

Jordan: EIB supports priority water sector investments



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- **EUR 260 million to invest in priority water projects across Jordan**
- **The programme supports Jordan's adaptation to climate change**

The **European Investment Bank (EIB)** signed a framework loan of EUR 260 million with the government of the **Hashemite Kingdom of Jordan (HKJ)** to support priority water sector investments of the Ministry of Water and Irrigation. The programme will contribute to optimising the production, transmission and distribution of water in [Jordan](#).

The EIB's funds will finance projects in the construction, upgrade and improvement of various water supply facilities in several governorates across Jordan. The implementation of these projects will improve the resilience of the water supply sector and support adaptation to [climate change](#), as well as creating jobs during both the construction phase and the operation of the facilities.

In addition to the Bank's funding, the Economic Resilience Initiative Technical Assistance envelope will provide a EUR3 million grant for technical assistance to support necessary preparatory and feasibility studies and allocation of sub-projects under the programme. The Economic Resilience Initiative is part of the EU's response to the challenges in the Southern Neighbourhood and Western Balkans.

The framework loan seeks to support the objectives of the Jordanian government in the framework of the National Water Strategy 2016-2025, which

identifies projects that contribute to a resilient water sector as a key priority. The implementation of the programme will improve Jordan's [Economic Resilience](#) and support the socio-economic infrastructure of the country.

[Dario Scannapieco](#), Vice President of the EIB commented on the signature: "As the Bank of the European Union, we give high priority to climate action projects. We are pleased to reinforce our support to the water sector in Jordan. This framework loan will support the construction, upgrade and improvement of numerous water facilities across Jordan. These projects are much needed to improve people's access to water over the coming years."

The EU Ambassador to Jordan, H.E. Maria Hadjitheodosiou, indicated that "the water projects that will be financed under this Framework Loan will contribute to reinforcing the resilience of the water supply sector and enhance Jordan's capabilities to address climate change challenges." She stressed that "these projects are fully aligned with, and reinforce the EU's partnership with Jordan and the joint efforts to mitigate the impact of climate change."

The Minister of Planning and International Cooperation, H.E. Nasser Shraideh, stated that the aim of the agreement is to secure financing for Jordan on favourable terms for the next six years (with an exceptional long repayment period of up to thirty years). The funding will be allocated to priority Jordanian water projects to support the objectives under the National Water Strategy 2016-2025, by working to build, modernize and improve various water supply facilities in governorates across Jordan.

The implementation of these projects will improve water supply resilience and support adaptation to climate change in addition to creating employment opportunities during both the construction and the operation phase.

The water sector is of central importance to the Government of Jordan due to the country's severe water scarcity and the sector's role in safeguarding the country's long-term social and economic stability. Jordan has one of the lowest levels of water availability per capita globally, making it the world's second most water-scarce country. Water availability levels are anticipated to decline further over the next years due to climate change and the expected increase in the country's population. The new EIB financing falls under the EU's External Lending Mandate (ELM) 2014-2020 and benefits from the EU comprehensive guarantee on a fall back basis. It is consistent with the EIB's External Lending Mandate relating to the development of social and economic infrastructure, the EIB's [Water Sector Lending orientation](#), as well as the European Neighbourhood Policy.

Furthermore, this new EIB financing is part of the Bank's substantial engagement in the water sector in Jordan, which has been gradually increasing over recent years in the context of the Economic Resilience Initiative. In 2015, EIB signed a loan for the Wadi Al Arab Water System II project for USD 54 million for which the EU is also providing an investment grant of EUR 13.75m. In 2019, EIB signed a EUR 65 million loan and EUR 16.25 million-investment grant for the Deir Alla Water and Sanitation project.

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