

Jordan: Inclusive Transparent and Climate Responsive Investments Program

1. Project Information

Project ID:	P000482	Instrument ID:	L0482A
Member:	Jordan	Region:	Western Asia
Sector:	CRF-Economic Resilience/PBF	Sub-sector:	N/A
Instrument type:	<input checked="" type="checkbox"/> Loan:250.00 US Dollar million <input type="checkbox"/> Guarantee	Co-financier(s):	World Bank
ES category:	B	Borrowing Entity:	Ministry of Finance, Jordan
Implementing Entity:	Ministry of Planning and International Cooperation, Jordan		
Project Team Leader:	Hongliang Yang		
Responsible DG:	Supee Teravaninthorn		
Responsible Department:	INF2		
Project Team Members:	Aditi Khosla, Project Counsel; Christopher Damandl, Alternate Counsel; Shodi Nazarov, OSD - Financial Management Specialist; Gerardo Pio Parco, OSD - Social Development Specialist; Gerardo Pio Parco, OSD - Environment Specialist; Rabindra Shah, OSD - Procurement Specialist; Nat Pinnoi, Back-up PTL; Siyang Wang, Project admin;		
Completed Site Visits by AIIB:			
Planned Site Visits by AIIB:			
Current Red Flags Assigned:	0		
Current Monitoring Regime:	Regular Monitoring		
Previous Red Flags Assigned:	0		
Previous Red Flags Assigned Date:	2021/12		

2. Project Summary and Objectives

The objective of the Program is to improve accountability to foster climate responsive investments and growth during and after the COVID-19 pandemic. The Program will help Jordan capitalize on emerging opportunities for post-pandemic recovery particularly in green growth, private sector investment, and female labor participation.

Fully aligned with the 5-Year Reform Matrix, the Program supports the implementation of critical reforms to: (i) improve the accountability and fiscal space for public investment, including towards national climate goals; and (ii) strengthen business enabling environment and the capacity of key institutions to attract private investment and climate finance. The Program is expected to help Jordan set the stage for a sustainable, resilient, and climate responsive recovery after the COVID-19 pandemic. It will also help Jordan launch its transition from a consumption-driven growth model to an investment-driven growth model and introduce gender-informed assessments in investment design and policy formulation.

The proposed Program consists of three Result Areas (RAs):

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RA1: Improving the accountability and fiscal space for public investment, including towards national climate goals.

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RA2: Improving business enabling environment and the capacity of key institutions to attract private investment and climate finance, including for tourism sector.

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RA3: Generating evidence and data for policy making, implementation and stakeholder dialogue.

3. Key Dates

Approval:	Aug. 26, 2021	Signing:	Sep. 13, 2021
Effective:	Nov. 15, 2021	Restructured (if any):	
Orig. Closing:	Jun. 30, 2026	Rev. Closing (if any):	

4. Disbursement Summary (USD million)

Contract Awarded:		Cancellation (if any):	0.00
Disbursed:	123.23	Most recent disbursement (amount/date):	60.11/May. 26, 2022
Undisbursed:	126.77	Disbursement Ratio (%) ¹ :	49.29

5. Project Implementation Update

The program has been implementing well. With respect to different DLRs, the following results have been achieved:

DLR 1.1 MOPIC adopts a Project appraisal methodology to apply to all large PIP and PPP (over JD 10M) and publishes an updated Project concept note template to apply to all PIPs and PPPs, with detailed guidance on (a) public consultation and citizen engagement, (b) social and environmental assessment (disaggregated by social groups, including gender), (c) disclosure of information, and (d) assessment for climate responsive projects.

DLR 1.2: The Office of the Prime Minister publishes in the Gazette Law No. 13 (2021) on Regulating the General Budget and Budgets of Government Units.

DLR 2.1: Increase in the GoJ's actual capital expenditures in (a) goods and services, and (b) non-financial assets.

DLR 3.1: The Ministry of Environment (MoEnv) issues an instruction under the Climate Change Bylaw of 2019 to include a definition and eligibility criteria for government capital expenditure for climate responsive projects, consistent with Jordan's NDC under the Paris Agreement of 2015.

¹ Disbursement Ratio is defined as the volume (e.g. the dollar amount) of total disbursed amount as a percentage of the net committed volume.

DLR 6.1: The Ministry of Tourism and Antiquities (MoTA) adopts and publishes a National Tourism Strategy, and Gender and Inclusion Project Plan, both developed in consultation with sector associations.

DLR 8.1 MoEnv issues an instruction under the Climate Change Bylaw of 2019 to include a definition of private and non-government financing for climate responsive projects towards with Jordan's NDC under the Paris Agreement of 2015.

DLR 8.2 MoEnv issues Green Bonds Guidelines on its website.

Components	Physical Progress	Environmental & Social Compliance	Procurement
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Financial Management:

Financial tracking and reporting under the Program is based on the expenditure framework, which consists of the expenditures related to the implementation of the Program of implementing agencies. Under this framework, the government should provide reports based on all expenditures related to Program implementation. To ensure timely progress and compliance on the financial management of the Program, the Program Management Unit (PMU) should receive annual reports on expenses from various ministries and agencies, including Ministry of Tourism and Antiquities, Ministry of Planning and International Cooperation, Ministry of Environment, Ministry of Finance, Prime Minister's Office, Ministry of Industry, Trade and Supply, and Jordan Investment Commission. The first audit for FY2021 is due by September 30, 2022.

So far, no unusual issues have been identified.

6. Status of the Grievance Redress Mechanism (GRM)

The purpose of the GRM is to respond to concerns and grievances of project-affected parties related to the environmental and social performance of the program in a timely manner. There is currently an functioning GRM system. During project appraisal, gaps in the system in relation to the core principles of WB's PforR policy were identified and measures were taken to bridge those gaps. No grievance has been recorded and reported so far.

7. Results Monitoring

The Monitoring and Evaluation system will be managed by PMU who is responsible for monitoring and reporting on the results indicators, in coordination with relevant ministries. The PMU's M&E responsibilities include:

- Establish a monitoring and evaluation system which will include targets, indicators, and baseline data.
- Monitor input process and output indicators, by component and sub-components.
- Regular reporting on the Program indicators to the World Bank on monthly basis.

Project Objective Indicators #1

Increase the share of capital expenditure in total budget spending.

Year	Target	Actual	Comments, if any
Jan. 01, 2027	11.0	0	

Project Objective Indicators #2

Streamline and digitize business registration and licensing, reducing the compliance time and costs for businesses (\$ savings)

Year	Target	Actual	Comments, if any
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Jan. 01, 2027	41.1	0	
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Intermediate Result Indicators #1

Improving the quality of public investment (text) : Baseline - No systematic appraisal of large budgeted capital projects (either PIPs or PPPs).

Year	Target	Actual	Comments, if any
Jan. 01, 2027	N/A	N/A	

Intermediate Result Indicators #2

Gender Responsive Public Investment management (Text) : baseline - Rating D under performance indicator GRPFM-2.1 of the Supplementary Framework for Assessing Gender Responsive Public Financial Management.

Year	Target	Actual	Comments, if any
Jan. 01, 2027	N/A	N/A	

Intermediate Result Indicators #3

Mainstreaming climate responsive capital expenditure in public investments towards Jordan's NDC goals (Text) : baseline - 0% verifiable achievement of govt. CAPEX commitment towards NDC goals

Year	Target	Actual	Comments, if any
Jan. 01, 2027	N/A	N/A	

Intermediate Result Indicators #4

Strengthening JIC's institutional focus on investment promotion and related investor services to attract quality investment (Text)

Year	Target	Actual	Comments, if any
Jan. 01, 2027	N/A	N/A	

Intermediate Result Indicators #5

Implementing new policies for investment incentives based on objective criteria, including value for money, to attract quality investment and achieve national investment objectives (Text)

Year	Target	Actual	Comments, if any
Jan. 01, 2027	N/A	N/A	

Intermediate Result Indicators #6

Strengthening the strategic direction and enhancing the regulatory environment of the tourism sector to foster high-quality private and public investment (Text)

Year	Target	Actual	Comments, if any
Jan. 01, 2027	N/A	N/A	

Intermediate Result Indicators #7

Implementing Investor Journey program to streamline and digitize business registration and licensing, reducing the compliance time and costs for businesses (Text)

Year	Target	Actual	Comments, if any
Jan. 01, 2027	N/A	N/A	

Intermediate Result Indicators #8

Identifying private and non-government financing towards Jordan's NDC 2030 goals (Text) : baseline - 0% verifiable progress in mobilizing private sector climate investment towards the NDC goals

Year	Target	Actual	Comments, if any
Jan. 01, 2027	N/A	N/A	

Remarks:
