of GDP 99.1 per cent Consumer prices -0.7 per cent Contribution of agriculture to GDP 2.4 per cent Agricultural employment 4.9 per cent <p>Poverty (1997)</p> <ul style="list-style-type: none"> National Poverty: 21.3 per cent Rural Poverty: 27.0 per cent Urban Poverty: 19.7 per cent Extreme Poverty: 2 per cent 	<p>Economy (2005)</p> <ul style="list-style-type: none"> GDP per capita USD 2 320 GDP growth rate 6.2 per cent (2001-2005) External debt as per cent of GDP 60.6 per cent Consumer prices 12.7 per cent Contribution of agriculture to GDP 2.8 per cent Agricultural employment 3.6 per cent <p>Poverty (2002)</p> <ul style="list-style-type: none"> National Poverty: 14.2 (2002) Rural Poverty: 18.7 per cent Urban Poverty: 12.9 per cent Extreme Poverty: 2 per cent 	<ul style="list-style-type: none"> Slow progress on rural poverty reduction can partly be explained by the severe drought during the COSOP period reflecting the vulnerability of the rural economy to natural shocks. Higher economic growth rates must be accompanied by accelerated productivity growth in all economic sectors, but particularly in the rural sector where much of the poor are located.
B. COSOP Strategic Objectives:			
<p>Strategic Objective 1</p> <p>Institutional building for good governance with special emphasis on the public institutions providing support to the rural sector.</p>	<ul style="list-style-type: none"> The need to strengthen the absorptive and development capacities of institutions; decentralization is still theoretical as local institutions/districts/municipalities have little leverage over their resources, especially their financial resources. The need to strengthen the capacity of the MOA and ACC in terms of their ability to provide services to farmers. The need to improve the efficiency of adaptive research, extension and rural services delivery, in particular at Governorate level for significant long-term benefit to the rural population. 	<ul style="list-style-type: none"> IDP reached 6,430 beneficiaries through investments; mainly through credit lines for a total of JOD 15.04 million. ARMP reached 2,700 beneficiaries through investments in soil and water conservation, with 1,800 beneficiaries using credit lines for a total value of JOD 13.19 million. NPRRD reached 5,380 direct beneficiaries and a global universe of 68,560 beneficiaries through the reclamation of 4,500 ha and development of 1,465 ha through six groups operating on five geographically diverse pilot sites for a total value of JOD 2.10 million. YARDP has reached 9,390 beneficiaries with investments mainly for improved soil and water conservation measures to date. ARMP-II has reached some 1,000 beneficiaries with investments in soil and water conservation and microfinance for on- and off-farm activities to date. 	<ul style="list-style-type: none"> Lack of a comprehensive implementation approach. Slow execution and low rates of disbursement in part to over estimation of investment costs during project design under conditions of transparent governance. Difficulties in identifying beneficiary demands with respect to immediate tangible benefits. Scant attention paid to the needs of rural women and resource poor rural youth. Diffused roles and responsibilities among many actors involved in implementation. Poor monitoring with too much emphasis in meeting set targets rather than evaluating by impact results. IFAD/OE needs to conduct a Country Portfolio Evaluation to fully elucidate the
<p>Strategic Objective 2</p> <p>Poverty reduction, with special emphasis on social and economic empowerment of the rural poor, including women.</p>	<ul style="list-style-type: none"> The need to focus as much assistance as possible to genuine poor and discourage the well-off from obtaining assistance such as project-sponsored credit and progressive cost recovery (subsidy) for Government services. The need to target women for financial 		

	STATUS AT COSOP DESIGN	STATUS AT COMPLETION	LESSONS LEARNED
	service on-farm assistance for micro-enterprise such as milk products processing, other food processing, home gardening and handicrafts.		lessons learned by projects and their implications for future project design.
Strategic Objective 3 Protection of the environment, with special emphasis on conservation of natural resources, soil, water and rangelands.	<ul style="list-style-type: none"> The need to clearly identify the major constraints to the availability and access to water. The need to protect rural productive lands and the environment through adequate land use planning, soil erosion control, reforestation, improvement in rangelands, control of urban encroachment, and improvement in solid waste disposal. 		
C. IFAD operations			
	<ul style="list-style-type: none"> Ongoing: <ul style="list-style-type: none"> Income Diversification Project (IDP). Agricultural Resources Management Project in the Governorates of Karak and Tafila (ARMP). National Programme for Rangeland Rehabilitation and Development – Phase I (NPRRD). Yarmouk Agricultural Resources Development Project (YARDP). Proposed: <ul style="list-style-type: none"> National Programme for Rangeland Rehabilitation and Development – Phase II. Agricultural Resources Development in Wadi Hisban Basin. Agricultural Resources Development in Wadi El Arab Basin. 	<ul style="list-style-type: none"> Closed: <ul style="list-style-type: none"> Income Diversification Project (IDP). Agricultural Resources Management Project in the Governorates of Karak and Tafila (ARMP). National Programme for Rangeland Rehabilitation and Development – Phase I (NPRRD). Ongoing: <ul style="list-style-type: none"> Yarmouk Agricultural Resources Development Project (YARDP). Agricultural Resources Management Project – Phase II (ARMP II). 	<ul style="list-style-type: none"> Planning for projects during COSOP should involve full consultation with Government of Jordan and potential donor stakeholders with the view to more accurate vision of IFAD interventions.
D. IFAD performance			
Policy dialogue	<ul style="list-style-type: none"> Establish institutional coordination through a council for the development of rainfed areas. Create a national fund for the development of rainfed areas with farmer contribution based on the benefits received, to reduce government dependence on assistance from foreign donors. 	<ul style="list-style-type: none"> IFAD does not have a dedicated desk officer in either MOA or MOPIC. 	<ul style="list-style-type: none"> IFAD should increase its country presence so it can have more communication with projects and participate more actively in policy dialogue in consultation with other donors.

	STATUS AT COSOP DESIGN	STATUS AT COMPLETION	LESSONS LEARNED
	<ul style="list-style-type: none"> • Enforce of the Agricultural Law for Rangelands (when approved) providing leasehold rights to be extended user community groups for the use of the rangelands. • Develop rational land use plans for the rainfed areas to reduce production and financial risks. 		
Partnerships	<ul style="list-style-type: none"> • Strengthen partnership with MOA as a main partner for rural development and poverty alleviation. • Deepen partnerships with other donors especially in the context of co-financing projects. 	<ul style="list-style-type: none"> • MOA continues to be IFAD's strongest partner; Government of Jordan decision in this regard confirmed during COSOP preparation. • IFAD presence and coordination with other UN agencies was heightened through association with UNCT. • Financing partnerships with OPEC Fund established in ARMP-II. 	<ul style="list-style-type: none"> • Although MOA continues to be the lead agency, issues between MOA and other ministries and agencies hinder adoption of a coherent rural development policy. • Coordination of donor investments by MOPIC contributes to alignment. • Delays in adoption of government policies conspire against better results. • IFAD representation on UNCT should be at Director level.
Portfolio performance	<ul style="list-style-type: none"> • Existing portfolio generally performed satisfactorily with room for improvement. 	<ul style="list-style-type: none"> • ARMP implementation was in most respects on target; a second phase was justified. • Progress in implementation of YARDP is mostly on target and in meeting development objectives, but disbursement has been slow. 	<ul style="list-style-type: none"> • Need for Government to clarify roles of agencies involved in rural development • Need to decentralize implementation of projects. • Need to focus geographic coverage on rural pockets of poverty. • Need to establish high operational standards at the outset. • Need to design results oriented impact monitoring systems.

Key file 1: Rural poverty and agricultural/rural sector issues

Priority Area	Affected Group	Major Issues	Actions Needed
Rural Poverty	<ul style="list-style-type: none"> Landless and the land poor or livestock poor, and rural poor in particular women headed households. 	<ul style="list-style-type: none"> Low human capital due to limited access to educational and health services Dependency on agricultural activities and outcomes 	<ul style="list-style-type: none"> Invest in productive rural infrastructure. Expand opportunities for off-farm income generation activities including agricultural produce added-value.
Natural Resource Base and the Environment	<ul style="list-style-type: none"> Resource poor communities, including farming groups especially male and female landless, rural smallholders, youth, agricultural labourers, and rangeland users. 	<ul style="list-style-type: none"> Lack of environmental awareness and implications of desertification. High rate of water and wind erosion leading to declining soil fertility and highland degradation. Inappropriate land use and management of land and water resources, in particular with absentee land owners. Strong demand for land for urban and industrial expansion. Overstocking and degradation of the rangelands. Limited land conservation and reforestation projects and programmes. 	<ul style="list-style-type: none"> Enforcement of environmental impact assessments at the design stage, mid-term and completion of programmes and projects. Environmental education and awareness of rural communities. Community involvement in land use decisions and employment of youth and unemployed landless in natural resources conservation initiatives. Implement and finance preparation of national and district natural resources management plans using inter-disciplinary and consultative approaches. Implement agro-reforestation programmes. Supporting sustainable income generating activities to reduce resource over-exploitation.
Rainfed Agriculture	<ul style="list-style-type: none"> Smallholding farmers on the highlands. 	<ul style="list-style-type: none"> Land degradation. Land fragmentation. Limited water harvesting for field crops and tree crops establishment. Inappropriate crop husbandry technology. Diffuse roles of public institutions responsible for services to farmers. Low added-value due to poor quality of rainfed tree crop produce with potential for the export market. 	<ul style="list-style-type: none"> Higher investment in soil and water conservation (including rainfall catchment) activities. Adoption of integrated land use planning and participatory/consultative approaches to watershed management. Promotion of applied research and effective national extension strategy, including elucidation of outreach by NCARTT and District Agricultural Directorates and the private sector. More focus on post-harvest storage and quality processing of tree crops, in particular in the olive industry focused on export markets.
Water and Small-scale Irrigation	<ul style="list-style-type: none"> Smallholder irrigated crop producers and horticulturalists in the Jordan Valley and Jordan River tributaries aquifers. Small springs' water users groups. All farming and rangelands users groups in regards to drinking water. 	<ul style="list-style-type: none"> Scarce and deteriorating quality water resources. Competition for water usage with urban and industry users. Poor water management practices and inefficient use of water. Capacity of water users for maintenance, repair and replacement. Legal status of water users' groups. 	<ul style="list-style-type: none"> Speeding implementation of the already adopted water strategy. Higher investment for better protection of spring source against erosion and pollution. Higher investment and incentives for better water conveyance, distribution and sustainable use. Training water user in various aspects of water management, water charges assessment and collection. Study and develop a suitable legal base for water users groups.

Livestock Husbandry	<ul style="list-style-type: none"> • Small and medium sized extensive livestock owners on the rangelands. 	<ul style="list-style-type: none"> • Extensive livestock breeding with poor husbandry. • Natural disasters, in particular recurrent drought. • Availability of fodder and complimentary animal feed. • Limited capacity of animal health services and inspection • Limited local markets for milk. 	<ul style="list-style-type: none"> • Fund research and technological development • Consider non-agricultural income generating activities • Higher investment in applied research and extension services. • Support initiatives in areas with potential such as cheese making. • Ratify the legal framework rangelands tenure and usufruct rights. • Design natural disasters prevention and mitigation measures. • Implement livestock improvement programmes. • Strengthen animal health systems
Rural Finance	<ul style="list-style-type: none"> • Rural poor with limited, or no collateral or access to guarantors. 	<ul style="list-style-type: none"> • Inappropriate lending policy for the poor in formal financial services. • Limited supply of micro-finance. • Limited involvement of NGOs. • Lack of informal financial services with respect to mobilizing community savings and credit groups. 	<ul style="list-style-type: none"> • Implement the financial services reform process of ACC. • Promote micro-finance and involvement of NGOs. • Design a strategy, and methodology and legal framework to strengthen informal rural financial services.
Gender Mainstreaming	<ul style="list-style-type: none"> • Poor landless rural women including widows, the divorced and elderly without family support in particular from sons. 	<ul style="list-style-type: none"> • Lower literacy rates. • Large family size. • Lack of income-generating activities. • Higher unemployment rates. • Inadequate representation of women at local and community level (<i>Note: in Jordan women often consider that their best interests and representation on management committees are better served by related men in whom they have confidence</i>). 	<ul style="list-style-type: none"> • Literacy and skills training. • Promotion of gender streaming activities and associations. • Higher access of rural women to formal and informal financial services • Provision of affordable and gender friendly technologies.
Institutional/Organizational	<ul style="list-style-type: none"> • All concerned groups and Government. 	<ul style="list-style-type: none"> • Lack of institutional coordination in the rural sector and its relationships with the urban sector. • Weak communication chains between Government and the rural community at large and lack of information at grassroots level to allow decision making by the poor. • The absence of a culture of group-based operations focused on the common good and consequently weak involvement of local communities in the planning and implementation of donor and Government sponsored projects and programmes. • Inadequate attention to sustainability and ownership issues. 	<ul style="list-style-type: none"> • Support implementation of proposed institutional transformation of sector agencies. • Improve monitoring and evaluation methodologies. ▪ Support participatory/consultative approaches and assist farmers to form land care, rangeland user and men and women's producer organizations (to market their produce locally and internationally). ▪ Strengthen farmer and women's organizations through training and improve farmer-Government-private sector relations. ▪ With Government at all levels, promote demand driven approaches to the delivery of services. ▪ Train management committees on long term planning, organizational management and governance.

Key file 2: Organizations matrix (strengths, weaknesses, opportunities and threats [SWOT] analysis)

Organization	Strengths	Weaknesses	Opportunities	Threats
Enablers				
Ministry of Planning and International Cooperation (MOPIC)	<ul style="list-style-type: none"> • Has the Government of Jordan mandate for the coordination, consultation, implementation and reporting on poverty alleviation. • Insures liaison with donor/financier community. • Well established with qualified staff. • Incorporates the Technical Assistance Units responsible for monitoring and evaluation of sectoral performance. • Knowledgeable of socio-economic policies, programmes and priorities. • Has relevant experience in carrying out multi-sectoral development initiatives in selected pockets of poverty through sub-contracting national NGOs. • Has an operational unit to support economic development, including IRADA, and initiative specifically for the provision of business development services to small entrepreneurs, both rural and urban. 	<ul style="list-style-type: none"> • Problems with coordination with other line ministries in particular the MOA and MOSD. • No representation at the Governorate and District levels. • Limited M&E capacity below the sector level. • Direct support activities are of short duration with limited funds. • Bureaucratic procedures for disbursement and excessive complexity for processing disbursements from loan funds. 	<ul style="list-style-type: none"> • Leads Government of Jordan budgetary reform process to mainstream poverty • Is responsible for implementation of Social Productivity (SPP) and Enhanced Productivity Projects (EPP) through community development approach which can be aligned with IFAD strategy. • Can be a stronger principal participant in the project boards and a mentor of project executive cadre. 	<ul style="list-style-type: none"> • The commitment to PRSP objectives will determine success of the process as it is based on a reformed approach hence changed role of the Ministry. • So far, its focus within the field of enterprise development (on mainly urban and relatively large, sophisticated businesses) limits the applicability of the experience on Programme. • Politically motivated decisions may misdirect investment resources.
Ministry of Agriculture (MOA)	<ul style="list-style-type: none"> • Responsible for design and implementation of agricultural, livestock and forestry sector policies linked to PRS and specific targets set. • Clear vision on agricultural development set out NSADP 2000-2010. • Good project implementation 	<ul style="list-style-type: none"> • Top-down attitude of staff members and consequently services provided are not always aligned with the demand by producers. • Limited efficiency in services delivery, especially extension. • Limited analytical, research 	<ul style="list-style-type: none"> • By virtue of its field presence, the MOA has the capacity to provide implementation support through high-level staff in the Programme area. • MOA has an important role to play if the Executive Cadre approach is adopted for the Programme, but it would require 	<ul style="list-style-type: none"> • Dependency on political broad based support to implement actions outlines in the NSAD. • Conflicting interest of other agencies (e.g. NCARTT) which form part of the agricultural sector establishment. • Changes in overall sector policies and institutional and

	<p>experience and has a Projects Directorate.</p> <ul style="list-style-type: none"> • High commitment to rural poor households. • Has developed a cautious, rational approach to export promotion based on project experience. • Under the Department of Forests, has built-up valid and promising experience on financial CBOs through the GTZ-supported PACD project. • Has some experience in subcontracting. 	<p>and planning capacities.</p> <ul style="list-style-type: none"> • Concentration on solving emerging problems rather than confronting structural issues and poor focus on implementation of sector development projects. • Lack of monitoring and evaluation capacity and coordination mechanisms with other relevant agencies. • Not directly charged with MSE development • Efforts to promote rural enterprises in projects have had a low cost-effectiveness and little impact. • Projects Directorate has difficulties in coordinating its activities with other institutions outside MOA. 	<p>a mindset change with respect to adopting participatory approach.</p> <ul style="list-style-type: none"> • Possibility to develop sector and sub sector wide approaches; involvement in the Programme would assist MOA in its desired transformation. 	<p>organizational arrangements.</p>
Ministry of Water and Irrigation (MOWI)	<ul style="list-style-type: none"> • Strong field presence. • Well established with qualified staff at the Governorate level. • Well defined strategy for water conservation under conditions of unachievable cross sector demands. 	<ul style="list-style-type: none"> • Under conditions of chronic water insufficiency focus is placed on domestic supply and quality. • Limited capability in irrigation water management in the Highlands. • Limited resources to implement the new Groundwater Control Act. 	<ul style="list-style-type: none"> • Well qualified decision makers who can contribute IFAD decision making. • Has a fundamental role in the regulation and improvement in efficiency of line of river networks and small springs' water users groups. • Has a sound understanding of the forecast of Jordan's water balance and supply situation for agriculture and can 	<ul style="list-style-type: none"> • Continuing deterioration in the availability and quality of water supply available for the agricultural sector. • Resistance of producers and health authorities to the use of grey water for irrigation.
Ministry of the Environment (MOE)	<ul style="list-style-type: none"> ▪ Responsible for conservation of biodiversity and fulfillment of obligations resulting from international environmental agreements and conventions. • New comprehensive mandate and legal instrument to monitor and protect the environment. 	<ul style="list-style-type: none"> • Newly formed with limited experienced staff. • Limited operating resources and budget. • Limited enforcement capacity. • Major concern is desertification. 	<ul style="list-style-type: none"> • Contribution towards adoption of policies on sustainable development and management of natural resources. • Opportunity to participate and improve coordination of regional, Governorate and District level integrated NRM planning and development approaches 	<ul style="list-style-type: none"> • Political pressure from economic groups may hinder MOE from fulfilling its mandate. • Local governments may not incorporate environmental considerations as required by law.

	<ul style="list-style-type: none"> • Addresses soil and water issues and grants environmental impact permits for all economic activities. • Ensures compatibility of agricultural activities and the environment and management of natural resources. • Nationwide presence with regional offices. 		<ul style="list-style-type: none"> • Link activities with MOA on shared responsibilities. • Participate in joint public information projects and programmes. 	
Ministry of Social Development (MOSD)	<ul style="list-style-type: none"> • MOSD has a strategic plan (2005-2010). • Executive consists mainly of women and is well equipped to manage gender issues and social services. • Mandate for registration of CBOs (except cooperatives) and associations, and has a mandate to support community development. • Sponsorship of General Union of Voluntary Societies. 	<ul style="list-style-type: none"> ○ Staffing levels at Governorate and District level are low. ○ The ministry is not adequately funded for intervention in rural areas; its main focus is on the unemployed and destitute in urban areas. 	<ul style="list-style-type: none"> • Implementation of pro-women initiatives; affirmative action leading in the mainstreaming of gender matters in public and private institutions. • Potential to provide continuum between the rural and urban sector. 	<ul style="list-style-type: none"> • Lack of coordination between MOPIC, MOA and MOSD. • Political pressure to focus on urban pockets of poverty.
Ministry of Public Works and Housing (MOPWH)	<ul style="list-style-type: none"> • Well established with presence at Governorate level. • Qualified personnel. • Good policy support. 	<ul style="list-style-type: none"> • Limited operating budget. 	<ul style="list-style-type: none"> • Can utilize experience and expertise to facilitate project implementation of physical service infrastructure. • A key project implementer of the rural access roads. 	<ul style="list-style-type: none"> • Reliance on loan funds for agricultural access roads improvement.
Microfinance Institutions				
Agricultural Credit Corporation (ACC)	<ul style="list-style-type: none"> • Strong local presence. • Experience in promoting market linkages for agricultural enterprises. • The ACC is open to project-based innovative approaches. 	<ul style="list-style-type: none"> • Remains acquiescent yet inactive relative to calls for institutional reform. • Relies on loan service deductions rather than repayment by the borrowers. • High rate of loan restructuring. • Little experience with non-agricultural related enterprises. • Poor loan tracking system, which is, however, under 	<ul style="list-style-type: none"> • Restructuring process and strengthening measures being proposed and discussed may lead to better service. • The new loan tracking system may raise readiness to venture into lending based on non-conventional securities provided by borrowers. 	<ul style="list-style-type: none"> • No allowed to take savings deposits, which limits its mandate to loan accounts. • May be averse to providing wholesale credit on grant to intermediaries.

		<p>restructuring.</p> <ul style="list-style-type: none"> • Low reputation among other actors due to Government debt write-offs. 		
Development and Employment Fund (DEF)	<ul style="list-style-type: none"> • Has excellent financial and loan tracking systems. • Has experience with wholesale credit to NGOs. • Has experience in training clients. • Has experience with mobile banking and rural knowledge stations. 	<ul style="list-style-type: none"> • Limited rural outreach. • Limited experience with agriculture and agri-business. 	<ul style="list-style-type: none"> • DEF has the potential to be the Programme's wholesale credit management agency with savings and credit groups. 	<ul style="list-style-type: none"> • The potential involvement of DEF in the wholesaling function under the Programme would require balancing of its potential participation as an implementer.
National Microfinance Bank	<ul style="list-style-type: none"> • By its mandate, NMB will focus on supporting income-producing projects in rural areas. • Directed by a fully private-sector board. • Plans to operate through NGOs (in addition to direct financial services). 	<ul style="list-style-type: none"> • A very recent, inexperienced financial institution. 	<ul style="list-style-type: none"> • Potentially a strong partner once it has built its capacity and gathered experience. • The Programme could complement NMB lending in poor rural areas. 	<ul style="list-style-type: none"> • Risk of overburdening an emerging institution with complex tasks.
Micro-fund For Women	<ul style="list-style-type: none"> • Experience with solidarity group lending. • Excellent portfolio quality. • Excellent loan tracking and M&E. 	<ul style="list-style-type: none"> • Limited outreach dependant on donor support. 	<ul style="list-style-type: none"> • Potential service provider for the Programme, in particular with IGA for women and linkage of the rural-urban continuum. 	<ul style="list-style-type: none"> • Focus on urban poor women may limit their capacity to address the needs of rural poor women.
Service Providers				
Local Governments	<ul style="list-style-type: none"> • Budgetary allocations from the central government. • Independent financial management. 	<ul style="list-style-type: none"> • Dependency on central government funding limits implementation of activities. • Limited coordination with other national government projects and programmes. • Limited technical capacity and monitoring and evaluation mechanisms. 	<ul style="list-style-type: none"> • Clear targets and available resources to support local governments provide an opportunity to further decentralization together with political will on the part of the donor community. 	<ul style="list-style-type: none"> • Use of local governments for political purposes. • Lack of transparency in the allocation of resources which may result in cancelling disbursements. • Poor technical judgment and politicization of investment and selection of beneficiaries.
Farmer organizations	<ul style="list-style-type: none"> • Long experience in addressing membership concerns at national level. • Established network structure at 	<ul style="list-style-type: none"> • Concentration on demands for Government support. • Limited understanding on impact of policies which may 	<ul style="list-style-type: none"> • Possibility to engage in negotiations and dialogue with respect to natural resource management and national trade modalities. 	<ul style="list-style-type: none"> • Government interference or indifference to need-based demands.

	local level.	affect their membership.		
Hashemite Badia Fund	<ul style="list-style-type: none"> Royal family sponsorship. Experience in rangeland rehabilitation and development. Good management and implementation capacity, working with MOA. 	<ul style="list-style-type: none"> Limited funds. Unilateral approach with little consultation or participation of rangeland users. 	<ul style="list-style-type: none"> Potential partner in natural resources management and outreach of rangeland user groups in the Badia. Improved cost-effectiveness of rangeland interventions. 	<ul style="list-style-type: none"> Reluctance to adopt participatory approaches to natural resources management, leading to continued passive attitude of users.
Noor Al Hussein Foundation	<ul style="list-style-type: none"> Royal family sponsorship. Has a sound track record in providing training in off-farm enterprise for women. Experience with rural business development services through the village business incubator. Has a clear concept of providing financial services sustainability; MFI operations in urban areas and financial CBOs in rural areas. Rural presence and professional administration. 	<ul style="list-style-type: none"> Focus tends to be limited to training and provision of facilities. Provision of rural business development services is prohibitively costly due to low rate of outreach. 	<ul style="list-style-type: none"> Potential service provider for a new operation; for rural women's initiatives and rural financial services. Compatibility of its business development services and rural finance approach with COSOP. Implementing agency for MOPIC Pockets of Poverty Programme. Authorized to mobilize external donor funds. 	<ul style="list-style-type: none"> Reluctance to implement community based interventions with full group participatory approaches. Emphasis on training inputs rather than outcomes of improved productivity. Resistance of MOA to provide unrecoverable grant funds to NGOs because of effects on line budget.
Jordanian Hashemite Foundation for Human Development (JOHUD)	<ul style="list-style-type: none"> Royal family sponsorship. Rural presence. Experience with small-scale business development services and credit for individual clients. The Small Business Development Centre recently started a promising pilot initiative providing post-investment advice. Provides training to other Jordanian NGOs. 	<ul style="list-style-type: none"> Makes no clear distinction between rural and urban areas. The Community Development Centres mix social, business development and credit services, which may confuse clients and dilute the business approach. Support to client enterprises often includes market distorting subsidies. 	<ul style="list-style-type: none"> Potential service provider for a new operation; in particular capacity building of CBO. Implementing agency for MOPIC Pockets of Poverty Programme. Authorized to mobilize external donor funds. 	<ul style="list-style-type: none"> Compatibility of small-scale business development approach with IFAD strategy needs to be confirmed. Resistance of MOA to provide unrecoverable grant funds to NGOs because of effects on line budget.
Jordan River Valley Foundation	<ul style="list-style-type: none"> Royal family sponsorship. Experience with small-scale business development services and credit for individual and cooperative clients. Strong focus on cooperative development ensures large 	<ul style="list-style-type: none"> Established NGO with a broad base of successful interventions, but tends to take leadership role with consequence that beneficiaries are passive participants. 	<ul style="list-style-type: none"> Potential service provider for a new intervention; in particular marketing and micro-finance, and capacity building of CBO. Implementing agency for MOPIC Pockets of Poverty Programme. Authorized to mobilize external 	<ul style="list-style-type: none"> Reluctance to implement community based interventions with full group participatory approaches. Compatibility of small-scale business development approach with IFAD strategy

	outreach.		donor funds.	needs to be confirmed. <ul style="list-style-type: none"> • Resistance of MOA to provide grant funds to NGOs because of effects on line budget.
Community Centres Association	<ul style="list-style-type: none"> • Strong focus on developing women's community centres as training and productive enterprises. 	<ul style="list-style-type: none"> • Relatively small NGO which relies on university student volunteers working rural centres. • Lacks the leverage of the major NGOs 	<ul style="list-style-type: none"> • Potential service provider for a new intervention; in particular marketing and micro-finance, and capacity building of CBO. • Can contribute to improving linkages between the rural poor and urban markets. • Implementing agency for MOPIC Pockets of Poverty Programme. 	<ul style="list-style-type: none"> • Reluctance to implement community based interventions with full group participatory approaches. • Compatibility of implementation approaches with IFAD strategy needs to be confirmed. • Resistance of MOA to provide unrecoverable grant funds to NGOs because of effects on line budget.

Key file 3: Complementary donor initiative/partnership potential

Organization	Strengths	Weaknesses	Opportunities	Threats
Enablers Ministry of Planning and International Cooperation (MOPIC)	<ul style="list-style-type: none"> • Has the Government of Jordan mandate for the coordination, consultation, implementation and reporting on poverty alleviation. • Insures liaison with donor/financier community. • Well established with qualified staff. • Incorporates the Technical Assistance Units responsible for monitoring and evaluation of sectoral performance. • Knowledgeable of socio-economic policies, programmes and priorities. • Has relevant experience in carrying out multi-sectoral development initiatives in selected pockets of poverty through sub-contracting national NGOs. • Has an operational unit to support economic development, including IRADA, and initiative specifically for the provision of business development services to small entrepreneurs, both rural and urban. 	<ul style="list-style-type: none"> • Problems with coordination with other line ministries in particular the MOA and MOSD. • No representation at the Governorate and District levels. • Limited M&E capacity below the sector level. • Direct support activities are of short duration with limited funds. • Bureaucratic procedures for disbursement and excessive complexity for processing disbursements from loan funds. 	<ul style="list-style-type: none"> • Leads Government of Jordan budgetary reform process to mainstream poverty • Is responsible for implementation of Social Productivity (SPP) and Enhanced Productivity Projects (EPP) through community development approach which can be aligned with IFAD strategy. • Can be a stronger principal participant in the project boards and a mentor of project executive cadre. 	<ul style="list-style-type: none"> • The commitment to PRSP objectives will determine success of the process as it is based on a reformed approach hence changed role of the Ministry. • So far, its focus within the field of enterprise development (on mainly urban and relatively large, sophisticated businesses) limits the applicability of the experience on Programme. • Politically motivated decisions may misdirect investment resources.
Ministry of Agriculture (MOA)	<ul style="list-style-type: none"> • Responsible for design and implementation of agricultural, livestock and forestry sector policies linked to PRS and specific targets set. • Clear vision on agricultural development set out NSADP 2000-2010. • Good project implementation 	<ul style="list-style-type: none"> • Top-down attitude of staff members and consequently services provided are not always aligned with the demand by producers. • Limited efficiency in services delivery, especially extension. • Limited analytical, research and planning capacities. 	<ul style="list-style-type: none"> • By virtue of its field presence, the MOA has the capacity to provide implementation support through high-level staff in the Programme area. • MOA has an important role to play if the Executive Cadre approach is adopted for the Programme, but it would require 	<ul style="list-style-type: none"> • Dependency on political broad based support to implement actions outlines in the NSAD. • Conflicting interest of other agencies (e.g. NCARTT) which form part of the agricultural sector establishment. • Changes in overall sector policies and institutional and

	<p>experience and has a Projects Directorate.</p> <ul style="list-style-type: none"> • High commitment to rural poor households. • Has developed a cautious, rational approach to export promotion based on project experience. • Under the Department of Forests, has built-up valid and promising experience on financial CBOs through the GTZ-supported PACD project. • Has some experience in subcontracting. 	<ul style="list-style-type: none"> • Concentration on solving emerging problems rather than confronting structural issues and poor focus on implementation of sector development projects. • Lack of monitoring and evaluation capacity and coordination mechanisms with other relevant agencies. • Not directly charged with MSE development • Efforts to promote rural enterprises in projects have had a low cost-effectiveness and little impact. • Projects Directorate has difficulties in coordinating its activities with other institutions outside MOA. 	<p>a mindset change with respect to adopting participatory approach.</p> <ul style="list-style-type: none"> • Possibility to develop sector and sub sector wide approaches; involvement in the Programme would assist MOA in its desired transformation. 	<p>organizational arrangements.</p>
Ministry of Water and Irrigation (MOWI)	<ul style="list-style-type: none"> • Strong field presence. • Well established with qualified staff at the Governorate level. • Well defined strategy for water conservation under conditions of unachievable cross sector demands. 	<ul style="list-style-type: none"> • Under conditions of chronic water insufficiency focus is placed on domestic supply and quality. • Limited capability in irrigation water management in the Highlands. • Limited resources to implement the new Groundwater Control Act. 	<ul style="list-style-type: none"> • Well qualified decision makers who can contribute IFAD decision making. • Has a fundamental role in the regulation and improvement in efficiency of line of river networks and small springs' water users groups. • Has a sound understanding of the forecast of Jordan's water balance and supply situation for agriculture and can 	<ul style="list-style-type: none"> • Continuing deterioration in the availability and quality of water supply available for the agricultural sector. • Resistance of producers and health authorities to the use of grey water for irrigation.
Ministry of the Environment (MOE)	<ul style="list-style-type: none"> • Responsible for conservation of biodiversity and fulfillment of obligations resulting from international environmental agreements and conventions. • New comprehensive mandate and legal instrument to monitor and protect the environment. • Addresses soil and water issues and grants environmental impact 	<ul style="list-style-type: none"> • Newly formed with limited experienced staff. • Limited operating resources and budget. • Limited enforcement capacity. • Major concern is desertification. 	<ul style="list-style-type: none"> • Contribution towards adoption of policies on sustainable development and management of natural resources. • Opportunity to participate and improve coordination of regional, Governorate and District level integrated NRM planning and development approaches • Link activities with MOA on 	<ul style="list-style-type: none"> • Political pressure from economic groups may hinder MOE from fulfilling its mandate. • Local governments may not incorporate environmental considerations as required by law.

	<p>permits for all economic activities.</p> <ul style="list-style-type: none"> • Ensures compatibility of agricultural activities and the environment and management of natural resources. • Nationwide presence with regional offices. 		<p>shared responsibilities.</p> <ul style="list-style-type: none"> • Participate in joint public information projects and programmes. 	
Ministry of Social Development (MOSD)	<ul style="list-style-type: none"> • MOSD has a strategic plan (2005-2010). • Executive consists mainly of women and is well equipped to manage gender issues and social services. • Mandate for registration of CBOs (except cooperatives) and associations, and has a mandate to support community development. • Sponsorship of General Union of Voluntary Societies. 	<ul style="list-style-type: none"> ○ Staffing levels at Governorate and District level are low. ○ The ministry is not adequately funded for intervention in rural areas; its main focus is on the unemployed and destitute in urban areas. 	<ul style="list-style-type: none"> • Implementation of pro-women initiatives; affirmative action leading in the mainstreaming of gender matters in public and private institutions. • Potential to provide continuum between the rural and urban sector. 	<ul style="list-style-type: none"> • Lack of coordination between MOPIC, MOA and MOSD. • Political pressure to focus on urban pockets of poverty.
Ministry of Public Works and Housing (MOPWH)	<ul style="list-style-type: none"> • Well established with presence at Governorate level. • Qualified personnel. • Good policy support. 	<ul style="list-style-type: none"> • Limited operating budget. 	<ul style="list-style-type: none"> • Can utilize experience and expertise to facilitate project implementation of physical service infrastructure. • A key project implementer of the rural access roads. 	<ul style="list-style-type: none"> • Reliance on loan funds for agricultural access roads improvement.
Microfinance Institutions				
Agricultural Credit Corporation (ACC)	<ul style="list-style-type: none"> • Strong local presence. • Experience in promoting market linkages for agricultural enterprises. • The ACC is open to project-based innovative approaches. 	<ul style="list-style-type: none"> • Remains acquiescent yet inactive relative to calls for institutional reform. • Relies on loan service deductions rather than repayment by the borrowers. • High rate of loan restructuring. • Little experience with non-agricultural related enterprises. • Poor loan tracking system, which is, however, under restructuring. • Low reputation among other 	<ul style="list-style-type: none"> • Restructuring process and strengthening measures being proposed and discussed may lead to better service. • The new loan tracking system may raise readiness to venture into lending based on non-conventional securities provided by borrowers. 	<ul style="list-style-type: none"> • No allowed to take savings deposits, which limits its mandate to loan accounts. • May be averse to providing wholesale credit on grant to intermediaries.

		actors due to Government debt write-offs.		
DEF	<ul style="list-style-type: none"> • Has excellent financial and loan tracking systems. • Has experience with wholesale credit to NGOs. • Has experience in training clients. • Has experience with mobile banking and rural knowledge stations. 	<ul style="list-style-type: none"> • Limited rural outreach. • Limited experience with agriculture and agri-business. 	<ul style="list-style-type: none"> • DEF has the potential to be the Programme's wholesale credit management agency with savings and credit groups. 	<ul style="list-style-type: none"> • The potential involvement of DEF in the wholesaling function under the Programme would require balancing of its potential participation as an implementer.
National Microfinance Bank	<ul style="list-style-type: none"> • By its mandate, NMB will focus on supporting income-producing projects in rural areas. • Directed by a fully private-sector board. • Plans to operate through NGOs (in addition to direct financial services). 	<ul style="list-style-type: none"> • A very recent, inexperienced financial institution. 	<ul style="list-style-type: none"> • Potentially a strong partner once it has built its capacity and gathered experience. • The Programme could complement NMB lending in poor rural areas. 	<ul style="list-style-type: none"> • Risk of overburdening an emerging institution with complex tasks.
Micro-fund For Women	<ul style="list-style-type: none"> • Experience with solidarity group lending. • Excellent portfolio quality. • Excellent loan tracking and M&E. 	<ul style="list-style-type: none"> • Limited outreach dependant on donor support. 	<ul style="list-style-type: none"> • Potential service provider for the Programme, in particular with IGA for women and linkage of the rural-urban continuum. 	<ul style="list-style-type: none"> • Focus on urban poor women may limit their capacity to address the needs of rural poor women.
Service Providers				
Local Governments	<ul style="list-style-type: none"> • Budgetary allocations from the central government. • Independent financial management. 	<ul style="list-style-type: none"> • Dependency on central government funding limits implementation of activities. • Limited coordination with other national government projects and programmes. • Limited technical capacity and monitoring and evaluation mechanisms. 	<ul style="list-style-type: none"> • Clear targets and available resources to support local governments provide an opportunity to further decentralization together with political will on the part of the donor community. 	<ul style="list-style-type: none"> • Use of local governments for political purposes. • Lack of transparency in the allocation of resources which may result in cancelling disbursements. • Poor technical judgment and politicization of investment and selection of beneficiaries.
Farmer organizations	<ul style="list-style-type: none"> • Long experience in addressing membership concerns at national level. • Established network structure at local level. 	<ul style="list-style-type: none"> • Concentration on demands for Government support. • Limited understanding on impact of policies which may affect their membership. 	<ul style="list-style-type: none"> • Possibility to engage in negotiations and dialogue with respect to natural resource management and national trade modalities. 	<ul style="list-style-type: none"> • Government interference or indifference to need-based demands.
Hashemite Badia Fund	<ul style="list-style-type: none"> • Royal family sponsorship. 	<ul style="list-style-type: none"> • Limited funds. 	<ul style="list-style-type: none"> • Potential partner in natural 	<ul style="list-style-type: none"> • Reluctance to adopt

	<ul style="list-style-type: none"> • Experience in rangeland rehabilitation and development. • Good management and implementation capacity, working with MOA. 	<ul style="list-style-type: none"> • Unilateral approach with little consultation or participation of rangeland users. 	<p>resources management and outreach of rangeland user groups in the Badia.</p> <ul style="list-style-type: none"> • Improved cost-effectiveness of rangeland interventions. 	<p>participatory approaches to natural resources management, leading to continued passive attitude of users.</p>
Noor Al Hussein Foundation	<ul style="list-style-type: none"> • Royal family sponsorship. • Has a sound track record in providing training in off-farm enterprise for women. • Experience with rural business development services through the village business incubator. • Has a clear concept of providing financial services sustainability; MFI operations in urban areas and financial CBOs in rural areas. • Rural presence and professional administration. 	<ul style="list-style-type: none"> • Focus tends to be limited to training and provision of facilities. • Provision of rural business development services is prohibitively costly due to low rate of outreach. 	<ul style="list-style-type: none"> • Potential service provider for a new operation; for rural women's initiatives and rural financial services. • Compatibility of its business development services and rural finance approach with COSOP. • Implementing agency for MOPIC Pockets of Poverty Programme. • Authorized to mobilize external donor funds. 	<ul style="list-style-type: none"> • Reluctance to implement community based interventions with full group participatory approaches. • Emphasis on training inputs rather than outcomes of improved productivity. • Resistance of MOA to provide unrecoverable grant funds to NGOs because of effects on line budget.
Jordanian Hashemite Foundation for Human Development (JOHUD)	<ul style="list-style-type: none"> • Royal family sponsorship. • Rural presence. • Experience with small-scale business development services and credit for individual clients. • The Small Business Development Centre recently started a promising pilot initiative providing post-investment advice. • Provides training to other Jordanian NGOs. 	<ul style="list-style-type: none"> • Makes no clear distinction between rural and urban areas. • The Community Development Centres mix social, business development and credit services, which may confuse clients and dilute the business approach. • Support to client enterprises often includes market distorting subsidies. 	<ul style="list-style-type: none"> • Potential service provider for a new operation; in particular capacity building of CBO. • Implementing agency for MOPIC Pockets of Poverty Programme. • Authorized to mobilize external donor funds. 	<ul style="list-style-type: none"> • Compatibility of small-scale business development approach with IFAD strategy needs to be confirmed. • Resistance of MOA to provide unrecoverable grant funds to NGOs because of effects on line budget.
Jordan River Valley Foundation	<ul style="list-style-type: none"> • Royal family sponsorship. • Experience with small-scale business development services and credit for individual and cooperative clients. • Strong focus on cooperative development ensures large outreach. 	<ul style="list-style-type: none"> • Established NGO with a broad base of successful interventions, but tends to take leadership role with consequence that beneficiaries are passive participants. 	<ul style="list-style-type: none"> • Potential service provider for a new intervention; in particular marketing and micro-finance, and capacity building of CBO. • Implementing agency for MOPIC Pockets of Poverty Programme. • Authorized to mobilize external donor funds. 	<ul style="list-style-type: none"> • Reluctance to implement community based interventions with full group participatory approaches. • Compatibility of small-scale business development approach with IFAD strategy needs to be confirmed. • Resistance of MOA to provide grant funds to NGOs because

				of effects on line budget.
Community Centres Association	<ul style="list-style-type: none"> • Strong focus on developing women's community centres as training and productive enterprises. 	<ul style="list-style-type: none"> • Relatively small NGO which relies on university student volunteers working rural centres. • Lacks the leverage of the major NGOs 	<ul style="list-style-type: none"> • Potential service provider for a new intervention; in particular marketing and micro-finance, and capacity building of CBO. • Can contribute to improving linkages between the rural poor and urban markets. • Implementing agency for MOPIC Pockets of Poverty Programme. 	<ul style="list-style-type: none"> • Reluctance to implement community based interventions with full group participatory approaches. • Compatibility of implementation approaches with IFAD strategy needs to be confirmed. • Resistance of MOA to provide unrecoverable grant funds to NGOs because of effects on line budget.

Key file 4: Target group identification, priority issues and potential response

Typology	Poverty Level and Causes	Coping Actions	Priority Needs	Support from Other Initiatives	COSOP Response
Extremely poor rural households	<p>Severe</p> <ul style="list-style-type: none"> • Less than USD 1 a day. • 2% of population. • Landless or with less than 0.2 ha in highlands. • Affected by topographic features (steep hillsides) and irregular low rainfall. • Deteriorating access to natural resources, especially water. • Settlement projects in highly disadvantaged areas. • No or limited employment opportunities with large periods of idle time. • High transport costs. • Large families (6+ members). • Illiteracy, poor health • Do not participate in community level organizations. 	<ul style="list-style-type: none"> • Urban migration. • Wage labour in urban areas of Jordan. • Subsistence agriculture and herding. • Reliance on support from relatives and remittances. • Government poverty assistance. 	<ul style="list-style-type: none"> • Local wage labour. • Local basic services support – education and health. • Protection from over-exploitation of natural resources, especially water. • Local economic services. • Assistance in identifying, planning and developing IGA. • Affordable multipurpose credit and accessibility with no or little collateral. • Marketing assistance. 	<ul style="list-style-type: none"> • Support by conditional cash transfers. • Support from MOSD. 	<ul style="list-style-type: none"> • Partial subsidy/support to soil and water conservation. • Agricultural services support. • Training and access to group/association support. • Promote income-generating activities and micro-enterprises. • Provide business start-up and development advice. • Provide marketing advice. • Facilitate commercial linkages for inputs and outputs. • Establish and support financial CBOs to provide sustainable, affordable credit. • Make a credit line available to financial CBOs.
Poor smallholder farmers	<p>Vulnerable</p> <ul style="list-style-type: none"> • Less than the National poverty line (varies between Sub-Districts). • 17% of rural population. • Less than 0.4 hectares in highlands. • No or limited employment opportunities. 	<ul style="list-style-type: none"> • Wage labour in urban areas of Jordan. • Subsistence agriculture and herding. • Pensions and Remittances. 	<ul style="list-style-type: none"> • Promotion of Land Care Groups. • Improved production packages for higher yields. • Protection from over-exploitation of natural resources, especially land conservation and water. 	<ul style="list-style-type: none"> • Limited government support from MOA and District Agricultural Directorates extension programmes. • ACC support to micro-credit programmes. 	<ul style="list-style-type: none"> • Partial subsidy/support to soil and water conservation • Agricultural services support. • Training and access to group/association support. • Formal and informal

Typology	Poverty Level and Causes	Coping Actions	Priority Needs	Support from Other Initiatives	COSOP Response
	<ul style="list-style-type: none"> Deteriorating access to natural resources, especially water. Lack of irrigation. Settlement projects in highly disadvantaged areas. High transport costs. Lack of business management skills and credit. 		<ul style="list-style-type: none"> Assistance in identifying, planning and developing IGA. Promotion of marketing facilities and market information Affordable multipurpose credit with accessibility. 		<ul style="list-style-type: none"> financial services for micro-enterprise. Local initiative investments.
Small scale farmers/ entrepreneurs	<p>Moderate</p> <ul style="list-style-type: none"> Less than USD 2/day. Low productivity. Access to credit with high interest rates. Outdated technologies. Weak market linkages. 	<ul style="list-style-type: none"> Diversified production such as tree crops and processing. Some livestock. Have organizational capacities but rely on provision of services. 	<ul style="list-style-type: none"> More advanced and innovative technologies Promotion of producers associations Promotion of marketing facilities and market information Access to credit for crop diversification and enhanced produce quality. Marketing infrastructure 	<ul style="list-style-type: none"> ACC support to micro-credit programmes. Larger multilateral and bilateral donor projects NGO projects 	<ul style="list-style-type: none"> Agricultural services support. Training and access to group/association support. Medium term loans for farm industry diversification. Micro credit loans for micro-enterprises and income generating activities.
Poor small scale extensive livestock herders	<p>Vulnerable</p> <ul style="list-style-type: none"> Less than the National poverty line (varies between Districts). 12,242 poor Bedouin households. Rely exclusively on the condition of the rangeland resource. Lack of Income Generating Activities. 	<ul style="list-style-type: none"> Sale of livestock in times of hardship. Feed subsidies (in the process of being withdrawn). Livestock poor youth migration to urban centres for employment. 	<ul style="list-style-type: none"> Incentives for rangeland rehabilitation. Promotion of rangeland user groups (cooperatives) to assure usufruct rights. Promotion of water harvesting technology. Promotion of marketing facilities and market information Small ruminants fattening 	<ul style="list-style-type: none"> Limited government support from MOA Rangeland and Forestry Department. Support from Royal family for Badia reclamation and development. 	<ul style="list-style-type: none"> Partial subsidy/support to soil and water conservation. Medium term loans for soil and water conservation Micro credit loans for micro-enterprises and income generating activities Extension and veterinary services Training and Users Association support
Rural Women in Landless	Severe	<ul style="list-style-type: none"> One to two women per 	<ul style="list-style-type: none"> Local basic services – 	<ul style="list-style-type: none"> Support from MOPIC for 	<ul style="list-style-type: none"> Training on set-up and

Typology	Poverty Level and Causes	Coping Actions	Priority Needs	Support from Other Initiatives	COSOP Response
or Smallholding Households	<ul style="list-style-type: none"> • Less than the National poverty line (varies between Districts). • Around 10% of rural population. • Higher unemployment rate than men. • Lower literacy rate than men. • Large family size. • Lack of Income Generating Activities. 	<p>family engaged in labour.</p> <ul style="list-style-type: none"> • Foregoing education and health expenditures for girls. • Foregoing rights to land inheritance to gain family support in time of need (divorce or death of spouse). 	<p>education and health.</p> <ul style="list-style-type: none"> • Local economic services. • Local wage labour. • Assistance in identifying, planning and developing IGA. • Promotion of intermediation savings and credit associations. • Marketing assistance, including facilities and information. • Affordable multipurpose credit with accessibility. 	<p>women's initiatives.</p> <ul style="list-style-type: none"> • Support through the four major national NGO. 	<p>management of micro-enterprises and income generating activities;</p> <ul style="list-style-type: none"> • Loans with terms accessible by women, through village based organisations; • Marketing support for women to sell their productions at better prices; • Group formation to assist women to respond to their needs and network with relevant organizations to address them;