

Testimony of Ambassador Alia Bouran State, Foreign Operations, and Related Programs Subcommittee "U.S. Assistance to Jordan and Lebanon"

December 10, 2013

Honorable Chairman Senator Patrick Leahy, Honorable Ranking Member Senator Lindsey Graham, Honorable Committee Members,

Thank you for the invitation and opportunity to testify before your esteemed subcommittee today on behalf of the government of the Hashemite Kingdom of Jordan.

I would like to extend His Majesty King Abdullah II's appreciation to all members of the committee.

Chairman Leahy, Ranking Member Graham, we thank you for your strong leadership on this committee and support to Jordan. The American people have played a pivotal and leading role in providing assistance and support to Jordan over the years and for that we are truly grateful.

My testimony this morning will focus on the Jordanian perspective vis-à-vis the recent regional and domestic challenges. I hope to demonstrate, through my overview, the challenges we face as a country during these times and the value of our unique strategic alliance to safeguard our joint interests and address these regional instabilities.

We in Jordan believe the effects of what is happening right now in the Middle East will extend far beyond its borders if we do not respond and address the issues firsthand. The pressures and dangers are mounting by the day. The violence in neighboring Syria continues to escalate resulting in the worst humanitarian disaster unmatched in our recent history. In addition, the Palestinian-Israeli conflict

continues to consume the resources needed to build a better future, and feeds radicalism and extremism around the world. I would like to take this moment to recognize and express our gratitude to President Obama and Secretary Kerry for their relentless efforts and commitment to the ongoing peace efforts as well as other pressing regional affairs.

Over the past two years, we witnessed a historical regional transformation that swept our region. During these turbulent times, Jordan managed to navigate calmly and provide sanctuary, security and stability to those seeking refuge and shelter. Jordan is now hosting over 2 million Palestinian refugees, nearly half a million Iraqis, and over 1.3 million Syrians. Jordan stands firm in its commitment to keep its borders open. We see this as a humanitarian duty and we have no plans to shy away from this commitment.

Chairman Leahy, Ranking Member Graham,

Today, we are witnessing the worst humanitarian plight in the region's recent history. The crisis in neighboring Syria has resulted in grave human cost, displacement, and suffering. In turn, this has posed an unprecedented challenge on the Kingdom.

Due to Jordan's geopolitical positioning and close ties with the Syrian people, we are able to monitor and keep a close eye on the deteriorating situation. I would like to draw your attention to three main traits that best characterize the complex and explosive nature of this crisis:

First, this is a rapidly escalating crisis that has a sectarian component. Its grounds have become a magnet for radicals and extremists from all over the world, some of which seek to export the crises into neighboring countries. What has made matters worse is the presence and use of unconventional weapons. These two components make a dangerous combination, which bears unimaginable consequences that directly impact our security both locally and regionally.

Second, the human dimension that has emerged from this multifaceted crisis whether inside Syria or in neighboring countries, has reached an alarming state. Our Armed Forces are witnessing firsthand the human suffering as they receive elderly men, women and children at the border fleeing from the atrocities and human tragedy.

I would like to take a moment here to applaud all the UN agencies and their donor partners on their relentless and continuous efforts to alleviate the suffering of Syrians. Jordan will continue to work closely with them on this noble cause.

Third, the overstretched infrastructure and services as well as the draining of resources are overwhelming factors that face all host communities and further undermine our ability to assume our responsibilities. So far the number of Syrians who sought refuge in Jordan exceeds 600 thousand, which represents 10% of our overall population. 130 thousand of them are living in camps and the rest are spread throughout the Kingdom. This number continues to rise by the day. We reached critical levels this year, calling for targeted responses to deal with the related humanitarian needs, but also the longer-term consequences of the crisis.

Jordan, with the help of the international community, is focusing primarily on accommodating the immediate needs of Syrian refugees in the Kingdom as they adapt to their surroundings in Jordanian cities and villages. However, the refugee dependency on governmental services and infrastructure will add more pressures and will eventually increase in the medium future.

To put things in perspective, I would like to share with you, with the little time that I have, some key figures that reflect the level of impact this crisis has on Jordan.

After spending hundreds of millions of dollars on reforming the education sector during the last decade, Jordan was forced to reinstate the double shift system in schools in order to admit more than 78,531 Syrian students this year alone, while there are still an additional 70 thousand children out of school. Accordingly, the estimated needed capital expenditure to build 120 new schools required to accommodate this number exceeds US\$135 million.

In the public healthcare sector, Syrians are granted the same access to public health services as Jordanians. This adds an extra burden on this vital sector, which is subsidized by the government. More than 9 percent of our public budget is allocated to healthcare. Furthermore the estimated cost to build new hospitals and health centers and to equip the present ones is set to exceed US\$124 million. In addition the estimated cost of added healthcare services for the 600 thousand Syrians is expected to reach US\$168 million. This year, we have provided

vaccinations against polio, measles and other infectious diseases to over 83 thousand Syrian children.

In the labor market, there are concerns over the increasing numbers of Syrian job seekers as they compete with Jordanians for low-wage jobs. Today around 180 thousand jobs, usually occupied by Jordanians, have been taken by Syrians. This figure is noteworthy since our unemployment rate exceeds 13% out of a population of only 7 million. Subsequently, this has created social tensions in communities that are already facing high unemployment, poverty, and difficult economic conditions.

In the energy sector, there is a significant additional demand on electricity, with the large number of Syrians now present in the northern parts of the Kingdom. What made matters even more challenging was the sharp drop in gas supplies from Egypt due to the interruptions of the gas pipeline in the past two years. This further exasperated Jordan's difficult fiscal position, which resulted in an energy bill that reached 19% of GDP in 2011 and 23% in 2012, compared to an average of 10% over the past decade.

Water has always been a scarce resource in Jordan. Prior to this crisis, Jordan was ranked fourth poorest country in the world in terms of water resources. The added strain on the existing infrastructure requires both rehabilitation and expansion of both water and wastewater networks. Hence, there is an urgent need to finance and implement specific projects in the water sector 2013 with a total amount of 160 million \$ to guarantee a sustainable availability of water and prevent pollution by wastewater.

The Government of Jordan, as well as international agencies and donors need to be well prepared to provide needed and urgent support for a humanitarian crisis of this magnitude. This is especially true as the winter season adds more to the struggles of the refugees. The estimated overall additional cost needed to continue hosting 600 thousand Syrian refugees is expected to reach US\$1.68 billion, excluding the additional costs for the camps.

This crisis not only strained our resources and undermined the quality of services, but also contributed to one of the worst economic and financial difficulties we ever witnessed; all of which drove the government to sign a Stand-By Arrangement with the International Monetary Fund.

Our public debt reached alarming levels as it increased from US\$4.5 billion in 2012 to US\$23.4 billion representing 75.5 percent of GDP. Another key economic challenge is the surging budget deficit that has reached more than US\$2.3 billion by the end of 2013, that's more than 8% of our GDP.

Members of the Committee-

The root cause of this crisis is political and not humanitarian. The lack of a political solution to the crisis thus far has resulted in the humanitarian disaster we are witnessing before us today.

Unless there is a real political solution that restores stability and security to the Syrian people, all efforts to address the humanitarian dimension will remain partial and temporary. There has to be a durable and effective settlement that fulfills the legitimate aspirations of the Syrian people and includes all components of the Syrian national fabric in order to preserve Syria's territorial integrity and unity.

Members of the Committee –

I would like to conclude my remarks by stressing yet again the significance of our strategic alliance and joint efforts in overcoming these obstacles and challenges.

I stand before you today on behalf of my country to reaffirm our commitment to this long-standing partnership. An integral aspect of our alliance is the economic and military assistance to Jordan embodied in our joint Memorandum of Understanding. The M.O.U. helps meet our shared goals and is further proof of our joint commitment to work together in advancing many important issues including regional security and stability. Our two nations have long been bound by common values and principles, centered on helping those in need but Jordan cannot bear this responsibility alone. A continued and concerted effort by all nations is required to effectively combat all these threats and challenges.

Again, thank you for this opportunity and for your attention. I am happy to answer any questions.