MILLENNIUM CHALLENGE CORPORATION
UNITED STATES OF AMERICA

QUARTERLY STATUS REPORT

Jordan Compact

AS OF JUNE 2015

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	**10-25-2010**
Entry Into Force	**12-13-2011**
Compact End Date	**12-13-2016**
Compact Total	**$275,100,000**
Amount Committed	**$254,859,995**
Amount Expended	**$178,537,779**
Estimated Program Beneficiaries	**3,000,000**
Estimated Increase in Household Income	**$800,300,000**

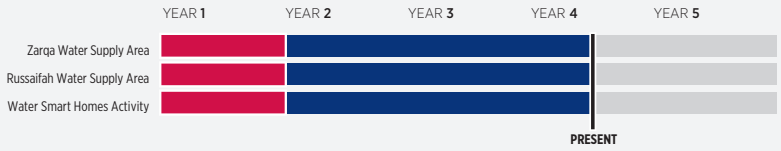
% OF TOTAL COMPACT		BUDGET (USD MILLIONS)
32%	**Water Network Project**	**$88.5**
24%	**Wastewater Network Project**	**$66.9**
35%	**As-Samra Expansion Project**	**$97.1**
1%	**Monitoring and Evaluation**	**$2.8**
7%	**Program Administration and Control**	**$19.6**

Project Preparation Project Implementation

Water Network Project

PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES†
$88,529,127	$88,125,822	$43,086,622

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.



Projected Long-Term Results
(Up to 20 years)

ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME
1,634,000	$197,800,000

PROJECTED RESULTS BY END OF COMPACT

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 800 km of pipe.

PROGRESS TO DATE

All pipeline contracts have been signed and construction has begun. Approximately 42% (372 km) of the pipeline has been laid. The Water Smart Homes outreach activity is underway and the contractor has been mobilized to start the household improvements for beneficiaries in Zarqa.

PROJECT ACHIEVEMENTS

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.

Wastewater Network Project

PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES†
$66,989,225	$63,266,396	$41,321,443

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.

Projected Long-Term Results
(Up to 20 years)

ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME
2,023,000	$602,500,000

PROJECTED RESULTS BY END OF COMPACT

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.

PROGRESS TO DATE

Construction work is underway on all three contracts. The project has now completed 196.9 km of urban sewage pipelines, exceeding its compact target of 169 km, and is on track to complete a total of up to 300 km as a result of compact savings.

PROJECT ACHIEVEMENTS

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.

As-Samra Expansion Project

PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES†
$97,120,950	$97,120,950	$88,402,941

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.

Projected Long-Term Results
(Up to 20 years)

ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME
2,023,000	$602,500,000

PROJECTED RESULTS BY END OF COMPACT

Improve allocation of scarce water resources through increasing the substitution of freshwater for treated wastewater in agriculture from 61% to 70% and thereby making additional freshwater available for urban consumption.

PROGRESS TO DATE

Construction continues, with approximately 95% of the works complete with 91% of the funds disbursed, and commissioning expected in October 2015. MCC and USAID are collaborating on a feasibility study on bio-solid storage and reuse in agriculture and land application. The result will assist the Government of Jordan in establishing a reuse strategy and develop related standards and guidelines.

PROJECT ACHIEVEMENTS

The As-Samra PPP has won international awards including the "Water and Energy Exchange International Award for Innovative Financing" in 2013 and the "Best Water Project Award" by World Finance Magazine in 2013.

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.

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

2015-002-1693-03