



Cities & Villages Development Bank

The Twenty Seven Annual Report

2008

**Planning and Development Department
Studies & Statistics Division**

Board Directors

Chairman

His Excellency Eng. Shehadeh Abu Hedeib*
Minister of Municipal Affairs

Deputy Chairman

Mr. Abed Al-Aillah Al-henati**
Acting General Director of Cities & Villages Development Bank

Board Members

- Mr. Haytham Al Nahleh Representative of Ministry of Municipal Affairs
- Eng. Zyad Ebidat Representative of Ministry of Planning & International Corporation
- Eng. Anmar Al Khasawneh Representative of Ministry of Public Works & Housing
- Mr. Hisham al-betar. Representative of Ministry of Finance
- Mr. Awad Fakhury Representative of Central Bank of Jordan
- Mr. Salem Mra`ayeh Mayor of Al Ashary Municipality
- Mr. Mosa Saed Mayor of Rsaifeh Municipality

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- Mr . Jamal abu Ebid till 14/2/2008
 - Eng..Ghazi Al – Abbadi till 29/8/2008
 - Mr. Mahmood Khlifat till 23/1/2008
 - Eng. Mohammad Ewidat till 23/1/2008

Introduction

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Background

Cities & Villages Development Bank was established in accordance with the temporary Law No. (38) For 1979 as a legal successor to the Municipalities and Villages Loans Fund, until the permanent law No. (63) For 1985 was issued. The Bank's capital amounted to JD (50).

Million and the reserve to JD (21.857.530) million. The Bank was established as an official public institution, and enjoys the status of a judicial person which is administratively and financially independent.

Lending Activity

Received Loans Applications

The Total number of applications for the loans received by the Bank during the year 2008 amounted to (120) loan application with a total amount of JD (55019) million, whereas (71) Loan application for the year 2007 with a total amount of JD (17.597) million. As shown in table (1).

The Bank agreed to finance (106) loans with a total amount of JD (38014) million.

Table No. (1)
Loans applications received by CVDB classified by type of projects

JD(000)

Statement	2008		2007	
	No.	Value	No.	Value
Service Loans	106	38.014	67	17.13
Productive Loans	14	17.005	4	.0467
Total	120	55.019	71	17,597

Granted Loans

The Bank Granted (68) loans with a total amount of JD (18.896) million in the year 2008, against (81) loan in the year 2007 with a total amount of JD (9.410) million as shown in table No.(2).

Table No. (2)
Extended loans for the years (2008-2007)

JD(000)

Statement	2008		2007	
	No.	Value	No.	Value
Local councils	68	18.896	81	9.410

Distribution of the Granted Loans according type of project

Table No.(3) shows the distribution of the granted loans by type of the project for the local councils , it indicates that the loans granted for **streets** purposes were in the first rank with a total amount of JD(7.540) million, which represents (40%) of the total amount of the granted loans , followed by loans granted for **Equipment** purposes with a total amount of JD (3.188) million in the year 2008.

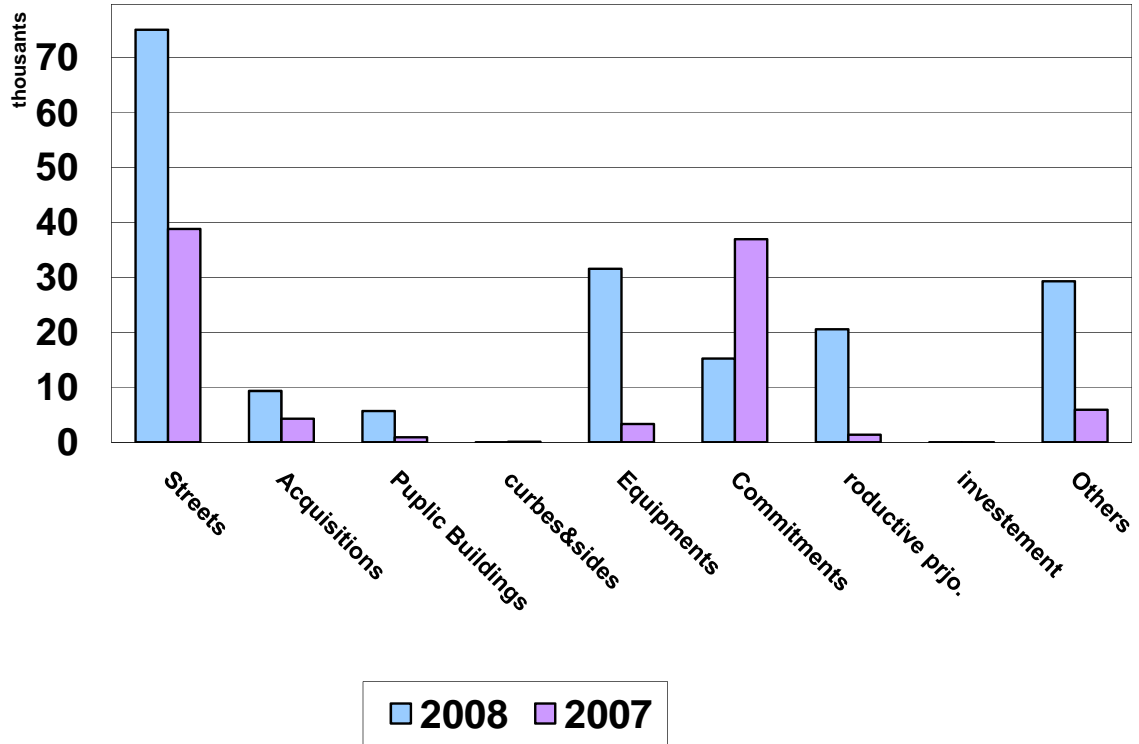
Table No.(3)
Extended loans classified by projects
JD(000)

Statement	2008		2007	
	Value	%	Value	%
Streets	7540	40	3912	41.6
Acquisition*	966	5	460	4.9
Public Building	600	3	121	1.3
Curbs & Sides	0	0	40	0.4
Investment projects	0	0	0	0
Equipment	3188	17	361	3.8
Commitments	1553	8.2	3726	39.6
Productive projects	2087	11	167	1.8
Others**	2962	15.7	623	6.6
Total	18896	100	9410	100

* Includes Acquisition and Acquisition for public services

** includes over draft, commitments for the social security fund , electricity and acquisition for productive projects and loan utilization 2008

**Figure No. (1)
Granted**



Geographical distribution of the Granted loans

Table No. (4) Shows the loans granted to the local councils classified by governorate. The table indicates that Irbed Governorate ranked in the first position during the year 2008 with a total amount of JD (5.480) million and represents (29%) of the total amount of the granted loans , followed by Zarqa governorate which took place in the second rank with a total amount of JD (3.557) million which represents (18.8 %) of the total , while the remaining governorates varied between JD (3.121) million ; (16.5%) for Ajloun governorate

and JD (200) Thousand ; (1%%) for Madaba governorate as shown in table No.(4)

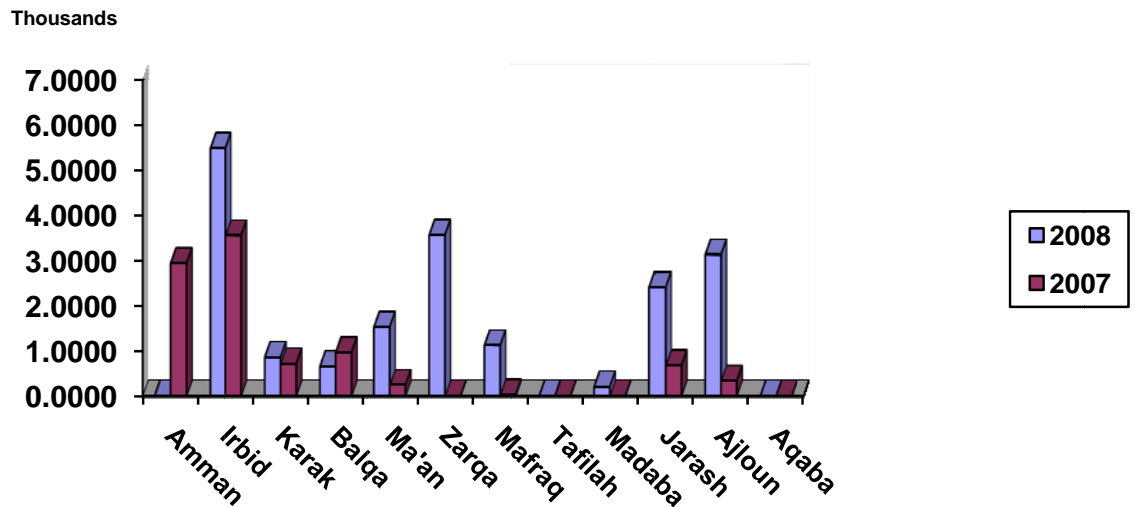
Table No (4)

Geographical Distribution for the granted loans according governorates

JD(000)

Statement	2008			2007		
	No.	Value	%	No.	Value	%
Amman	0	0	0	51	2932	31.1
Irbid	12	5480	29	9	3548	37.7
Karak	3	850	4.5	4	711	7.6
Balqa	4	652	3.5	4	960	10.2
Ma'an	7	1520	8	3	238	2.5
Zarqa	6	3557	18.8	0	0	0
Mafrq	9	1115	6	1	20	0.2
Tafilah	0	0	0	0	0	0
Madaba	1	200	1	0	0	0
Jarash	8	2401	12.7	3	673	7.2
Ajloun	18	3121	16.5	6	328	3.5
Aqaba	0	0	0	0	0	0
Total	68	18896	100	81	9410	100

Figure No.(2)
The geographical Distribution of the Granted loans



Geographical Distribution of the Granted loans according region

The geographical distribution of the granted loans among the three regions are shown in table No.(5) for the year 2008 , we can see that the Northern Region have the highest percentage (64%) of the total loans granted followed by the central region (23 %) and finally the Southern region with (13%) of the total as shown in table No. (5).

Table No. (5)

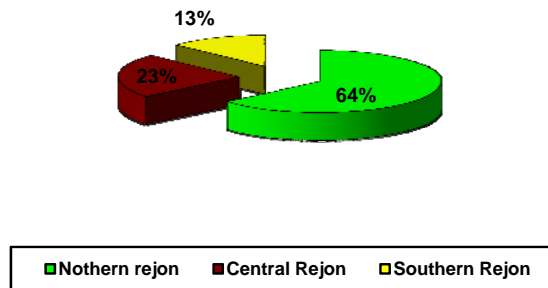
The Geographical Distribution for the granted loans classified by regions

JD(000)

Statement	2008			2007		
	No.	Value	%	No.	Value	%
Northern Region	47	12117	64	19	4569	48.5
Central Region	11	4409	23	55	3892	41.4
Southern region	10	2370	13	7	949	10.1
Total	68	18896	100	81	9410	100

Figure No. (3)

Distribution of the Granted loans according regions



Signed loans Agreements

Table No. (6) Shows the signed loans agreements in the year 2008, which amounted to (55) loans with a total amount of JD (15.183) million comparing with (85) loans with a total amount of JD (10.519) million in the year 2007. It indicates that the values of the signed loans for **Streets** item ranked in the first place with a total amount of JD

(6.042) million, which represents (40 %) of the total value of the signed agreements, followed by loans for Equipments item representing (20.5 %) of the total.

Table No.(6)
Signed loans agreements during the years
2008– 2007

Statement	2008			2007		
	No.	Value	%	No.	Value	%
Streets	20	6042	40	52	4864	46.2
Acquisitions *	6	889	5.8	7	337	3.2
Equipments	8	3108	20.5	8	341	3.2
Curbs & Sides	0	0	0	1	40	0.4
Public Building	5	480	3	4	106	1.0
Productive projects	1	150	1	2	442	4.2
Commitments	6	1553	10.3	9	3766	35.8
Investment projects	0	0	0	0	0	0
Others **	9	2961	19.5	2	623	5.9
Total	55	15183	100	85	10519	100

* Includes Acquisition for public services

** includes over draft, commitments for the social security fund, electricity and acquisition for productive projects ,loans utilization .

Withdrawals from Loans

The withdrawals from loans amounted to (257) request with a total amount of JD (10.944) million for the year 2008 comparing with (131) request with a total amount of JD (9.250) million in the year 2007 as shown in table No .(7) . We can see that Irbed Governorate ranked in the first place with a total amount of JD(3.296) million representing (30%) of the total followed by Ajloun Governorate with a total amount of JD (2.689) million; (25%) of the total amount as shown below .

Table No.(7)
Withdrawals from the granted loans classified by
Governorates

JD (000)

Statement	2008			2007		
	No.	Value	%	No.	Value	%
Amman	1	103	1	54	2659	28.7
Irbid	22	3296	30	18	3367	36.4
Karak	3	776	7	6	212	2.2
Balqa	10	629	6	15	717	7.8
Ma'an	21	1520	14	9	292	3.2
Zarqa	5	396	4	3	224	2.4
Ma'fraq	6	647	6	11	491	5.3
Tafilah	0	0	0	3	550	6
Madaba	0	0	0	0	0	0
Jarash	11	888	8	3	516	5.6
Ajloun	178	2689	25	6	187	2
Aqaba	0	0	0	3	35	0.4
Total	257	10944	100	131	9250	100

While by distributing the loans withdrawals according type of projects we can see that withdrawals of Streets item came in the first place with a total amount of JD (3.248) million representing (29.6%) of the total amount of withdrawals, followed by withdrawals for the **Others** item JD(2.919) Million which is (26.6%) (2.246) million for social security fund of the total amount as shown in table No.(8) .

Table No. (8)
Withdrawals from loans classified by type of project
JD(000)

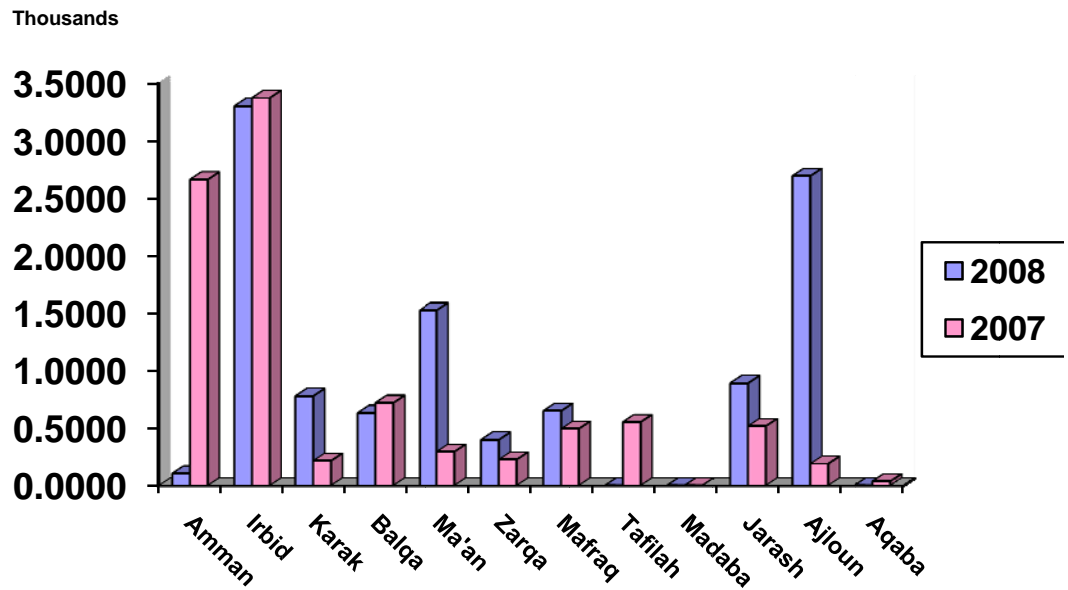
Statement	2008			2007		
	No.	Value	%	No.	Value	%
Streets	47	3248	29.6	90	4776	51.6
Acquisitions *	6	866	8	7	220	2.4
Equipments	16	1422	13	8	195	2.1
Curbs & Sides	0	0	0	5	120	1.3
Public Building	7	277	2.5	5	106	1.1
Productive projects	2	31	0.3	5	190	2.1
Commitments	169	2181	20	7	3226	34.9

Investment projects	0	0	0	0	0	0
Others **	10	2919	26.6	4	417	4.5
Total	257	10944	100	131	9250	100

* Includes Acquisition for public services

** includes over draft, commitments for the social security fund, electricity
And acquisition for productive projects

Figure No.(4)
Withdrawals from Loans Classified by Governorates



Assistance to the Local councils

During the year 2008 , The Bank continued its policy which aimed at providing the Financial and technical requirements of the Local Councils , assisting them to overcome the problems related to the shortage of liquidity and making them able to meet their obligations to come more self – dependent .

Within this frame, the Bank granted loans without interests for the local councils in the year 2008 amounted to JD (681) thousands shown in table No.(9) below .

Table No.(9)
Assistance to Local councils during 2008

JD(000)

Statement	Approved loans	Signed loans	Withdrawals from Loans	Number of loans
Grant	681	701	667	23
Assistants	0	0	0	0
Local councils suffered from sever deficiencies	0	0	0	0
Salaries support	0	0	0	0
TOTAL	681	701	667	23

These loans were for (Acquisitions for public services & Commitments)

Banking Operations

The figures in table No.(10) indicates that the local councils balances of deposits at the Bank decreased in the year 2008 reach JD (23.649) million comparing with JD (25.206) million in 2007 with a rate of (6.2%) as shown in the table below .

Table No. (10)
Local council's deposits classified by type of deposit
JD (000)

Statement	Deposits Balance as in	
	31/12/2008	31/12/2007
Current deposits account	23537	25094
Municipal councils	18945	19869
Joint services councils	93	142
Others*	4499	5081
Term deposits account	112	113
Municipal councils	85	85
Others **	27	27
Total	23649	25206

* including the west bank deposits & the MMRAE accounts.

** including the insurance companies accounts & joint services councils.

Distribution of Deposits balances by governorates

Table No.(11) shows the distribution of the balances of the local councils deposits at the Bank classified by governorates , the table indicates that there was a decrease in the governorates deposits balance present (4.7%)for the year 2008 comparing with 2007, and the local councils deposits in Balqa governorate ranked in the first place with a total amount of JD (4.253) million representing (22.5%) of the total

deposits , followed by Mafraq governorate with a total amount of JD (3.746) million representing (19.8%) of the total amount as shown below

Table No. (11)
Classification of the local councils deposits by governorates
JD (000)

Statement	2008		2007	
	Value	%	Value	%
Amman	477	2.6	1784	9
Irbid	2948	15.5	3126	15.7
Karak	1564	8.3	1156	5.8
Balqa	4253	22.5	4576	23
Ma'an	894	4.7	710	3.6
Zarqa	2409	12.7	2446	12.4
Mafraq	3746	19.8	3107	15.6
Tafilah	468	2.5	313	1.6
Madaba	519	2.7	1098	5.5
Jarash	617	3.2	900	4.5
Ajloun	462	2.4	345	1.7
Aqaba	588	3.1	308	1.6
Total	18945	100	19869	100

Withdrawals from Deposits

As it is shown in table No.(12) , we can see that withdrawals from the deposits from the local councils accounts amounted to JD (142.058) million in 2008 comparing with JD (128.104) million in the year 2007 and the following table shows the withdrawals from the local councils accounts.

Table No. (12)
Withdrawals from deposits

Statement	2008	2007
Municipal councils	100626	65759
Joint – services councils	131	109
Others *	41301	62234
Total	142058	128104

* includes the West Bank deposits & joint account, property tax current deposits

Taxes & Fees collected on behalf of the Local councils

The Government collects the Taxes, Fees and building taxes (Musaqaffat) and transfers them to the Bank through the Ministry of Finance. These collections are recorded in the Bank as deposits for the Local Councils. According the Law, these deposits are considered as guarantees for any loans obtained by the Local Councils from the Bank.

Table No.(13) shows the total collections for the year 2008 which amounted to (104.430) million JD comparing with (78.038) million JD in 2007 with an increase rate reached to (33.8 %).

Table No.(13)
Collected fees & Taxes on behalf of the Local Councils for the years 2008-2007

JD (000)

Statement	2008		2007	
	Value	%	Value	%
Support to municipalities	83226	79.9	43000	55.1
Vehicles Registration and driving license fees	21157	20	34957	44.8
Fees of violation of Freight law	47	.1	81	0.1
Total	104430	100	78038	100

Distribution of the collected fees & Taxes

Table No (14) shows that the collected fees & taxes were distributed at various rates among the benefited parties. The distribution of the collected fees for the year 2008 amounted to JD (104.430) Million. Table No.(14) indicates that the Municipal Councils received the highest percentage of these collections

(71.2 %) with a total value of JD (74.368) million during the year 2008 as shown below.

Table No. (14)
Distribution of the collected fees & taxes among the benefited parties
JD (000)

Statement	2008	
	Value	%
Greater Amman Municipality	17000	16.3
Municipal Councils	74368	71.2
Joint services councils	8000	7.7
The consolidated account	2630	2.5
Assistance to the local councils accounts	200	0.2
Others*	2232	2.1
Total	104430	100

* Includes support commitment for municipalities, transfer station , Petra and Aqaba regions

The Bank's staff

Table No (15) shows the number of the Bank's staff during the year 2008 which amounted to (386) employee and their distribution according the various departments of the Bank .

Table No (15)

The Bank's staff by the end of 2008

Statement	Male	Female	Total
Higher Administration	4	0	4
General Director Secretary	0	3	3
Public Relations Office	3	3	6
Personnel Dept.	8	9	17
Finance Dept.	2	12	14
Training Dept.	7	2	9
Fund Dept.	8	6	14
Internal Auditing Dept.	2	3	5
Planning and development Dept.	11	11	22
Services Dept.	46	4	50
Computer Dept.	4	7	11
Law Dept.	1	1	2
Banking Dept.	7	23	30
Monitoring dept.	5	0	5
Greater Amman office (GAM)	5	2	7
Branches	123	64	187
TOTAL	236	150	386

The main accomplishments for this department are as follows:-

First: the number of appointments of new staff during 2008 were (28) employees One of them was assigned to the Ministry of Municipalities.

Second: Amendment to the Bank`s employees system of the (No. 67) for the year 1997 in 2008 has been modified and completed with its instructions with the following privileges.

1 - Amending the employee's salaries and allowances and annual increments.

2 - Employees have access to the equivalent (13-14) to be an incentive to them on the achievement and work efficiently and effectively.

3 - Employees health insurance coverage after retire.

Instructions established form the modified employees are as follows:

A - Instruction applied for the employees annual vocations.

B- The instructions for the working hours of employees and Workers.

C - The instructions for of the equivalent (13-14).

D - The instructions for of the medical care, according the modified system.

Seminars & Training courses

Within the Bank`s efforts towards supporting the local councils by conducting training courses for the local councils employees to cope with the current developments which took place in the kingdom, in this regard, the Bank conducted (49) training courses with a participation of (692) employee from the local councils , Bank`s and The Ministry of municipal officers staff in various topics as shown in table No. (16)

Table No (16)
No. of Training courses conducted during 2008 classified by regions

Statement	No.	Participants
Northern Region	24	328
Center Region	7	104
Southern Region	18	260
Total	49	692

2- The Bank conducted training courses for (44) for the Bank's employees covered various topics (financial, Technical, Environments, and Auditing).

3- (12) of the Bank's employees attended external training courses.

Computer Department

The department of programming and systems development through 2008 accomplished several key tasks including:

1- Continue to develop and follow-up the Bank's computer systems, at the center and the branches and make the necessary adjustments. Solving problems that have arisen through the use of systems and to maintain the continuity of its work properly without affecting the work or a stopover, and meet the needs of new systems to users and the work of new reports on request.

2- Preparing the tender documents to purchase (Oracle Application Server, Internet Server, and SAN Storage) equipment, which will be awarded at the beginning of next year.

3- overseeing the installation of monitoring devices using the hand print, and download and run the special time system follow-up in six of the bank's branches, in addition to the Center, and training .

4- Develop and update the Bank's Electronic site on the Internet regularly.

In addition the computer department purchase (12) PC and (15) printers to be distributed for the Bank's departments also the periodic maintenance of computer hardware, peripherals and networks in place and the branches

Planning and Local Development Department

The planning and local Development department continued its work in supervising and managing the donors projects for the municipalities which are as follows:-

Poverty alleviation through municipal development project (PAMD)

This project is sponsored by GTZ ,The GTZ project team handed over all the documents to CVDB in December 2008 the Bank's team continued its field visits to the benefited municipalities to follow up the implementation of their matrixes activity, in addition these municipalities started implementing their investment projects. and total amount of (1) million has been transferred to the (3) municipalities (Ayle, Shouleh, Deirallah) for the implementation projects. The following table shows the accomplishment percentage of the implemented projects.

Table No (17)

no	municipality	Name of project	value of the tender	Accomplishment percentage
1	Ayle	Gas station	268130	45%
2	Shouleh	Olive oil factory	375989	0%
3	Deir Allah	Commercial	198572	0%

no	municipality	Name of project	value of the tender	Accomplishment percentage
		stores and cattle market	112490	

Poverty alleviation through Local development project (PALD)

This project is sponsored by EU, and the main accomplishments are as follows:-

1 - The completion of the tender for the economic and technical feasibility studies of (72) project for the municipalities according their needs and priorities benefiting from the project but only the First project from each municipality have been approved to be financial with total of 18 projects , one project for each municipality.

2 – The (18) municipalities started implementing its projects and the general projects accomplishment reached to (60%).

3-The total grant reached (5) million has been transferred to the municipalities, each municipality received JD (277) thousand from the said grand.

Table (16) shows the names of the municipalities projects and the accomplishment percentages .

Table No(18)

no	municipality	Name of project	value of the tender	Accomplish percentage
1-	Moaaze ben jabej	The development of the tourist village.	278000	85%
2-	Al mazar shamaly	Governmental Building Complex services	312000	40%
3-	Sharhabeel ben hasna &	Central vegetable market	655850	0%

no	municipality	Name of project	value of the tender	Accomplish percentage
	tabaqat fahal			
4-	Alhalabat	gas station , and services Facilities	270000	20%
5-	Al Hashmieh	Commercial stores and a multi-purpose Hall	376000	40%
6-	Al Azraq	Commercial stores	282000	5%
7-	Dear al kahef	Black stone cutter project	142000	10%
8-	Sawafee	Gas station	283750	0%
9-	Alsalhaia w naifa	Building Complex and shops	250000	75%
10-	Alrewashed	Quarry and limestone saw	97000+ 99000	30%
11-	Ma`an	Commercial market	265000	45%
12-	Alhosaynieh	Cattle Market	265000	60%
13-	Aljafer	Gas station	286000	30%
14-	Alsharah	Multi purpose hall + Waste water vehicle	78420+ 200719	100%+ 55%
15-	Hawed ideasa	Gas station	266000	40%
16-	Aleqweara	vocational area	288000	80%
17-	Aleryqera w Finan	flowers and roses	58000+29 5000	60%

4- The total payments for the (18) municipality projects reached to JD (674678) thousand by the end of 2008.

Regional And Local Development project(RLDP)

This project is sponsored by the World Bank and the French agency for development.

1- CVDB awarded (27) projects during 2008, and the municipalities started implementing the projects, the following table shows the names of municipality that started implementing projects and the accomplishment percentage.

Table No (19) RLDP projects (WB)

governorate	municipality	Name of project	Value of pied/ JD	Accomplish percentage
Irbid	Rabyet Al koreh	Paving of Roads	86292	100%
	Kfarat	Paving of Roads	119139	100%
Balqa	Salt	Paving of Roads	150840	100%
	Mahas	Paving of Roads	77854	100%
	Fheas	Curbs and side walks	111000	100%
Zarqa	Zarqa	Paving of Roads	176000	100%
	Bearin	Paving of Roads	57750	100%
	Dlahil	Commercial store	117358	16.5%
Mafraq	Sarhan	Paving of Roads	41812.5	100%
	Kalidea	Paving of Roads	180000	100%
	Im qoutan w Mkafta	Paving of Roads	55580	100%
	Rhabe	Opening New Roads	81988.28	100%

2 - A total amount of (616.617) thousand has been withdrawn from the World Bank special account for these projects .

3 - A total amount of JD (9.120) represented 95% of MOMA Staff salaries from the World Bank special account has been withdrawn for the months (11, 12) .

4 - (19) tender has been awarded for service projects funded by the French Agency during 2008 and begin implementing of those projects

Table (20) shows the names of the municipalities funded by AFD that have been started implementing projects and the accomplishment percentage.

Table No (20)
RLDP Projects (AFD)

governorate	municipality	Name of project	Value of pied/ JD	Accomplish percentage
Irbid	Irbid	Surface Drainage	800000	0%
	Irbid	Paving of Roads	521.7	0%
Balqa	Eain AL Basha	Opening New Roads	127038	20%
Zarqa	Al resaifa	Paving of Roads	286780	100%
Tafilah	Tafilah	Paving of Roads	306000	80%
Madaba	Madaba	Surface Drainage	543060	80%
Jarash	Jarash	Paving of Roads	257200	100%

5 - A total amount of JD (557.618) thousand has been disbursed from the French Agency special account for the service of those projects.

6 - The preparation of terms of reference of the experts who will work within the regional and local development project as follows.

A- Sr. training and development expert.

B–Bank Management Adviser.

C – Environment & Social assessment and Audit for sub projects implementation.

D –Municipal services consultant.

E- Performance based – Block grant expert.

7- - CVDB advertised during 2008 for the performance based – block Grant and sr. training and development experts.

7- The preparation of feasibility studies for (11) investment project that will be funded from the regional and local development project.

Socio – Economic Transformation Project

- Within this project , CVDB supervised the implemented projects which are as follows :-

1- Greater Salt Municipality Slaughter House

Funded by : MOPIC

Fund amount : First Cycle JD (750000)

Second Cycle JD(400000)

Total JD (1150000)

Main Accomplishment

- The works Tender awarded with a total amount of JD(375.968).
- The first cycle of the project handed over with a total amount of JD(415.528)
- The Supervision Tender awarded with a total amount of JD(14.979) .
- The retaining walls Tender awarded with a total amount of JD(94.231)

The Mechanical Works

A Technical committee formulated from the special tenders committee as follows :

- MOMA representative
- CVDB representative
- GAM representative
- Al Salt Municipality representative

And all the plans and bills of quantities have been prepared , and it waits for MOPIC approval .

Balance Sheet as in 31/12/2008