



# PROSPERITY

## Country Presentation JORDAN



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# Here with you today from Jordan

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**Central Bank of Jordan  
Insurance Supervision Department**

- M.B.A. from the University of Jordan.
- Over 30 years in financial sector supervision, mostly in insurance.



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- M.B.A. from the University of Jordan.
- Over 30 years in financial sector supervision (Banking, Money Exchange, and Insurance).



**Alaa Abu Dari**

**Economic Researcher**

**Ministry of Finance  
Public Debt Department**

- Bachelor of Economics from the University of Jordan.
- Eight years at the Ministry of Finance in the Public Debt Department.
- Economic analysis and loan repayments.

# Jordan is affected by various risks



## Climate-Related Hazards

- **Flash floods:** among the most frequent and severe hazards impacting populated areas. The **Ma'an flood** (1966) caused 266 deaths. In 2018, just 22 minutes of rain triggered deadly floods, killing 21 people in the Dead Sea region.
- **Droughts:** Severe droughts occur every 6–7 years, moderate ones every 3–4 years, worsening **Water Scarcity** by 15–20%. Per capita water availability dropped from 500m<sup>3</sup> (1975) to <100m<sup>3</sup> (2017), far below the 1000m<sup>3</sup> global poverty line.



## Seismic Hazard

- Most cities and populated areas in Jordan, where more than **90% of the population** lives, are **within walking distance** of Jordan's **primary source of seismic activity**. Therefore, the impact of seismic hazard can lead to **catastrophic impacts** when its force **exceeds 6 degrees** on the Richter scale.
- **Nablus Earthquake**, 1927: magnitude of **6.25**, an epicenter near Jordan Valley, and one of ~20 major earthquakes in 2000 years, causing significant destruction.



## National Disaster Risk Reduction Strategy (2023- 2030)

- Priority 1: **Understanding** disaster **risks**
- Priority 2: **Strengthening** disaster **risk reduction governance** for resilience
- Priority 3: **Investing** in disaster **risk reduction** for resilience
- Priority 4: **Enhancing disaster preparedness** for effective response and “Build Back Better” in recovery, rehabilitation, and reconstruction

# Risk Financing and Insurance in Jordan

## Disaster Risk Finance Diagnostic

**Taskforce:** Includes representatives from six key ministries.

**Objective:** Assess fiscal exposure, enhance financial readiness, & reduce reliance on emergency borrowing.

**Alignment:** Supports Priorities 1 & 4 of the Disaster Risk Reduction Strategy (2023–2030): Understanding Risk & Strengthening preparedness and “Build Back Better” recovery.

## Current Disaster Risk Finance Approach

**Primary Funding:** Budget allocations & reallocations.

**Emergency Expenditure Program:** JOD 50M (2025) for unexpected expenditures.

**Reallocations** occur based on priority, severity, and urgency, shifting funds from lower-priority programs.

**Fiscal Risk Statements:** Introduced in 2023; **climate risk** incorporated in 2024 following an IMF model.

## Key challenges

**Heavy reliance on post-disaster** reallocations and borrowing caused funding delays and uncertainties.

**Limited historical data** hinders accurate fiscal and economic impact estimates, making identifying the proper protection gap challenging.

**Fiscal constraints** require focused prioritization, as complete protection is financially unfeasible.

## Ambition for the future and objectives for this week

**Jordan’s Ambition:** Develop an Affordable Disaster Risk Insurance Scheme through Public-Private Partnerships to enhance disaster preparedness for effective response.

**Delegation’s Objectives:** Gain the knowledge and share experiences on designing and implementing effective disaster risk finance strategies and understand how programs in other countries were developed and fitted to the needs and challenges in the country.