

**Towards COP27: Arab Regional Forum on Climate Initiatives to Finance Climate Action and the SDGs**  
*Project Fact Sheet*

**MEDTEST II and Agro-Processing Fund**  
**JORDAN**

<b>Climate finance purpose</b>
Adaptation
<b>Sector</b>
Agriculture
<b>Geographic coverage</b>
National
Country Wide
<b>Description</b>
<p>This project enhances the climate resilience and encourages low carbon innovation in the food processing industrial sector through adoption of mitigation and adaptation utility-tailored measures. This will be achieved by scaling up Resource Efficient and Cleaner Production (RECP) measures through building on capacities and experience from MED Transfer of Environmentally Sound Technology (TEST) II project implemented within the regional EU funded SwitchMed programme in 2015-2018 in Jordan which shows the following:</p> <ul style="list-style-type: none"> <li>• 9.6 – 83.0% of energy savings per company’s baseline consumption (equivalent to 22,181 MWh annually) in the 12 companies demonstrated under MED TEST II, leading to an annual reduction of CO2 emissions by 8,086 tons.</li> <li>• Savings of 63,844 m3 of water annually in the 12 companies. The net saving of water reaches 18% at 11 of the companies out of 12, since the excluded company consumes much more water than what is consumed by the other companies due to its production processes.</li> <li>• Annual waste reduction by 82.6 tons in the 12 companies.</li> <li>• An aggregate potential saving of over 2.1 Million EUR annually. While substantial savings were identified, most of the measures had a Payback Period (PBP) of less than half a year (48%), and around 23% of them are good housekeeping measures, showing the high profitability of these measures.</li> </ul>
<b>Beneficiaries</b>
# of medium to small farmers 35,000 (0.4% of population)
<b>Climate rationale</b>
<p>While the agricultural sector only provides 19% of Jordan’s food requirements and employs only 1.8% of Jordan’s workforce, it withdraws 74% of Jordan’s limited freshwater resources. The anticipated impacts of climate change on the agriculture sector includes crop loss or crop failure as a result of less rainfall, increased water demand of crops in response to rising temperatures coupled with reduced water available for irrigation, shortened growing seasons, desertification and degradation of arable land.</p> <p>This anticipated decline in the production and yields of primary staple crops raises concerns about food security and malnutrition.</p>
<b>Expected outcomes</b>
<ul style="list-style-type: none"> <li>• Scaling up the application of TEST Technical Assistance (TA) in 200 food processing industrial facilities (80 small, 90 medium and 30 large)</li> <li>• Strengthening farmers’ adaptive capacity through creating a sustainable and resilient agricultural system</li> <li>• Implementing of RECP measures and developing a financial model for long-term financial sustainability</li> <li>• Improving sustainability of the infrastructure from improved maintenance</li> </ul>

The potential impact of this program was estimated based on the impact achieved in the pilot project where adaptation and mitigation measures were implemented on 12 companies including small and medium size businesses:

- The use of low-emission energy sources and energy efficiency measures will enable businesses to save up to an average of 29% in energy consumption.
- Implementing a waste management plan, can result in a waste reduction of around 5% (a reduction of 82.6 ton/ annum was achieved in pilot project).
- Implementing water efficiency measures, such as metering and smart metering or retrofitting water saving products, can reduce water consumption by around 18%.

**GHG reduction target**

108,541(tons of CO2 eq)/yr and 2,191,800 (20-year period) (Tons of CO2 eq)

**Project implementation period (Dependent upon obtaining financing)**

Planned start date: 06/2023 Planned end date: 30/06/2026

**Total Project Cost**

Amount in National Currency: JOD 61,733,049

Amount in US\$ equivalent (per 1 August 2022 exchange rate): USD 87,100,000

**Financing requirement**

Amount in National Currency: JOD 61,733,049

Amount in US\$ equivalent (per 1 August 2022 exchange rate): USD 87,100,000

**Expected Tenor / Duration of financing: 20 years**

**Project Status: Pre-feasibility**

**Contractual Structure: Government ownership**

**Project proponents**

Ministry of Local Administration, Ministry of Environment

**Contact persons**

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**Emblem**



**Photo, chart or another visual asset**



Company <sup>1</sup>	No. of employees	Investment Euro	Savings Euro / yr.	Avg. PEP yr.	Water %/yr.	Material %/yr.	Energy %/yr.
<b>Food and Beverage sector</b>							
Jordan Valley Food Ind. Co.	100	43,948	84,208	0.5	2.5%	0.2%	83%
Bahsa Eileen Al-Bustarji & Partners Co.	50	21,980	38,050	0.6	34%	0.7%	13%
Farm Dairy Company	130	1,048,120	227,180	4.6	56.5%	0.11%	30.5%
Coca-Cola Bottling Company of Jordan	110	105,767	453,359	0.2	15%	2.6%	33.5%
Gulf Food Products Co.	61	48,330	44,400	1.1	22.6%	0.07%	31.4%
International Blue Diamond for Food Industries Company	70	33,827	37,197	0.9	-	1%	50%
The Saudi Jordanian Industrial Development Company (Jordina)	500	104,060	337,899	0.3	*253 m <sup>3</sup>	-	22.7%
Al-Daura for General Trading and Investment Co. LTD <sup>2</sup>	500	85,820	76,010	1.1	*632 m <sup>3</sup> Water	*2.9 tons Raw materials	*1,284 Mwh
Nutridar	143	1,204,070	204,650	5.9	-	0.1%	16%
Yeast Industries Company	98	118,000	108,370	1.1	2.8%	*11.8 tons	9.6%
Jordan Poultry Processing & Marketing Co. P.S.C.	450	805,340	484,687	1.7	*14,040 m <sup>3</sup> Water	-	*9,354 Mwh
Al-Hajj Mahmoud Hatabah & Sons Co.	100	67,460	50,290	1.3	-	2.8%	27.9%
<b>TOTAL</b>	<b>2,312</b>	<b>€3,686,722</b>	<b>€2,146,292</b>	<b>1.7 yr.</b>			

(1) Data from the production year 2015  
 (2) Data from the production year 2016  
 (\*) Absolute annual value

Table 7. Financial and Environmental Indicators for 12 Pilot Companies in Jordan