



**MILLENNIUM**  
CHALLENGE CORPORATION  
UNITED STATES OF AMERICA

QUARTERLY STATUS REPORT



**Jordan Compact**

AS OF SEPTEMBER 2014

**COMPACT GOAL**

Jordan is one of the most water scarce countries in the world, and severe water shortages constrain economic opportunities and impact daily life. The Compact will invest up to \$275.1 million to increase income and reduce poverty in Zarqa Governorate through increases in the supply of water available to households and businesses and through improvements in the efficiency of water delivery, the extension of wastewater collection and the expansion of wastewater treatment.



**COMPACT AT A GLANCE**

Compact Signed	<b>10-25-2010</b>
Entry Into Force	<b>12-13-2011</b>
Compact End Date	<b>12-13-2016</b>
Compact Total	<b>\$275,100,000</b>
Amount Committed	<b>\$245,395,779</b>
Amount Expended	<b>\$125,146,111</b>
Estimated Program Beneficiaries	<b>3,000,000</b>
Estimated Increase in Household Income	<b>\$800,300,000</b>

% OF TOTAL COMPACT		BUDGET (USD MILLIONS)
32%	<b>Water Network Project</b>	<b>\$88.5</b>
24%	<b>Wastewater Network Project</b>	<b>\$66.9</b>
35%	<b>As-Samra Expansion Project</b>	<b>\$97.1</b>
1%	<b>Monitoring and Evaluation</b>	<b>\$2.8</b>
7%	<b>Program Administration and Control</b>	<b>\$19.6</b>

■ Project Preparation    ■ Project Implementation

Water Network Project	PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES <sup>1</sup>				
	<b>\$88,529,127</b>	<b>\$84,733,346</b>	<b>\$18,381,307</b>				
<p>Improve the overall drinking water system efficiency in Jordan's Zarqa Governorate through the construction and rehabilitation of a pump station, reservoirs and up to 800 kilometers of water transmission and delivery pipes. The intervention includes replacement of household connections and meters as well as targeted grants to assist in efficient water management.</p> <p><b>Projected Long-Term Results</b> (Up to 20 years)</p> <table border="1"> <tr> <td>ESTIMATED BENEFICIARIES</td> <td>ESTIMATED INCREASE IN HOUSEHOLD INCOME</td> </tr> <tr> <td style="text-align: center;"><b>1,634,000</b></td> <td style="text-align: center;"><b>\$197,800,000</b></td> </tr> </table>	ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME	<b>1,634,000</b>	<b>\$197,800,000</b>			
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	<p><b>PROJECTED RESULTS BY END OF COMPACT</b></p> <p>Reduce rate of water losses in Zarqa Governorate system from over 50% to 35% and increase supply from 36 to 70 hours a week during the summer through construction and repairs to reservoirs, pump stations and up to 700 km of pipe.</p>	<p><b>PROGRESS TO DATE</b></p> <p>All pipeline contracts have been signed and construction has begun. Approximately 13% (118 km) of the pipeline had been laid. The Water Smart Homes consultant contract was signed. The consultant will complete final implementation designs and manage the small grant program and outreach program on best in-home water management practices.</p>	<p><b>PROJECT ACHIEVEMENTS</b></p> <p>Sustainability is being addressed through the Government of Jordan's development of a Cost Recovery Plan for the Zarqa Utility to help ensure that future revenues are sufficient to cover operations and maintenance costs.</p>				

Wastewater Network Project	PROJECT COST <b>\$66,989,225</b>	TOTAL CONTRACT COMMITMENTS <b>\$58,804,100</b>	TOTAL PROJECT EXPENDITURES <sup>†</sup> <b>\$27,760,119</b>				
<p>The project is designed to improve the overall waste water system efficiency and capacity in Jordan's Zarqa Governorate by replacing or rehabilitating up to 300 kilometers undersized sewer trunk lines and lateral sewers in the neighborhoods of East Zarqa, West Zarqa and West Russaifah.</p>							
<p><b>Projected Long-Term Results</b> (Up to 20 years)</p> <table border="1"> <tr> <td data-bbox="191 573 354 594">ESTIMATED BENEFICIARIES</td> <td data-bbox="410 552 557 594">ESTIMATED INCREASE IN HOUSEHOLD INCOME</td> </tr> <tr> <td data-bbox="215 615 329 646"><b>2,023,000</b></td> <td data-bbox="410 615 557 646"><b>\$602,500,000</b></td> </tr> </table>	ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME	<b>2,023,000</b>	<b>\$602,500,000</b>	<p><b>PROJECTED RESULTS BY END OF COMPACT</b></p> <p>The extension of lateral sewer lines is expected to raise coverage rates from 72% to about 82% of the local population, reduce incidents of sewage overflow and capture more waste water for treatment.</p>	<p><b>PROGRESS TO DATE</b></p> <p>Construction work is underway on all three contracts. Construction progress continues with approximately 78% (145 km) of initial expansion and rehabilitation. The total authorized works have been increased to include additional work resulting from cost savings in the Compact. A small segment of the pipe has been taken over by the Water Authority of Jordan. Implementation of the Resettlement Action Plan is underway.</p>	<p><b>PROJECT ACHIEVEMENTS</b></p> <p>Country commitment to the compact is reflected in the Government of Jordan's co-contribution of \$20 million to expand the wastewater pump stations in East and West Zarqa, which complement MCC funded investments.</p>
ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME						
<b>2,023,000</b>	<b>\$602,500,000</b>						
As-Samra Expansion Project	PROJECT COST <b>\$97,120,950</b>	TOTAL CONTRACT COMMITMENTS <b>\$97,120,950</b>	TOTAL PROJECT EXPENDITURES <sup>†</sup> <b>\$74,867,695</b>				
<p>A Public Private Partnership (PPP)-based expansion of the existing As-Samra Wastewater Treatment Plant will provide proper handling of sewage while also producing much needed treated water for irrigation. Leveraging MCC funding with private sector debt/equity is intended to ensure the proper operation of the facility and sustainability for 25 years.</p>							
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ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME						
<b>2,023,000</b>	<b>\$602,500,000</b>						

Note on Beneficiaries: The Wastewater Network Project and the As-Samra Expansion Project have been assessed as a single unit; Estimated Beneficiaries of 2,023,000 and Estimated Increase in Household Income of \$602,500,000 apply to both.

<sup>†</sup>Expenditures are the sum of cash outlays and quarterly accruals for work completed but not yet paid or invoiced.