



### Project Summary Information

Date of Document Preparation: September 15, 2023	
<b>Project Name</b>	Additional Financing (AF) for Inclusive, Transparent and Climate Responsive Investments Program
<b>Project Number</b>	P000746
<b>AIIB member</b>	Hashemite Kingdom of Jordan
<b>Sector/Subsector</b>	CRF-Economic Resilience
<b>Status of Financing</b>	Approved
<b>Project Description</b>	<p>The original Program of USD250 million, co-financed with the World Bank, was approved by AIIB's Board of Directors on August 26, 2021, and became effective on November 15, 2021, with an objective to improve accountability to foster climate responsive investments and growth during and after the COVID-19 pandemic. It consists of three results areas (RAs): (i) improving the accountability and fiscal space for public investment, including towards national climate goals; (ii) improving business enabling environment and the capacity of key institutions to attract private investment and climate finance, including for tourism sector; and (iii) generating evidence and data for policy making, implementation, and stakeholder dialogue. AIIB financing is involved in RA 1 and RA 2 only.</p> <p>The original Program has achieved strong results in the first year of implementation, with notable progress on Program objective-level indicators, most disbursement-linked results (DLRs) for 2021 and 2022 met and disbursements ahead of schedule. Despite its strong performance, the original Program has been impacted by challenges experienced in 2022, such as high food and fuel prices. The challenges led GOJ to reallocate fiscal resources to social protection and subsidies at the cost of capital spending. Also, timebound DLRs on investment incentives and promotion should be revised to align with the enacted legal provisions of the 2022 Investment Environment law and 2023 subsidiary legislation, including with regard to targeted investment incentives to promote participation of Jordanian women in the workforce. In October 2022, the Government of Jordan requested AIIB to provide an AF of USD200 million to scale up the operation and restructure the original Program in light of the recent institutional reorganization and policy shifts in the past year. In parallel, the Government requested for USD 400 million from the World Bank, the lead co-financier of the original Program. The Loan from the World Bank was already approved in April 2023.</p> <p>The AF aims to enhance the development effectiveness and fiscal sustainability of public investment, to increase support to climate responsive public and private investment, including by mobilizing green financing and climate finance, to create job and business opportunities for women, and to improve government effectiveness and social accountability through participatory policy making based on data. It is highly aligned with the Government's strategy</p>

	and will call for a significant increase in both public and private investment, especially in green and climate friendly areas, making the economy more resilient.
<b>Objective</b>	To further improve accountability to foster climate responsive investments and growth in Jordan by extending and scaling up post-COVID recovery activities.
<b>Expected Results</b>	<p>The AF only includes changes to refine the original Program. First, the original Program is updated to refer to the newly issued Economic Modernization Vision 2033, the overarching economic strategy for the next ten years in Jordan. Second, to incorporate the results achieved thus far during the implementation of the original Program, relevant disbursement-linked indicators (DLIs) are revised or scaled up across the results framework. Within the three RAs supported by the original Program, following changes will be made:</p> <ul style="list-style-type: none"> <li>• In RA 1, refinements aim to strengthen support for increasing public investment, as called for by the Economic Modernization Vision 2033, with a greater focus on public private partnerships and climate responsive investment.</li> <li>• In RA 2, updates aim to adjust to policy shifts in investment promotion and incentives and those related to business registration and licensing, and to scale up support for investment in tourism and for green private sector investment in alignment with the Government’s climate agenda.</li> <li>• In RA 3, revisions aim to (i) support further the Government’s ambitions regarding improvements to service delivery; (ii) accompany the transition of the Department of Statistics into a National Data Center targeted by the Economic Modernization Vision 2033; (iii) operationalize the e-participation policy for public consultation in decision making processes; and (iv) the climate finance governance system.</li> </ul> <p>The AF is aligned with the Bank’s thematic priorities in terms of green infrastructure and private sector capital mobilization. The refined RAs will strengthen support for increasing public and private investments, promoting job creation and climate responsive investment. This will help Jordan achieve its increased greenhouse gas emission reduction target from 14% to 31% as stated in the updated Nationally Determined Contribution (NDC) under the Paris Agreement.</p>

<b>Environmental and Social Category</b>	World Bank's Category Substantial Risk (similar to Category B if AIIB's ESP were applicable).
<b>Environmental and Social Information</b>	<p>This AF will be co-financed with the World Bank as lead co-financier, and its environmental and social (ES) risks and impacts have been assessed in accordance with the World Bank's Policy on Program for Results (PforR Policy).</p> <p>To provide for a harmonized approach to addressing the ES risks and impacts of the original Program and AF, and as permitted under AIIB's Environmental and Social Policy (ESP), the World Bank's PforR Policy has been applied to the original Program and will also be applicable to this AF operation in lieu of AIIB's ESP. The World Bank has categorized the ES risks of the original Program as Substantial (which is similar to Category B if AIIB's ESP were applicable) and the ES risk ratings of the original Program and the AF are expected to be maintained as Substantial. As required under the World Bank's PforR Policy, activities that are likely to have significant adverse ES impacts that are sensitive, irreversible, or unprecedented (similar to Category A if AIIB's ESP were applicable) are excluded.</p> <p>An Environmental and Social Systems Assessment (ESSA), which involves assessing the country's systems for managing ES risks and impacts of the PforR, has been conducted by the World Bank in accordance with its PforR Policy for the original Program, and remains pertinent to the AF. The ESSA is complemented by a Program Action Plan (PAP) at the operational level. The ESSA has been disclosed on the World Bank's website in <a href="#">English</a> and an <a href="#">Arabic</a> translation of the ESSA's Executive Summary has been also disclosed. AIIB has also disclosed ESSA through its website by a link to the World Bank's website.</p> <p>The original Program is expected to have several positive environmental and social effects in the areas of government accountability. The AF will further enhance program management capacity for public-private partnership (PPP) investment and scale up capital expenditures of public and climate responsive investments. The main social and environmental effects remain the potential adverse social and environmental effects of downstream PPP and public and climate responsive investment projects. These PPP and public investments may also cause environmental risks related to dust, air emissions, noise, discharge of wastewater and disposal of solid/hazardous waste, as well as biodiversity risks. During preparation, it is confirmed that the typology of investments is the same as under the original Program, and the exclusion criteria and screening methodology in the ESSA remains valid and will be revised as needed. An Addenda to the ESSA has been prepared and disclosed on the World Bank's <a href="#">website</a> (in English), and AIIB's website has included a <a href="#">link</a> to the updated ES documentation on the World Bank's website. The Addendum is prepared to reflect policy shifts and institutional reorganization and to provide background analysis on the proposed revisions and adjustments of DLIs and DLRs.</p> <p>The Government's centralized grievance redress platform serves as the operational Grievance Redress Mechanism</p>

	(GRM) of the original Program and AF. To further enhance existing GRM performance, future improvements on GRM will focus on how to enhance the performance of the system and how to effectively address the complaints of citizens and grievances of stakeholders. AIIB team will work with the World Bank to ensure that the existing GRM will be improved, and related information are disclosed timely.			
<b>Cost and Financing Plan</b>	USD842.8 million, of which the World Bank USD400 million, AIIB USD200 million, and Government USD242.8 million.			
<b>Borrower</b>	The Hashemite Kingdom of Jordan			
<b>Implementing Entity</b>	Ministry of Planning and International Cooperation			
<b>Estimated date of loan closing (SBF)</b>	June 2028			
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<b>Date of Appraisal Decision</b>	May 2023			
<b>Date of Financing Approval</b>	September 13, 2023			
<b>Independent Accountability Mechanism</b>	As noted above, the World Bank's PforR Policy will apply to this program instead of AIIB's ESP. The World Bank's Independent Accountability Mechanism, the Inspection Panel, which review the World Bank's compliance with its policies and procedures, will handle complaints relating to the World Bank's compliance with its ESF with respect to the program. In accordance with AIIB's Policy on the Project affected People's Mechanism (PPM), submissions			

	<p>made to the PPM regarding such complaints under this program will not be eligible for consideration by the PPM. Information on the World Bank's Inspection Panel is available at <a href="#">Home   Inspection Panel</a>.</p>
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