



FACT SHEET

Economic Development and Energy

USAID Energy Sector Capacity Building Activity



Solar panels installed through USAID support at the Ministry of Planning and International Cooperation building are expected to save 17% per year in electricity costs. Photo by: Nidal Damati

BACKGROUND

Jordan meets nearly all of its energy needs by importing oil and gas. Its energy sector faces rising global oil and gas prices, increased domestic demand, and a changing regional political environment that can no longer subsidize the country's reliance on energy imports, which constitute nearly one-fifth of its gross domestic product (GDP). Longer-term initiatives, such as the increased use of renewable energy and the development of alternative energy supplies, will eventually help address the supply side of Jordan's energy equation. However, in the near term, Jordan's energy sector must also address demand through improved energy efficiency.

To achieve this goal, various challenges must be overcome, including distorted tariffs, lack of capacity, and a dearth of reliable data to support effective decision making.

USAID promotes the practical and efficient use of national energy resources to encourage Jordanian energy producers, utilities and consumers to adopt best practices and develop alternative and renewable energy sources.

PROJECT OVERVIEW

The USAID Energy Sector Capacity Building (ESCB) Activity works with energy sector partners to cultivate effective policies and build sustainable institutional capacity to increase the adoption of energy efficiency and renewable energy (EE & RE) technologies and practices. Additionally, USAID ESCB places a high priority on addressing gender issues in the energy sector, including the promotion of women in energy-related careers.

USAID ESCB works with the Government of Jordan, the private sector, civil society organizations and donor agencies to address energy challenges in Jordan with an adaptable approach necessary to meet evolving needs, including:

1. The development and adoption of a utilities incentive mechanism to promote energy efficiency, including a robust monitoring, evaluation, and validation system.
2. Capacity building for energy sector partners including the Ministry of Energy and Mineral Resources (MEMR), the Jordan Renewable Energy and Energy Efficiency Fund (JREEEF), the Energy and Minerals Regulatory Commission (EMRC), and electricity production, distribution, and transmission companies.
3. Strengthening the presence, capacity and regulation of energy service providers.
4. Responding to priority emergent energy sector needs and opportunities on a demand-driven basis.

ACTIVITIES

- Establishing a comprehensive regulatory framework for utility-driven EE & RE programs – the first of its kind in the Middle East.
- Providing capacity building and technical tools, such as a financial analysis model, for government and energy utilities to design, implement, monitor, and evaluate projects encouraging consumers to adopt RE & EE.
- Conducting the first detailed energy-use survey of over 2,700 Jordanian households, in cooperation with utility partners.
- Developing and implementing capacity-building action plans for a total of six government agencies and energy utilities.
- Providing technical support and capacity building to 135 public and private sector institutions, giving 1,760 hours of training to date.
- Supporting MEMR in promoting the reduction of energy use in government buildings by conducting energy audits, developing action plans, and identifying funding opportunities for several government ministries.
- Analyzing and helping to fill policy gaps in existing legislation and regulations on energy efficiency and renewable energy.
- Identifying and providing support to financial institutions offering loans for energy efficiency. USAID ESCB is also developing the first energy efficiency loan product in Jordan.
- Pursuing increased demand for the services of energy service providers (ESPs) through granting technical assistance on business and marketing plans and establishing an accreditation system for ESPs.
- Installing solar panels at the Ministry of Planning and International Cooperation and Jordan Customs Training Center, with a goal of 17% yearly reduction in electricity costs.
- Supporting the Greater Amman Municipality in designing and bidding on a waste-to-energy project.
- Helping Mercy Corps and JREEEF conduct evaluations and provide technical assistance for solar power initiatives in rural households.
- Strengthening the role of women in the energy sector through a mentoring program and networking and capacity building activities.

EXPECTED OUTPUTS

- Utility EE & RE programs implemented at the household, commercial and industrial level.
- Reduced electricity consumption at facilities for the Ministry of Planning and International Cooperation, Jordan Customs, and other government ministries through the installation of solar panels and energy-saving action plans.
- The adoption of customized loan products targeting EE & RE by local banking institutions.
- The establishment of a governing body for the accreditation of ESPs, with the goal of accrediting at least 6 ESPs in the near future.
- Electricity savings measured as a result of ESCB clean energy programs.
- The active promotion and support of EE & RE programs by government bodies such as the EMRC, MEMR and JREEEF.
- Strengthened policy and legislative framework to support the adoption of EE & RE programs.



USAID ESCB has helped conduct the first detailed energy use surveys for over 2,700 Jordanian households. Photo by: Mohd Maghaydah

PROJECT SNAPSHOT

Project Start Date: July 2013

Duration: 4 years

Total Funding: \$23.7 Million

Geographic Coverage: Hashemite Kingdom of Jordan

Implemented by: Deloitte Consulting, LLP.

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