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CLIMATE INTEGRATION CASE STUDY

JORDAN COMPETITIVENESS PROGRAM

CLIMATE AND ECONOMIC GROWTH & TRADE

Climate variability and change is one of many challenges that USAID programming is addressing. This case study series explores how USAID activities in various sectors and regions address this challenge.

Development Challenge

Jordan, like many other Middle Eastern countries, is facing daunting economic challenges. The country's economic growth is not sufficient to generate adequate employment opportunities for the growing population seeking to enter the labor force. Jordan's international competitive rankings have not been high historically, and have decreased steadily over the last few years. In addition, rising energy demand, driven by population growth and successive influxes of refugees, further strains Jordan's economy and impedes economic growth. With few energy resources of its own, Jordan is heavily dependent on energy imports. Jordan imports 96% of its oil and gas, accounting for almost 20% of the country's Gross Domestic Product (GDP).

Jordan Competitiveness Program

The USAID Jordan Competitiveness Program (JCP) works with policymakers, business associations, and the private sector to: 1) draft and advocate for enabling legislation and regulation; 2) leverage these policy interventions to stimulate exports and attract foreign direct investment, especially to Jordan's specially designated development zones; and 3) ensure that these investments result in employment opportunities for Jordanians and, where appropriate, other residents of the Kingdom.

To these ends, JCP works closely with other USAID programs and relevant Government of Jordan entities to identify investment opportunities made possible by the Jordan Compact. By coordinating closely with the Compact's Program Management Unit (PMU), which is housed at the Ministry of Planning and International Cooperation, JCP seeks to add value to the current efforts of the broader donor community.

Now in its fourth year, JCP has re-focused its activities to align with the goals of the Jordan Compact and has structured its activities to leverage the opportunities made possible by that historic agreement. The program

has devised an approach to structuring its interventions within three complementary work streams: Legislative Reform for Ensuring an Enabling Business Environment, Promoting Investment, and Facilitating Trade. Direct Firm Level assistance to SMEs will enable them to enter new markets and compete on a regional and global scale.

How JCP Addresses Climate Change

The JCP addresses climate change by focusing its clean technology interventions on clean energy. According to Jordan's 2014 Third National Communication to the United Nations Convention on Climate Change, the energy sector contributes over 70% of the country's greenhouse gas (GHG) emissions, driven largely by Jordan's use of traditional energy sources. In total, Jordan's energy industries (electricity generation, petroleum refining) account for some 38% of energy sector emissions. The prices of energy imports have increased, while supplies have become less reliable, encouraging Jordan to seek alternative energy sources to meet its goals for both economic growth and reduced GHG emissions.

Studies suggest there is good potential for solar and wind energy development in Jordan. Jordan also offers a high quality workforce for the development of clean energy, including the largest number of engineers in the Middle East, as well as a competitive cost structure for the generation of renewable energy.

Examples of JCP's clean energy projects include:

- [**Solar-Enabled Smart Campus at King Hussein Business Park \(KHBP\)**](#)
- **Integrated Clean Energy and Solid Waste Management Solution in the Dead Sea Development Zone**
- **Irbid Clean Energy Pilot with an Industrial Focus at El Hassan Industrial Estate**
- [**Pilot electric vehicle charging stations in Amman**](#)

The JCP's clean energy interventions are helping Jordan achieve multiple, inter-related goals to help spur economic growth, including: support for new, innovative businesses; creation of new job opportunities; reduced dependence on energy imports; and climate change mitigation.

The JCP tracks performance of its clean energy interventions using a number of climate mitigation indicators. By the end of Year 4, the JCP had mobilized USD 2,626,761 in investments for clean energy; assisted 14 entities to implement clean energy measures; and supported two clean energy transactions and two actions for clean energy generation capacity that achieved financial closure.

