

MCC and Jordan: A Partnership Toward Sustainable Solutions

The Millennium Challenge Corporation's Board of Directors approved a five-year, \$275.1 million compact with the Hashemite Kingdom of Jordan to reduce poverty through economic growth. The compact will increase the supply of water available to households and businesses and help improve the efficiency of water delivery, wastewater collection and wastewater treatment.

Water Network Restructuring and Rehabilitation Project (approx. \$102.57 million)

At present, an estimated 57 percent of the potable water supply in Jordan's Zarqa Governorate is lost through leaks in the water transmission and distribution network, with additional losses attributed to management weaknesses.

The Water Network Restructuring and Rehabilitation Project (Water Network Project) is designed to reduce water loss by constructing and repairing reservoirs, pump stations and up to 67 kilometers of primary, 927 kilometers of secondary and 256 kilometers of tertiary pipes. The project will replace household connections and meters in the two poorest, most heavily populated water service areas of Zarqa Governorate. The project will also convert the system to gravity-fed distribution that should improve customer service, reduce wear and tear on critical infrastructure, and extend the lifespan of the network.

To ensure benefits reach the poor, the project includes technical and financial assistance to very poor households to improve plumbing, water storage, sewage connections, and general awareness of best practices for basic sanitation, water storage and efficient water use.

Wastewater Network Reinforcement and Expansion Project (approx. \$58.22 million)

Zarqa Governorate is served by an outdated sewer system that limits the collection of wastewater and endangers public health. The system regularly overflows into city streets and the surrounding environment, relies on pump stations that have insufficient capacity and serves only 72 percent of the population.

The Wastewater Network Reinforcement and Expansion Project (Wastewater Network Project) will address these problems by replacing or rehabilitating up to 29 kilometers of undersized trunk lines and expanding sewers by up to 140 kilometers in the neighborhoods of East Zarqa and West Zarqa, both of which lack proper sewer connections. Sewer line extensions will raise coverage rates from 72 percent to about 85 percent of the local population. These new customer connections should also generate wastewater to be treated at the As-Samra Wastewater Treatment Plant and eventually be re-used for agricultural purposes downstream in the Jordan Valley.

As-Samra Wastewater Treatment Plant Expansion Project (approx. \$93.03 million)

Originally built with support from the United States Agency for International Development (USAID), the As-Samra Wastewater Treatment Plant is the primary facility for treating wastewater from Jordan's Amman and Zarqa Governorates. The plant is nearing its capacity, and without an expansion to properly handle growing volumes of wastewater in the region, the plant could become overloaded, its ability to treat wastewater properly could deteriorate, and downstream agricultural areas that rely on treated water for irrigation could face serious food safety risks and the loss of markets for their agricultural products.

The As-Samra Expansion Project is designed to address this challenge by expanding the plant's treatment capacity by 97,800 cubic meters per day, an increase of more than one-third. The expansion is expected to meet the region's wastewater treatment needs through 2025. As an innovative opportunity to leverage MCC grant funds to attract private financing, the As-Samra Wastewater Treatment Plant will be expanded in partnership with a private sector operator that will mobilize a portion of the cost of construction. This arrangement may also enhance operational sustainability by transferring some risks related to financing, construction and operations to the private sector.

Administration

The compact includes approximately \$18.47 million for administrative and oversight costs of the projects, including the cost of administration, management, auditing, fiscal and procurement agent services, and environmental and social oversight. The cost of compact monitoring and evaluation is budgeted at \$2.81 million.

Expected Results

- ★ Water Network Project beneficiaries include the 65 percent of households in Zarqa Governorate that currently receive water delivery no more than one or two times per week.
- ★ Over twenty years, the Water Network Project is expected to benefit nearly the entire urban population of Zarqa Governorate, which will benefit from a more efficient water network. Among this population, approximately 110,000 households, or 600,000 people, should see significant reductions in household expenditures on water or increases in water consumption.
- ★ The Wastewater Network Project and the As-Samra Expansion Project are projected to benefit a population of approximately 375,000 households, for a total of 2,020,000 people with substantial benefits to Zarqa and Amman.
- ★ Included in the beneficiaries are the 18,000 households, or 100,000 people, in the neighborhoods of East Zarqa and West Zarqa, who will be able to connect to a proper sewer network and forego the installation, maintenance, and potential health risks associated with the use of cesspits and septic tanks in an urban environment.