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Report No: PAD5331

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

PROGRAM PAPER

ON A RESTRUCTURING AND

PROPOSED ADDITIONAL LOAN

IN THE AMOUNT OF US$ 400 MILLION

TO THE

HASHEMITE KINGDOM OF JORDAN

FOR A

JORDAN INCLUSIVE, TRANSPARENT AND CLIMATE RESPONSIVE INVESTMENTS PROGRAM FOR RESULTS

March 17, 2023

Governance Global Practice

Middle East And North Africa Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective {Dec 31, 2022})

Currency Unit =	Jordanian Dinar (JD)
US$ 1 =	0.709 JD

FISCAL YEAR
January 1 - December 31

Regional Vice President:	Ferid Belhaj
Country Director:	Jean-Christophe Carret
Regional Director:	Nadir Mohammed
Practice Manager:	Jens Kromann Kristensen, Irina Astrakhan, Hania Dawood
Task Team Leader(s):	Roland Lomme, John Gabriel Goddard, Harikumar Gadde

ABBREVIATIONS AND ACRONYMS

AB	Audit Bureau
AF	Additional Financing
AIIB	Asian Infrastructure Investment Bank
BAU	Business as usual
CCDR	Country Climate and Development Report
DLI	Disbursement-Linked Indicators
DLR	Disbursement Linked Results
DOS	Department of Statistics
DRM	Domestic Revenue Mobilization
EF	Expenditure Framework
ESSA	Environmental and Social Systems Assessment
FSA	Fiduciary System Assessment
GBD	General Budget Department
GCRF	Global Crisis Response Framework
GoJ	Government of Jordan
GRM	Grievance Redress Mechanism
IPSAS	International Public Sector Accounting Standards
IRI	Intermediate Result Indicator
ISTD	Income and Sales Tax Department
JIC	Jordan Investment Commission
JONEPS	E-procurement system
LCP	Low-Carbon Pathway
LOB	Legislation and Opinion Bureau
M and E	Monitoring and Evaluation
MDTF	Jordan Multi-Donor Trust Fund
MEMR	Ministry of Energy and Mineral Resources
MOENV	Ministry of Environment
MOF	Ministry of Finance
MOINV	Ministry of Investment
MOITS	Ministry of Industry, Trade and Supply
MOPIC	Ministry of Planning and International Cooperation
MOTA	Ministry of Tourism and Antiquities
MRV	Measurement, Reporting and Verification
MTFF	Medium-Term Fiscal Framework
NAP	National Adaption Plan
NDC	Nationally Determined Contribution
NRIP	National Registry of Investment Projects
NSS	National Statistic System
NWS	National Women’s Strategy
ODIN	Open Data Inventory
PAP	Program Action Plan
PDO	Program Development Objective
PFM	Public Financial Management
PMDU	Prime Minister Delivery Unit
PMO	Prime Minister's Office
PMU	Program Management Unit
PPP	Public-Private Partnerships
RIA	Regulatory Impact Assessments
SPI	Statistics Performance Index
WB	World Bank

BASIC INFORMATION – PARENT (Jordan Inclusive, Transparent and Climate Responsive Investments Program For Results - P175662)

Country	Product Line	Team Leader(s)	
Jordan	IBRD/IDA	Roland Lomme	
Project ID	Financing Instrument	Does this operation have an IPF component?	Practice Area (Lead)
P175662	Program-for-Results Financing	No	Governance

Implementing Agency: Ministry of Planning and International Cooperation

Is this a regionally tagged project?	Bank/IFC Collaboration	Joint Level
No	Yes	Joint Project - involving co financing with IFC (loan, equity, budget, other) or staffing
Original Approval Date	Effectiveness Date	Closing Date
10-Jun-2021	24-Aug-2021	30-Jun-2026

Program Development Objective(s)

Improve accountability to foster climate responsive investments and growth, where:
- investment is defined as public and private investment
- climate responsive investments refer to public sector and private sector opportunities in Jordan's NDC and measured by the MRV System
- accountability rests on a framework of enhanced transparency and feedback loops that inform investment and policy decisions

Ratings (from Parent ISR)

	Implementation		Latest ISR
	19-Oct-2021	08-May-2022	21-Nov-2022
Progress towards achievement of PDO	S	S	S
Overall Implementation Progress (IP)	MS	S	MS
Overall Risk	S	S	S
Technical	MS	MS	MS
Fiduciary Systems	S	S	S
E&S Systems	S	S	MS
Disbursement Linked Indicators (DLI)	MS	S	S
Monitoring and Evaluation	MS	S	MS

BASIC INFORMATION – ADDITIONAL FINANCING (JORDAN INCLUSIVE, TRANSPARENT AND CLIMATE RESPONSIVE INVESTMENTS PROGRAM FOR RESULTS - P180285)

Project ID	Project Name	Additional Financing Type	
P180285	JORDAN INCLUSIVE, TRANSPARENT AND CLIMATE RESPONSIVE INVESTMENTS PROGRAM FOR RESULTS	Restructuring, Scale Up	
Financing instrument	Product line	Approval Date	Will there be additional financing for the IPF component?
Program-for-Results Financing	IBRD/IDA	07-Apr-2023	No

Projected Date of Full Disbursement	Bank/IFC Collaboration
31-Dec-2028	No

Is this a regionally tagged project?

No

Disbursement Summary (from Parent ISR)

Source of Funds	Net Commitments	Total Disbursed	Remaining Balance	Disbursed
IBRD	500.00	231.75	268.25	46 %
IDA				%
Grants				%

PROGRAM FINANCING DATA – ADDITIONAL FINANCING (JORDAN INCLUSIVE, TRANSPARENT AND CLIMATE RESPONSIVE INVESTMENTS PROGRAM FOR RESULTS - P180285)

FINANCING DATA (US$, Millions)

SUMMARY (Total Financing)

	Current Financing	Proposed Additional Financing	Total Proposed Financing
Government program Cost	3875.00	1000.00	4875.00
Total Operation Cost	1213.50	1002.80	2216.30
Total Program Cost	1213.50	1002.80	2216.30
Total Financing	1213.50	1002.80	2216.30
Financing Gap	0	0	0

DETAILS – Additional Financing

Counterpart Funding	**242.80**
Borrower/Recipient	242.80

International Bank for Reconstruction and Development (IBRD)	**400.00**
Commercial Financing	**160.00**
Unguaranteed Commercial Financing	160.00
Cofinancing - Other Sources (IFIs, Bilaterals, Foundations)	**200.00**
Asian Infrastructure Investment Bank	200.00

COMPLIANCE

Policy

Has the parent Program been under implementation for at least 12 months?

Yes

Have the DO and IP ratings for the parent Program been rated moderately satisfactory or better for at least the last 12 months?

Yes

Does the program depart from the CPF in content or in other significant respects?

No

Does the Program require any waivers from Bank policies?

No

INSTITUTIONAL DATA

Practice Area (Lead)

Governance

Contributing Practice Areas

Climate Change
Finance, Competitiveness and Innovation
Poverty and Equity
Infrastructure, PPP's & Guarantees

Climate Change and Disaster Screening

This operation has been screened for short and long-term climate change and disaster risks

TASK TEAM

Bank Staff

Name	Role	Specialization	Unit
Roland Lomme	Team Leader (ADM Responsible)	Governance	EMNGU
Harikumar Gadde	Team Leader	Climate change	SCCFE
John Gabriel Goddard	Team Leader	Private sector	EMNF2
Lina Fares	Procurement Specialist (ADM Responsible)		EMNRU
Jad Raji Mazahreh	Financial Management Specialist (ADM Responsible)		EMNGU
Deborah Beth Berger	Social Specialist (ADM Responsible)	Social Safeguard Specialist	SMNSO
Majdi Omar Mohammad Salameh	Environmental Specialist (ADM Responsible)	Environment	SMNEN
Abeer Kamal Shalan	Team Member		CMCA1
Aijaz Ahmad	Team Member	PIM-PPP	IPGPP
Alain Camille Barakat	Team Member		MNCLB
Alex Pio	Team Member		ETIMT
Ali Ali Hassan Salamah	Team Member		EMNGU
Andrius Skarnulis	Team Member		EMNF2
Christina Jutta Paul	Team Member	PPP	IPGPP
Daria Goldstein	Counsel	Legal	LEGAM

Elena Nikulina	Team Member	Governance	EMNDR
Erwin Willem Yvonnick Leon Knippenberg	Team Member	Statistics	EMNPV
Fatima Zehra Shah	Team Member		MNCA2
Gerlin May U. Catangui	Team Member		ETIIC
Ghada Abdel Rahman Shaqour	Social Specialist		SMNSO
Haizea Samaniego Fernandez	Team Member		IMNE1
Hala Ghattas	Team Member		CMCA1
Hania Kronfol	Team Member	Private sector	ETIIC
Hawazin Kais Hameed Al-Duri	Team Member	Financial Management	EMNGU
Hoda Youssef	Team Member	Economy	EMNMT
Iyad Dahiyat	Team Member	Public investment	EMNGU
Jonna Maria Lundvall	Team Member	Gender specific aspects	EMNPV
Joseph Huntington La Cascia	Team Member	Procurement	EGVPA
Maiada Mahmoud Abdel Fattah Kassem	Team Member		WFACS
Maria Eugenia Genoni	Team Member	Statistics	EMNPV
Mohamed Hassan Abdulkader	Team Member	Private sector	EMNF2
Mohammad Al Akkaoui	Team Member	Economy	EMNMT
Murat Cengizlier	Team Member	Legal	LEGAM
Norbert Matthias Fiess	Team Member	Economy	EMNDR
Nour Ziad Ahmad Al Moghrabi	Team Member	Gender	EMNPV
Owusu Mensah Agyei	Team Member	Disbursement	WFACS
Peter Farup Ladegaard	Team Member	Governance	EMNGU
Rajul Awasthi	Team Member	Tax administration	EAWG2
Samera Esmail Mohammed Al-Harethi	Team Member	Procurement	EMNRU

Sherien Saliba Salem Krikorian	Team Member		MNCJO
Stephen R. Davenport	Team Member		EMNGU

Extended Team

Name	Title	Organization	Location

Jordan

JORDAN INCLUSIVE, TRANSPARENT AND CLIMATE RESPONSIVE INVESTMENTS PROGRAM FOR RESULTS

TABLE OF CONTENTS

I. INTRODUCTION

1- **This Program Paper seeks the approval of the Board of Directors to provide an additional amount of US$400 million to loan 9268-JO for Jordan Transparent, Inclusive and Climate Responsive Program-for-Result (P175662).** The Asian Infrastructure Investment Bank (AIIB) has been requested by the GoJ and is processing in parallel an additional financing of US$200 million. The original loan amounts to US$500 million and is supported by co-financing from the AIIB for an amount of US$250 million. It became effective on August 24, 2021, has disbursed 46 percent of its amount, i.e., US$231.75 million (triggering parallel disbursements by the AIIB for an amount of US$ 110.106 million) and is on track to meet critical targeted results on public investment, the governance of climate finance and statistical performance. The proposed AF and restructuring builds on results achieved under the parent Program so far and targets further results down the results chain.

2- **Under AF and restructuring, it is proposed that the Program closing date be extended from June 30, 2026, until June 30, 2028, and that AF be allocated to scaling up initial DLIs and strengthening results indicators in alignment with the updated government economic reform agenda.** As detailed below, the proposed AF and restructuring will significantly increase the Program climate co-benefits as well as support to data-based and participatory policy making, and it will mobilize and enable significantly more private capital in support of the government growth and development strategy articulated in the Economic Modernization Vision 2033. In addition, it will promote women workforce participation and business opportunities, fiscal sustainability, gender-sensitive public investment and policy making, government responsiveness to citizen feedback, and green financing.

II. BACKGROUND AND RATIONALE FOR ADDITIONAL FINANCING

A. Country and sector context.

3- **Since the parent Program was approved by the Board of Directors of the World Bank Group (WBG), Jordan has pursued its recovery from the COVID crisis while being exposed to massive external shocks which weighed heavily on the country's economic and fiscal outlook in 2022 and the medium term.** It has caused an increase in the imports' bill and a widening of the current account deficit despite robust export growth. Sustained external pressures have led to a decline in gross foreign reserves by US$0.9 billion during 2022, to reach US$18.2 billion at the end of 2022. On the fiscal side, adjustments slowed down during the first ten months of 2022 despite a robust increase in domestic revenues as the re-introduction of temporary oil subsidies has significantly increased spending pressures. As a result, capital expenditure is not expected to have increased as initially planned in the 2022 budget. The Fifth Review of the IMF Extended Fund Facility program was concluded in December 2022. The overall review is positive, reflecting continued strong performance on reserves; enhanced Domestic Revenue Mobilization (DRM); and steady implementation of structural benchmarks. However, unexpected deviations from fiscal targets (due to higher than anticipated subsidies due to high food and fuel costs) will be partially addressed through further rationalization of capital spending. Despite these developments, the economic recovery in 2021-2022 has been solid, largely supported by the reopening of the economy, a rebound of travel and tourism and a recovery in domestic demand and key services sectors. Real GDP growth reached 2.7 percent in the first three quarters of 2022 (9M-2022), maintaining a solid pace of recovery compared to 2.2 percent of growth rate in 2021. The rebound was supported by the full reopening of the economy post Covid, a recovery in domestic demand, and a recovery in key services sectors, notably tourism. The second largest contribution to growth came from the industrial sector, particularly manufacturing (benefitting from increased exports of clothes, manufactured goods and machinery and transport equipment) and the mining sector, which was propelled by the sharp rise in international prices for potash, phosphate and fertilizer. Nonetheless, recovery has not resulted in sufficient growth for job creation and a striking gender divide continues to characterize the labor market with female labor participation rate being among the lowest in the world.

4- **Despite macro-economic challenges, the Government of Jordan (GoJ) remains committed to its economic reform agenda and the strategic objective of increasing both public and private investment.** In October 2022, the GoJ approved an updated Reform Matrix with an extended timeline from 2022 until 2024 and a broader scope, with three pillars added to the nine initial nine on: 1) public sector efficiency and governance; 2) agriculture, and 3) tourism. The Reform Matrix also bolsters the climate response across sectors in alignment with the parent Program which has informed its updating. It is designed as a rolling policy document which will be regularly updated and extended in the coming years. In June 2022, the GoJ also adopted an economic modernization strategy for the next ten years, the Economic Modernization Vision for 2033, which aims at doubling Jordan's growth rate and improving quality of life, and which calls for a significant increase in both public and private investment. The Vision bolsters the achievement of targeted results by the Program, not only regarding investment, public and private, but also on data and evidence-based policy making, service delivery and climate response. The Economic Modernization Vision targets the acceleration of the annual growth rate to 5.6 percent, the creation of over one million jobs, doubling female labor force participation, an increase of per capita income by 3 percent per year on average, the improvement of economic competitiveness, and the strengthening of environmental sustainability. Overall, the estimated investment needs for achieving the Vision's objectives amount to a net increase of capital investments by JD 41.4 billion (i.e., US$ 58.4 billion) between 2023 and 2033, most of which (73 percent) being private investments (FDI, domestic investments, and PPPs). Overall, the Vision calls for an increase in total investment by 7.8 percentage points of GDP, including an increase by around 75 percent of public investment.

5- **Since 2021, the GoJ has significantly strengthened its climate agenda including by scaling up its commitments to the Nationally Determined Contribution (NDC), by significantly increasing emission reduction targets, and by prioritizing green public and private investment in its economic strategy for the next ten years.** Jordan updated its NDC commitments in October 2021, raising its GHG emission reduction target from 14 percent to 31 percent under the Business as usual (BAU) scenario by 2030. This includes an unconditional commitment to 5 percent reduction to be financed by the government (at an estimated cost of US$ 565 million) and 26 percent reduction conditional upon the availability of and access to funding support, for a total estimated cost of US$7.5 billion. In 2021, the GoJ has also approved a National Adaptation Plan (NAP) which aims at mainstreaming adaptation to climate change in development planning processes to enhance climate resilience and adaptive capacities and reduce climate vulnerability across relevant sectors**.** And in November 2022, it has approved an updated Climate Change Policy for 2022-2050. In addition, the Economic Modernization Vision promotes environmental sustainability as one of its main pillars and aims at developing Jordan as a regional hub for green entrepreneurship and innovation and at attracting investments to sustainable projects. In 2022, the Ministry of Energy and Mineral Resources (MEMR) has launched the Low-Carbon Pathway (LCP) for the power sector in Jordan to set carbon emissions-related scenarios through 2050. And the GoJ also approved the Financial Sustainability Roadmap for the water sector which prioritizes energy efficiency and renewable energy to reduce operating costs (half of them consisting of energy consumption). Significant progress has already been made in mobilizing financial resources to meet the estimated cost of the NDCs, i.e., US$3.7 billion out of US$5.7 billion[1].

[1] Government of Jordan, 2020, Jordan's Second Biennial Update Report (SBUR) under the United Nations Framework Convention on Climate Change.

B. Implementation progress.

6- **The parent Program (P175662) has performed strongly during the first year of implementation, with significant progress towards the achievement of PDO level indicators, most targeted Disbursement Linked Results (DLRs) in 2021 and 2022 met and disbursements being ahead of schedule.** The Program is rated satisfactory on the achievement of PDO indicators as three of them are on track to be met: 1) the share of capital expenditure in total budget spending increased from 8.9 percent in 2020 to around 10.5 percent in 2021; 2) Jordan has made significant progress in mobilizing resources to meet its commitments to the Nationally Determined Contribution (NDC) and the regulatory framework and digital infrastructure (the Measurement, Reporting and Verification, MRV system) for climate-responsive public and private investments have been established – a critical step towards the operationalization of the Climate Finance Governance System supported by the Program (under DLI 12); 3) under the 2022 Open Data Inventory (ODIN) index, Jordan's score has improved from 53 to 66, i.e. more than half way towards the target of 73. The GoJ has mandated the costing and started to cost the budget contribution for the Jordan National Women Strategy for 2020-25, a significant step towards the achievement of the Intermediate Result Indicator on gender responsive budgeting.

7- **Critical disbursement linked results (DLRs) have been achieved in 2021 and 2022, which supports the achievement of downstream results towards targeted outputs and outcomes.** In 2021, 9 DLRs out of 11 were achieved and have been disbursed against. These include: the strengthening of fiscal and public investment management (DLI 1), capital expenditure increase (DLI 2), the measurement and financing of climate responsive and green public and private investment (DLI 3 and 8), tourism development planning (DLI 6), the strengthening of evidence-based policy making (DLI 11) and the strengthening of the governance of climate finance (DLI 12). In 2022, another set of critical DLRs have been met or expected to (results are under verification): they pertain to 1) climate responsive capital spending (DLI 3) and strategic prioritization of climate responsive public investment (DLI 8); 2) statistical performance (DLI 10), 3) improvements to service standards (DLI 9), 4) regulatory impact assessments to inform policy making (DLI 11), and 5) the operationalization of carbon markets (DLI 12)[2]. Only two DLRs have been missed so far; 1) DLR 1.3 on the completion of a review of the portfolio of capital projects (its achievement has been delayed for technical reasons); and 2) DLR 1.4 on the disclosure of the Medium-Term Fiscal Framework (MTFF) was missed to date (the MTFF was publicly disclosed in 2023 but only after the appropriation bill was tabled to Parliament). DLR 12.1 on the updating of the National Climate Change Policy was achieved with delay to ensure its alignment with the 2021 updated NDC and the Economic Modernization Vision. Thanks to those achievements, the operation has already disbursed far ahead of its disbursement schedule: its disbursement rate has reached 46 percent (25 percent advance plus a first installment in May 2022 for around US$ 168 million), less than eighteen months after effectiveness; and it is expected that a second installment against results achieved in 2022 will increase the disbursement rate further to over 50 percent (upon completion of the ongoing verification process). The achievement of most targeted DLIs under the parent Program allows the proposed AF and restructuring to support further progress down the result chain, as most of the necessary legal and policy framework has been strengthened and is ready for implementation downstream (including on climate, public investment management, private investment and regulatory good practices): e.g. on public investment, the methodology for project appraisal has been adopted and can now be operationalized including to incentivize gender sensitive project appraisal; on climate responsive investment, the measurement methodology has been officially adopted and can be used across public and private investment; regulatory impact assessments have been piloted and regular ones can now be completed, etc.

[2] A table of achieved DLRs is appended in annex.

8- **Despite its strong performance, the parent operation has been impacted by challenges experienced in 2022, including due to a shift in the investment policy and the fiscal impact of the Russia's invasion of Ukraine.** In 2021, the operation mostly disbursed against the increase in eligible capital expenditure and, in 2022, the appropriation law planned for a further and even faster increase in capital spending (by 40 percent). However, in response to induced inflation of energy and food prices, the government has reallocated fiscal resources to social protection and subsidies at the cost of capital spending. Also, due to a policy shift on private investment, timebound DLRs on investment incentives and promotion could not be achieved in 2022 since the necessary legal framework was only officially adopted at the very end of 2022/beginning of 2023 and differs from the one initially anticipated. Accordingly, these DLRs are proposed to 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, an important improvement on the parent Program.

C. Rationale for Additional financing (AF) and Restructuring.

9- **The GoJ has requested both additional financing and the restructuring of the operation so that the operation could provide further support to public investment and the climate agenda in alignment with the updated Reform Matrix and in light of the Economic Modernization Vision.** It has asked for an additional financing from the World Bank (WB) for US$400 million to scale up the parent Program and its restructuring to adjust to recent institutional reorganization impacting implementing agencies, and US$200 million in co-financing from the AIIB.

10- **The rationale of AF and restructuring is to improve the development effectiveness and fiscal sustainability of public investment, to scale up support to climate responsive public and private investment, including by leveraging green financing and climate finance, to promote job and business opportunities for women, and to strengthen government effectiveness and social accountability through participatory policy making based on data.** Restructuring adjusts the Program to policy shifts and institutional reorganization in the past year and scales up and improves the initial result framework across result areas: it supports in particular targeted investment incentives to promote women business opportunities provided under the new Investment Environment Law enacted at the end of 2022 and its subsidiary legislation in February 2023, and promotes business and job opportunities for women in tourism in implementation of the Tourism Gender and Inclusion Plan which was an output of the parent Program. AF is mostly allocated to the following updated and added results under restructuring (see table of scaled up and added results to the PDO-level indicators and DLI matrix in annex):

1) in result area 1 (public investment), AF and restructuring will further strengthen the quality of public investment (through green procurement and strategic prioritization); strengthen fiscal sustainability of capital spending (through DRM); and further incentivize the prioritization of climate responsive public investment.
2) in result area 2 (private investment), AF and restructuring will enable a stronger set of interventions to scale up financing through the issuance of a sovereign green bond by MOF and the implementation of a National Green Taxonomy;[3] support investments that create job opportunities for women; enhance job and business opportunities for women in tourism; and adjust to policy shift and institutional reorganization by operationalizing the newly enacted legal framework for private investment.

[3] A green taxonomy is a classification system for identifying activities and investments that will contribute to a country meeting specific targets related to priority climate-related and environmental objectives. The overarching objectives of green taxonomy are the following: (i) provide a common understanding and approach to identifying, developing, and financing green projects; (ii) enhance investors' confidence and prevent "green washing"; (iii) boost green financial flows from various sources; (iv) track investments into green projects; and (v) inform national policies and strategies on green finance.

3) in result area 3, AF and restructuring incentivize government responsiveness to citizen feedback through e-participation, supports an upgraded scoring under the Open Data Inventory Index (ODIN), and analysis of critical statistical information to inform policy making, including on gender, and leverage carbon markets by mobilizing carbon credits.

AF and restructuring significantly improve the Program gender, climate and private capital mobilization tagging (see Section on corporate requirements).

D. Consistency of proposed changes with World Bank country strategy and mandate.

11- **Proposed changes strengthen the alignment of the operation with the Country Partnership Framework FY17-23, the MENA regional strategy, and MENA Climate Roadmap 2021-2025 and the Jordan CCDR, and enhance its effectiveness in addressing the WB twin goals.** These changes support further green growth through public and private investment and climate adaptation, women participation in the workforce and business opportunities, fiscal sustainability, government accountability including through enhanced data-based and participatory policy making, and leverage climate finance. The proposed changes contribute to the WB MENA strategy by strengthening the initial focus of the operation on transparency and accountability, and support structural reforms, service delivery and economic transformation, climate, and gender. And they are also aligned with the WB MENA Climate Roadmap for 2021-25 by scaling up the operation's climate co-benefits, leveraging sustainable finance for climate action, helping unlock private capital, supporting national budgets and expenditures and strengthening financial institutions for green investments. They should contribute to better mitigate the country's vulnerability to climate change and improve inclusion in policy making and fiscal management. The Jordan CCDR finds that an additional US$3.5 billion in public investment are needed by 2030 to tackle climate change, i.e., an annual increase of close to 28 percent compared to capital spending in 2021). Under AF and restructuring, the Program contributes to the financing and leveraging of climate responsive investment deemed necessary by the CCDR by addressing its following recommendations: 1) improving government practices with regards to public investment management and leveraging private investments; 2) adopting green procurement; 3) integrating climate criteria into private sector development programs and strategies; and 4) improving fiscal transparency, including by tracking climate responsive expenditure.

III. PROPOSED CHANGES

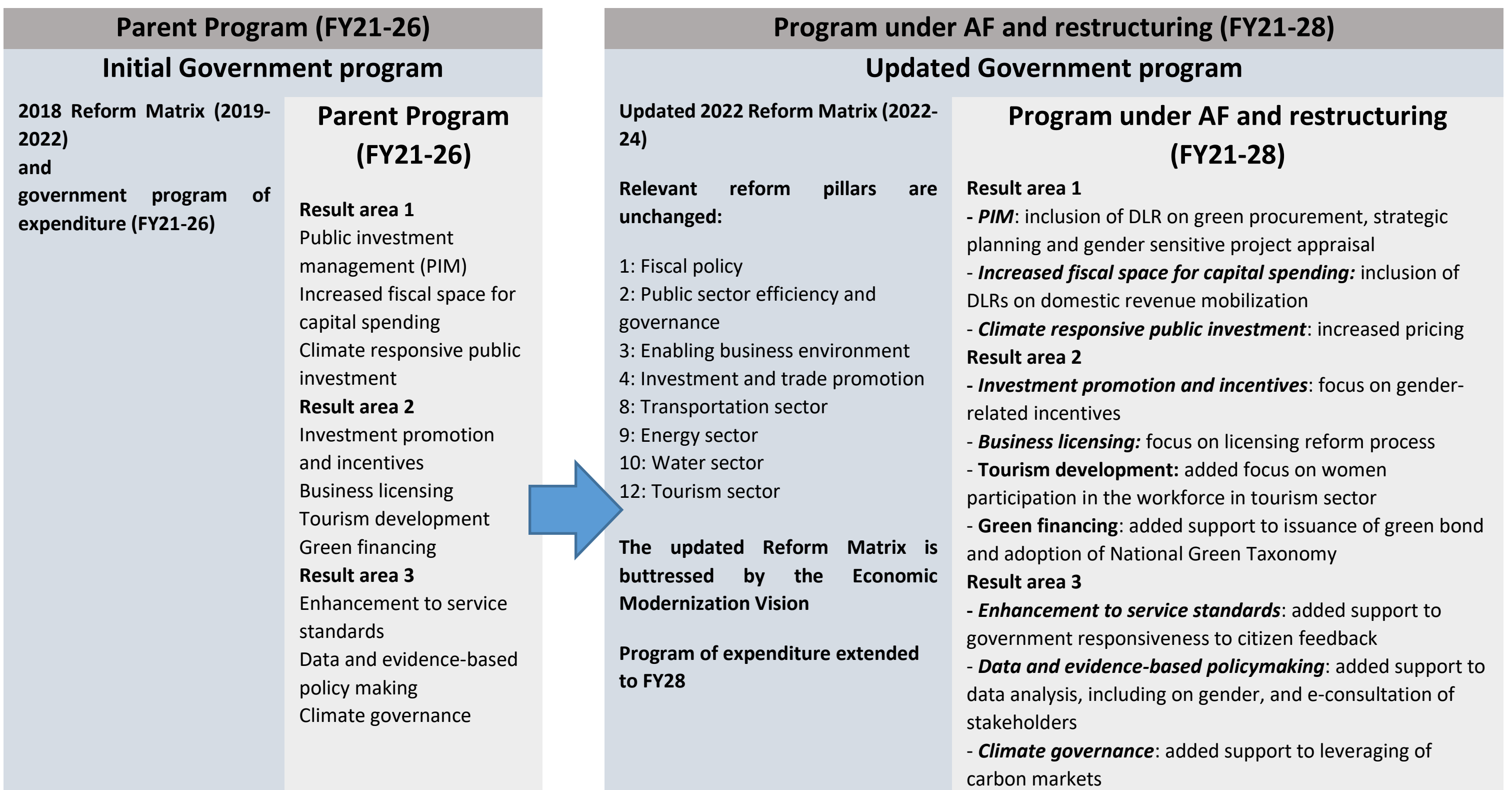
A. Changes to Program boundaries

12- **The Program boundaries were initially delineated by the 2018 Reform Matrix and its underlying expenditure framework and are extended by two years in alignment with the Reform Matrix as updated in 2022 and the extended program of expenditure.** The updated Program boundaries are fully consistent with the initial ones since the updated Reform Matrix only refines and strengthens the initial one (by updating the sequencing of targeted economic reforms and adding three pillars to it, on governance, agriculture, and tourism, but without dropping any initial objectives and targets). The updated Reform Matrix is also designed as a rolling reform plan, which will be regularly updated and prolonged. It is also better anchored to the overarching government medium-term economic strategy since the Economic Modernization Vision 2033 buttresses the government economic reform agenda by providing a detailed costing of its implementation (to be found in its Executive Implementation Plan for 2023-25, 2023 budget and Medium-Term Fiscal Framework - MTFF). The revised results framework remains fully consistent with the initial one and does not alter the content of the initial Program boundaries. Result areas are unchanged and scaled up, updated, and added results and targets all fall within its ambit.

Table 1: Updated Program boundaries (US$ M).

Government program		parent Program	Program under AF and restructuring
Result area 1 on Public investment	1,244.0	270.0	539.8
Result area 2 on Private investment	472.8	152.5	249.5
Result area 3 on Governance	339.5	77.5	108.5
Total	**2,056.0**	**500.0**	**900.0**

Figure 1: Program boundaries under AF and restructuring.



13- **The expenditure framework (EF) is updated by extending the original one by two years to match the Program extended timeline. It is also narrowed down to include only budgeted programs within the budget of implementing agencies which are relevant for the purpose of the Program.** Using the functional classification of expenditure (in addition to the administrative and economic ones) to define the EF improves significantly its delineation for two reasons: 1) it helps better identify and include relevant budget lines; 2) it builds on efforts made by MOF at program budgeting to link expenditure to clearly identified and stated objectives and performance indicators in budget documents[4]. Budgeted programs have been selected based on their relevance for the purpose of the Program (See a sample in the addendum to the technical assessment). Under all selected budget programs, the same economic categories of expenditure as for the parent Program are included (selected codes of budget line are detailed in the addendum to the technical assessment). Regarding capital expenditure included in the EF, the same selection methodology has been used as for the parent Program: 1) it only captures the same two sub-categories of capital expenditure (non-financial assets; and goods and services); 2) it discounts any ineligible expenditure under article 10 of the WB PforR policy, i.e. financing activities "judged to be likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and/or affected people" including "high value contracts". Such screening resulted in the updating of ratios of capital expenditure used to discount such activities. The updated EF extends the initial one by two fiscal years and captures the budget of the Ministry of Investment from 2023 onwards as it has replaced the Jordan Investment Commission (JIC) as implementing agency under the Program, as well as that of the Income and Sales Tax Department (ISTD) of the Ministry of Finance (MOF). Accordingly, the total amount of the EF increases from US$ 1,213.5 million (including US$ 582.5 million of capital expenditure) for the parent Program to US$ 2,056.3 million (including US$ 757.5 million of capital expenditure) for the revised Program after AF and restructuring from FY21 to FY28. It remains fully consistent with IMF fiscal projections as updated during its Fifth Review under the Extended Fund Facility[5].[6]

Table 2: Updated Program of expenditure for FY21 to FY28[7].

Agency/budget chapter	Categories of expenditure	Budget codes (first 4 digits are program codes, last 4 digits are codes of budget lines)	Budgeted Amount in 2023 (in JD)	Program of expenditure H2 21 to H1 28 (in JD)	Program of expenditure H2 21 to H1 28 (in US$)
MoF/1501	Current Expenditure	1501 - 2111, 2121, 2211, 2511 and 2821	18,597,000	127,973,097	180,498,021
	Capital Expenditure	1501 - 2211, 3111 and 3112	8,190,000	51,415,872	72,518,860
MoF - General Budget Department/1502	Current Expenditure	1502 - 2111, 2121, 2211, 2511 and 2821	3,527,000	22,089,197	31,155,426
	Capital Expenditure	1502 - 2211, 3111 and 3112	315,000	1,548,152	2,183,571
MoF- Customs/1503	Current Expenditure	1503 - 2111, 2121, 2211, 2511 and 2821	32,953,000	228,337,527	322,055,750
	Capital Expenditure	1503 - 2211, 3111 and 3112	31,230,000	192,353,520	271,302,567
MoF – ISTD/1506	Current Expenditure	1506 - 2111, 2121, 2211, 2511 and 2821	31,710,970	225,609,433	318,207,945
	Capital Expenditure	1506 - 2211 and 3112	4,605,000	32,682,665	46,096,848
Total for Result area 1			**131,127,970**	**882,009,460**	**1,244,018,985**

[4] See the government budget on the website of the General Budget Department (www.gbd.gov.jo)
[5] IMF, 2022, Fifth Review under the extended arrangement under the extended fund facility and modification of performance criteria.
[6] The targeted issuance of the sovereign green bond by MOF should significantly expand the Program of expenditure by generating green capital investment. However, since the green bond framework and amount cannot be determined at this stage, the expenditure framework does not reflect this anticipated increase of public expenditure financed by green bond proceeds.
[7] The first four digits are related to the functional classification; the last four digits to the economic classification of expenditure (See addendum to technical assessment).

MoTA/1801	Current Expenditure	1801 – 2111, 2121, 2211, 2511 and 2821	5,069,000	40,209,986	56,713,661
	Capital Expenditure	1801 – 2211, 3111 and 3112	12,014,000	83,598,309	117,910,168
MoTA – Antiquities/1802	Current Expenditure	1802 – 2111, 2121, 2211, 2511 and 2821	6,583,000	45,975,100	64,844,993
	Capital Expenditure	1802 – 2211, 3111 and 3112	5,087,000	27,945,065	39,414,760
MoITS/1601	Current Expenditure	1601 – 2111, 2121, 2211, 2511 and 2821	7,428,000	51,590,475	72,765,127
	Capital Expenditure	1601 – 2211, 3111 and 3112	1,290,000	14,074,515	19,851,220
MoITS – Companies Control/1602	Current Expenditure	1602 – 2111, 2121, 2211, 2511 and 2821	1,066,000	7,351,171	10,368,365
	Capital Expenditure	1602 – 2211 and 3112	700,000	4,525,000	6,382,228
JIC/MinInv/1606	Current Expenditure	1603 – 2111, 2121, 2211 and 2821	3,753,000	24,224,000	34,166,432
	Capital Expenditure	1603 – 2211 and 3112	5,585,000	35,720,500	50,381,523
Total for Result Area 2			**48,575,000**	**335,214,119**	**472,798,475**
PMO/0301	Current Expenditure	0301 - 2111, 2121, 2211 and 2821	6,345,000	44,044,080	62,121,410
PMO – LoB/0302	Current Expenditure	0302 - 2111, 2121, 2211 and 2511	743,000	5,148,467	7,261,590
MoPIC/1701	Current Expenditure	1701 - 2111, 2121 and 2211	3,475,000	23,791,485	33,556,396
	Capital Expenditure	1701 - 2111, 2211 and 2822	8,878,000	59,919,915	84,513,279
MoPIC – DoS/1702	Current Expenditure	1702 -2511	6,774,000	47,590,533	67,123,460
	Capital Expenditure	1702 - 2111, 2211 and 2822	1,405,000	10,642,412	15,010,454
MinEnv/2401	Current Expenditure	2401 - 2111, 2121, 2211 and 2821	3,946,000	26,932,606	37,986,750
	Capital Expenditure	2402 - 2211 and 3111	2,726,000	22,660,075	31,960,614
Total for Result area 3			**34,292,000**	**240,729,571**	**339,533,951**
		Grand Total	**213,994,970**	**1,457,953,150**	**2,056,351,410**
		Current Expenditure	131,969,970	920,867,153	1,298,825,322
		Capital Expenditure	*82,025,000*	*537,085,997*	*757,526,088*

14- Under AF and restructuring the Program financing is updated as follows:

Table 3: Program Financing (in US$ M)

Financing Source	Original Program	AF Program	Total under revised Program
BORROWER/RECIPIENT	463.5	242.8	706.3
IBRD/IDA	500	400	900
AIIB	250	200	450
TOTAL	**1213.5**	**842.8**	**2056.3**

B. Proposed changes to the Program result framework.

15- **The PDO remains unchanged**. It reads as the original one: To improve accountability to foster climate responsive investment and growth. Only the listing of definitions of terms which was included in the original PDO are removed.

16- **PDO-Level indicators are updated to align with both the scale-up and restructuring of the operation.** The targets of three out of four indicators (on capital spending, climate response, and open data) are increased in light of progress achieved under the parent Program and the extended timeline of the Program under AF and restructuring, while the indicator on business environment is dropped and a new indicator on gender budgeting is added:

- **The target pertaining to the rebalancing of the spending mix towards capital spending is increased** in alignment with updated fiscal projections.
- **To measure progress on statistical performance, the Open Data Inventory (ODIN) is replaced by the Statistics Performance Index (SPI), which includes the ODIN as a component,** as it is more comprehensive than the ODIN and measures the capacity and maturity of the whole National Statistic System (NSS).
- **The methodology of the PDO-level indicator on climate is strengthened to encompass progress towards Jordan's NDC and Paris agreement goals under both conditional and unconditional commitments.** Regarding non conditional commitments, it also captures progress based on tC02 reductions supported by the government and completion of adaptation projects reported in the MRV system, and regarding conditional commitments, it targets the issuance of a sovereign green bond and reporting of private sector financing on the MRV system towards conditional commitments of the NDC goals.
- **A new PDO-level indicator is added on public and private gender responsive investment since under AF and restructuring the Program disburses against gender sensitive appraisal of public funded capital projects and gender incentive to private investors.** Accordingly, the Intermediate Result Indicator (IRI) on gender sensitive budgeting is upgraded as a PDO-level indicator.
- **The initial PDO-level indicator on streamlining and digitizing business registration and licensing, reducing the compliance time and costs for businesses, is dropped** because the DLR on integrated and digitalized business registration is also dropped as the policy prerequisites to the full digitalization of business registration will likely not be met. It is replaced by the inclusion of green financing and climate responsive private investment in the PDO-level indicator on progress towards the NDC and Paris agreement on climate.

17- **Intermediate Result Indicators are all DLIs and they are updated to remain consistent with corresponding DLIs as revised.**

Changes to DLIs aim at strengthening and scaling them up across result areas, including from a gender perspective, and at reflecting policy shifts and institutional reorganization in result area 2 on private investment. In result area 1 on public investment, they aim at strengthening fiscal risk management and fiscal sustainability of public investment, at improving further the quality of public investment through green procurement and strategic prioritization, and at increasing the fiscal space for public investment through DRM and at scaling up support to climate responsive financing and tC02 emissions towards NDC unconditional commitments. In result area 2 on private investment, changes aim at adjusting to policy shifts and institutional reorganization on investment promotion and incentives and at scaling up support to green financing and tourism development and they build on lessons learned from Program implementation regarding the streamlining of business licensing. In result area 3 on governance, changes aim at scaling up support to improvements to investment and infrastructure services, to data and evidence-based policy making, and to leveraging further climate finance. See table of changes to the result framework in Annex.

Table 4: Main changes to the DLI matrix.

Initial DLI matrix	Revisions under AF and restructuring
Result area 1 on public investment	
DLI 1 - Improving the preparation and implementation of public investment	• Portfolio review deadline extended • New DLR on green procurement • Disbursement against gender sensitive project appraisal • New DLR on prioritization of strategic investments in budget execution
DLI 2 - Increasing the fiscal space for public investment	• New DLR on domestic revenue mobilization • New DLR on the rebalancing of the spending mix towards capital spending
DLI 3 - Mainstreaming climate responsive public investments towards Jordan's NDC 2030 Goals	• Scaled up support to NDC achievement and refocusing on its outcome in terms of emission reductions and adaptation • Scaled down target on climate responsive PPP
Result area 2 on private investment	
DLI 4 - Strengthening JIC's institutional focus on investment promotion and related investor services to attract quality investment	• The Ministry of Investment replaces JIC as the implementing agency • New DLR on gender-related investment incentive • Revised DLR on facilitation of private investment
DLI 5 - Implementing new policies for investment incentives based on objective criteria, including value for money, to attract quality investment and achieve national investment objectives	• Renamed: *Enhancing mobilization of green finance to generate climate-responsive investment to* focus on green investment • New DLR on issuance of a sovereign green bond • New DLR on National Green Taxonomy • DLR on non-fiscal incentives dropped
DLI 6 - Strengthening the strategic direction and enhancing the regulatory environment of the tourism sector to foster high-quality private and public investment	• Scaled up through repricing and refocusing on development and implementation of site improvement plans • New DLR on implementation of gender sensitive measures in tourism
DLI 7 - Implementing Investor Journey program to streamline and digitize business registration and licensing, reducing the compliance time and costs for businesses	• Renamed: *Streamlining sectoral licensing to reduce the compliance time and costs for businesses* • DLR on business registration dropped (due to policy shift) • DLR on licensing revised to better support licensing reform cycle
DLI 8 - Identifying climate responsive private and non-government financing towards Jordan's NDC 2030 goals	• DLR on increase in private and non-government financing revised to frame reporting on climate responsive projects in private sector
Result area 3 on governance	
DLI 9 - Improving access, quality, continuity of business and infrastructure services in response to social demand	• New DLR on government responsiveness to citizen feedback
DLI 10 - Increasing accessibility and usability of statistical and administrative data	• Renamed: *Increasing accessibility and usability of statistical and administrative data for data-based policy making* • New DLR on data analysis, including gender relevant, to inform progress towards the SDGs.
DLI 11 – Implementing and strengthening good regulatory practices for evidence-based and predictable rulemaking	• Incentivizing stakeholder e-consultation for regulatory impact assessment
DLI 12 – Establishing and operationalizing a climate finance governance system for achieving Jordan's NDC 2030 goals	• Strengthening of DLR on leveraging of carbon markets

Table 5: Allocation of additional financing across the DLI matrix (in US$ M).

DLI	Amended Original Amount of Parent Program	Allocation of AF	Total allocation under AF and restructuring
Result area 1 on public investment			
DLI #1: Improving the preparation and implementation of public investment	36	43.5	79.5
DLI #2: Increasing the fiscal space for public investment	168.75	113	281.75
DLI #3: Mainstreaming climate responsive public investments towards Jordan's NDC 2030 Goals	62.5	101	163.5
Result area 2 on private investment			
DLI #4: Strengthening the Ministry of Investment's institutional focus on investment promotion and related investor services to attract quality investment	23	17	40
DLI #5: Enhancing mobilization of green finance to generate climate-responsive investment	14	71	85
DLI #6: Strengthening the strategic direction and enhancing the regulatory environment of the tourism sector	44.5	16.5	61
DLI #7: Streamlining sectoral licensing to reduce the compliance time and costs for businesses	30		30
DLI #8: Identifying climate responsive private and non-government financing towards Jordan's NDC 2030 goals	42.5	6	48.5
Result area 3 on governance			
DLI #9: Improving access, quality, continuity of business and infrastructure services	15	6	21
DLI #10: Increasing accessibility and usability of statistical and administrative data for data-based policymaking	22.5	15	37.5
DLI #11: Implementing and strengthening good regulatory practices	15	5	20
DLI #12: Establishing and operationalizing a climate finance governance system for achieving Jordan's NDC 2030 goals	25	5	30
Front end fee	1.25	1	2.25
Total	500.0	400.0	900.0

18- In Result Area 1 on improving the accountability and fiscal space for public investment, including towards national climate goals, the DLIs are strengthened to enhance support: 1) to the quality of project preparation and implementation; 2) to the broadening of the fiscal space for capital spending; and 3) to climate responsive public investment.

1) In order to strengthen the quality of project preparation and implementation, three new dimensions are captured by the Program under DLI 1: gender sensitivity of project appraisal, green procurement and strategic planning.
2) In order to broaden the fiscal space for capital spending under DLI 2, the Program also supports two new dimensions in addition to support provided by the parent Program to the increase of capital expenditure: a) domestic revenue mobilization and b) the rebalancing of the budget spending mix towards capital spending.
3) The incentivization of climate responsive capital spending, including through climate responsive PPPs, is significantly scaled up through its repricing in higher proportion of costs incurred and by refocusing on their outcome in terms of emission reductions and adaptation.

19- In Result Area 2 on improving business enabling environment, supporting tourism sector development, and enhancing climate finance mobilization and private investment, the DLIs are revised to 1) align to recent updates

to the investment legal and policy framework and institutional reorganization, 2) to further support tourism development, and 3) to facilitate the mobilization of finance for climate responsive investment.

1) The Program supports the implementation of the recently enacted 2022 Investment Environment law and 2023 Investment bylaw, in relation to incentives to private investment fostering women employment. On business registration and licensing, it refocuses on support to the achievement of major milestones along the licensing reform design and implementation process.
2) On tourism, it scales up support to tourism site improvements and incentivizes the implementation of the gender responsive measures in the tourism sector to foster women participation to the workforce.
3) It now also significantly scales up its focus on green investment by supporting the issuance of a sovereign green bond and the achievement of the NDC conditional commitments as updated and significantly raised in 2021 and supports the strengthening of the climate finance ecosystem through the adoption of National Green Taxonomy.

26. **In Result Area 3 on generating evidence and data for policy making, implementation and stakeholder dialogue, the DLIs are strengthened to incentivize 1) government responsiveness to citizen feedback including through e-consultation, 2) data analytics to inform policy making and 3) the operationalization of carbon markets.**
    1) The Program now supports government responsiveness to citizen feedback filed through the government grievance redress platform, and through the implementation of its e-participation policy to inform regulatory impact assessments.
    2) It also supports directly an upgraded target in Jordan scoring under ODIN, and data analysis needed to inform the achievement of the SDGs.
    3) And it leverages the climate finance governance framework strengthened under the parent Program by operationalizing the first-of-its kind carbon market ecosystem in the region.

27. **Four DLIs will disburse against gender related results, which was not the case of the parent Program:**

- In Result Area 1 on public investment, the Program will disburse against gender sensitive project appraisal (under DLI 1);
- In Result Area 2 on private investment, it will disburse against gender sensitive tourism development and gender sensitive investment incentives (under DLI 4 and 6)
- In Result Area 3 on governance, it will disburse against gender relevant statistical data analysis (under DLI 10).

C. Proposed changes to implementation arrangements.

28. **Institutional arrangements are strengthened to ensure more effective interagency coordination, monitoring, and oversight at the apex of government, and to build capacity of implementing agencies.** Program implementation remains coordinated by MOPIC and involves the same implementing agencies as for the parent Program, but with the addition of the Ministry of Investment, established in 2022 in replacement of the JIC and which becomes the implementing agency for DLI 4. The following provisions are added to the initial implementation arrangement:

- **The PMU will also be led by a fully dedicated Program manager, vested with authority on the Program management team members and whose assignment for the duration of the Program by MOPIC is a condition of effectiveness, along with the assignment of fiduciary and safeguards responsibility to qualified staff.** Staff retention by MOPIC for the duration of the Program operation is included in the Program Action Plan (PAP).

- **In order to strengthen the capacity of the Program Management Unit (PMU), MOPIC intends to contract a program management support consulting firm.** The firm will facilitate stakeholder consultation, help strengthen the M&E function of the PMU, help mobilize ad hoc technical expertise in support of the achievement of the Program results by implementing agencies and strengthen their institutional capacity. It is expected that the contracting of such a consulting firm will be financed by the Strengthening Reform Management in Jordan Recipient-Executed Trust Fund (RETF) project under Jordan Growth Multi-Donor Trust Fund.

- **It is expected that the GoJ will establish a task force to monitor and support pro-active management of capital spending during budget execution under the Ministry of Finance (MoF), consisting of relevant senior officials (from MOF, MOPIC, the Ministry of Public Works and Transports, and other line ministries, the Audit Bureau, etc.) to monitor monthly the execution of capital expenditure and help optimize its strategic prioritization and its execution rate as well as cost effectiveness (including by reviewing proposed variation orders).** It will report monthly to the GoJ through the Minister of Finance on the status of their execution, identify bottlenecks and opportunities to expedite capital spending by recommending adequate reallocation of resources earmarked to idle or projects of secondary importance to strategic projects disbursing fast and in need of more funds. This is in implementation of MOF 2022-25 Public Finance Management strategy.

- **The Technical Steering Committee, which was officially established for the purpose of the parent Program to ensure interagency technical coordination is strengthened as follows:** 1) it will include a senior official from MOF appointed by the Minister to oversee the implementation of the whole Result area 1 on public investment; and 2) it will include a representative of the Prime Minister Delivery Unit (PMDU) which monitors the implementation of the Economic Modernization Vision to ensure that progress reports of the implementation of the operation will be taken into account in progress reports on the implementation of the Vision. The Technical Steering Committee will meet every six months and the minutes of its meeting will be shared with cabinet and the World Bank.

- **At political leadership level, the Economic Development Inter-Ministerial Committee remains the coordinating body for the operation**. The PMU will report to it on the implementation of the operation every quarter by focusing on issues which call for its attention or decision, and every six months to the Council of Ministers on progress and achievements of the Reform Matrix supported by the Program.

- **Also, government responsiveness to citizen feedback under its Grievance Redress Mechanism is incentivized through an additional DLR under DLI 9 on improvements to service standards.** This addresses a recommendation of the ESSA.

- **The M and E function of the PMU unit will be strengthened.** In addition to reporting on progress and achievements as specified by the parent operation, it will report on implementation bottlenecks and provide analytical insights and draft policy briefs to the government (MOPIC Minister and Economic Development Inter-Ministerial Committee) on underlying factors. For the purpose, it can request implementing agencies to provide detailed information on implementation bottlenecks and may commission independent evaluation about them. The template for reporting to the government and the WB on progress will be detailed in the operation manual.

- **The Ministry of Investment will substitute to the Jordan Investment Commission as the implementing entity for revised DLI 4.**

29. **The Program Action Plan (PAP) is updated to reflect achievements under the parent Program and focus on ensuring that implementing agencies are capacitated to meet targeted results falling under their respective responsibility.** The initial PAP has been partially achieved but some actions have proved moderately effective (the

granting of a separate budget line to the PPP unit has not been sufficient to build its capacity as expected) and others have become irrelevant (as the one related to DLR 7.1 on business registration which is dropped from the Program). The updated PAP will mostly focus on mitigating the lack of institutional capacity for program implementation as the main implementation risk, including with regard to environmental and social safeguards:

- A new action prescribes the PMU to retain a program management officer, an M&E specialist, and Environmental and Social specialists for the duration of the operation.

- Another action mandates it to report every six months to the Council of Ministers on the implementation of the Reform Matrix.

- The recommendation for the MoEnv to increase monitoring/inspection capacity (DLRs 1.5, 4.3 and all DLRs under DLIs 2 and 3, and all DLR under DLI 8) is modified to clarify that this will be done by increasing inspection visits by 20 percent from the baseline of 2019 and maintaining it throughout the project duration.

30. **Fiduciary and/or environmental and social arrangements are detailed in the FSA and ESSA appended in annex**.

31. **Disbursement arrangements are unchanged.**

32. **DLI verification protocols are revised and completed based on amendments to DLIs, including through the addition on new DLRs.** As the Independent Verification Agent (IVA), the Audit Bureau performed well under the parent operation and remains the IVA of the operation under additional financing and restructuring. In addition to the verification of the achievement of DLRs, it will be asked to also help assess the performance of the Program with regard to its PDO-level indicators and its impact for the implementation of the government overarching economic strategy, the Economic Modernization Vision for 2033.

33. **The closing date is extended from June 30, 2026, to June 30, 2028.** Accordingly, under AF and restructuring, the timeline of Program implementation is extended from 5 years to 7 years. This extension coincides with the first half of the overarching government economic strategy, the Economic Modernization Vision. This is an important milestone as the Economic Modernization Vision underpins the government program supported by the PforR. By aligning to this timeframe, the Program not only supports the implementation of the updated Reform matrix, but it ensures that it will remain an integral part of both short-term government initiatives and longer-term strategic plans and programs.

D. Expenditure use to-date and efficiency in execution.

34. **In 2021, the government program of expenditure has spent as anticipated in the initial Expenditure Framework and the parent Program has disbursed far ahead of schedule.** Based on the financial statements issued by MOF for 2021, actual expenditure included in the EF are consistent with estimated ones for the year 2021. Budget execution data for the whole of 2022 are not yet available. Since Program inception, US$354.35 million has been withdrawn from the loan (US$231.75 million from IBRD 92680 and US$122.60 million from AIIB). A total of US$185.00 million was disbursed as an advance, while US$168.10 million was transferred against achieved results in 2021. US$1.25 million was paid to the World Bank as Front End Fee. All disbursements were transferred to the MOF Treasury Single Account maintained in the Central Bank of Jordan.

35. **The operation is rated satisfactory from a fiduciary perspective and moderately satisfactory on implementation**

progress and Environmental and Social systems. The main implementation challenges include: 1) the loss of capacity of the PMU after the resignation of key staff in 2022; 2) weak capacity in implementing agencies compounded by the absence of earmarking to them of the loan proceeds; and 3) issues with government responsiveness to citizens' feedback provided through the government's centralized grievance redress platform which serves as the operation's Grievance Redress Mechanism (GRM). Those challenges are addressed by strengthening the implementation arrangements (See above).

36. **The PFM systems of the ongoing Program have been performing satisfactorily, including with regard to budget preparation and execution, internal controls and internal audit, accounting, financial reporting, and external auditing.** All Program participating government agencies' budgets continue to be published on the General Budget Department (GDB) website with their strategic objectives and key performance indicators. The overall program expenditure framework is on track, given that there were no significant budget cuts. All audit reports with the management letters of existing implementing agencies for the year ended December 31, 2021, were submitted on time. The auditors issued clean opinions on implementing agencies audited financial statements, and the management letters did not report any significant weaknesses in internal controls. MOF has been providing Program involved government agencies with their quarterly allocations without significant delays or reductions. MOF continues to issue its annual financial reports in accordance with International Public Sector Accounting Standards (IPSAS) on the cash basis of accounting. Also, line ministries have in place mechanisms to facilitate regular monitoring of arrears and the introduction of a more effective commitment control system to prevent arrears accumulation. Jordan Audit Bureau has withdrawn from ex-ante controls of all line ministries, a significant step toward strengthening its independence from government operations. There are no major outstanding audit observations of participating government agencies.

37. **Procurement performance and required actions were largely implemented.** The public procurement system has experienced major reforms since the original assessment: (i) a revised new procurement bylaw No. 8/2022 was made effective on January 29, 2022, (ii) the bylaw establishes a Unit for Procurement Policies and Complaints in the Directorate of support of ministerial committees at the Prime Ministry, and is operationalized, (iii) thresholds to process procurement by the central procuring agencies were increased (Article 62 and 71 of the Procurement Bylaw No. 28 for 2022), (iv) the capacity building strategy and sustainable training programs were developed, (v) agencies may use e-procurement system (JONEPS) for bidding, and (vi) JONEPS enhancement is progressing. Nevertheless, under the parent Program, it was expected that data collection demonstrating procurement efficiency would be conducted using the e-procurement platform, Jordan National E-procurement System (JONEPS). However, JONEPS deployment has been delayed and a task force consisting of the main stakeholders has been set up to correct the deployment path.

IV. APPRAISAL SUMMARY

A. Technical

38. **Whereas the parent operation was anchored to the Reform Matrix for 2018-2022, under AF and restructuring it is now anchored to the Reform Matrix as updated in 2022 and buttressed by the Economic Modernization Vision for 2033.** This strengthens its anchoring to the government program of expenditure since the implementation of the Economic Modernization Vision is costed and its costing already partly reflected in the government budget. It also

provides further rationale for the focus of the operation on public and private investment, service delivery, data and evidence-based policy making, and climate response, which are among its main objectives. It also makes the case for the scaling up of support to public investment and to private investment policies, including green and climate responsive, as the Vision and other policy documents set more ambitious targets than initially. Indeed, it is estimated that the implementation of the Vision calls for a net increase of capital investments between 2023 and 2033 of JD 41.4 billion (US$ 58.4 billion), most of which (73 percent) private investments (FDI, domestic investments, and PPPs), but still including an increase by around 75 percent of current public investment. The government commitments to the NDC have also been significantly scaled up in 2021, with its GHG emission reduction targets increased from 14 percent to 31 percent under the Business as usual (BAU) scenario.

39. **The initial Result framework remains adequate and only calls for scaling up based on results achieved so far and adjustments to policy shifts regarding private investments.** Accordingly, the PDO does not change while PDO-level indicators are mostly scaled up and adjusted to reflect the strengthening of related DLIs. The DLI matrix remains fully consistent with the initial one while focusing further on private capital mobilization, climate investment and gender. Revisions to DLIs build on lessons learnt from implementation since the parent operation became effective, and they aim at scaling up initially targeted results including by broadening the scope of support provided by the Program to their achievements: e.g., additional DLRs aim at complementing initial ones by addressing the following dimensions which were not initially captured by the parent Program: 1) improving cost effectiveness, strategic prioritization and fiscal sustainability of public investment; 2) supporting domestic revenue mobilization; 3) promoting green finance and gender sensitive private investment; 4) leveraging carbon markets; 5) strengthening data and evidence-based policy making mobilizing; 6) incentivizing government responsiveness to citizen feedback.

40. **The implementation arrangements have proved adequate while identified opportunities for their further strengthening are seized.** Provisions are made to ensure more effective institutional arrangements for interagency coordination, monitoring, and oversight at the apex of government, and to build further the capacity of implementing agencies. They are detailed in paragraph 24. The need for the allocation of adequate fiscal resources to implementing agencies was identified initially (and led to the requirement under the PAP that some of them be granted a budget line) remains and will be further addressed by mobilizing parallel technical assistance provided by the Jordan Multi-Donor Trust Fund (MDTF) which is being replenished and by other donors. There is a strong convergence of donors' support across the three Program result areas.

B. Fiduciary

41. **The original Fiduciary System Assessment (FSA), conducted in 2021 for the parent program, was updated for the proposed Additional Financing (AF).** The findings of the updated FSA concluded that the overall fiduciary systems provide a reasonable assurance that the Program funds will be used for the intended purposes of the proposed AF. The same fiduciary arrangements will be used for this AF, and the program expenditure framework includes the same government agencies as the parent program. The legal status of the Jordan Investment commission was changed to the Ministry of Investment, which follows the Public Financial Management (PFM) systems of the Government of Jordan stipulated in the Organic Budget Laws of 2008 and 2021 and the Financial By-law (1994) and its Amendment (2015). These PFM systems include budget preparation and execution, internal controls and internal audit, accounting and financial reporting, and external auditing.

42. **The fiduciary risk remains rated moderate.** The updated FSA continues to consider that the Program systems provide reasonable assurance that the financing proceeds will be used for the intended purposes, with due attention to the principles of economy, efficiency, effectiveness, transparency, and accountability. The updated FSA concluded that the public financial management (PFM)[8] systems, including procurement, followed by the implementing agencies remain pertinent for the additional financing. Limited procurement activities with low contract values are envisaged under the program AF, thus no exclusion will be observed since all individual contracts under the AF are deemed to be estimated below the thresholds of US$75,000,000 equivalent for goods and non‐consulting services and US$30,000,000 equivalent for consulting services.

43. **As under the parent Program, implementing agencies shall execute the activities following World Bank's Guidelines on Preventing and Combating Fraud and Corruption in Program-for-Results Financing**. They will (i) share information with the World Bank regarding all allegations of fraud and corruption in connection with the Program, investigate all credible allegations received, report to the World Bank on actions taken, and cooperate in any inquiry that may be conducted by the World Bank into allegations or other indications of fraud and corruption in connection with the Program; and (ii) monitor and abide by the World Bank's list of debarred/suspended firms.

44. **There have been significant enhancements in public fiduciary systems since the original FSA.** Regarding public finance management, there was one major enhancement to the budget law, which now combines the central government and the independent institutions into one single budget law starting in 2023. Previously, there were two budget laws, one covering the central government and another one for public governmental institutions. The 2023 budget law is arranged by sectors: public administration, security and defense, judiciary and religion affairs, financial management and planning, tourism, investment, and industrial development, infrastructure and local development, agriculture and natural resources, health and social development, education and human development, Youth and culture. The enactment of the revised new procurement bylaw No. 8/2022 on January 29, 2022 significantly strengthens the procurement legal and policy framework.

The addendum to the fiduciary assessment in Annex 3 provides more details on the Program fiduciary assessment.

C. Environment and Social

45. **The risks, impacts, activities and benefits of the parent Program outlined in the parent ESSA are all still relevant to the Program under AF and restructuring.** The AF and restructuring will have a number of positive environmental and social effects (benefits) in the areas of government accountability; information sharing and accessibility; citizen engagement; and resilience to climate change and reduction of GHG emissions. The targeted increase in infrastructure investment across sectors will bring significant socioeconomic benefits, but will be accompanied by a range of direct and indirect adverse environmental and social impacts, such as pollution, land acquisition or involuntary relocation, labor risks, etc. Measures to improve the national environmental and social management systems and processes, have accordingly been incorporated into the Program. The Environmental and Social performance of the parent Program is rated Moderately Satisfactory owing to the following reasons: 1) The project management unit does not have the required E&S staffing, including the social and environmental specialists; 2) The program does not have an operational GRM; 3) The World Bank did not receive any E&S reporting. Nonetheless

[8] The PFM cycle has four key stages: (a) planning and budgeting, (b) budget execution, (c) internal controls and internal auditing, and (d) external auditing.

some E&S PAP actions and verifications were completed under the parent. For example, the PPP unit hired an interim E&S consultant to screen projects; the PPP Appraisal Methodology was adopted and informed by good environmental and social practice; a Strategic Environmental and Social Assessment of the Tourism Strategy was prepared, consulted and disclosed; and an independent technical assessment of the government's centralized grievance redress mechanism was completed with recommendations on how to improve it. The targeted 20 percent increase in environmental inspection compared to the 2019 baseline was achieved in the year 2020 but not in 2021. The GRM of the project will also be re-assessed under AF and restructuring since the GRM of the parent Program was deemed inadequate and is being revamped by the GoJ.

46. **There are no waivers of Bank policies to be approved by the MD and/or the Board.**

47. **There are no changes to the risk profile of the operation.** The overall risk remains substantial.

48. **The only change to implementation arrangements and appraisal thereof is the replacement of the Jordan Investment Commission (JIC) by the Ministry of Investment in 2021.** This is reflected in the technical, fiduciary and E&S appraisal.

49. **Corporate requirements**

Gender

50. **The operation operationalizes the government gender agenda further.** The parent Program aimed at strengthening gender budgeting through an Intermediate Result Indicator on Gender Responsive Public Investment Management. Under restructuring, this IRI is upgraded into a PDO-level indicator on Gender responsive public and private investment and supported by 4 revised DLIs (DLI 1, 4, 6 and 10) which are made gender sensitive under AF and restructuring. The Program now disburses against gender related results across Result areas:

- in Result area 1, it disburses against gender sensitive appraisal of capital projects (DLI 1);

- in Result area 2, the parent Program has promoted women participation to the workforce through the adoption of gender sensitive policies linked to the new National Tourism Strategy and Gender and Inclusion Plan, which contains a gender and inclusiveness work package aiming to improve skills development and employment opportunities; and under AF and restructuring, the Program now supports the implementation of the Plan to increase economic opportunities for women. Specifically, under the revised DLI 6, a DLR to facilitate female employment opportunities in tourism; and under the revised DLI 4, a DLR is also added to support incentives to private investors creating jobs for women.

- in Result area 3, the parent operation has also supported the production of gender relevant and disaggregated statistical and administrative data. Under restructuring, the Program incentivizes further the production of gender disaggregated data analytics by pricing such datasets fifty percent more than analytics devoid of such information under DLI 10.

The Program will also support the implementation of the government executive plan for implementing the National Women's Strategy (NWS) 2020-2025 and the Gender and Climate Change Strategy for 2030.

- The NWS aims to ensure that government institutions adopt policies, structures and services that support gender equality and women empowerment, in line with Jordan's international and national commitments. Aligned with the

Economic Modernization Vision 2033, and the public sector reform plan, it details relevant government programs and activities and specifies their costs (for a total amount of JD 280 m) and financing sources. Half of the cost of the implementation of the NWS executive plan is financed by the state budget, 45 percent by donors and other source of funding, which leaves a financing gap of 5 percent, or about JD14 million. One of the four pillars of the NWS Executive Plan aims at gender-responsive budgeting, which the Program supports under its revised DLI 1 on Gender Responsive Public Investment Management.

- The Gender and Climate Change Strategy for 2030 supported by the Program will establish the criteria and provide guidance for the design, implementation and review of future climate and sectoral policies and promote gender inclusive green jobs in Jordan. It will also (i) provide an overview of the policy and institutional contexts for gender-responsive climate action; (ii) provide guidance to integrate gender considerations in climate change policies and strategies in all relevant sectors; (iii) ensure that financing mechanisms on mitigation and adaptation address women needs; and (iv) identify capacity building opportunities to design and implement gender-responsive climate change policies, strategies and programs. In addition, the strategy will inform the process of developing the 2050 Long-term strategy (LTS) in Jordan.

Climate

51. The Program focuses further on the climate agenda and entails more climate co-benefits. It allocates significantly more resources to streamline climate responsive public and private commitments. And it focuses further on the mobilization and tracking of climate finance, including carbon markets. For example, a new DLR has been added to support preparation and issuance of the first sovereign green bond in Jordan, whose proceeds will be earmarked to eligible climate-responsive projects and expenditures. It will build on Green Bond Guidelines whose adoption was supported by the parent Program (under DLR 8.1). Also, the development and implementation of the National Green Taxonomy aimed at under revised DLI 5 will facilitate the mobilization of public and private climate-responsive financing and reduce the risk of ‘greenwashing’. Accordingly, estimated climate co-benefits of AF and restructuring amount to US$ US$ 202.74 million (50.7 percent), against 133.83 million (26.8 percent) for the parent Program.

52. The Program builds on progress made under the parent one in establishing the governance framework for climate finance (i.e., the deployment of the MRV system and capacity building in more than 20 government agencies for its utilization, the operationalization of the MRV system and National GHG Registry, identification and development of the climate investment pipeline and mobilization plan and the development of the strategy needed to support carbon markets under Article 6 of the Paris Agreement). The adoption of those tools and measures by government allows the measurement of the achievement of its NDC commitments by identifying climate responsive capital expenditure, private and non-government financing under the Climate Change bylaw 2019. This also supports climate tagging of eligible budget expenditures which helps inform the climate related PDO-level indicator. The National GHG Registry also facilitates the mobilization of carbon financing flows to sustainable projects. Also the Paris Agreement establishes an enhanced transparency framework (ETF), and, starting in 2024, Jordan will have to report transparently on actions taken and progress in climate change mitigation, adaptation measures and support provided or received, and progress on their NDC goals. This will be done thanks to the MRV system whose operationalization was supported by the parent Program. The establishment of this first-of-its kind climate finance and carbon markets ecosystem in the region supports the issuance of green bonds and provide incentive structures to develop increased climate responsive PPPs in support of the achievement of climate related objectives in the Economic Modernization Vision of the government.

Citizen engagement

53. **The operation supports citizen engagement further.** It introduces new DLRs on social accountability of public investment (under DLI 1 on Improving the quality of public investment) and policy reforms (under DLI 10 on Data and evidence-based policy making) as well as on government responsiveness to citizen feedback (under DLI9 on improvements to service standards). Revised DLI 11 supports the use of e-participation, in compliance with the 2021 Jordanian Policy for Electronic Participation, to help capture stakeholders' feedback in regulatory impact assessments. Revised DLI 9 supports the operationalization of the government centralized GRM, which according to an independent assessment commissioned by the WB needs to be revived and strengthened: the DLR disburses against the increase in the response rate and timeliness to citizen feedback filed online through the whole of government GRM platform. Under Results Area 1, the program has already been successful in institutionalizing public consultation for PPP/PIM projects through the adoption by government of a Project concept template and Appraisal methodology to be used by project sponsors when submitting their capital projects for approval before their being budgeted. In Result Area 3, it has also fostered public consultation for the few regulatory impact assessments completed so far.

Private capital mobilization and enabling

54. **Under AF and restructuring the Program supports further the Maximizing Finance for Development (MFD) approach through Private Capital Mobilization (PCM).** Under DLI 3.3, based on the recommendation of the PPP Unit, the relevant contracting authorities sign contracts for climate responsive Public-Private-Partnership (PPP) projects registered in the National Registry of Investment Projects (NRIP). Expected private investment generated from those PPP projects is US$160m. Thus, a conservative estimate of PCM is US$160 million.

    This operation supports core private capital enabling (PCE) reforms under Result area 2 on private investment through the following targeted results:

    (i) DLI 4 disburses against enhanced investment promotion and investment generation by MOIN, as well as against strengthening MOIN's institutional capacity and tools for more impactful investment promotion. Global evidence shows that a sharper institutional focus on investment promotion is associated with higher FDI flows. Well-organized Investment promotion agencies (IPAs) can help attract more and higher quality FDI. Achievements of DLRs 4.1 – 4.4 (adoption of new Investment promotion strategy; implementing gender-responsive investment incentives scheme; increasing the number of investment decisions and investment started) will grow further the private capital enabling potential.

    (ii) the issuance of the first sovereign green bond in Jordan under DLI 5 will facilitate the expansion of private sector green bond market, as it can become a benchmark for pricing and performance measurement of corporate green bonds. The first corporate green bond was issued in Jordan in March 2023, indicating that market is interested in this instrument. This would be an international issuance, meaning that the GOJ would raise private capital from international investors to support the implementation of GOJ's climate-related investments/expenditures. When it comes to the size of the green bond (amount of $ capital raised from international private investors), it would likely be around US$300-500 million. A conservative estimate is $250 million, which would normally be close to the minimum amount if a country wants its green bonds to be included in international indexes and to provide benchmark for the issuance of commercial green bonds. But the exact amount cannot be predetermined, as it will depend on market conditions and the pipeline of green projects that can absorb the green bond proceeds.

    (iii) DLI 7 supports streamlining of sectoral licensing to reduce the compliance time and costs for businesses. As such, it will contribute to reducing barriers to formalization and to market entry, leading to more private investment enabled.

(iv) DLI 6 also focuses on reform of tourism sector-specific bylaws that will have a positive impact and help increase competition in the sector, ease the entry and streamline regulation, enabling more private investment in tourism sector. In addition, DLR 6.4 supports improvements of tourism sites, which is expected to enhance their revenue and investment generation, including more investment from the private sector.

Global Crisis Response Framework

55. **The Program is consistent with the GCRF as it supports climate responsive expenditure, policies and incentives across its Result areas.** Three DLIs (DLI 1, 5, 6 and 10) disburse against gender equality which falls under Pillar 2 of the GCRF; another three DLIs (DLI 3, 5, 8 and 12) disburse against climate responsive fiscal management, incentives and policies which fall under Pillar 4 of the GCRF.

Table 5: GCRF tagging of the Program.

DLI	GCRF pillar	DLI amount (in million US$)
DLI 1	3 and 4	30.0
DLI 3	4	101.0
DLI 5	3	75.0
DLI 6	3	11.0
DLI 8	4	38.5
DLI 10	3	5.0
DLI 12	4	30.0
Total		**290.5**

V. KEY RISKS

56. **Risks experienced during implementation of the parent operation have confirmed that the initial risk ratings remain valid, and the overall risk remains substantial.** Three risks rated Substantial have materialized under the parent Program and are warranting additional provisions for risk mitigation under Program AF and restructuring.

- The external macroeconomic shock triggered by Russia's invasion of Ukraine has directly impacted the fiscal space for capital spending and the targeted disbursements under DLI 2 against the increase in actual capital expenditure in 2022. This has led to the revision of DLI 2 to help strength fiscal sustainability for capital spending by reducing the gap between domestic revenue and recurrent expenditure.

- A need to strengthen institutional capacity has been identified in order to further mitigate the following experienced weaknesses: a) MOPIC capacity for inter-agency coordination, monitoring and environmental and social safeguards should be strengthened; b) MOF capacity for pro-active management of capital spending and of PPP related FCCLs, as well for issuance of the green bond should be improved; c) the Ministry of Investment should strengthen its capacity for the effective implementation of the new investment promotion strategy, d) MOTA is granted limited resources for tourism site improvements, e) the Ministry of Environment needs to be further capacitated for the management of the climate agenda of the government as this agenda becomes increasingly prominent and demanding, and f) in the Prime Minister's office (PMO) the units in charge of the oversight of service standard improvements as well as for Regulatory Impact Assessments (RIA) need to be both capacitated and their role and mandate should be confirmed under the new structure of the PMO. Also, institutional capacity should be strengthened across the board for the generation of a sound pipeline of capital projects (including PPPs) commensurate to estimated needs for the Economic Modernization Vision.

- The functionality of the whole of government GRM platform, which the parent Program used as the Program GRM, should be restored to improve the rate and timeliness of government response to citizen feedback.

57. **Accordingly, additional risk mitigation measures are introduced to strengthen the effectiveness of the institutional set up, to enhance government responsiveness to citizen feedback and to shelter the operation against fiscal headwinds.**

- To mitigate the risk pertaining to Institutional Capacity for Implementation and Sustainability, one new condition of effectiveness is proposed under Program AF and restructuring (see details in Section on Implementation arrangements) and further technical assistance from the Jordan Multi-Donor Trust Fund (MDTF) which already provides technical assistance to the implementing agencies will be further mobilized to support the achievement of the updated result matrix of the operation: a range of activities are already supporting the implementation of the parent operation but there is an opportunity to align them further to the achievement of targeted results under Additional financing and Restructuring. Since the PMU is also the government counterpart for the management of the MDTF, it is well placed for ensuring that technical assistance (including when provided by donors outside of the MDTF) be targeted to the achievement of the revised Program DLRs. It is expected that MOPIC can also foster better donor coordination across the Result Areas of the Program.

- To mitigate the vulnerability of capital spending to macroeconomic risks, support by the Program to increasing the fiscal space for public investment (under DLI 2 which amounts to 31.5 percent of the parent Program amount) is strengthened by allocating a significant part of the DLI proceeds to two new objectives: 1) domestic revenue mobilization to help bridge the financing gap of capital expenditure; and 2) the rebalancing of the budget spending mix towards capital spending.

- To mitigate social risks further, a new DLR is introduced to incentivize government responsiveness to citizen feedback filed on its whole of government online GRM, and a premium for gender sensitivity is added to three DLRs.

VI. WORLD BANK GRIEVANCE REDRESS

58. ***Grievance Redress.*** Communities and individuals who believe that they are adversely affected as a result of a Bank supported PforR operation, as defined by the applicable policy and procedures, may submit complaints to the existing program grievance mechanism or the Bank's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address pertinent concerns. Project affected communities and individuals may submit their complaint to the Bank's independent Accountability Mechanism (AM). The AM houses the Inspection Panel, which determines whether harm occurred, or could occur, as a result of Bank non-compliance with its policies and procedures, and the Dispute Resolution Service, which provides communities and borrowers with the opportunity to address complaints through dispute resolution. Complaints may be submitted at any time after concerns have been brought directly to the Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the Bank's Grievance Redress Service (GRS), please visit http://www.worldbank.org/GRS. For information on how to submit complaints to the Bank's Accountability Mechanism, please visit https://accountability.worldbank.org.

VII. SUMMARY TABLE OF CHANGES

	Changed	Not Changed
Change in Project's Development Objectives	✓	
Change in Results Framework	✓	
Change in Loan Closing Date(s)	✓	
Change in Program Action Plan	✓	
Change in Implementing Agency		✓
Change in Program Scope		✓
Cancellations Proposed		✓
Reallocation between Disbursement Categories		✓
Change in Disbursements Arrangements		✓
Change in Safeguard Policies Triggered		✓
Change in Legal Covenants		✓
Change in Institutional Arrangements		✓
Change in Technical Method		✓
Change in Fiduciary		✓
Change in Environmental and Social Aspects		✓
Other Change(s)		✓

VIII. DETAILED CHANGE(S)

PROGRAM DEVELOPMENT OBJECTIVE

Current PDO

Improve accountability to foster climate responsive investments and growth, where:

- investment is defined as public and private investment
- climate responsive investments refer to public sector and private sector opportunities in Jordan's NDC and

measured by the MRV System

- accountability rests on a framework of enhanced transparency and feedback loops that inform investment and policy decisions

Proposed New PDO

Improve accountability to foster climate responsive investments and growth.

LOAN CLOSING DATE(S)

Ln/Cr/Tf	Status	Original Closing	Current Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
COFN-C2000	Effective	30-Jun-2026	30-Jun-2026	30-Jun-2028	30-Dec-2028
IBRD-92680	Effective	30-Jun-2026	30-Jun-2026	30-Jun-2028	30-Dec-2028

IX. RESULTS FRAMEWORK AND MONITORING

Results Framework

COUNTRY: Jordan

JORDAN INCLUSIVE, TRANSPARENT AND CLIMATE RESPONSIVE INVESTMENTS PROGRAM FOR RESULTS

Program Development Objective(s)

Improve accountability to foster climate responsive investments and growth.

Project Development Objective Indicators by Objectives/ Outcomes

Indicator Name	DLI	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
Improve accountability to foster investments for economic recovery and achieving climate goals ***(Action: This Objective has been Revised)***								
Increasing the share of capital expenditure in total budget spending (Percentage)		8.90		11.00		12.00		13.00
Action: This indicator has been Revised	***Rationale:*** ***The target pertaining to the rebalancing of the spending mix towards capital spending is increased (from 12 to 13 percent) in alignment with updated fiscal projections until 2027 (under the 5th review of the IMF extended fund facility).***							
Enhancing Green and Climate Responsive Investments Towards	null 5	Monitoring, Reporting & Verification (MRV) system piloted.	Climate Finance Governance System established and					Improved Jordan performance on Climate responsive

Indicator Name	DLI	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
Jordan's Nationally Determined Contributions (NDC) and Paris Agreement goals (Text)		Jordan performance on Climate Responsive Public Investment Management is rated D under its 2022 Climate Responsive Public Financial Management Performance Assessment Framework. No green sovereign bond issued by GoJ. 0% in private sector and non-GOJ expenditure recorded in the MRV system No National Green Taxonomy in place.	operationalized. Jordan rating under the Climate Responsive Public Investment Management indicator upgraded from D to C.					Public Investment Management reflected by its rating B under the relevant indicator of the Climate Responsive Public Financial Management Framework (CRPFM 5). Sovereign green bond in Jordan is issued and National Green Taxonomy is adopted, with the intermediate milestones successfully achieved. Capacity in the green finance area of MOF, MOENV, and other stakeholders is enhanced. At least US$1.25billion cumulative progress recorded in MRV of private and non-GOJ climate finance.
Action: This indicator has been Revised	***Rationale:*** ***The PDO level indicator is scaled up by incorporating private and public green and climate responsive investment (as opposed to only public investment in the parent Program).***							

Indicator Name	DLI	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
Streamline and digitize business registration and licensing, reducing the compliance time and costs for businesses (Text)		$0 savings in compliance costs	$1.4 million total cumulative savings in compliance costs	$2.9 million total cumulative savings in compliance costs	$15.5 million total cumulative savings in compliance costs	$28.3 million total cumulative savings in compliance costs	$41.1 million total cumulative savings in compliance costs	Cumulative savings of $41.1 million (over 5 years) in compliance costs for the private sector as a result of implementing business registration and licensing reforms under the Investor Journey program.
Action: This indicator has been Marked for Deletion	***Rationale:*** ***This PDO-level indicator is dropped because the DLR on integrated and digitalized business registration is also dropped from the program as the policy prerequisites to the full digitalization of business registration will likely not be met.***							
Increasing accessibility and usability of statistical and administrative data (Number)		72.00						80.00
Action: This indicator has been Revised	***Rationale:*** ***The PDO-level indicator refers to the Statistical Performance Index (SPI)which is more comprehensive than the ODIN, used for the parent Program but which does not capture the dimensions of data sources and data infrastructure nor of data use and availability of SDG indicators.***							
Gender responsive investment (Text)		Rating D under performance indicator GRPFM–2.1 of the			Rating C under performance indicator GRPFM–2.1			Rating B under performance indicator GRPFM–2.1 on gender

Indicator Name	DLI	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
		Supplementary Framework for Assessing Gender Responsive Public Financial Management. Zero gender-related investment incentives provided in accordance with Article 13B of the Investment Environment Law and related bylaw.			on gender responsive public investment management of the Supplementary Framework for Assessing Gender Responsive Public Financial Management.			responsive public investment management of the Supplementary Framework for Assessing Gender Responsive Public Financial Management. At least 1,000 female job opportunities created by investments projects that received gender-related investment incentives according to Article 13B of the Investment Environment Law and related bylaw.
Action: This indicator is New	***Rationale:*** ***The new PDO-level indicator is added since under AF and restructuring the Program disburses against gender sensitive appraisal of public funded capital projects and gender sensitive incentives to private investors.*** ***On public investment, it uses the same methodology as the initial gender related IRI and aims at the same target, a rating B (against D as the baseline) under performance indicator GRPFM–2.1 of the Supplementary Framework for Assessing Gender Responsive Public Financial Management. The targeted rating calls for "Economic analyses, conducted in line with national guidelines, to assess most major investment projects include analysis of the impacts on gender and some results are published".*** ***To increase female inclusion in the private sector, a new DLR has been added to support the implementation of the new gender-specific investment incentives scheme under the new Investment Environment Law of 2022. Allocation of public funds through this incentive scheme reflects prioritization of gender inclusion***							

Indicator Name	DLI	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
	as a key policy agenda for the Government in the Economic Modernization Vision.							

Intermediate Results Indicators by Results Areas

Indicator Name	DLI	Baseline	Intermediate Targets							End Target
			1	2	3	4	5	6	7	
Improving accountability & fiscal space for public investment, including national climate goals										
Improving the quality of public investment (Text)		No systematic appraisal of large budgeted capital projects (either PIPs or PPPs).								Full appraisal of large investment projects (PIPs and PPPs), above JOD 10 M, prior to their budgeting.
Action: This indicator has been Revised	***Rationale:*** ***The result indicator captures gender sensitivity of public investment by referring to Jordan rating under the indicator on Gender Responsive Public Investment Management of the Gender Responsive PFM assessment framework.***									
Gender Responsive Public Investment management (Text)		Rating D under performance indicator GRPFM–2.1 of the Supplementary Framework for								Rating B under performance indicator GRPFM–2.1 of the Supplementary Framework for

Indicator Name	DLI	Baseline	Intermediate Targets							End Target
			1	2	3	4	5	6	7	
		Assessing Gender Responsive Public Financial Management.								Assessing Gender Responsive Public Financial Management, i.e. "Economic analyses, conducted in line with national guidelines, to assess most major investment projects include analysis of the impacts on gender" and "results are published" for 25% of new capital projects.
Action: This indicator has been Revised	***Rationale:*** ***The target is extended to the Program closing date.***									
Mainstreaming climate responsive capital expenditure in public investments towards Jordan's NDC goals (Text)		0% verifiable achievement of govt. CAPEX commitment towards NDC goals								25% verifiable achievement of govt. CAPEX commitment towards NDC goal

Indicator Name	DLI	Baseline	Intermediate Targets							End Target
			1	2	3	4	5	6	7	
Improving the business enabling environment and the capacity of key institutions										
Strengthening the Ministry of Investment's institutional focus on investment promotion and related investor services to attract quality investment. (Text)		There is a need to sharpen the focus of investment promotion and investor-servicing mandate and strengthen the systems used for implementation.			Ministry of Investment adopts and publishes the new Investment Promotion Strategy for CY23-26, including investment-specific KPIs. /// MOIN operationalizes an upgraded and integrated CRM.		Number of New Investment Decisions receiving investment facilitation services.	Number of investment projects receiving gender-related investment incentives in accordance with Article 13B of the Investment Environment Law and related bylaw.	Number of New Investment Started receiving investment facilitation services.	Increased investment facilitated, and more new jobs created, including as supported by gender-specific investment incentives.
Action: This indicator has been Revised	***Rationale:*** ***Intermediate results indicators are adjusted to reflect changes in DLI4: adding a new DLR on new investment started and reflecting updated formulations of existing DLRs.***									
Enhancing mobilization of green finance to generate climate-responsive investment (Text)		To address the existing climate financing gap, Jordan needs to further expand green finance markets and unlock additional				MOF operationalizes a working group for green bond preparation and issuance, and incorporates green bond into	MOF adopts the list of eligible expenditures/investments for the green bond proceeds, and implements the investor	MOF adopts the Sovereign green financing framework and receives independent external review for Sovereign		Increased climate finance mobilization through the issuance of sovereign green bond; climate finance

Indicator Name	DLI	Baseline	Intermediate Targets							End Target
			1	2	3	4	5	6	7	
		sources climate-responsive finance.				the Debt management strategy.	relations function /// Public consultation for a draft National Green Taxonomy is launched.	green financing framework.		ecosystem facilitated by the adoption of the National Green Taxonomy; and enhanced capacity in the green finance area of MOF, MOENV, and other stakeholders.
Action: This indicator has been Revised	***Rationale:*** ***Intermediate results indicators are added to reflect the addition of a new DLI5.***									
Strengthening the strategic direction and enhancing the regulatory environment of the tourism sector to foster high-quality private and public investment (Text)		Tourism potential is held back by a fragmented approach to sector development, regulatory constraints affecting private sector, underperforming public assets, which are being exacerbated by the COVID-19	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		One (1) Bylaw revised to streamline and improve the tourism private sector enabling environment (indicatively: the Travel Agents and Tour Operators Bylaw No.114).	Two (2) Bylaws revised to streamline and improve the tourism private sector enabling environment (indicative list include: the Hotels and Tourist Establishments By-law; the Restaurants Association By-	Number of women beneficiaries successfully completed MOTA's upskilling programs.	Number of tourists tracked through the management information system.	Number of new spaces allocated in tourism sites to be occupied by cooperatives with 50% or more female participation.	The tourism sector strategic direction has been strengthened and regulatory environment enhanced; improvements in tourism sites leading to more tourists and higher tourist satisfaction; enhanced

Indicator Name	DLI	Baseline	Intermediate Targets							End Target
			1	2	3	4	5	6	7	
		impacts				law; the Tour Guide Services By-law).				opportunities for training and employment for women in the tourism sector (approximately 800 beneficiaries expected).
Action: This indicator has been Revised	***Rationale:*** ***Intermediate result indicators adjusted to reflect changes in DLI 6 (adding new DLR on implementing gender-specific measures in tourism sector; adjusting DLR on site improvements).***									
Streamlining sectoral licensing to reduce the compliance time and costs for businesses (Text)		Licensing regime entails significant costs, which creates barriers to formalization and to market entry, and undermines private investment.			Indicative target: 3 sectoral licenses streamlined.	Indicative target: 4 sectoral licenses streamlined.	Indicative target: 4 sectoral licenses streamlined.	Indicative target: 5 sectoral licenses streamlined.	Indicative target: 4 sectoral licenses streamlined.	The compliance costs for businesses have been significantly reduced by streamlining 20 sectoral licenses.
Action: This indicator has been Revised	***Rationale:*** ***Intermediate result indicators have been adjusted to align with changes in DLI7: dropping the DLR on business registration, and adjusting the DLR on licensing.***									
Identifying private and non-government financing towards		0% verifiable progress in mobilizing private								25% verifiable progress reported towards private

Indicator Name	DLI	Baseline	Intermediate Targets							End Target
			1	2	3	4	5	6	7	
Jordan's NDC 2030 goals (Text)		sector climate investment towards the NDC goals								and non-government financing mobilized towards NDC goals.
Action: This indicator has been Revised	***Rationale:*** ***Aligned with revised DLI 8 and Program timeline.***									
Generating evidence and data for policy making, implementation and stakeholder dialogue										
Improving access, quality and continuity of business and infrastructure services in response to social demand. (Percentage)		0.00	5.00	15.00						30.00
Action: This indicator has been Revised	***Rationale:*** ***The deadline for targeted improvement to service standards is extended until Program closing date under AF & restructuring.***									
Strengthening Good Regulatory Practices for evidence-based and predictable rulemaking (Number of ex ante and ex post impact assessments). (Number)		0.00	0.00	0.00	13.00	14.00				27.00

Indicator Name	DLI	Baseline	Intermediate Targets							End Target
			1	2	3	4	5	6	7	
Action: This indicator has been Revised										

Monitoring & Evaluation Plan: PDO Indicators					
Indicator Name	**Definition/Description**	**Frequency**	**Datasource**	**Methodology for Data Collection**	**Responsibility for Data Collection**
Increasing the share of capital expenditure in total budget spending	Actual capital expenditure as a percentage of total expenditure at the end of the fiscal year in Jordan.	Annual	Audited financial statements issued by the Ministry of Finance.	Verification of the ratio of actual capital expenditure to total spending in audited financial statements for years 2023, 2025 and 2027.	MoF.
Enhancing Green and Climate Responsive Investments Towards Jordan's Nationally Determined Contributions (NDC) and Paris Agreement goals	The indicator measures 2 dimensions: green and climate responsive public and private investment. a) For public investment, it uses the indicator of the Climate Responsive Public Financial Management framework on climate	At mid-term and closure of the Program.	Ministry of Environment & Ministry of Finance	Use of the Climate Responsive PFM framework to assess climate responsive public investment management. Verification of issuance of green sovereign bond and adoption of the	Ministry of Environment & Ministry of Finance

	responsive public investment management (CRPFM 5) which captures four dimensions/sub-indicators: CRPFM–5.1 Climate related provisions in regulatory framework for public investment management CRPFM–5.2 Climate related project selection CRPFM–5.3 Climate related provisions for project appraisal CRPFM–5.4 Reporting from entities in charge of implementation The overall rating is an average of the rating under each sub-indicator. Jordan is rated D under all sub-indicators in 2022. b) For private investment, it targets: 1) the issuance of a sovereign green bond by the GoJ;			National Green Taxonomy.	

	2) the adoption of a National Green Taxonomy; and 3) tracking of the increase in verifiable reporting of private and non-government financing towards NDC goals.				
Streamline and digitize business registration and licensing, reducing the compliance time and costs for businesses		Annual	IBRS, Small sample business survey, used to support estim ates based on IFC standard cost model	Savings of costs for businesses calculated following the IFC standard cost model. Under this model, the estimates are derived using real data on business registration and licensing costs in Jordan. The baseline survey for business registration was conducted in 2019 (more than 100 firms surveyed), while for licensing in 2018 (more than 100 firms surveyed). The costs considered include official fees and other	MoITS

				costs (e.g., hiring lawyers, accountants, consultants, travel costs, and other items that are necessary to complete official procedures), as well as the time spent by firms' staff to process the required business registration / licensing steps. Where there are data gaps for specific licenses that will be eliminated/ streamlined in the PforR, the target is based on conservative assumptions and it will be important to apply consistent methodology and also collect further data during implementation to give a more accurate picture. In the Program M&E framework, the compliance costs saved by the private sector as a result of business registration and	

				licensing reforms are presented on a cumulative basis. For example, if license has been abolished, all the companies that previously had to renew the license annually, now save the respective costs on an annual basis as well, throughout the program and beyond.	
Increasing accessibility and usability of statistical and administrative data		Annual	World Bank Statistical Performance Index (SPI)	Jordan rating under the Statistical Performance Index (SPI)	Department of Statistics
Gender responsive investment		Every two years.	MOF, MOIN.	On Climate responsive public investment management, the methodology is the measurement method of performance indicator GRPFM–2.1 on gender responsive public investment management under the Supplementary	MOF, MOIN.

				Framework for Assessing Gender Responsive Public Financial Management. MOIN documentation showing the total number of investment projects that received gender-related investment incentives, in compliance with provisions of the bylaw, based on supporting evidence provided by the investor as part of the application process.	

Monitoring & Evaluation Plan: Intermediate Results Indicators					
Indicator Name	**Definition/Description**	**Frequency**	**Datasource**	**Methodology for Data Collection**	**Responsibility for Data Collection**
Improving the quality of public investment	The indicator will measure the percentage of large capital projects financed by the government budget appraised in compliance	Annual	Project appraisal reports as disclosed by PIM and PPP	Confirmed list of completed project appraisal reports	PIM and PPP units

	with the government 2022 Project Appraisal Guidance, as well as the proportion of project appraisal which identify gender disaggregated impact and options to maximize benefits for women.		units on the National Registry of Investment Projects.		
Gender Responsive Public Investment management		Once	National Registry of Investment Projects (NRIP).	Proportion of large projects appraised, in accordance to the appraisal methodology issued by MOPIC, as recorded by the PIM unit in the National Registry of Investment Projects.	MOPIC (PIM Unit).
Mainstreaming climate responsive capital expenditure in public investments towards Jordan’s NDC goals		Annual	MRV and Registry ststem	Climate Directorate, MoEnv will work with PIM Unit at MOPIC and relevant line ministries to ensure data is captured in the MRV system	MoEnv and MOPIC
Strengthening the Ministry of Investment’s institutional focus on investment promotion and related investor services to attract quality		Annual	MOIN CRM system, MOIN website , supporting	The Investment Promotion Strategy published on MOIN website.	MOIN

investment.			evidence from investors.	For gender-related investment incentives, approval by the Council of Ministers based on the recommendation from the Incentives and Exemptions Committee, of the investment project for gender-related incentives in compliance with provisions of the bylaw based on supporting evidence provided by the investor as part of the application process. MOIN CRM report.	
Enhancing mobilization of green finance to generate climate-responsive investment	Operationalization of a working group for green bond preparation and issuance as described in the verification protocol for DLR 5.2. Public consultation for draft National Green Taxonomy is launched as	Annual	MOENV, MOF, CBJ	Verification through MOF documentation that the preparatory milestones toward issuing sovereign green bond were achieved. Draft National Green Taxonomy published for consultation on MOENV/CBJ website.	MOENV, MOF.

	described in the verification protocol for DLR 5.1. MOF adopts the Sovereign green financing framework and receives independent external review for Sovereign green financing framework. MOF adopts the list of eligible expenditures/investments for the green bond proceeds and implements the investor relations function. MOF incorporates green bond into the Debt management strategy.			Sovereign Green Financing Framework is published on MOF website. Report from the independent external review agency showing the evaluation of the Sovereign Green Financing Framework. Updated Debt management strategy is published on MOF website and includes green bond as a potential financing instrument. The list and description of eligible expenditures/investments for the green bond proceeds is published on MOF website. MOF documentation with evidence on the investor relations function implemented and working group operationalized.	

Strengthening the strategic direction and enhancing the regulatory environment of the tourism sector to foster high-quality private and public investment		Annual	MoTA website , Official Gazette, mana gement information system, documentatio n from upskilling programs, documentatio n on additional spa ces opened for cooperatives in tourism sites.	National Tourism Strategy, and Gender and Inclusion Project Plan, are adopted and published on MoTA website; Necessary legislative amendments have been enacted and published on the Official Gazette; The data on number of tourists generated using the management information system is published on MoTA website. MOTA documentation showing (i) the gender distribution of upskilling program participants and number of beneficiaries successfully completed upskilling programs; and (ii) gender distribution and total number of new cooperatives in tourism	MoTA

				sites.	
Streamlining sectoral licensing to reduce the compliance time and costs for businesses	20 sectoral licenses streamlined.	Annual	Official Gazette and business survey.	Business survey (e.g., sample of 5-10) to ensure that the licensing reform has been implemented for each license.	MoITS
Identifying private and non-government financing towards Jordan’s NDC 2030 goals	DLR 8.4 will record cumulative progress in the MRV system, between January 2016 and December 2026, of private and non-GOJ financing (as defined in the climate responsive definition and eligibility criteria/green taxonomy). The final result is demonstration of at least US$1.25billion cumulative, during 2016-26: At least cumulative US$250million recorded by end of CY24; at least cumulative US$750million recorded by end of CY25 and; at least cumulative US$1.25 billion recorded by end of CY26.	Annual	Aggregate reports issued by MoEnv	Verified list of projects and associated climate financing in MRV system and Registry	Ministry of Environment

Improving access, quality and continuity of business and infrastructure services in response to social demand.	Similar to DLR 9.2	Annualy	The National Registry of Government Services which provides information on service standards. It reflects user feedback on access, quality and continuity of services.	Progress in service standards will be measured using an indicator documented in service cards (in accordance with the template appended to the 2019 Manual on the Development of Service Criteria and Indicators) which will be detailed in the Program Operational Manual and reported on by selected government entities on the registry. The indicator will be process, output and outcome oriented, and based on user feedback disaggregated by gender. List of selected government entities: Ministry of Industry and Trade, Companies Control Department, Jordan Investment Commission, Jordan Securities Commission,	Office of the Prime Minister.

				Aqaba Special Economic Zone Authority, Department of Lands and Survey, Greater Amman Municipality, Jordan Customs, Income and Sales Tax Department, Ministry of Public Works and Housing, Government Tenders Department, Housing and Urban Development Corporation, Ministry of Water and Irrigation, Water Authority of Jordan, Jordan Valley Authority, Ministry of Energy and Mineral Resources, Ministry of Transport, Transport Regulatory Commission, Ministry of Tourism and Antiquities, Government Procurement Department.	

Strengthening Good Regulatory Practices for evidence-based and predictable rulemaking (Number of ex ante and ex post impact assessments).		Annual	Website of Legislation and Opinion Bureau/Office of the Prime Minister (Institutional Development Unit) or to-be-established designated web-portal for online public consultation	Confirmed list of published assessment and evaluation reports.	LOB/ Office of the Prime Minister (Institutional Development Unit)

Disbursement Linked Indicators Matrix

DLI 1	Improving preparation and implementation of public investment			
Type of DLI	**Scalability**	**Unit of Measure**	**Total Allocated Amount (USD)**	**As % of Total Financing Amount**
Output	Yes	Text	37,500,000.00	7.5
Period	**Value**		**Allocated Amount (USD)**	**Formula**
Baseline	No systematic appraisal or review process for large public investment projects			

Prior Results	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.	2,000,000.00	Pass/Fail. Time bound, i.e. by end of CY21. The DLR will disburse USD 1 M for the entering into force of the 2021 law number 13.
year 1	DLR 1.3: The PIM Unit within MOPIC completes a review of the pipeline of budgeted capital projects, informed by stakeholder consultations, and submits recommendations for efficiency gains to the inter-ministerial committee on government investment projects for approval.	1,500,000.00	Pass/Fail. Time bound, i.e. by end of CY22.
year 2	NA	0.00	NA
year 3	NA	0.00	NA
year 4	DLR1.4: The Ministry of Finance adopts and discloses a Medium-Term Fiscal Framework (MTFF) to be appended to the appropriation bill and submitted to Parliament for approval, in compliance with the 2021 Law on Regulating the	4,000,000.00	Pass/Fail. The MTFF is to be updated every year, starting from year 2021..

	General Budget and Budgets of Government Units.		
Year 5	DLR 1.5: PIM Unit, in consultation with the General Budget Department, validates the total cost of completion of appraisal reports for projects with size exceeding JD 10,000,000 per project as consistent with regulatory requirements.	30,000,000.00	Scalable. DLR1.5. finances 50% of total cost of completion of appraisal reports of large projects on average. Not time bound.
year 6		0.00	
year 7		0.00	
Action: This DLI has been Revised. See below.			

DLI 1	***Improving preparation and implementation of public investment***			
Type of DLI	***Scalability***	***Unit of Measure***	***Total Allocated Amount (USD)***	***As % of Total Financing Amount***
Output	*Yes*	*Text*	*79,500,000.00*	*8.8*
Period	***Value***		***Allocated Amount (USD)***	***Formula***
Baseline	*No systematic appraisal or review process for large public investment projects*			
Prior Results	*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*		*2,000,000.00*	*Pass/fail. Time bound, i.e. by end of CY21.*

	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.		
year 1	*DLR 1.3: The PIM Unit within MOPIC completes a review of the pipeline of budgeted capital projects, informed by stakeholder consultations, and submits recommendations for efficiency gains to the inter-ministerial committee on government investment projects for approval.*	*1,500,000.00*	*Pass/Fail. Time bound, i.e. until end of CY 24.*
year 2	*DLR 1.4: The Ministry of Finance adopts a Medium-Term Fiscal Framework (MTFF) and appends its summary to the appropriation bill submitted to Parliament for approval and publicly disclosed, in compliance with the 2021 Law on Regulating the General Budget and Budgets of Government Units.*	*5,000,000.00*	*Pass/fail.*
year 3	*DLR 1.5: PIM Unit, on the basis of budget execution data provided by MOF, validates the total cost of completion of appraisal reports for projects with size exceeding JD 10,000,000 per project as consistent with regulatory requirements.*	*5,000,000.00*	*Scalable*

year 4		*0.00*	
Year 5	*DLR 1.6: Use of green procurement/environmental criteria (including lifecycle costing) for procurement of goods and works.*	*26,000,000.00*	*Scalable*
year 6	*DLR 1.7: Prioritization of strategic investments in budget execution, in support of the implementation of the Economic Modernization Vision.*	*40,000,000.00*	*Scalable*
year 7		*0.00*	

Rationale:
In order to strengthen the quality of project preparation and implementation, three new dimensions are captured by the Program: gender sensitivity of project appraisal (through their pricing) in DLR 1.5, green procurement (through added new DLR 1.6) and strategic planning (through added new DLR 1.7).
Also, the targeted result on the tabling of the Medium Term Fiscal Framework (DLR 1.4) is strengthened by specifying that it should include a fiscal risk statement covering in particular PPP-related fiscal risks.

DLI 2	Increasing the fiscal space for public investment			
Type of DLI	**Scalability**	**Unit of Measure**	**Total Allocated Amount (USD)**	**As % of Total Financing Amount**
Output	Yes	Text	168,750,000.00	33.7
Period	**Value**		**Allocated Amount (USD)**	**Formula**

Baseline	Actual capital expenditure in 2020 (sub-categories "Use of goods and services" and "Non financial assets": USD 641,043,723.		
Prior Results	NA	0.00	NA
year 1	NA	0.00	NA
year 2	NA	0.00	NA
year 3	NA	0.00	NA
year 4	NA	0.00	NA
Year 5	DLR 2.1: Increase in the GoJ's actual capital expenditures in (a) goods and services, and (b) non-financial assets.	168,750,000.00	Scalable. DLR 2.1. disburses in proportion of increase in capex over 5 years in the limit of USD 500 M increase.
year 6		0.00	
year 7		0.00	
Action: This DLI has been Revised. See below.			

DLI 2	*Increasing the fiscal space for public investment*			
Type of DLI	***Scalability***	***Unit of Measure***	***Total Allocated Amount (USD)***	***As % of Total Financing Amount***
Output	*Yes*	*Text*	*281,750,000.00*	*31.3*
Period	***Value***		***Allocated Amount (USD)***	***Formula***
Baseline	*Actual capital expenditure in 2020 under the only two sub-categories of "Use of goods and services" (budget code 22) and "Non financial assets" (budget code 31) after discounting of non eligible projects under article 10 of the PforR policy.*			
Prior Results	*NA*		*0.00*	*NA*
year 1	*DLR 2.1: Increase in the GoJ's actual capital expenditures in (a) goods and services, and (b) non-financial assets (budget codes 22 & 31).*		*82,500,000.00*	*Scalable*
year 2	*NA*		*0.00*	*NA*
year 3	*NA*		*0.00*	*NA*
year 4	*NA*		*0.00*	*NA*
Year 5	*DLR 2.2.: Domestic Revenue Mobilization*		*50,000,000.00*	*Scalable*
year 6	*DLR 2.3: Increasing the share of capital expenditure in total budget spending.*		*149,250,000.00*	*Scalable.*

year 7		*0.00*	

Rationale:
The DLI is strengthened by capturing three parameters of the fiscal space for capital spending: 1) domestic revenue mobilization; and 2) the rebalancing of the spending mix towards capital spending. Initially, the DLI only disbursed against an increase in capital expenditure.

DLI 3	Mainstreaming climate responsive public investments towards Jordan's NDC 2030 goals			
Type of DLI	**Scalability**	**Unit of Measure**	**Total Allocated Amount (USD)**	**As % of Total Financing Amount**
Intermediate Outcome	Yes	Text	62,500,000.00	12.5

Period	**Value**	**Allocated Amount (USD)**	**Formula**
Baseline	0% verifiable progress in government capital expenditure towards NDC goals		
Prior Results	NA	0.00	NA
year 1	DLR 3.1: 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 and the Paris Agreement of 2015 DLR 3.2: MOEnv demonstrates achievement of a cumulative increase in government capital expenditures in 2022-2025 budget towards NDC goals using the eligibility criteria for climate responsive projects published under DLR 3.1.	14,500,000.00	$3,500,000 by end of CY21 for DLR 3.1. $11,000,000 for achievement of 5% inc. in verifiable govt. CAPEX in CY22 under DLR3.2

year 2	DLR 3.2: MOEnv demonstrates achievement of a cumulative increase in government capital expenditures in 2022-2025 budget towards NDC goals using the eligibility criteria for climate responsive projects published under DLR 3.1.	11,000,000.00	$11,000,000 for the cumulative achievement of 10% increase in verifiable government capital expenditures towards NDC goals in CY23
year 3	DLR 3.2: MOEnv demonstrates achievement of a cumulative increase in government capital expenditures in 2022-2025 budget towards NDC goals using the eligibility criteria for climate responsive projects published under DLR 3.1.	11,000,000.00	$11,000,000 for the cumulative achievement of 20% increase in verifiable government capital expenditures towards NDC goals in CY24
year 4	DLR 3.3: Based on the recommendation of the PPP unit at the PMO, the relevant contracting authorities sign contracts for three climate responsive Public-Private-Partnership (PPP) projects registered in the National Registry of Investment Projects (NRIP)	15,000,000.00	$5,000,000 per each NRIP-registered PPP for which procurement contract has been signed, up to the maximum of $15,000,000
Year 5	DLR 3.2: MOEnv demonstrates achievement of a cumulative increase in government capital expenditures in 2022-2025 budget towards NDC goals using the eligibility criteria for climate responsive projects published under DLR 3.1.	11,000,000.00	$11,000,000 for the cumulative achievement of 25% increase in verifiable government capital expenditures towards NDC goals in CY25.
year 6		0.00	
year 7		0.00	
Action: This DLI has been Revised. See below.			

DLI 3	*Mainstreaming climate responsive public investments towards Jordan's NDC 2030 goals*			
Type of DLI	***Scalability***	***Unit of Measure***	***Total Allocated Amount (USD)***	***As % of Total Financing Amount***
Intermediate Outcome	*Yes*	*Text*	*163,500,000.00*	*18.2*
Period	***Value***		***Allocated Amount (USD)***	***Formula***
Baseline	*0% verifiable progress in government capital expenditure towards NDC goals*			
Prior Results	*N/A*		*0.00*	*N/A*
year 1	*DLR 3.1: 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 and the Paris Agreement of 2015*		*3,500,000.00*	*Pass/fail*
year 2	*N/A*		*0.00*	*N/A*
year 3	*DLR 3.2: MoEnv demonstrates achievement of the government of Jordan climate commitments towards unconditional target of its NDC using the eligibility criteria for climate responsive projects adopted and published under DLR 3.1.*		*5,000,000.00*	*Pass/fail. Disburses against completion of MRV system to capture adaptation.*
year 4			*0.00*	
Year 5	*DLR 3.2: MoEnv demonstrates achievement of the government of Jordan climate commitments*		*20,000,000.00*	*Scalable. $5 M per year towards the complete MRV of adaptation projects*

	towards unconditional target of its NDC using the eligibility criteria for climate responsive projects adopted and published under DLR 3.1.		*in the MRV system during CY25-28*
year 6	*DLR 3.2: MoEnv demonstrates achievement of the government of Jordan climate commitments towards unconditional target of its NDC using the eligibility criteria for climate responsive projects adopted and published under DLR 3.1.*	*115,000,000.00*	*$15per tCO2 reductions from the government supported mitigation projects, with a cumulative emission reduction of up to 7.67 M tCO2*
year 7	*DLR 3.3: Based on the recommendation of the PPP unit at the Ministry of Investment, the relevant contracting authorities sign contracts for two climate responsive Public-Private-Partnership (PPP) projects registered in the National Registry of Investment Projects (NRIP).*	*20,000,000.00*	*Scalable*

Rationale:
The DLI allocation is significantly increased and it is refocused on emission reductions unconditionally committed to by the GOJ under the NDC updated in 2021, as well as on adaption. The allocation to climate responsive PPP is reduced to adjust to the pipeline of eligible projects.

DLI 4	Strengthening JIC's institutional focus on investment promotion and related investor services to attract quality investment			
Type of DLI	**Scalability**	**Unit of Measure**	**Total Allocated Amount (USD)**	**As % of Total Financing Amount**
Outcome	Yes	Text	23,000,000.00	4.6
Period	**Value**		**Allocated Amount (USD)**	**Formula**
Baseline	The investment policy, regulatory and promotion framework suffers from certain weaknesses and			

	gaps, including the need to sharpen the focus of JIC's investment promotion and investor-servicing mandate and strengthen the systems used for implementation		
Prior Results	NA	0.00	NA
year 1	DLR 4.1: To implement the new investment framework: (a) the Council of Ministers adopts a bylaw addressing the investment window under the new Investment Law to be enacted; and (b) JIC adopts and publishes the Investment Promotion Strategy for CY21-24, including investment-specific KPIs	5,000,000.00	DLR 4.1: Pass / fail ($5mn). By CY22.
year 2	DLR 4.2: JIC publishes on its public website, on an annual basis, achievement levels for selected KPIs contained in the Investment Promotion Strategy for CY21-24 which address targeted investment promotion activities, operationalizing the monitoring and evaluation (M&E) framework, and customer relationship management (CRM) system	4,000,000.00	DLR 4.2: Pass/fail ($4mn). By closing date.
year 3	N/A	0.00	N/A
year 4	N/A	0.00	N/A
Year 5	DLR 4.3: New investment decisions announced to locate in Jordan per year, based on a published JIC annual report containing	14,000,000.00	Annual payment of $2mn for maintaining baseline of 252; additional $2mn for 5% increase; and

	information about investments facilitated		$2mn for 10% increase above baseline.
year 6		0.00	
year 7		0.00	
Action: This DLI has been Revised. See below.			

DLI 4	*Strengthening the Ministry of Investment's institutional focus on investment promotion and related investor services to attract quality investment.*			
Type of DLI	***Scalability***	***Unit of Measure***	***Total Allocated Amount (USD)***	***As % of Total Financing Amount***
Outcome	*Yes*	*Text*	*40,000,000.00*	*4.4*
Period	***Value***		***Allocated Amount (USD)***	***Formula***
Baseline	*There is a need to sharpen the focus of investment promotion and investor-servicing mandate and strengthen the systems used for implementation.*			
Prior Results	*NA*		*0.00*	*NA*
year 1	*N/A*		*0.00*	*N/A*
year 2			*0.00*	
year 3	*DLR 4.1: Ministry of Investment adopts and publishes the new Investment Promotion Strategy for CY23-26, including investment-*		*5,000,000.00*	*Pass/fail by Program closing date.*

	specific KPIs.		
year 4	*DLR 4.2: Investment incentives supporting gender inclusion provided in accordance with the Investment Environment Law of 2022.*	*11,000,000.00*	*Scalable.*
Year 5	*DLR 4.3: New Investment Decisions receiving investment facilitation services.*	*10,000,000.00*	*Scalable.*
year 6	*N/A*	*0.00*	*N/A*
year 7	*DLR 4.4: New Investment Started receiving investment facilitation services.*	*14,000,000.00*	*Scalable.*

Rationale:
DLI 4 supports the GOJ efforts to increase investment, including those supporting female employment opportunities. Accordingly, a new DLR on gender-related investment incentives has been added. A new DLR was also added to reflect initiatives to strengthen investment facilitation services and the monitoring of investment.

DLI 5	Implementing new policies for investment incentives based on objective criteria, including value for money, to attract quality investment and achieve national investment objectives			
Type of DLI	**Scalability**	**Unit of Measure**	**Total Allocated Amount (USD)**	**As % of Total Financing Amount**
Intermediate Outcome	Yes	Text	14,000,000.00	2.8
Period	**Value**		**Allocated Amount (USD)**	**Formula**
Baseline	Non-fiscal investment incentives have been budgeted to better target investor attraction efforts following the streamlining of tax and customs exemptions. However, to progress to an			

	effective implementation and foster the attraction of quality investments, the regulations should specify clear policy objectives for the incentives they authorize; stipulate how investors may qualify for incentives based on pre-defined, transparent non-discriminatory and SMART eligibility criteria.		
Prior Results	NA	0.00	NA
year 1	DLR 5.1: To implement the new investment incentives policy: (a) the Council of Ministers approves a bylaw on non-fiscal investment incentives; and (b) JIC establishes institutional arrangements for (i) granting of incentives and (ii) subsequent compliance monitoring with the conditions on which incentives were granted, including separate staffing and separate reporting / management lines	8,000,000.00	DLR 5.1: Pass / fail ($8mn). By CY22.
year 2	N/A	0.00	N/A
year 3	N/A	0.00	N/A
year 4	N/A	0.00	N/A
Year 5	DLR 5.2: JIC publishes an annual report on the implementation of the Bylaw enacted under DLR 5.1(a), including the number of investment incentives approved and disclosing how each	6,000,000.00	DLR 5.2: Starting in CY23, annual payment of $2mn for each report produced and published. By closing date.

	investment met the eligibility criteria for the investment incentives			
year 6			0.00	
year 7			0.00	
Action: This DLI has been Revised. See below.				

DLI 5	*Enhancing mobilization of green finance to generate climate-responsive investment*			
Type of DLI	***Scalability***	***Unit of Measure***	***Total Allocated Amount (USD)***	***As % of Total Financing Amount***
Intermediate Outcome	*Yes*	*Text*	*85,000,000.00*	*9.4*
Period	***Value***		***Allocated Amount (USD)***	***Formula***
Baseline	*To address the existing climate financing gap, Jordan needs to further expand green finance markets and unlock additional sources climate-responsive finance.*			
Prior Results			*0.00*	
year 1			*0.00*	
year 2			*0.00*	
year 3			*0.00*	
year 4			*0.00*	

Year 5	*DLR 5.1: Adoption of the National Green Taxonomy.*	*10,000,000.00*	*Pass/fail. By program closing date.*
year 6	*DLR 5.2: MOF prepares and issues sovereign green bond.*	*75,000,000.00*	*Pass/fail. By program closing date.*
year 7		*0.00*	

Rationale:
This DLI supports the GoJ in enhancing climate finance mobilization and climate-responsive investments. New DLRs are added to support MOF in issuing the first sovereign green bond in Jordan, and to support MOENV and other stakeholders in adopting a National Green Taxonomy.

DLI 6	Strengthening the strategic direction and enhancing the regulatory environment of the tourism sector to foster high-quality private and public investment			
Type of DLI	**Scalability**	**Unit of Measure**	**Total Allocated Amount (USD)**	**As % of Total Financing Amount**
Intermediate Outcome	Yes	Text	44,500,000.00	8.9
Period	**Value**		**Allocated Amount (USD)**	**Formula**
Baseline	Tourism potential is held back by a fragmented approach to sector development, regulatory constraints affecting private sector, underperforming public assets, which are being exacerbated by the COVID-19 impacts			
Prior Results	NA		0.00	NA
year 1	DLR 6.1: Ministry of Tourism and Antiquities (MoTA) adopts and publishes a National Tourism Strategy, and Gender and Inclusion Project Plan,		6,000,000.00	DLR 6.1: Pass / fail ($6mn). By CY21.

	both developed in consultation with sector associations		
year 2	DLR 6.2: MoTA revises and adopts three (3) bylaws identified in the Verification Protocol, including the Travel Agents and Tour Operators Bylaw No. 114, to streamline and improve the tourism private sector enabling environment	12,000,000.00	DLR 6.2:$4mn per bylaw. By closing date.
year 3	DLR 6.3: MoTA strengthens its strategic and operational planning activities by operating a new comprehensive management information system, which includes data on tourism establishments, sites, projects, visitors and income	6,000,000.00	DLR 6.3: Pass / fail ($6mn). By closing date.
year 4	N/A	0.00	N/A
Year 5	DLR 6.4: MoTA increases expenditures going to tourism sites that have adopted an improved management plan, which includes protection of environment and restoration of cultural heritage sites	20,500,000.00	DLR 6.4: Formula:Disbursement= [Annual expenditure on selected sites] times 2. Up to a maximum of $8mn per year starting in CY22.
year 6		0.00	
year 7		0.00	
Action: This DLI has been Revised. See below.			

DLI 6	*Strengthening the strategic direction and enhancing the regulatory environment of the tourism sector to foster high-quality private and public investment*			
Type of DLI	***Scalability***	***Unit of Measure***	***Total Allocated Amount (USD)***	***As % of Total Financing Amount***
Intermediate Outcome	*Yes*	*Text*	*61,000,000.00*	*6.8*
Period	***Value***		***Allocated Amount (USD)***	***Formula***
Baseline	*Tourism potential is held back by a fragmented approach to sector development, regulatory constraints affecting private sector, and underperforming public assets.*			
Prior Results	*NA*		*0.00*	*NA*
year 1	*DLR 6.1: 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*		*6,000,000.00*	*Pass / fail by CY21.*
year 2	*DLR 6.2: MoTA adopts three (3) bylaws identified in the Verification Protocol, including the Travel Agents and Tour Operators Bylaw No. 114, to streamline and improve the tourism private sector enabling environment.*		*12,000,000.00*	*Scalable.*
year 3	*DLR 6.3: MoTA strengthens its strategic and operational planning activities by operating a new comprehensive management information system, which includes data on tourism*		*6,000,000.00*	*Pass/fail by closing date.*

	establishments, sites, projects, visitors and income.		
year 4		*0.00*	
Year 5		*0.00*	
year 6	*DLR 6.4: MOTA develops and implements Site Management Plans in tourism sites.*	*26,000,000.00*	*Scalable.*
year 7	*DLR 6.5: MOTA implements gender-responsive measures to facilitate job opportunities for women in the tourism sector, aligned with MOTA's Gender and Inclusion Project Plan.*	*11,000,000.00*	*Scalable.*

Rationale:
Scaled up support to site improvement through revision of the DLR by enhancing emphasis on development and implementation of tourism site management plans, and a new DLR on the implementation of gender-specific measures in tourism sector has been added.

DLI 7	Implementing the Investor Journey program to streamline and digitize business registration and licensing, reducing the compliance time and costs for businesses			
Type of DLI	**Scalability**	**Unit of Measure**	**Total Allocated Amount (USD)**	**As % of Total Financing Amount**
Intermediate Outcome	Yes	Text	38,500,000.00	7.7
Period	**Value**		**Allocated Amount (USD)**	**Formula**
Baseline	Business registration processes and licensing regime entails significant costs, which creates barriers to formalization and to market entry, and undermines private investment			

Prior Results	N/A	0.00	N/A
year 1	N/A	0.00	N/A
year 2	N/A	0.00	N/A
year 3	DLR 7.1: Registration of 100 percent of new businesses is fully integrated, digital, paperless and contactless using the Integrated Business Registry System (“IBRS”)	8,500,000.00	DLR 7.1: Pass / fail ($8.5mn). By closing date.
year 4	N/A	0.00	N/A
Year 5	DLR 7.2: MoITS reduces compliance time and costs for businesses by (a) abolishing 16 licenses; (b) simplifying 5 licenses; and (c) digitizing 3 licenses through IBRS	30,000,000.00	DLR 7.2: $1,25mn per each license abolished, simplified or digitized. By closing date.
year 6		0.00	
year 7		0.00	
Action: This DLI has been Revised. See below.			

DLI 7	*Streamlining sectoral licensing to reduce the compliance time and costs for businesses*			
Type of DLI	***Scalability***	***Unit of Measure***	***Total Allocated Amount (USD)***	***As % of Total Financing Amount***
Intermediate Outcome	*Yes*	*Text*	*30,000,000.00*	*3.3*
Period	***Value***		***Allocated Amount (USD)***	***Formula***

Baseline	*Business licensing regime entails significant costs, which creates barriers to formalization and to market entry, and undermines private investment.*		
Prior Results	*N/A*	*0.00*	*N/A*
year 1	*N/A*	*0.00*	*N/A*
year 2	*N/A*	*0.00*	*N/A*
year 3	*N/A*	*0.00*	*N/A*
year 4	*N/A*	*0.00*	*N/A*
Year 5	*N/A*	*0.00*	*N/A*
year 6	*N/A*	*0.00*	*N/A*
year 7	*DLR 7.1: MoITS streamlines sectoral licenses, and priority sectoral licenses, in accordance with the legal and regulatory framework .*	*30,000,000.00*	*Scalable.*
Rationale: ***DLR on business registration dropped due to policy shift/changed priorities and DLR on licensing revised to better support licensing reform.***			

DLI 8	Identifying climate responsive private and non-government financing towards Jordan's NDC 2030 goals			
Type of DLI	**Scalability**	**Unit of Measure**	**Total Allocated Amount (USD)**	**As % of Total Financing Amount**
Intermediate Outcome	Yes	Text	32,500,000.00	6.5
Period	**Value**		**Allocated Amount (USD)**	**Formula**
Baseline	0% verifiable reporting towards NDC goals of private and non-government financing goal of US$5.1billion (2016-2030)			
Prior Results	NA		0.00	NA
year 1	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		7,500,000.00	Pass/Fail. $2,500,000 for DLR 8.1 and $5,000,000 for DLR 8.2 by the end of CY21
year 2	DLR 8.3: MOEnv, jointly with MOPIC and MOF, publishes a COM-approved 2030 climate investment pipeline and mobilization plan		5,000,000.00	Pass/Fail. $5,000,000 by the end of CY22
year 3	DLR 8.4: MOEnv confirms increase in verifiable reporting of private and non-government financing towards NDC goals.		10,000,000.00	$10,000,000 for the cumulative achievement of 5% increase in verifiable reporting of non-govt capex towards NDC goals in CY23
year 4	DLR 8.4: MOEnv confirms increase in verifiable		5,000,000.00	$5,000,000 for the cumulative

	reporting of private and non-government financing towards NDC goals		achievement of 15% increase in verifiable reporting of non-govt capex towards NDC goals in CY24
Year 5	DLR 8.4: MOEnv confirms increase in verifiable reporting of private and non-government financing towards NDC goals	5,000,000.00	$5,000,000 for the cumulative achievement of 25% increase in verifiable reporting of non-govt capex towards NDC goals in CY25
year 6		0.00	
year 7		0.00	
Action: This DLI has been Revised. See below.			

DLI 8	*Identifying climate responsive private and non-government financing towards Jordan's NDC 2030 goals*			
Type of DLI	***Scalability***	***Unit of Measure***	***Total Allocated Amount (USD)***	***As % of Total Financing Amount***
Intermediate Outcome	*Yes*	*Text*	*48,500,000.00*	*5.4*
Period	***Value***		***Allocated Amount (USD)***	***Formula***
Baseline	*0% verifiable reporting towards NDC goals of private and non-government financing goal of US$5.1billion (2016-2030)*			
Prior Results	*NA*		*0.00*	*NA*
year 1	*DLR 8.1: MOEnv issues an instruction under the Climate Change Bylaw of 2019 to include a definition of private and non-government*		*12,500,000.00*	*Pass/Fail. $2,500,000 for DLR 8.1 and $5,000,000 for DLR 8.2 by the end of CY21.DLR8.3: Pass/Fail. $5mn by*

	financing for climate responsive projects towards with Jordan's NDC under the Paris Agreement of 2015. DLR 8.2: MOEnv issues Green Bonds Guidelines DLR 8.3: MOEnv, jointly with MOPIC and MOF, publishes a COM-approved 2030 climate investment pipeline and mobilization plan.		*CY22.*
year 2	*DLR 8.4: MoEnv confirms increase in verifiable reporting of private and non-government financing towards NDC goals.*	*1,000,000.00*	*Pass/Fail. $1mn by CY23 for adoption of directive or guidance to report climate responsive projects.*
year 3	*DLR 8.4: MoEnv confirms increase in verifiable reporting of private and non-government financing towards NDC goals.*	*15,000,000.00*	*$15mn for the cumulative achievement of $250 mn towards conditional NDC goals in CY24 (with a baseline of CY16).*
year 4	*DLR 8.4: MoEnv confirms increase in verifiable reporting of private and non-government financing towards NDC goals*	*10,000,000.00*	*$10mn for the cumulative achievement of $750 mn towards conditional NDC goals in CY25 (with a baseline of CY16)*
Year 5	*DLR 8.4: MoEnv confirms increase in verifiable reporting of private and non-government financing towards NDC goals*	*10,000,000.00*	*$10mn for the cumulative achievement of $1.25 bn towards conditional NDC goals in CY26 (with a baseline of CY16)*
year 6		*0.00*	
year 7		*0.00*	
Rationale: ***DLR 8.1., 8.2. and 8.3. have been achieved and DLR 8.4 is strengthened by including the issuance of a Directive to private sector to report GHG data and***			

climate-responsive projects into the existing MRV system in order to track private and non-government financing towards Jordan's NDC 2030 goals.

DLI 9	Improving access, quality and continuity of business and infrastructure services in response to social demand			
Type of DLI	**Scalability**	**Unit of Measure**	**Total Allocated Amount (USD)**	**As % of Total Financing Amount**
Intermediate Outcome	Yes	Text	15,000,000.00	3
Period	**Value**		**Allocated Amount (USD)**	**Formula**
Baseline	To be established from year one in the National registry of public services to be launched by the Prime Minister's Office, as soon as service cards are captured in the National registry.			
Prior Results	NA		0.00	NA
year 1	DLR 9.1: The Office of the Prime Minister: (a) deploys the National Registry of Government Services (NRGS) with technical support from the Ministry of Digital Economy and Entrepreneurship; and (b) discloses service cards, standards and indicators (in accordance with the 2019 Manual on Developing Service criteria and indicators approved by the Prime Minister) for investment and infrastructure services.The DLR will disburse USD 1 M upon completion of the deployment of the registry as an IT platform across selected government entities and USD 100,000 upon public disclosure		3,000,000.00	Pass/Fail.

	of their service cards by each selected ministry, department and agency providing investment and infrastructure services, up to a maximum disbursement of US$ 3,000,000.		
year 2	NA	0.00	NA
year 3	NA	0.00	NA
year 4	NA	0.00	NA
Year 5	DLR 9.2: : Enhancement of service standards and indicators for selected investment and infrastructure services as a result of the implementation of service improvement plans approved by the Office of Prime Minister. The DLR will disburse US$ 1,000,000 on the achievement of 5 percentage points increase in service standards under each service improvement plan adopted and implemented by selected government entities, up to a maximum disbursement of US$ 12,000,000.	12,000,000.00	Scalable. DLR 9.2. disburses USD 1 M for each 5 percentage points (pp) improvement in service standards.
year 6		0.00	
year 7		0.00	
Action: This DLI has been Revised. See below.			

DLI 9	*Improving access, quality and continuity of business and infrastructure services in response to social demand*			
Type of DLI	**Scalability**	**Unit of Measure**	**Total Allocated Amount (USD)**	**As % of Total Financing Amount**
Intermediate Outcome	*Yes*	*Text*	*21,000,000.00*	*2.3*
Period	**Value**		**Allocated Amount (USD)**	**Formula**
Baseline	*To be established from year one in the National registry of public services to be launched by the Prime Minister's Office, as soon as service cards are captured in the National registry.*			
Prior Results	*NA*		*0.00*	*NA*
year 1	*DLR 9.1: The Office of the Prime Minister: (a) deploys the National Registry of Government Services (NRGS) with technical support from the Ministry of Digital Economy and Entrepreneurship; and (b) discloses service cards, standards and indicators (in accordance with the 2019 Manual on Developing Service criteria and indicators approved by the Prime Minister) for investment and infrastructure services.The DLR will disburse USD 1 M upon completion of the deployment of the registry as an IT platform across selected government entities and USD 100,000 upon public disclosure of their service cards by each selected ministry, department and agency providing investment and infrastructure*		*3,000,000.00*	*Pass/Fail.*

	services, up to a maximum disbursement of US$ 3 M.		
year 2	*NA*	*0.00*	*NA*
year 3	*NA*	*0.00*	*NA*
year 4	*NA*	*0.00*	*NA*
Year 5	*DLR 9.2: Enhancement of service standards for selected investment and infrastructure services as a result of the implementation of service improvement plans approved by the Office of Prime Minister. The DLR will disburse US$ 1,000,000 on the achievement of 5 percentage points increase in service standards based on the implementation of service improvement plans or the launch of a life event service (i.e. bundling together of services related to specific life events, informed by users' analytics, to reduce transaction costs for users) by selected government entities, up to a maximum disbursement of US$ 12 M.*	*12,000,000.00*	*Scalable. DLR 9.2. disburses USD 1 M for each 5 percentage points (pp) improvement in service standards.*
year 6		*0.00*	
year 7	*DLR 9.3: Improved government responsiveness to citizen feedback filed on the online government Grievance Redress Platform (GRM).*	*6,000,000.00*	*Scalable.*
Rationale:			

The DLI is strengthened by adding a DLR on government responsiveness to citizen feedback filed online on the overall government Grievance Redress platform, with a premium for responsiveness to female citizens; and 2) by incentivizing improvements to service standards through the bundling together of services related to specific life event and informed by user analytics.

DLI 10	Increasing accessibility and usability of statistical and administrative data			
Type of DLI	**Scalability**	**Unit of Measure**	**Total Allocated Amount (USD)**	**As % of Total Financing Amount**
Outcome	Yes	Text	22,500,000.00	4.5
Period	**Value**		**Allocated Amount (USD)**	**Formula**
Baseline	Jordan ODIN Open Data score in 2021: 53			
Prior Results	NA		0.00	NA
year 1	DLR 10.1: Cabinet approves National Statistics Roadmap with components on (i) more transparent, efficient and effective GoJ regulatory role, (ii) DOS capacity building for methodologies, processes and internal organizational structure, (iii) assessment of methodologies and datasets.		2,500,000.00	Pass/Fail
year 2	NA		0.00	NA
year 3	NA		0.00	NA
year 4	NA		0.00	NA

Year 5	DLR 10.2: Jordan's ODIN Open Data Score improves to at least 73.	20,000,000.00	Scalable. DLR 10.2. will disburse USD 1,000,000 for each point of improvement in the Open Data Score from a baseline of 53..
year 6		0.00	
year 7		0.00	
Action: This DLI has been Revised. See below.			

DLI 10	*Increasing accessibility and usability of statistical and administrative data for data-based policymaking*			
Type of DLI	***Scalability***	***Unit of Measure***	***Total Allocated Amount (USD)***	***As % of Total Financing Amount***
Outcome	*Yes*	*Text*	*37,500,000.00*	*4.2*
Period	***Value***		***Allocated Amount (USD)***	***Formula***
Baseline	*1) Jordan ODIN Open Data score in 2021: 53 2) 0 analytical reports published*			
Prior Results	*NA*		*0.00*	*NA*
year 1	*NA*		*0.00*	*NA*
year 2	*DLR 10.1: Cabinet approves a roadmap to guide the establishment of a national statistics center*		*500,000.00*	*Pass/Fail*
year 3	*DLR 10.2: Jordan's ODIN Open Data Score improves to 78.*		*25,000,000.00*	*Scalable. DLR 10.2 will disburse USD 1,000,000 for each point of improvement in the Open Data Score*

			from a baseline of 53.
year 4	*NA*	*0.00*	*NA*
Year 5	*DLR 10.3: MOPIC publishes thematic data analytical reports to inform progress towards the Sustainable Development Goals.*	*12,000,000.00*	*Scalable. USD 1,000,000 per report published. Additional 500,000 if report has gender disaggregated analysis, up to US$ 12 M*
year 6		*0.00*	
year 7		*0.00*	

Rationale:
To promote more open data, the revised DLI 10 supports the implementation and update of the National Strategy for Development of Statistics (NSDS) and provides incentives to for stronger data production and dissemination for Jordan through the generation and public access to statistical and administrative datasets by MoPIC. In particular, the NSDS notes the need for state institutions to develop plans and policies and make good decisions based on a Jordanian statistical system which is more responsive to national priorities.
As part of this DLI an updated National Statistics Strategy Roadmap for guiding the establishment of a National Statistics Center will be finalized and cabinet approved. The improvements in the Open Data score can be made through making existing data more accessible (machine readable, documented, downloadable), making new data available (in areas not currently covered) or a combination of the two.
In addition, the DLI provides incentives for the publication and dissemination of key reports and their underlying micro-data to inform data-driven decision-making.

DLI 11	Implementing and strengthening good regulatory practices for evidence-based and predictable rulemaking			
Type of DLI	**Scalability**	**Unit of Measure**	**Total Allocated Amount (USD)**	**As % of Total Financing Amount**
Output	No	Text	15,000,000.00	3
Period	**Value**		**Allocated Amount (USD)**	**Formula**
Baseline	No systematic use of impact assessment and public consultation informing policy proposals. No systematic monitoring and oversight over the quality of impact assessments and public consultations			
Prior Results	DLR 11.1: Prime Minister of Jordan issues a Memorandum on Legislative Data (November 22, 2020).		500,000.00	Pass/fail
year 1	DLR 11.2: The GOJ issues amendments to the current Regulatory Impact Assessment Guidelines to ensure they include guidance for: (a) ex-post evaluation of legislation; and (b) the targeting and proportionality of Regulatory Impact Assessments to ensure appropriate targeting and proportionality of the assessments, and consideration of potential gender differentiated impacts.		1,000,000.00	Pass/fail. $500,000 for each guideline issued by June 30, 2022 up to a maximum of $1,000,000.
year 2	NA		0.00	N/A
year 3	DLR 11.3: Government of Jordan publishes at least 8 ex-ante impact assessments and at least 5		4,550,000.00	Scalable. $350,000 for each ex-ante impact assessment and ex post

	ex post evaluations of legislative instruments in compliance with the guidelines issued under DLR 11.2.		evaluation, up to the max of $4,550,000, by the end of CY24.
year 4	DLR 11.4: Government of Jordan issues a legislative instrument at the level of a bylaw or above formalizing Good Regulatory Practices (GRP) across Government agencies based on lessons learned from ex-ante impact assessments and ex-post evaluations conducted under DLR 11.3, and consistent with international good practices.	4,050,000.00	Pass / fail. By the end of CY24.
Year 5	DLR 11.5: Government of Jordan publishes at least 9 ex-ante impact assessments and at least 5 ex post evaluations of legislative instruments in compliance with new GRP legislative instrument enacted under DLR11.4.	4,900,000.00	Scalable. $350,000 for each ex ante impact assessment and ex post evaluation, up to the max of $4,900,000. By the end of CY25.
year 6		0.00	
year 7		0.00	
Action: This DLI has been Revised. See below.			

DLI 11	*Implementing and strengthening good regulatory practices for evidence-based and predictable rulemaking*			
Type of DLI	***Scalability***	***Unit of Measure***	***Total Allocated Amount (USD)***	***As % of Total Financing Amount***
Output	*No*	*Text*	*20,000,000.00*	*2.2*
Period	***Value***		***Allocated Amount (USD)***	***Formula***
Baseline	*No systematic use of impact assessment and public consultation informing policy proposals. No systematic monitoring and oversight over the quality of impact assessments and public consultations*			
Prior Results	*DLR 11.1: Prime Minister of Jordan issues a Memorandum on Legislative Data (November 22, 2020).*		*500,000.00*	*Pass/fail*
year 1	*DLR 11.2: The GOJ issues amendments to the current Regulatory Impact Assessment Guidelines to ensure they include guidance for: (a) ex-post evaluation of legislation; and (b) the targeting and proportionality of Regulatory Impact Assessments to ensure appropriate targeting and proportionality of the assessments, and consideration of potential gender differentiated impacts.*		*1,000,000.00*	*Pass/fail. $500,000 for each guideline issued by June 30, 2022 up to a maximum of $1,000,000.*
year 2	*NA*		*0.00*	*N/A*
year 3	*DLR 11.3: Government of Jordan publishes at least 8 ex-ante impact assessments and at least*		*4,550,000.00*	*Scalable.*

	5 ex post evaluations of legislative instruments in compliance with the guidelines issued under DLR 11.2.		
year 4	*DLR 11.4: Government of Jordan issues a legislative instrument at the level of a bylaw or above formalizing Good Regulatory Practices (GRP) across Government agencies based on lessons learned from ex-ante impact assessments and ex-post evaluations conducted under DLR 11.3, and consistent with international good practices.*	*4,050,000.00*	*Pass / fail. By the end of CY24.*
Year 5	*DLR 11.5: Government of Jordan publishes at least 9 ex-ante impact assessments and at least 5 ex post evaluations of legislative instruments in compliance with new GRP legislative instrument enacted under DLR11.4.*	*9,900,000.00*	*Scalable.*
year 6		*0.00*	
year 7		*0.00*	

Rationale:
The DLI is strengthened to incentivize the use of online consultation to inform regulatory impact assessments, in compliance with the government e-participation policy.

DLI 12	Establishing and operationalizing a climate finance governance system for achieving Jordan's NDC 2030 goals			
Type of DLI	**Scalability**	**Unit of Measure**	**Total Allocated Amount (USD)**	**As % of Total Financing Amount**
Intermediate Outcome	No	Text	25,000,000.00	5
Period	**Value**		**Allocated Amount (USD)**	**Formula**
Baseline	No climate finance governance system. Climate Change By-Law of 2019 has created enabling environment for establishment and operationalization of the same.			
Prior Results	NA		0.00	NA
year 1	DLR 12.1: Council of Ministers approves the updated National Climate Change Policy DLR 12.2: MOEnv deploys MRV system in target government agencies and adopts a roadmap for operationalizing Climate Finance Governance System		7,000,000.00	Pass/fail. $1,000,000 for DLR 12.1. $6,000,000 for DLR12.2. By the end of CY21
year 2	DLR 12.3: MOEnv operationalizes National GHG Registry and launches one carbon market transaction		5,000,000.00	Pass/fail. $5,000,000 by the end of CY22
year 3	DLR 12.4: MOEnv establishes and operationalizes Climate Change Center of Excellence		5,000,000.00	Pass/fail. $5,000,000 by the end of CY23
year 4	DLR 12.5: MOEnv adopts and operationalizes Climate Finance Governance System including a citizen engagement action plan and a Gender		5,000,000.00	Pass/fail. $5,000,000 by the end of CY24

	and Climate Change Strategy 2030		
Year 5	DLR 12.6: MOEnv publishes a progress report including the 2030 Climate Financing Plan and 2050 Long-Term LED Strategy	3,000,000.00	Pass/Fail. $3,000,000 by the Closing Date
year 6		0.00	
year 7		0.00	
Action: This DLI has been Revised. See below.			

DLI 12	***Establishing and operationalizing a climate finance governance system for achieving Jordan's NDC 2030 goals***			
Type of DLI	***Scalability***	***Unit of Measure***	***Total Allocated Amount (USD)***	***As % of Total Financing Amount***
Intermediate Outcome	*No*	*Text*	*30,000,000.00*	*3.3*
Period	***Value***		***Allocated Amount (USD)***	***Formula***
Baseline	*No climate finance governance system. Climate Change By-Law of 2019 has created enabling environment for establishment and operationalization of the same.*			
Prior Results	*NA*		*0.00*	*NA*
year 1	*DLR 12.1: Council of Ministers approves the updated National Climate Change Policy DLR 12.2: MoEnv deploys MRV system in target government agencies and adopts a roadmap for operationalizing Climate Finance Governance*		*12,000,000.00*	*DLR12.1. Pass/fail. $1,000,000 by CY22 DLR12.2. Pass/fail. $6,000,000 by CY21 DLR 12.3. Pass/fail. $5,000,000 by CY22*

	System DLR 12.3: MoEnv operationalizes National GHG Registry and launches one carbon market transaction		
year 2		*0.00*	
year 3	*DLR 12.4. Establishment and operationalization of the climate finance policy and governance framework and leveraging carbon market*	*6,000,000.00*	*(a) Pass/fail. $5,000,000 by the end of CY24 (b) Pass/fail. $1,000,000 by the end of CY24*
year 4	*DLR 12.4. Establishment and operationalization of the climate finance policy and governance framework and leveraging carbon market*	*3,000,000.00*	*(c) Pass/fail. $3,000,000 by the end of CY25*
Year 5	*DLR 12.4. Establishment and operationalization of the climate finance policy and governance framework and leveraging carbon market*	*9,000,000.00*	*(d) Pass/fail. $5,000,000 by the end of CY26 (e) Pass/fail. $4,000,000 by the end of CY26*
year 6		*0.00*	
year 7		*0.00*	

Rationale:
The DLR has been strengthened on the leveraging of carbon markets and related DLRs are bundled. DLR 12.1 supports the establishment and operationalization of the climate change policy and governance framework; and DLR 12.2 the leveraging of carbon markets.

Verification Protocol Table: Disbursement Linked Indicators	
DLI 1	Improving preparation and implementation of public investment
Description	DLI 1 incentivizes and finances the appraisal of large projects (above JOD 10 M) prior to their budgeting, in compliance with the PIM/PPP legal and policy framework. For that purpose, it supports as a prior result the adoption of an appraisal methodology based on public consultation, environmental and social impact assessments and the evaluation of climate responsiveness of projects. According to the PIM by-law to be approved by cabinet, appraisal reports will be reviewed by the PIM unit (and PPP unit regarding PPPs) and inform the decision of the inter-ministerial committee tasked with project selection and prioritization. It finances the completion of a review of the portfolio of ongoing capital projects by the PIM Unit. It also supports the enforcement of the PIM/PPP legal and policy framework through the incorporation of PIM related provisions in the budget circular (including to confirm the requirement that all capital projects submitted for budgeting be selected by the Inter-ministerial project committee on recommendation from the PIM unit (and PPP unit when it comes to PPP projects). Last, it acknowledges the adoption of the 2021 law on Regulating the General Budget and Budgets of Government Units and supports its implementation through the adoption and disclosure of a Medium-Term Fiscal Framework every year in compliance with legal provisions.
Data source/ Agency	DLR 1.1. MOPIC (PIM Unit) DLR 1.2. MOF DLR 1.3. MOPIC (PIM Unit) DLR 1.4. MOF (General Budget Department) DLR 1.5. MOPIC (PIM Unit) and Prime Minister Office (PPP Unit)
Verification Entity	Audit Bureau
Procedure	DLR 1.1. Verification of issuance by MOPIC by end of CY21 of appraisal methodology with provisions specifying the method to be followed for 1) social and environmental assessments, including risk mitigation strategies for land acquisition (disaggregated by social groups, including gender), 2) total project lifecycle cost analysis, 3) climate co-benefit assessment; 4) public consultation and citizen engagement, and 5) information disclosure. The DLR will disburse USD 1 M on achievement of the result. DLR 1.2. Verification of publication of 2021 law on Regulating the General Budget and Budgets of Government Units in the official gazette by end of CY21. The DLR will disburse USD 1 M on achievement of the result. DLR. 1.3. Verification of publication of portfolio review report by PIM unit on MOPIC portal by end of CY22. The ToRs and

	quality of the portfolio review will be such that the report can inform government decisions on improving portfolio management: at the minimum, the portfolio review will focus on capital project management implementation bottlenecks and inefficiencies, such as cost efficiency and overruns and implementation delays and make recommendations on how to address underlying factors, as well as social and environmental aspects, including land acquisition. DLR 1.4. Verification of a Medium-Term Fiscal Framework (MTFF) appended to the appropriation bill submitted to Parliament for approval, in compliance with the 2021 Public Finance Management Law. The DLR disburses USD 800,000 per MTFF appended to the appropriation bill and publicly disclosed on verification that it contains adequate information in compliance with the law, i.e. 1) a macro-economic forecast; 2) revenue and expenditure estimates for three years; 3) grants and loans estimates, i.e. debt; 4) the fiscal impact of policy measures on revenue and expenditure; 5) a fiscal strategy; 6) reconciliation of macro-economic and fiscal indicators (for internal consistency). DLR 1.5. Verification of total cost estimate by PIM unit of completed appraisal reports reviewed by PIM unit before project selection for budgeting. The DLR will disburse 55% of cost incurred to the budget in 2021, 50% in 2022, 45% in 2023, 40% in 2024 and 35% in 2025 in the limit of USD 30 M.

DLI 1	Improving preparation and implementation of public investment
Description	*DLI 1 incentivizes and finances the appraisal of large projects (above JOD 10 M) prior to their budgeting, in compliance with the PIM/PPP legal and policy framework. For that purpose, it supports as a prior result the adoption of an appraisal methodology based on public consultation, environmental and social impact assessments and the evaluation of climate responsiveness of projects. According to the PIM by-law to be approved by cabinet, appraisal reports will be reviewed by the PIM unit (and PPP unit regarding PPPs) and inform the decision of the inter-ministerial committee tasked with project selection and prioritization. It finances the completion of a review of the portfolio of ongoing capital projects by the PIM Unit. It also supports the enforcement of the PIM/PPP legal and policy framework through the incorporation of PIM related provisions in the budget circular (including to confirm the requirement that all capital projects submitted for budgeting be selected by the Inter-ministerial project committee on recommendation from the PIM unit (and PPP unit when it comes to PPP projects). It acknowledges the adoption of the 2021 law on Regulating the General Budget and Budgets of Government Units and supports its implementation through the adoption and disclosure of a Medium-Term Fiscal Framework every year*

	in compliance with legal provisions. *As revised, it also incentivizes green procurement, gender sensitive project appraisal and the strategic prioritization of capital projects during budget execution in support to the implementation of the Economic Modernization Vision.*
Data source/ Agency	*DLR 1.1, 3 & 5: MOPIC* *DLR 1.2, 4 & 7: MOF* *DLR 1.6. PMO (Procurement Policy and complaints Unit, mandated under the 2022 procurement bylaw to collect information on procurement procedures and results obtained by procuring entities and to report it to the Public Procurement inter-ministerial Committee).*
Verification Entity	*Audit Bureau*
Procedure	*DLR 1.1: Verification of issuance by MOPIC by end of CY21 of appraisal methodology with provisions specifying the method to be followed for 1) social and environmental assessments, including risk mitigation strategies for land acquisition (disaggregated by social groups, including gender), 2) total project lifecycle cost analysis, 3) climate co-benefit assessment; 4) public consultation and citizen engagement, and 5) information disclosure. The DLR has already disbursed US$ 1 M on achievement of the result.* *DLR 1.2: Verification of publication of 2021 law on Regulating the General Budget and Budgets of Government Units in the official gazette by end of CY21. The DLR has already disbursed US$ 1 M on achievement of the result.* *DLR 1.3: Verification of publication of portfolio review report by PIM unit on MOPIC portal by end of CY 24. The ToRs and quality of the portfolio review will be such that the report can inform government decisions on improving portfolio management: at the minimum, the portfolio review will focus on capital project management implementation bottlenecks and inefficiencies, such as cost efficiency and overruns and implementation delays and make recommendations on how to address underlying factors, as well as social and environmental aspects, including land acquisition. The DLR disburses US$ 1.5 M against the completion and submission to cabinet of the portfolio review.* *DLR 1.4: Verification that a summary of the Medium-Term Fiscal Framework (MTFF) adopted by the GoJ has been appended*

	to the appropriation bill submitted to Parliament, in compliance with the 2021 Public Finance Management Law. The DLR disburses USD 1 M per MTFF summary appended to the appropriation bill and publicly disclosed provided that that it contains adequate information in compliance with the law, i.e. 1) a macro-economic forecast; 2) revenue and expenditure estimates for three years; 3) grants and loans estimates, i.e. debt; 4) the fiscal impact of policy measures on revenue and expenditure; 5) a fiscal strategy; 6) fiscal risk assessment (including PPP-related fiscal risks). *DLR 1.5: Verification of total budget cost of completed project appraisal reports reviewed by PIM unit before project selection for budgeting. The DLR disburses against the completion of project appraisal report financed by the budget (including to replenish the Project Development Account) in the proportion of 50% of the appraisal costs for CY23 onwards, with an additional 25% when project appraisal assesses gender disaggregated impact and recommends gender sensitive design, up to a maximum of $5,000,000.* *DLR 1.6. Verification of 1) adoption by the GoJ of the green procurement policy; and 2) percentage of total contract amount awarded based 0n green procurement evaluation criteria in compliance in compliance with the procurement by-law and green procurement policy to be approved by government. The DLR will disburse USD 2 M for the adoption of the green procurement policy and 10% of the total contract amount awarded based on green procurement evaluation criteria and measured on an annual basis, in the limit of US$ 24 M.* *DLR 1.7. Verification on budget execution data provided by MOF of funds released by Treasury for capital expenditure earmarked to priority projects for the implementation of the Economic Modernization Vision and of funds released by Treasury for total capital expenditure. The amount of funds released by Treasury is compared to appropriations to determine the ratio of funds released by Treasury for both capex earmarked to priority projects and for total capex. The list of priority projects will be detailed in the Program operation manual based on the costing of the Executive plan for 2023-25 of the Economic Modernization Vision. The DLR will disburse USD 1 M against each percentage point positive difference between the two ratio (execution rate of capital expenditure earmarked to strategic capital projects vs average execution rate of capital expenditure) in the limit of US$ 40 M. The list of priority projects for the implementation of the Economic Modernization Vision will be specified in the Program Operation Manual.*

DLI 2	Increasing the fiscal space for public investment
Description	DLI 2 supports the increase of actual amount of two sub-categories of capital expenditure, i.e. "goods and services" and "non financial assets" compared to 2020, to the exclusion of large projects entailing significant social and environmental impact or procurement transactions above the thresholds, according to article 10 of the PforR policy.
Data source/ Agency	MOF monthly bulletin on budget execution. Final validation using annual audited financial statement issued by MOF.
Verification Entity	Audit bureau
Procedure	Verification of data provided in July and January monthly bulletin on budget execution and final validation of annual data in audited financial statement. Only capital expenditure categorized as "Use of goods and services" (budget classification 2211, 2121, 2211, 2511, 2821) and "non financial assets" (under the budget classification 3111, 3112, 3122, 3141) will be taken into account for calculating the increase of capital expenditure, to the exclusion of large projects entailing procurement transactions above the thresholds, and projects with activities likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and/or affected people, in accordance with the PforR policy. This includes significant risks pertaining to land acquisition. The DLR will disburse pro rata to the increase in actual capital expenditure (in the two sub-categories) based on the following formula: it will finance 55% of the increase observed in 2021, 50% of it in 2022, 50% of it in 2023, 45% of it in 2024 and 40% of it in 2025, in the limit of USD 150 M and with a cap of USD 150 M increase in capital expenditure per year

DLI 2	Increasing the fiscal space for public investment
Description	*In the parent Program, the DLI only supported the increase of actual capital expenditure. The revised DLI supports the broadening of the fiscal space for capital spending in two ways:* *1) it disburses against the increase ratio of tax revenue to recurrent expenditure to help rebalance the spending mix towards capital spending;* *2) and it incentivizes the rebalancing of the spending mix in the government budget towards capital spending.*

Data source/ Agency	*MOF. Budget execution data during fiscal years subject to final validation using annual financial statement issued by MOF.*
Verification Entity	*Audit bureau*
Procedure	*DLR 2.1: Verification of data provided in by MOF on capital budget execution and final validation of annual data in audited financial statement. Only capital expenditure categorized as "Use of goods and services" (budget code 22) and "non financial assets" (under budget code 31) in compliance with International Public Sector Accounting Standards (IPSAS) will be taken into account to calculate the increase of capital expenditure, to the exclusion of large projects entailing procurement transactions above the thresholds, and projects with activities likely to have significant adverse impacts that are sensitive, diverse or unprecedented on the environment and/or affected people, including significant risks pertaining to land acquisition, in accordance with article 10 of the PforR policy. The DLR disburses pro rata to the increase in actual capital expenditure (in the two sub-categories) based on the following formula: it will finance 55% of the increase observed in 2021, 50% of it in 2022, then 25% of it in 2023 and subsequent years, with a cap of USD 150 M in 2021 and 2022 and of US$ 100 M in the following years increase in capital expenditure per year, in the limit of US$ 247.75 M.* *DLR 2.2. Verification of ratio: domestic revenue to recurrent expenditure using annual financial statement/data provided by MOF. The DLR disburses US$ 1 M for each 0.1 percentage point annual increase of the ratio from the 2022 baseline, in the limit of US$ 50 M.* *DLR 2.3. Verification of the ratio of actual capital expenditure (based on IPSAS definition) to total expenditure in the annual financial statement issued by MOF. The DLR disburses US$ 25 M for each 0.5 percentage point increase of the ratio of capital expenditure to total budget expenditure every year, from the baseline of 2021, in the limit of US$ 149.25 M.*

DLI 3	Mainstreaming climate responsive public investments towards Jordan’s NDC 2030 goals
Description	DLI 3 focuses on mainstreaming capital expenditure (CAPEX) for climate-responsive investments towards 2030 NDC under the Paris Agreement goals. Climate mainstreaming is at three levels: (i) objective-setting and tracking for the overall budget; (ii) design and implementation of specific funding instruments; and (iii) project-level monitoring, reporting and evaluation. The estimated total cost for achieving the NDC goals is over US$5.5billion, from which GoJ states that US$542 million is secured by its own means (by 2030). This DLI will enable the government to maintain and demonstrate progress towards

	the government capex of US$542 million for achieving the NDC goal using the Monitoring, Reporting & Verification (MRV) and GHG Registry system.
Data source/ Agency	Ministry of Environment
Verification Entity	Audit bureau
Procedure	DLR 3.1: Verification of instruction issued by MOEnv under the Climate Change by-law 2019 establishing definitions of climate-responsive projects and eligibility criteria for climate responsive capital expenditure and publication of the eligibility criteria and definition on Ministry of Environment's website. DLR 3.2: Verification of annual progress report from the MRV system issued by MOEnv. Each annual report will include information on climate-responsive projects financed from government budget (FY22-25), climate benefits and actual financing. Starting at a baseline of 0% (as of date) in government "own means' capital expenditure recorded in the MRV system, the DLI records progress towards the goal of US$542million (to be achieved by 2030). This DLI will record cumulative progress in the MRV system, between January 2022 and December 2025, of eligible govt. CAPEX (as established in DLR3.1). The final result is demonstration of 25% cumulative progress, which is at least US$135million in eligible govt. CAPEX during 2022-25. Annual estimated breakdown is as follows, US$27million or 5% progress recorded by end of CY22; US$27million or 5% additional progress recorded by end of CY23; US$54million or 10% additional progress recorded by end of CY24 and; US$27million or 5% additional progress recorded by end of CY25. DLR 3.3: Verification of signed contract for each climate-responsive PPP projects, ensuring exclusion of Projects with activities likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and/or affected people are not eligible for the PforR Financing, and are excluded. This includes significant risks pertaining to land acquisition. All instructions and reports shall also be published on MOEnv website. All instructions and reports shall also be published on MOEnv website.

DLI 3	Mainstreaming climate responsive public investments towards Jordan's NDC 2030 goals
Description	*DLI 3 focuses on the outcome of mainstreaming climate-responsive public investment towards 2030 NDC under the Paris*

	Agreement goals both in terms of emission reductions and of adaption. It supports the reduction of over 5.5 M tC02 emission from public investment and the financing of adaptation projects by the government.
Data source/ Agency	*Ministry of Environment/MOF*
Verification Entity	*Audit bureau*
Procedure	*DLR 3.1: Verification of instruction issued by MoEnv under the Climate Change by-law 2019 establishing definitions of climate-responsive projects and eligibility criteria for climate responsive capital expenditure and publication of the eligibility criteria and definition on Ministry of Environment's website.* *DLR 3.2:* *(i) Verification of a report from the MoEnv summarizing the completed changes to the MRV system to capture the adaptation projects and their benefits based on the indicators/metrics agreed by the MoEnv or NCCC and any changes needed to emission reduction calculation methodologies for mitigation projects by CY24.* *(ii) Verification of annual progress report from the MRV system issued by MoEnv. Each annual report will include information on cumulative emission reductions (tCO2) from government supported climate-responsive mitigation projects towards unconditional commitments of the country and information on adaptation projects and their benefits.* *Disbursement will be against:* ***a) $5m towards completion of changes to the MRV system to capture the adaptation projects and their benefits based on the indicators/metrics agreed by the MoEnv or NCCC and any changes needed to emission reduction calculation methodologies for mitigation projects by CY24*** ***b) $15 per tCO2 reductions from the government-supported mitigation projects, with a cumulative emission reduction of up to 7.67 million tCO2 from the start of the NDC period (2016) until the end of the program (2028) up to 115 M;*** ***c) $5m per year towards the MRV Report of adaptation projects in the MRV system during CY25-28 (4 years) up to $20M*** *DLR 3.3: Verification of signed contract for each climate-responsive PPP project, ensuring exclusion of Projects with activities likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and/or affected*

	people are not eligible for the PforR Financing, and are excluded. The DLR disburses US$ 10 M for each NRIP-registered climate responsive PPP for which procurement contract has been signed, up to the maximum of US$ 20 M by closing date.
DLI 4	Strengthening JIC's institutional focus on investment promotion and related investor services to attract quality investment
Description	DLI4 supports the implementation of the new investment framework and continued strengthening of JIC's capacity, management, instruments and systems. JIC will have a straightforward mandate to emphasizing the investment promotion role rather than regulatory functions and will have a limited number of mandates assigned to it. JIC will be the lead coordinator across the public and private sectors to achieve a holistic national approach to the attraction and retention of investment, based on KPIs anchored in Investment Promotion Strategy
Data source/ Agency	JIC
Verification Entity	Audit Bureau
Procedure	DLR 4.1: (i) Verification from the Bank that the Bylaw meets good practice principles (the good practice principles for the investment law / bylaws are developed by the WBG in the form of an Approach Note and Guidance Note) and that it has been approved and published in the Official Gazette; and (ii) Verification from the Bank that the Investment Promotion Strategy meets good practice principles (the good practice principles for the Investment Promotion Strategy are developed by the WBG in the form of an Approach Note and Guidance Note) and that it was adopted and published on JIC website. DLR 4.2: Verification that the approved Investment Promotion Strategy has been published on JIC website, and includes an M&E framework section with the list of KPIs outlined below (together with their baseline and target values); that the first annual report to monitor progress on Strategy is published on JIC public website, and that it provides an update on the Investment Promotion Strategy implementation and up to date achievement of the KPIs (this needs to happen one full year after the approval of the Investment Promotion Strategy); and that the CRM system is operational through an active subscription for JIC users (mid 2023). The annual report produced by JIC includes KPIs selected from its M&E framework and recorded from its CRM system [to be

	updated and increase the number of users] showing progress on meeting the investment-related KPIs contained in the Investment Promotion Strategy for CY21-24. The KPIs are: • Investment generated. Investment Generated (IG) means the total actual monetary value reported by investors of investment in fixed assets (comprising of land, buildings, machinery, office equipment) in businesses that have commenced start-up, including re-investments/expansions by existing investors, that can be attributed in part to JIC's investment facilitation efforts. • Investors' capital invested in JIC-assisted projects during year, in JD (broken down by: first-time-investors; existing investors; governorate; sector). Investors' Capital means the actual monetary value of the investors' own capital invested in equity capital in businesses that have commenced start-up, including re-investments/expansions by existing investors, that can be attributed in part to JIC's investment facilitation efforts. • Government funds provided to JIC-assisted projects during year, in number and JD (broken down into: those that received non-fiscal incentives (grants); did not receive incentives; first-time investors) • New jobs in JIC-assisted investors' projects created during year, in number (broken down by: nationality (Jordanian; Non-Jordanian); First-time investors; Sector; Gender; Governorate). • Investment decisions announced to locate in Jordan, in number (broken down by: first-time investors; existing investors; sector) • Active investment projects supported by JIC, in number (broken down by: first-time investors; existing investors; sector; governorate) • Qualified investment leads generated ("potential investors"), in number (broken down by: sector; source geographic market) • Investor inquiries responded to by JIC, in number (broken down by: sector; source geographic market) • JIC participation at overseas and domestic events, in number (broken down by: sector; target geographic market) • Visits made to local subsidiaries / branches of existing investors, in number (broken down by: first-time visits; repeat visits; sector; governorate) DLR 4.3: Verification that (a) the annual report published on the JIC website as per DLR 4.2 contains the relevant KPI on announced investment decisions; and (b) that the CRM system includes relevant documentation coming from the

	Investment Window on this KPI. The baseline for CY21 was calculated as the average number of announced investment decisions for the years 2018-2020, which reflects applications to the JIC for investment facilitation services.
DLI 4	Strengthening the Ministry of Investment's institutional focus on investment promotion and related investor services to attract quality investment.
Description	*DLI 4 supports the implementation of the new investment framework and continued strengthening of MOIN capacity, management, instruments, and systems.*
Data source/ Agency	*Ministry of Investment*
Verification Entity	*Audit Bureau*
Procedure	DLR 4.1: Verification that: (i) Investment Promotion Strategy was adopted and published on Ministry of Investment (MOIN) website; and (ii) Investment Promotion Strategy meets good practice principles (the good practice principles for the Investment Promotion Strategy are developed by the WBG in the form of an Approach Note and Guidance Note). Disbursement formula: $5,000,000, Pass / Fail by program closing date. DLR 4.2: Verification that the Implementation Mechanism for gender-related investment incentives in accordance with Article 13B of the Investment Environment Law and related bylaw was implemented. At minimum, this requires evidence from MoIN that procedures and requirements for investor applications to receive gender-related incentives including steps for submission of incentive application and required investor information, specifying data needs and supporting documentation are published. Disbursment = $1,000,000. Pass/Fail by program closing date. (b) Verification relies on approval by the Council of Ministers based on the recommendation from the Incentives and Exemptions Committee, of the investment project for gender-related incentives in compliance with provisions of the bylaw based on supporting evidence provided by the investor as part of the application process. Disbursement = $500,000 for each investment project that received gender-related investment incentives under Article 13b of the Investment Environment Law.

	DLR 4.3: (a) Verification that the CRM system includes at minimum the following information: (i) New Investment Decisions (i.e., Investment (JD); Jobs; Sector: Governorate; Town, etc.); (ii) New Investment Started (vocational permit, employee enrolled in the Social Security Corporation (SSC), etc.); (iii) Incentives granted (gender-related incentives, etc.); (iv) Investment exempted from the restricted economic activities; (v) the CRM system should be upgraded and integrated to capture data from other units of MOIN (i.e., Comprehensive Investment Service/Investment Window (CIS/IW), Promotion Department, Incentives Department), include the list of exemption on restricted economic activities, and linked to the MOIN Portal. Disbursement = $4,000,000 upon operationalization of upgraded and integrated CRM. (b) MOIN prepares a semi-annual progress report, based on the CRM, reporting the indicators and published on the MOIN website. "New Investment Decisions" are announced in Jordanian media or communicated to officials, confirmed by investor to MOIN, and tracked on the MOIN CRM system. These investments should be in the shortlist of MOIN receiving investment services (i.e., lead, general interest, project-specific inquiry, registration, exemption on restricted economic activities, etc.). Disbursement = starting CY24, and for each year thereafter, if the number of New Investment Decisions are: between 100 to 199, an annual payment of $1,000,000; between 200 to 299, payment of $2,000,000; and 300 and above, payment $3,000,000. Up to $6,000,000. *DLR 4.4:* MOIN prepares a semi-annual progress report, based on the CRM, reporting the indicators and published on the MOIN website. “New Investment Started” is tracked on the MOIN CRM system, and meet the following criteria: (i) these investments should be in the MOIN shortlist of investors receiving investment facilitation services (i.e., lead, general interest, project-specific inquiry, registration, exemption on restricted economic activities, etc.); (ii) has received a vocational permit or first employee enrolled in the SSC. Disbursement = starting CY24, and for each year thereafter, if the number of New Investment Started is: between 100 to 199, an annual payment of $2,000,000; between 200 to 299, payment of $4,000,000; and 300 and above, payment $6,000,000. Up to $14,000,000.
DLI 5	Implementing new policies for investment incentives based on objective criteria, including value for money, to attract quality investment and achieve national investment objectives
Description	Non-fiscal investment incentives have been budgeted to better target investor attraction efforts following the streamlining of tax and customs exemptions. DLI5 supports the implementation of actions necessary to progress to an effective implementation of non-fiscal investment incentives policy and foster the attraction of quality investments, including the

	Bylaw specifying clear policy objectives for the incentives they authorize; stipulating how investors may qualify for incentives based on pre-defined, transparent non-discriminatory and SMART eligibility criteria; etc.
Data source/ Agency	JIC
Verification Entity	Audit Bureau
Procedure	DLR 5.1: (a) Verification by the Bank that Bylaw on investment incentives meets good practice principles (the good practice principles for the bylaw are developed by the WBG in the form of an Approach Note and Guidance Note) and has been approved and published in the Official Gazette; (b) Verification that the institutional arrangements are put in place through a JIC instruction appointing the members of the two incentive committees, one dealing with (i) granting of incentives and the other with (ii) compliance monitoring with the conditions on which incentives were granted. DLR 5.2: Verification that the report published by JIC documents the number of investments that were approved under the bylaw enacted under DLR5.1 and gives the breakdown showing how the the eligibility criteria were met (indicatively, these would include the breakdowns by size, sector, governorate).

DLI 5	Enhancing mobilization of green finance to generate climate-responsive investment
Description	*DLI 5 is refocused on facilitating the enhanced mobilization of climate finance and climate-responsive investments through (i) the preparation and issuance of the first sovereign green bond in Jordan and (ii) adoption of the National Green Taxonomy.*
Data source/ Agency	*DLR 5.1: Ministry of Environment.* *DLR 5.2: Ministry of Finance.*
Verification Entity	*Audit Bureau*
Procedure	DLR 5.1: (a) A working group to coordinate the development of a National Green Taxonomy is operationalized: (i) an inter-institutional working group is established and co-led by the Ministry of Environment whose core members at the minimum

	include the following: the Central Bank of Jordan; Ministry of Finance; Jordan Securities Commission; Ministry of Planning and International Cooperation; other stakeholders subject to final decision; (ii) minutes of the first meeting of the working group are prepared, showing that the group had agreed, at the minimum, on the roles of different working group members, timeline and scope of the National Green Taxonomy. Disbursement = $1,000,000. Pass/fail. By program closing date. (b) Draft of the National Green Taxonomy is published for public consultation to collect feedback from intended users of the Taxonomy and other interested stakeholders. Verification that the draft National Green Taxonomy is aligned with the guidelines provided in the World Bank's Guide 'Developing a National Green Taxonomy', based on the report prepared by the working group. Disbursement = $3,000,000. Pass/fail. By program closing date. (c) Verification that: (i) the final National Green Taxonomy has been adopted and published on the MOENV website or any other regulator such as the Central Bank of Jordan or Jordan Securities Commission; (ii) report prepared by the working group showing how the feedback received during public consultation was incorporated in the final version of the National Green Taxonomy. Disbursement = $6,000,000. Pass/fail. By program closing date. DLR 5.2: (a) The investor relations (IR) function has been permanently established and enhanced within MOF: (i) job description with responsibilities of staff implementing the IR function is approved; dedicated staff with appropriate qualifications was hired or assigned to focus primarily on investor relations. MOF can have a dedicated staff to undertake investor relations activities or include the work in an existing staff members' work program; (ii) regular (at least semi-annual) investor relations bulletin introduced and the first bulletin is published; (iii) a dedicated investor relations email address and investor contact database are established together with an internal policy in place to respond to all investor queries within at least 5 business days; (v) regular (at least quarterly) update of the debt management website reflecting the status of the government's economic and fiscal management, debt portfolio and future financing plans is introduced; and (vi) an investor relations engagement roadmap covering both domestic and international investors is developed. Disbursement = $8,500,000. (b) MOF has published on its website the updated Debt management strategy that has sovereign green bond as an integral part of it. The way the Green bond was integrated into the updated strategy should be acceptable to the World Bank. Disbursement = $5,000,000. (c) MOF operationalized a working group to coordinate the preparation and issuance of the sovereign green bond: (i) an inter-institutional working group is established; (ii) the TOR of the group is adopted; and (ii) minutes of the first meeting are

	prepared. Disbursement = $1,500,000. (d) The list of concrete climate-responsive investment projects and expenditures eligible to be financed by the green bond proceeds has been adopted by MOF and published on its website. Disbursement = $18,000,000. (e) MOF has publicly issued the Sovereign Green Financing Framework aligned with the International Capital Markets Association (ICMA) principles. Verification based on MOF report showing how the framework aligns with ICMA principles. Disbursement = $17,000,000. (f) MOF received an independent external review of the Sovereign Green Financing Framework with an evaluation not lower than 'Satisfactory'. This should be conducted by an agency specializing in reviewing green financing frameworks and should be acceptable to the Bank. Disbursement = $15,000,000. (g) Verification that MOF has issued a sovereign green bond, based on a public announcement on the MOF's website. Disbursement = $10,000,000

DLI 6	Strengthening the strategic direction and enhancing the regulatory environment of the tourism sector to foster high-quality private and public investment
Description	At the heart of tourism sector challenges in Jordan is a fragmented sector approach and need to better develop and manage sites. DLI6 supports the adoption and implementation (through consultation with private sector) of the National Tourism Strategy and the Gender and Inclusion Project Plan (directly linked to the Strategy) and reform of sector-specific bylaws that will have an immediate positive impact and help increase competition in the sector, ease the entry and streamline regulation. Also, it is of critical importance to improve sites and their management and monitoring. The support under DLI6 is designed to incentivize increasing expenditures to maintenance and upgrading of tourist sites with an adopted management plan and/or SOP aligned with ESA compliance.
Data source/ Agency	MoTA
Verification Entity	Audit Bureau
Procedure	DLR 6.1: Verification that the National Tourism Strategy, and Gender and Inclusion Project Plan, were developed in consultation with sector associations / private sector though providing minutes and attendees of consultations; and that they have been adopted and published on MoTA website.

	DLR 6.2: Verification by confirming the revised Bylaws have been approved and published in the Official Gazette. The Bylaws to be revised are: (i) Travel Agents and Tour Operators Bylaw No.114. The regulation should be revised to reconsider business classification, registration fees, and requirements on minimum capital, employment conditions and minimum office space; (ii) 2 further bylaws and their specific provisions that would be revised to be agreed in consultation with sector associations/ private sector through the National Tourism Council with record of consultation minutes and attendees. Indicative list could include: Hotels and Tourist Establishments By-law; Restaurants Association By-law; Tour Guide Services By-law. If there will be a phase-in of changes in the bylaw then the disbursement will only take place once it comes into full effect. DLR 6.3: Verification through the publication on the MoTA website of the key indicators collected through the Management Information System. Key indicators are: Tourism Arrivals: • # of tourist arrivals globally/year • # of tourist arrivals per month • # of tourist arrivals per nationality • # of tourist arrivals by border entry point • # of tourists per purpose (cultural/medical/MICE etc.) • # of overnight tourists • # of day visits • # of LLC passengers • # of cruise passengers Tourism Revenues: • Total revenues/year • Average revenue/tourist/year • Average length of stay • Hotel occupation rates (Amman, Dead sea, Petra, Aqaba)

	• Revenues from Jordan Pass/year/gender/nationality Tourism Establishments: • Total # of tourism establishments/year • # of establishments per segment (e.g. hotels, restaurants etc.) • # of establishments per governorate • Licensing details (details of establishment (commercial name, address, owner details, date of initial license, date of renewals, etc.); • Inspection details (date of latest inspection, Warnings/closures/compliance details) Domestic Tourism (Urdunna Jannah) • # of tourists/month/year • # of trips/day • # of participating establishments (restaurants, hotels, camps etc.) • # of transportation vehicles utilized • # of tourist per governates • Budget – planned Vs actual Employment: • Employees per year (globally) • # of tourism employees per segment (hotels, restaurants, camps etc.) • # of tourism employees per governorate • Gender spilt (male/female) of employees per segment and per governorate • Nationality split (Jordanian/Non-Jordanian) per segment and per governorate Sites: • #visitors/site e.g. Petra (where available) • Site management plans • Investment opportunities • Site improvement plans (status: Green/Amber/Red) • Customer Satisfaction rating (where possible)

	Projects: • Project Cards/Plans • Project Status (Green/Amber/Red) DLR 6.4: Verification based on annual budget execution documents from MoTA/MoF, listing recurrent and capital expenditures that have been made in those sites that have adopted an improved management plan. The sites should be among those registered with MoTA (including the Department of Antiquities), but excluding UNESCO World Heritage Sites. The management plan for a given site should be aligned with the Standard Operating Procedures (SOP) and Guidelines that is under development in MoTA, and should have been publicly consulted (with stakeholders including seasoned archeological experts) and comply with ESSA prior to adoption. In terms of the content, the management plan should be aligned with the SOP that is being rolled out in the Amman Citadel site, including details on personnel, maintenance and investments to be deployed to the site.
DLI 6	Strengthening the strategic direction and enhancing the regulatory environment of the tourism sector to foster high-quality private and public investment
Description	*Tourism sector challenges in Jordan include a fragmented sector approach and need to better develop and manage sites. DLI 6 supports the adoption and implementation of the National Tourism Strategy and the Gender and Inclusion Project Plan (linked to the Strategy) and revision of sector-specific bylaws that will have positive impact on quality of the tourism offering and ease entry requirements by investors in the tourism sector. Also, it is of critical importance to improve sites and their management and monitoring. Support under DLI 6 is designed to incentivize improvements of tourism sites and facilitate female employment opportunities in the tourism sector, among others.*
Data source/ Agency	Ministry of Tourism and Antiquities.
Verification Entity	*Audit Bureau*

Procedure	*DLR 6.1: Verification that the National Tourism Strategy, and Gender and Inclusion Project Plan, were developed in consultation with sector associations / private sector though providing minutes and attendees of consultations; and that they have been adopted and published on MoTA website. Disbursement formula: Pass / fail ($6mn), by CY21.* *DLR 6.2: Verification by confirming the revised Bylaws have been approved and published in the Official Gazette. The Bylaws need to be aligned with the findings of the prioritization exercise that was completed under one of the items in the Program Action Plan in the parent operation. Indicative list of the bylaws to be revised included: (i) Travel Agents and Tour Operators Bylaw No.114. The regulation should be revised to reconsider business classification, registration fees, and requirements on minimum capital, employment conditions and minimum office space; (ii) 2 further bylaws and their specific provisions that would be revised to be agreed in consultation with sector associations/ private sector through the National Tourism Council with record of consultation minutes and attendees. Indicative list could include: Hotels and Tourist Establishments By-law; Restaurants Association By-law; Tour Guide Services By-law. Disbursement formula: $4,000,000 per bylaw. Up to a total of $12,000,000. By closing date.* *DLR 6.3:* Verification through the publication on the MoTA website of the key indicators collected through the Management Information System. Key indicators are: Tourism Arrivals: • # of tourist arrivals globally/year • # of tourist arrivals per month • # of tourist arrivals per nationality • # of tourist arrivals by border entry point • # of tourists per purpose (cultural/medical/MICE etc.) • # of overnight tourists • # of day visits • # of LLC passengers • # of cruise passengers Tourism Revenues: a. Total revenues/year

	b. Average revenue/tourist/year c. Average length of stay d. Hotel occupation rates (Amman, Dead sea, Petra, Aqaba) e. Revenues from Jordan Pass/year/gender/nationality Tourism Establishments: a. Total # of tourism establishments/year b. # of establishments per segment (e.g. hotels, restaurants etc.) c. # of establishments per governorate d. Licensing details (details of establishment (commercial name, address, owner details, date of initial license, date of renewals, etc.); e. Inspection details (date of latest inspection, Warnings/closures/compliance details) Domestic Tourism (Urdunna Jannah) a. # of tourists/month/year b. # of trips/day c. # of participating establishments (restaurants, hotels, camps etc.) d. # of transportation vehicles utilized e. # of tourist per governates f. Budget – planned Vs actual Employment: • Employees per year (globally) • # of tourism employees per segment (hotels, restaurants, camps etc.) • # of tourism employees per governorate • Gender spilt (male/female) of employees per segment and per governorate • Nationality split (Jordanian/Non-Jordanian) per segment and per governorate Sites: • #visitors/site e.g. Petra (where available) • Site management plans

	• Investment opportunities • Site improvement plans (status: Green/Amber/Red) • Customer Satisfaction rating (where possible) Projects: • Project Cards/Plans • Project Status (Green/Amber/Red) *Disbursement formula: $6,000,000, Pass / fail by closing date.* *DLR 6.4: (a)* Verification that MOTA: (i) has developed and adopted site management plan framework/template reflecting national and international good practices, and (ii) developed and adopted each of the improved (or new) Site Management Plans in alignment with (i). “Site Management Plan” means plan developed and adopted by MoTA (including DoA) to promote site conservation and tourism development in particular tourism sites (including group of sites in the case of regional site management plans) as well as thematic plans that address cross-cutting issues for tourism development (e.g., site security or SEA at sites). The sites should be among those registered and managed by MoTA (including Department of Antiquities) but excluding UNESCO World Heritage Sites. Site management plans should be: aligned with the site management plan framework developed based on international good practices, including with the environmental and social aspects; consulted with local communities and stakeholders, wherever possible; and comply with the national E&S management systems. The plans should be published on the MoTA website prior to implementation. <u>Disbursement</u> = $500,000 per each improved or new Site Management Plan adopted by MOTA (15 plans). Up to $7,500,000. (b) Verification based on MOTA's six-monthly progress reports showing the implementation progress for each of the Site Management Plan in accordance with (a). The progress reports should provide list of actions that have been completed, the breakdown of the expenditures made (administrative as well as improvements) and information on the compliance with the E&S aspects listed in the plan. <u>Disbursement</u> = % incremental implementation progress for the semi-annual reporting period of respective Site Management Plan adopted under (a) multiplied by the total estimated costs associated with that plan, up to a total of $6,000,000 for a single plan, up to a total of $18,500,000, to be disbursed on a first come, first served basis. *DLR 6.5:* (a) Implementation of the program for job seekers (for example, inactive, unemployed, home-based work). Disbursement = $500,000 for 50 women that have successfully completed training (indicatively 300 hours) by the Vocational

	Training Centre on a selection of 11-13 pre-defined topics, including Food Preparation and Production, Sales and Marketing, Health and Safety, Hygiene, Customer Service, and English Language, as needed by the market and job seekers. Evidence will include documentation showing gender distribution (with break-down of their current employment status). Successful completion of the program as demonstrated by the Vocational Training Centre. Up to $3,000,000. (b) Implementation of the program for local communities. Disbursement = $500,000 for 50 women from local communities (less developed/rural areas) that have successfully completed training (indicatively 40 hours) on a selection of 11-13 pre-defined topics, as needed by the market and local communities. Evidence will include documentation showing gender distribution and number of female beneficiaries from local communities that successfully completed the program. Successful completion of the program means participation in the entire program. Up to $3,000,000. (c) Implementation of the program for women already in labor force related to the tourism sector. Disbursement = $1,000,000 for 50 women that successfully completed training (indicatively 40 hours) on a selection from 11-13 pre-defined topics, customized for upskilling of targeted beneficiaries. Successful completion of the program means participation in the entire program. Evidence will include documentation showing gender distribution and number of female beneficiaries that successfully completed the program. Up to $3,000,000. (d) MOTA opens up new spaces in tourism sites for women cooperatives (with 50% or more of women participation in the cooperative membership). Evidence will include documentation showing the number of female beneficiaries in women cooperatives that signed new agreements with MOTA to operate in dedicated spaces of tourism sites. Disbursement = $1,000,000 for allocating 5 new additional spaces in tourism sites for cooperatives with 50% or more of women participation. Target: 10 additional spaces. Up to $2,000,000.

DLI 7	Implementing the Investor Journey program to streamline and digitize business registration and licensing, reducing the compliance time and costs for businesses
Description	Business registration processes and licensing regime entails significant costs, which creates barriers to formalization and to market entry, and undermines private investment. Sectoral licensing reform program was approved by the Cabinet of Ministers in 2019. DLI 7 supports and incentivizes streamlining and digitizing business registration and licensing in Jordan, with an aim to reduce time and costs for business to comply with registration and licensing, reducing barriers to formalization and to market entry, and fostering private investment

Data source/ Agency	MoITS
Verification Entity	Audit Bureau
Procedure	DLR 7.1: Verification that the legal amendments to implement the IBRS (which are part of the PAP) have phased out paper-based registration, together with a report from the MoITS confirming that the IBRS has been operational for at least 6 months and a summary from the IBRS system showing 100 percent digital registration. This should include statistical data from the IBRS on the newly registered business, broken down according to type of legal entity. The volumes of legal entities registered in the verification year will be compared with previous years to ensure the figures are consistent and within acceptable range, i.e. they do not indicate a clear underutilization of the IBRS. DLR 7.2: As per the 2019 CoM decision, the list of sectoral licenses to be abolished correspond to: bookshops (1), sports centers (1), cultural centers (1), and tourism (5 licenses: Travel agents and tour operators; Accommodation providers; Touristic restaurants & entertainment centers; Handicrafts shops; Guest houses). Licenses to be simplified are for: schools (1), kindergarden, and food (3 licenses: Food manufacturing (i.e. factories); Food storage facilities; Food handling facilities). The additional 8 licenses to be abolished will be identified in a COM decision expected in 2022 (this action is in the PAP). The verification of whether a license has been simplified or abolished is conducted by confirming that the respective Laws and/or Bylaws were enacted or discontinued and this has been published on the Official Gazette, as applicable to each license. If there will be a phase-in of changes in the Law / Bylaw then the disbursement will only take place once it comes into full effect. A small sample (e.g. 5-10) business survey for each license to ensure that the reform has been implemented. Verification by the Bank will confirm that the content of the legislative amendments is aligned with the following principles in the Licensing Reform Policy Paper adopted by COM in January 2019: • For licenses to be abolished, these principles should include: the business can start its operations without a prior approval from the respective sectoral ministry/agency. The respective law and secondary legislations should remove reference to the license or any equivalent form of pre-approval. In the case where the ministry/agency may require the business to submit a notification of operation in lieu of the abolished license, such notification should be a one-way communication, i.e. the business is not required to wait for feedback from the ministry/agency on whether or not they can operate.

	• For licenses to be simplified, the simplified licensing system should not require annual renewal. The sectoral ministry/agency shall act as the single point of contact for the business applying to the licenses. The license shall adopt The Once Only Principle, which entails that businesses provide diverse data and documents only once in contact with the single point of contact. Set and publish clear and binding time limits for getting the necessary approvals. For digitized licenses, the verification is by confirming that the IBRS is used as the single point of contact for applying to and processing licensing applications for three licenses. The 3 licenses to be digitized can be a subset of the 5 simplified licenses.
DLI 7	Streamlining sectoral licensing to reduce the compliance time and costs for businesses
Description	*Business licensing regime entails significant costs, which creates barriers to formalization and to market entry, and undermines private investment. Sectoral licensing reform program was approved by the Cabinet of Ministers in 2019. DLI 7 supports and incentivizes streamlining and digitalizing business licensing in Jordan, with an aim to reduce time and costs for business to comply with licensing requirements, reducing barriers to formalization and to market entry, and fostering private investment.*
Data source/ Agency	*Ministry of Industry, Trade and Supply*
Verification Entity	*Audit Bureau*
Procedure	*DLR 7.1: Verification of the following milestones: The GoJ has embarked on a program to streamline sectoral licenses to reduce the time and cost for businesses to operate. A list of priority sectoral licenses has been identified in the COM letter in January 2019 and it is expected that a second list will be identified by end 2023, based on a prioritization study.* *Milestone 1: Reform concept has been consulted, adopted by the relevant regulator and published on the regulator's website. The concept should include at least 2 of the key principles of the Licensing Reform Policy Paper (listed under milestone 2) also adopted by the 2019 COM letter with direct impact on time and cost reduction. A simple standardized*

	Reform Concept will be developed by MOITS to identify and include the following: the reform direction; abolishment, simplification and/ or digitalization; the principles and good practices that will be adopted; and the legal and/or administrative tool needed to implement the reform; such as Bylaws or instructions, procedures, internal decisions, official communications, etc.; and the impact of the reform on the sector and the expected time and cost savings. *Milestone 2: Changes in regulations to implement the agreed upon streamlining reform including legal tools such as Bylaws or instructions, procedures, internal decisions, official communications, etc.) have been approved in accordance with the legal and regulatory framework. The new legal instruments should be published and made accessible to the public. The content of the legislation shold be aligned with the Reform Concept, including at least 2 of the following principles: (1) Where licenses will be discontinued: no prior approval is needed from the respective sectoral ministry/agency to starting business operations; the respective legal tool has no reference to the license or any equivalent form of pre-approval; and in the case where a notification of operation is required, it must be a one-way communication. (2) for streamlined licenses: should consider a risk based approach that identifies procedures and requirements based on risks, should not require annual renewal; the sectoral ministry/agency shall act as the single point of contact for the business applying to the licenses; the license shall adopt The Once Only Principle, which entails that businesses provide diverse data only once in contact with the single point of contact, while this ministry/agency takes actions to internally share and reuse of data by other regulators; set and publish clear and binding time limits for getting the necessary internal pre-approvals from other entities and for issuing the license to the business; the "Silence is Consent" principle should be applied for each time limit; and clear and objective criteria shall be set for rejecting licenses and licenses can only be rejected if these criteria were not met by the business. (3) for digitalized licenses: the digitalization should include licensing process re-engineering to ensure removing duplications and overlaps and achieve overall time reduction.* *Milestone 3: A survey with a small sample (e.g. 5-10) businesses has been conducted to assess the impacts of the reform on the private sector for each license that has reached Milestone 2.* *Disbursement =* $250,000 or $500,000 upon GOJ adoption of the Reform Concept for the streamlining of a sectoral license or priority sectoral license, respectively; $600,000 or $1,200,000 upon implementation of the Reform Concept and adoption of the necessary regulatory framework for the license or priority sectoral license, respectively; and $150,000 or $300,000 upon completion of a survey to assess impact on the private sector, for the license or priority sectoral license, respectively.

DLI 8	Identifying climate responsive private and non-government financing towards Jordan’s NDC 2030 goals
Description	DLI 8 tracks progress of private sector and non-government financing towards NDC goals. This includes definition of non-government financing that would be eligible, issuance of green/climate bonds guidelines and, development of climate investment pipelines with improved reporting through the MRV system to ensure verifiable result. The DLI will support the GoJ to record, identify or secure climate investments towards private and non-government financing towards the 2030 NDC goals.
Data source/ Agency	Ministry of Environment
Verification Entity	Audit bureau
Procedure	DLR 8.1: Verification of notification issued by MOEnv under the Climate Change by-law 2019 establishing definitions of private and non-government financing for climate-responsive projects DLR 8.2: Verification of issuance of green bonds guidelines by MOEnv under the Climate Change By-law 2019 DLR 8.3: Verification of publication of 2030 climate investment pipeline by MOEnv DLR 8.4: Verification of annual progress report by MOEnv on private sector and non-government financed projects using the MRV system. The progress report will include projects, actual amounts of financing and climate benefits. Starting at a baseline of 0% (as of January 2016) in private sector and non-GOJ expenditure recorded in the MRV system, the DLI records progress towards the goal of US$5.1billion (to be achieved by 2030). DLR 8.4 will record cumulative progress in the MRV system, between January 2016 and December 2025, of private and non-GOJ financing (as defined in DLR8.1). The final result is demonstration of 25% cumulative progress, which is at least US$1.25billion, during 2016-25. Annual estimated breakdown is as follows, US$250million or 5% progress recorded by end of CY23; US$500million or 10% additional progress recorded by end of CY24 and; US$500million or 10% additional progress recorded by end of project. All notifications, guidelines and reports shall be published on MOEnv website.

DLI 8	Identifying climate responsive private and non-government financing towards Jordan's NDC 2030 goals
Description	*DLI 8 tracks progress of private sector and non-government financing towards NDC goals. This includes definition of non-government financing that would be eligible, issuance of green/climate bonds guidelines and, development of climate investment pipelines with improved reporting through the MRV system to ensure verifiable result. The DLI will support the GoJ to record, identify or secure climate investments towards private and non-government financing towards the 2030 NDC goals.*
Data source/ Agency	*Ministry of Environment*
Verification Entity	*Audit bureau*
Procedure	*DLR 8.1: Verification of notification issued by MOEnv under the Climate Change by-law 2019 establishing definitions of private and non-government financing for climate-responsive projects* *DLR 8.2: Verification of issuance of green bonds guidelines by MOEnv under the Climate Change By-law 2019* *DLR 8.3: Verification of publication of 2030 climate investment pipeline by MOEnv* *DLR 8.4: Verification of the following milestones:* *Verification of the following milestones: (i) Verification of issuance of a Directive or guidance for the private sector/commercial banks to report climate responsive projects by MoEnv and publication of it in MoEnv website; and (ii) Verification of annual progress report by MoEnv on progress towards the conditional climate responsive projects using the MRV system. The progress report will include projects, actual amounts of financing and climate benefits. Starting at a baseline of 0% (as of January 2016) in conditional expenditure recorded in the MRV system, the DLR records progress towards the goal of US$7.54 billion (NDC updated to be achieved by 2030). DLR 8.4 will record cumulative progress in the MRV system, between January 2016 and December 2026, of the conditional NDCs (as defined in the climate responsive definition and eligibility criteria/green taxonomy). The final result is demonstration of at least US$1.25billion cumulative, during 2016-26: At least cumulative US$250million recorded by end of CY24; at least cumulative US$750million recorded by end of CY25 and; at least cumulative US$1.25 billion recorded by end of CY26. .* *All notifications and guidelines shall be published on MoENV website or any relevant..*

DLI 9	Improving access, quality and continuity of business and infrastructure services in response to social demand
Description	DLI 9 supports the operationalization of policy tools recently adopted by the GoJ to improve service delivery, namely the National Registry of Government Services which will provide information on service standards and service improvement plans to be rolled out under the aegis of the Office of the Prime Minister. These tools are completed by the "At Your Service" (Bekhedmetkom) platform, which captures citizen feedback on service delivery and has been effectively leveraged during the COVID crisis as a communication tool between the state and the citizens; regular user satisfaction surveys; and Citizen Service Centers (CSCs) where citizens and the private sector can avail a range of administrative services.
Data source/ Agency	Prime Minister's Office. Service standards are reported on in the National Registry of Government services (NRGS) including based on user surveys.
Verification Entity	Audit bureau
Procedure	DLR 9.1: The Audit bureau will verify that the IT platform has been deployed across the 20 following government entities (see list below) based on a progress report submitted by the Office of the Prime minister and that those entities have publicly disclosed on the registry (NRGS) service cards for 3 to 5 of the main investment and infrastructure services they are providing. The DLR will disburse USD 1 M upon completion of the deployment of the registry as an IT platform across selected government entities and USD 100,000 upon public disclosure of their service cards by each selected ministry, department and agency providing investment and infrastructure services, up to a maximum disbursement of US$ 3,000,000. List of selected government entities: Ministry of Industry and Trade, Companies Control Department, Jordan Investment Commission, Jordan Securities Commission, Aqaba Special Economic Zone Authority, Department of Lands and Survey, Greater Amman Municipality, Jordan Customs, Income and Sales Tax Department, Ministry of Public Works and Housing, Government Tenders Department, Housing and Urban Development Corporation, Ministry of Water and Irrigation, Water Authority of Jordan, Jordan Valley Authority, Ministry of Energy and Mineral Resources, Ministry of Transport, Transport Regulatory Commission, Ministry of Tourism and Antiquities, Government Procurement Department. DLI 9.2: Progress in service standards will be measured using a composite indicator consisting of weighed performance indicators documented in service cards (in accordance with the template appended to the 2019 Manual on the

	Development of Service Criteria and Indicators) which will be detailed in the Program Operational Manual and reported on by selected government entities on the registry. The composite indicator will incorporate process, output and outcome level indicators, including based on user feedback disaggregated by social groups (including gender). The audit bureau will verify progress reported on the registry by selected government entities using the composite indicator after prior validation by the Office of the Prime Minister. The DLR will disburse US$ 1,000,000 on the achievement of 5 percentage points increase in service standards under each service improvement plan adopted and implemented by selected government entities, up to a maximum disbursement of US$ 12,000,000.

DLI 9	Improving access, quality and continuity of business and infrastructure services in response to social demand
Description	*DLI 9 supports the operationalization of policy tools recently adopted by the GoJ to improve service delivery, namely the National Registry of Government Services which will provide information on service standards and service improvement plans to be rolled out under the aegis of the Office of the Prime Minister, and help track progress in service standards. In addition, it supports the enhanced operationalization of the whole of government Grievance Redress Mechanism through its online platform, by incentivizing government responsiveness, i.e. timeliness and increased rate of response.*
Data source/ Agency	*Prime Minister's Office. Service standards are reported on in the National Registry of Government services (NRGS) including based on user surveys.*
Verification Entity	Audit bureau
Procedure	*DLR 9.1: The Audit bureau will verify that the IT platform has been deployed across the 20 following government entities (see list below) based on a progress report submitted by the Office of the Prime minister and that those entities have publicly disclosed on the registry (NRGS) service cards for 3 to 5 of the main investment and infrastructure services they are providing. The DLR will disburse USD 1 M upon completion of the deployment of the registry as an IT platform across selected government entities and USD 100,000 upon public disclosure of their service cards by each selected ministry, department and agency providing investment and infrastructure services, up to a maximum disbursement of US$ 3,000,000.* *List of selected government entities: Ministry of Industry and Trade, Companies Control Department, Jordan Investment*

	Commission, Jordan Securities Commission, Aqaba Special Economic Zone Authority, Department of Lands and Survey, Greater Amman Municipality, Jordan Customs, Income and Sales Tax Department, Ministry of Public Works and Housing, Government Tenders Department, Housing and Urban Development Corporation, Ministry of Water and Irrigation, Water Authority of Jordan, Jordan Valley Authority, Ministry of Energy and Mineral Resources, Ministry of Transport, Transport Regulatory Commission, Ministry of Tourism and Antiquities, Government Procurement Department. *DLI 9.2: Progress in service standards will be measured using performance indicators documented in service cards (in accordance with the template appended to the 2019 Manual on the Development of Service Criteria and Indicators) which will be detailed in the Program Operational Manual and reported on by selected government entities on the registry.* *The indicators will incorporate process, output and outcome level indicators, including informed by gender disaggregated user feedback. The audit bureau will verify progress reported on the registry by selected government entities using the indicators after prior validation by the Office of the Prime Minister. The DLR will disburse US$ 1,000,000 on the achievement of 5 percentage points increase in service standards under each service improvement plan adopted and implemented by selected government entities, or the bundling of services related to specific priority life events based on user research analytics, up to a maximum disbursement of US$ 12 M.* *DLR 9.3. disburses US$ 100,000 against each percentage point improvement in both the timeliness and rate of government response to citizen feedback filed through the online whole of government Grievance Redress platform, and US$ 200,000 for feedback filed by women, up to a total of US$ 6 M.*
DLI 10	Increasing accessibility and usability of statistical and administrative data
Description	To promote more open data, DLI 10 provides incentives for significant improvements in Jordan's ODIN Open Data score and supports the implementation of the 2018-2022 National Strategy for Development of Statistics (NSDS) and its objective of stronger data production and dissemination for Jordan through the generation and public access to statistical and administrative datasets by MoPIC Department of Statistics. In particular, the NSDS notes the need for state institutions to develop plans and policies and make good decisions based on a Jordanian statistical system which is more responsive to national priorities. Due to delays in its implementation, the NSDS will be extended to 2024, in line with the project timeline. As part of this DLI a National Statistics Capacity Roadmap for strengthening capacity at DOS in line with the NSDS will be

	developed. The improvements in the Open Data score can be made through making existing data more accessible (machine readable, documented, downloadable), making new data available (in areas not currently covered) or a combination of the two.
Data source/ Agency	DLR 10.1. Council of Minister. DLR10.2. Open Data Watch based on publication on DOS website of aggregate statistical data sets in accordance with ODIN Open Data standards.
Verification Entity	Audit bureau
Procedure	DLR10.1. Verification of Cabinet approval of National Statistics Roadmap to be published on DOS website. DLR 10.2. Verification of Jordan ODIN Open Data Score on Open Data Watch website.

DLI 10	Increasing accessibility and usability of statistical and administrative data for data-based policymaking
Description	*As part of this DLI a roadmap to guide the establishment a new National Statistics Center will be approved The update will be aligned with the new public modernization plan.* *DLI 10.3 includes the publication of a number of thematic and sectoral statistical reports and related databases to directly inform the Economic Modernization plans and SDGs tracking. Some of these reports include: (i) report on population and vital statistics using Demographic and Health Survey and administrative data; (including reporting on the sustainable Development Goals 1-6); (ii) report on national accounts and economic statistics (including SDG Goal 7-12 indicators); (iii) report on agricultural and food security statistics; (iv) report on labor supply statistics; (v) report on gender statistics (including socio-economic, labor, health, education and training aspects); (vi) Report on environmental and climate statistics (related to SDG 13 & 15 indicators);* *The tables and descriptive analytics will present statistics disaggregated by year, gender, and at the governorate level. The reports will also include a section/annex on data sources, sampling, and metadata. The reports will be published in Excel, on the Website via interactive tables, and in pdf. Outlines for the reports will be prepared following examples from other countries. Each report will be coordinated with respective data user entities within the GoJ addressing their needs as data users.*

Data source/ Agency	*DLR 10.1. Council of Minister.* *DLR10.2. Open Data Watch based on publication on DOS website of aggregate statistical data sets in accordance with ODIN Open Data standards.* *DLR 10.3 MOPIC*
Verification Entity	*Audit bureau*
Procedure	*DLR10.1. Verification of Cabinet approval of National Statistics Roadmap to be published on DOS website.* *DLR 10.2. Verification of Jordan ODIN Open Data Score on Open Data Watch website. Formula: Scalable, USD 1,000,000 for each point of improvement in the Open Data Score from a baseline of 53 to the limit of US$ 25 M.* *DLR 10.3 Verification of Analytical reports to be published in MoPIC website. Formula: Scalable, USD 1,000,000 per data analytical report published. If the report has gender disaggregated tables and analysis, an additional 500,000 will be disbursed, up to US$ 12 M by closing date.*

DLI 11	Implementing and strengthening good regulatory practices for evidence-based and predictable rulemaking
Description	DLI 11 supports the institutionalization of ex ante impact assessment and ex post evaluation of legislative instruments (laws and by-laws).
Data source/ Agency	Prime Minister's Office (Legislation and Opinion Bureau)
Verification Entity	Audit bureau
Procedure	DLRs 11.1, 11.2 and 11.4: Verification by the Bank that legislative/regulatory documents are consistent with international good practice (to be detailed in the Program Operational Manual). Verification by Audit Bureau of their official publication and dissemination. DLRs 11.3 and 11.5: Impact assessments and ex post evaluations need to be consistent with international good practice (to

	be detailed in the Program Operational Manual) and with GoJ guidelines (including on stakeholders' consultation) and the publication of impact assessment and evaluation reports on LOB and/or Prime Minister's Office websites will be verified by the Audit bureau.
DLI 11	Implementing and strengthening good regulatory practices for evidence-based and predictable rulemaking
Description	DLI 11 supports the institutionalization of ex ante impact assessment and ex post evaluation of legislative instruments (laws and by-laws).
Data source/ Agency	Prime Minister's Office (Legislation and Opinion Bureau)
Verification Entity	Audit bureau
Procedure	DLRs 11.1, 11.2 and 11.4: Verification by the Bank that legislative/regulatory documents are consistent with international good practice (to be detailed in the Program Operational Manual). Verification by Audit Bureau of their official publication and dissemination. DLRs 11.3 and 11.5: Impact assessments and ex post evaluations need to be consistent with international good practice (to be detailed in the Program Operational Manual) and with GoJ guidelines (including on stakeholders' consultation) and the publication of impact assessment and evaluation reports on LOB and/or Prime Minister's Office websites will be verified by the Audit bureau. DLR 11.3 disburses US$ 350,000 for each ex-ante impact assessment and ex-post evaluation, and US$ 700,000 when informed by documented online consultation, issued, up to the maximum of $4,550,000, by the end of CY24.$350,000 for each ex-ante impact assessment and ex post evaluation, and US$ 700,000 when those are informed by documented online consultation, issued in compliance with the new GPR legislative instrument enacted under DLR 11.4, up to the maximum of $4,900,000, by the end of CY27
DLI 12	Establishing and operationalizing a climate finance governance system for achieving Jordan’s NDC 2030 goals
Description	DLI 12 supports demonstration of progress towards achieving Jordan’s climate goals. This DLI supports establishment of a comprehensive, robust and transparent coordinating mechanism and empowerment of the relevant agencies and stakeholders. The Climate Finance Governance system also strengthens the institutional framework for implementation of

	the Climate Change By-law of 2019. This DLI strengthens Jordan's credibility, in accordance with the articles of Paris Agreement, and enhances attractiveness as a climate investment destination. The DLRs correspond to these key elements including, nation-wide deployment of MRV system and GHG registry; piloting carbon transactions; and establishment of the climate change center of excellence. The final outcome is an operational governance system for sustainable, continuous support towards Paris climate goals. This DLI will utilize and strengthen the National Climate Change Committee, established under the CC By-law of 2019.
Data source/ Agency	Ministry of Environment
Verification Entity	Audit bureau
Procedure	DLR 12.1: Verification of Council of Ministers' approval of the updated National Climate Change policy. DLR 12.2: Verification of (1) deployment report for MRV system in target government agencies by MOEnv. Deployment report will include (a) letter of nomination of the focal point from each agency (b) identification of information to be submitted by each agency; (c) completion of training of nominated staff, including hands-on training with entry of one data-set from each agency, with completion certificate and training manual. The target agencies include: (i) Ministry of Energy and Mineral Resources (and Jordan Renewable Energy and Energy Efficiency Fund); (ii) Ministry of Transport; (iii) Ministry of Industry, Trade and Supply; (iv) Ministry of Water and Irrigation; (v) Greater Amman Municipality; (vi) Ministry of Municipal Affairs/ Ministry of Local Administration; (vii) Ministry of Agriculture; (viii) Department of Statistics; (ix) Jordan Petroleum Refinery; (x) Water Authority; (xi) Land Transport Regulatory Authority; (xii) Energy Regulatory Authority; (xiii) Jordan Valley Authority; (xiv) Jordan Ports Corporation; (xv) National Electric Power Company; (xvi) Aqaba Special Economic Zone Authority; (xvii) Ministry of Tourism and Antiquities; (xviii) General Directorate of Civil Defense; (xix) Driver and Vehicle Licensing Department and; (xx) Jordan Chamber of Industry. (2) adoption of the 3-year roadmap towards operationalizing Climate Finance Governance system by MOEnv, as documented in Minutes of Meeting of the National Climate Change Committee (established under the CC By-law). DLR 12.3: Verification of the notification of National GHG Registry, including adoption of the Jordan Art 6. strategy under the Climate Change By-Law 2019 by MOEnv. Verification of carbon market transaction authorization letter by MOEnv. DLR 12.4: Verification of notification by MOEnv operationalizing the Center of Excellence. Notification will indicate (a)

	adoption of the first business plan including legal framework, institutional structure, and financing/revenue sources.; (b) nomination or recruitment of Head of Center of Excellence DLR 12.5: Verification of instruction by MOEnv establishing the Climate Finance Governance System. This includes verification of issuance and adoption of the following, as documented in the Minutes of Meeting of the National Climate change committee, (a) “Climate Finance Governance System (CFGS) Handbook” (b) “citizen engagement plan” and, (c) “Gender and Climate Change Strategy 2030”. DLR 12.6: Issuance of the first “Jordan Climate Finance Governance” report by MOEnv, including approval of 2030 climate financing plan and adoption of Jordan Long Term LED Strategy 2050, as documented in the Minutes of the National Climate Change Committee. All notifications, guidelines and reports shall also be published on MOEnv website.

DLI 12	Establishing and operationalizing a climate finance governance system for achieving Jordan’s NDC 2030 goals
Description	*DLI 12 supports demonstration of progress towards achieving Jordan’s climate goals. This DLI supports establishment of a comprehensive, robust and transparent coordinating mechanism and empowerment of the relevant agencies and stakeholders. The Climate Finance Governance system also strengthens the institutional framework for implementation of the Climate Change By-law of 2019. This DLI strengthens Jordan's credibility, in accordance with the articles of Paris Agreement, and enhances attractiveness as a climate investment destination. The DLRs correspond to these key elements including, nation-wide deployment of MRV system and GHG registry; piloting carbon transactions and relevant carbon market regulation; and establishment of the climate change center of excellence. The final outcome is an operational governance system for sustainable, continuous support towards Paris climate goals. This DLI will utilize and strengthen the National Climate Change Committee, established under the CC By-law of 2019.*
Data source/ Agency	*Ministry of Environment*
Verification Entity	*Audit bureau*

Procedure	*DLR 12.1: Verification of Council of Ministers' approval of the updated National Climate Change policy. Achieved* *DLR 12.2: Verification of (1) deployment report for MRV system in target government agencies by MOEnv. Deployment report will include (a) letter of nomination of the focal point from each agency (b) identification of information to be submitted by each agency; (c) completion of training of nominated staff, including hands-on training with entry of one data-set from each agency, with completion certificate and training manual. The target agencies include: (i) Ministry of Energy and Mineral Resources (and Jordan Renewable Energy and Energy Efficiency Fund); (ii) Ministry of Transport; (iii) Ministry of Industry, Trade and Supply; (iv) Ministry of Water and Irrigation; (v) Greater Amman Municipality; (vi) Ministry of Municipal Affairs/ Ministry of Local Administration; (vii) Ministry of Agriculture; (viii) Department of Statistics; (ix) Jordan Petroleum Refinery; (x) Water Authority; (xi) Land Transport Regulatory Authority; (xii) Energy Regulatory Authority; (xiii) Jordan Valley Authority; (xiv) Jordan Ports Corporation; (xv) National Electric Power Company; (xvi) Aqaba Special Economic Zone Authority; (xvii) Ministry of Tourism and Antiquities; (xviii) General Directorate of Civil Defense; (xix) Driver and Vehicle Licensing Department and; (xx) Jordan Chamber of Industry. (2) adoption of the 3-year roadmap towards operationalizing Climate Finance Governance system by MOEnv, as documented in Minutes of Meeting of the National Climate Change Committee (established under the CC By-law). Achieved and Verified* *DLR 12.3: Verification of the notification of National GHG Registry, including adoption of the Jordan Art 6. strategy under the Climate Change By-Law 2019 by MOEnv. Verification of carbon market transaction authorization letter by MOEnv. Achieved* ***DLR 12.4. Verification will include: a) Verification of issuance and adoption of the following, as documented in the Minutes of Meeting of the National Climate change committee by CY24: (a) "Climate Finance Governance System (CFGS) Handbook" (b) "citizen engagement plan" and, (c) "Gender and Climate Change Strategy 2030".*** ***b) MoEnv issues an instruction or any relevant under the Climate Change by-law 2019 adopting the Carbon Market Regulation/Policy/directive by CY24. In addition: (a) Verification of the connection of the National GHG Registry with the Climate Action Data Trust (WB's Climate Warehouse Program): (b) Verification of the completion of the carbon market transaction through authorization letter for transfer of carbon credits issued by the MoEnv at least for one project.*** ***c) Issuance of the first "Jordan Climate Finance Governance" report by MOEnv, including approval of 2030 climate financing plan and adoption of Jordan Long Term LED Strategy 2050, as documented in the Minutes of the National Climate Change Committee by CY25.*** ***d)*** Verification of Adoption of the first business plan of the Center of Excellence (CoE) including legal framework,

	institutional structure, and financing/revenue sources by NCCC by the end of CY26. ***e) Verification of notification by NCCC adopting the Carbon Market Support Window and its operationalization by CY26. MoEnv publishes the carbon market support window on its webpage***

ANNEX 1: INTEGRATED RISK ASSESSMENT

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

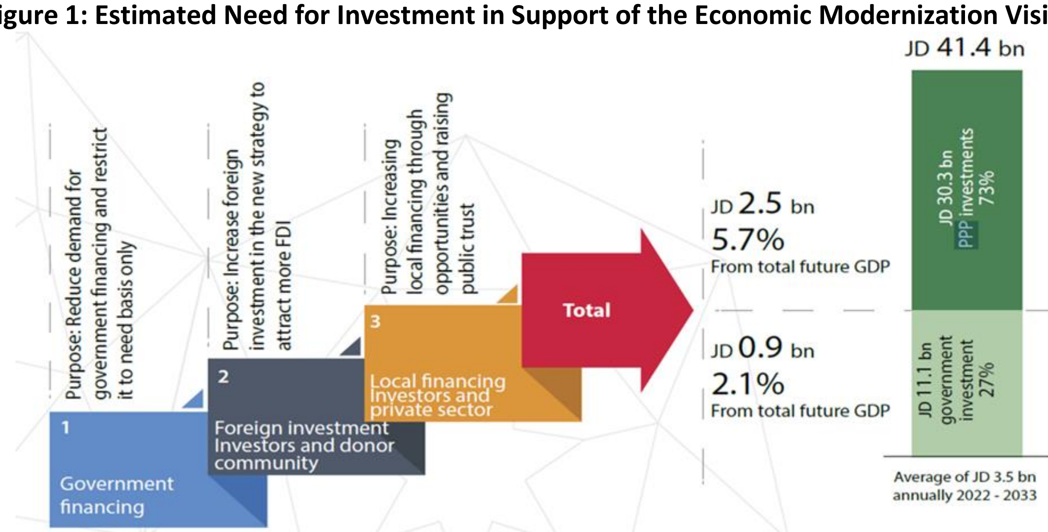
Risk Category	Latest ISR Rating	Current Rating
Political and Governance	Substantial	Substantial
Macroeconomic	Substantial	Substantial
Sector Strategies and Policies	Low	Low
Technical Design of Project or Program	Moderate	Moderate
Institutional Capacity for Implementation and Sustainability	Substantial	Substantial
Fiduciary	Moderate	Moderate
Environment and Social	Substantial	Substantial
Stakeholders	Moderate	Moderate
Other		
Overall	Substantial	Substantial

ANNEX 2: TECHNICAL ASSESSMENT – ADDENDUM

Update to strategic relevance and technical soundness of the Program.

1. **The strategic relevance of the Program is further confirmed by the Economic Modernization Vision approved by the GoJ in June 2022.** The Economic Modernization Vision for 2033 aims at ambitious objectives regarding public and private investment to boost growth and enhance welfare, including through job creation, while fiscal headwinds on public spending and downside international economic outlook weigh negatively on its successful implementation. This warrants further support to the agenda from the Program for two reasons: 1) the fiscal space for capital spending may be narrower than initially anticipated by the parent operation; and 2) the need for public and private investment to achieve the objectives of the government economic strategy is deemed much bigger, including for climate responsive investments (in alignment with government updated commitment to the NDC and the findings of the CCDR). Accordingly, increased support to green public and private investment under additional financing and restructuring strengthens the strategic relevance of the Program. On public investment, support to green procurement, to strategic planning of public investment and to domestic revenue mobilization are added, and support to climate responsive investment, including through climate responsive PPPs, is enhanced (through the repricing of targeted results). On private investment, support to green financing is significantly broadened, including through support to the issuance of a sovereign green bond and the operationalization of carbon markets

Figure 1: Estimated Need for Investment in Support of the Economic Modernization Vision.



(Source: GoJ, 2022, Economic Modernization Vision.)

2. **Also, extended support to data and evidence-based policy making and to the gender agenda will help improve further government effectiveness in achieving the objectives of its economic reform agenda.** On gender equality, the Vision aims at improving Jordan scoring both under the Global Gender Gap Index and the Women, Business and Law index[9] and the operation contributes to the agenda by supporting gender sensitive public investment, and job

[9] The Vision document highlights the poor ranking of Jordan under both indexes: at the 131th position among 156. countries under the 2021 Global Gender Gap index and 177th position among 190 countries under the 2022 Women, Business and the Law index.

creating private investment for women (e.g., through the support for gender-specific investment incentive scheme and implementation of Tourism Gender and Inclusion Project Plan), and gender informed policy making (by supporting gender relevant statistical data production and analysis and by promoting gender sensitive policy reforms through regulatory impact assessments). The Vision also calls for the "availability of data and the need for comprehensive and regularly updated data as a point of reference to facilitate evidence-based decision and policy-making; thus allowing the implementation process to be properly monitored and evaluated" and "for informed citizen-centric decision making". Under additional financing and restructuring, the Program supports this agenda further by enhancing initial support to the strengthening of statistical performance including in the prospect of the planned establishment of a National Data Centre in replacement of the Department of Statistics to be "responsible for data availability, access, and decision-making support" and of "a National Information System to empower citizens, businesses" (beyond informing decision making by government).

3. **The technical soundness of the parent Program has been successfully tested during its implementation since its date of effectiveness, on August 24, 2021.** Significant progress against PDO-level indicators and DLIs detailed in the main text (with three PDO-level indicators on track to be met, two of them ahead of schedule; and 9 DLRs achieved in 2021 and another critical ones expected to have been achieved in 2022 (including on climate) and a disbursement rate far ahead of schedule (expected to reach over 50 percent after the disbursement of a second installment by spring 2023) demonstrate the technical soundness of the parent Program.

4. **Under additional financing and restructuring, the Program builds on results achieved but also on lessons learned during the implementation of the parent Program and adjusts to policy shifts and institutional reorganization since it became effective.** While the PDO remains fully relevant, PDO-level indicators are scaled up to reflect both their achievement so far and to enhance targeted objectives in alignment with increased financial support from the Program. The DLI matrix is strengthened by incorporating new entry points for support to the achievement of the PDO on the quality and management of public investment through green procurement, domestic revenue mobilization, strategic planning of capital projects; on private investment through green financing and the incentivization of job creation for women, and on climate through the mobilization of carbon markets) as well as by scaling up targeted results down the result chain (such as on data and evidence-based policy making, and on climate finance). On private investment, the Program supports the implementation of the newly enacted legal framework (the 2022 Investment environment law and 2023 by-law) and adjusts to the replacement of the Jordan Investment Commission by the Ministry of Investment in 2022. Finally, restructuring aims at strengthening further the effectiveness of the implementation arrangement.

5. **The technical assessment of the parent Program remains relevant and is only updated in this addendum to reflect policy shifts and institutional reorganization, as well as to provide background analysis on additions and adjustments to the result framework.** In Result area 1 on public investment, this technical assessment focuses on new DLRs on green procurement, domestic revenue mobilization, strategic planning, and underlies the repricing of climate responsive public investment. In Result area 2 on private investment, it elaborates on the refocusing on green financing and incentives for job creating investment for women. In Result area 3, it underpins the increased focus on data and evidence-based policy making, on government responsiveness to citizen feedback and the leveraging of international carbon markets and results-based financing.

6. **In Result area 1 on public investment, the parent Program is strengthened by adding new entry points for support to the quality and management of capital spending (through green procurement, domestic revenue mobilization, and strategic planning) and by enhancing the financing of support to climate responsive public investment.**

7. **On improving the preparation and implementation of public investment (DLI 1), the Program now supports three new dimensions: 1) environmental sustainability through green procurement, 2) gender sensitive project appraisal, and 3) strategic planning.**

- **The new DLR on green procurement (DLR 1.6) aims at promoting lifecycle costing of capital projects and green public investment by operationalizing the country procurement legal framework updated in 2022.** Green public procurement (GPP) uses the public sector's purchasing power to achieve environmental objectives, reduce environmental impact and greenhouse gas emissions on public investment by shifting the focus of public procurement from compliance to strategic objectives such as climate response and environmental sustainability**.** The bylaw No 8/2022, in its article No 8 promulgates that any procurement process shall be observing energy-efficiency, using renewable energy, reducing water consumption, reducing waste and promoting recycling and taking into consideration environmental, social, health and safety aspects. The implementation of the bylaw and the public procurement reform is guided by the roadmap approved by the government Procurement Policy Committee (PPC) in 2021. The roadmap is articulated around 8 pillars. The 2nd pillar pertains to the development outcomes of public procurement. The main axes of the pillar are (i) SME chapter and (ii) sustainable procurement of which green procurement is a direct application. Jordan obtained a separate trust fund for the diagnostic and development of a green procurement operational tools, and the Program will support the implementation of the policy in selected priority areas. It is expected that the implementation of GPP will face challenges: it calls for understanding the benefits that GPP can deliver in the domestic context, and the uptake of GPP requires buy-in not only from procuring agencies but also from the markets they buy from and the public they serve. Efforts to identify champions and raise awareness across society can significantly accelerate adoption of green procurement. Effective communications campaigns can help governments to design an implementation strategy that prioritizes the most promising opportunities for success, avoids pitfalls and scales up with experience. GPP is a challenging exercise which calls for several market conditions to be met and will take leadership from multiple stakeholders. The life cycle approach is also important to support a shift of procurement transactions from the selection of the lowest bidder towards maximizing value for money (VfM). The purchase price of a good, service or work represents only the "tip of the iceberg" of the total cost incurred by a purchaser over its life cycle. The "Total cost of ownership" (TCO) recognizes that purchases with a low initial price, but high energy or water use needs, maintenance requirements and disposal costs can offer lower value for money. "Life-cycle costing" (LCC) goes further than TCO by also considering the cost of environmental externalities that can be monetized (e.g., GHG emissions, pollution fees). Disbursements from the Program against green procurement is predicated on the adoption by the PPC of a policy document and directive which the World Bank team is actively supporting through technical assistance and which is expected to be finalized by 2024.

- **DLR 1.3 on project appraisal is strengthened through the inclusion of a gender sensitivity premium.** As it is, the DLR supports the completion and review of appraisal reports for capital projects above (JD 10 M), in compliance with the 2021 National Registry of Investment Projects (NRIP) by-law and the guidelines on feasibility studies approved by government in July 2021 (its approval being supported under DLR 1.1). The guideline prescribes that project appraisal reports answer the following question: "Have the potential gender differentiated impacts of the proposed project been identified and is it feasible to address these within the scope of the project?" and that they "should consider gender-differentiated impacts and to what extent the project contributes to the achievement of the National Strategy for Women and government objective of enhancing female labor force participation."[10] Accordingly, the disbursement formula of DLR 1.3 is revised to reward the completion of gender sensitive project appraisal reports by pricing them 50 percent more than gender blind appraisal reports.

- **On the strategic planning of public investment, the objective of the added DLR is to support the prioritization of capital projects targeted by the Economic Modernization Vision in the execution of capital spending.** This DLR is added on request from the government. The Economic Modernization Vision aims at a significant increase in public investment across its pillars and its Executive plan for 2023-25 is underpinned by a detailed costing of its implementation which captures essentially relevant capital projects and expenditure across ministries and agencies[11]. For the achievement of the objectives of the Vision it is deemed important that the execution of those budgeted expenditure is prioritized. To support such prioritization, the DLR will disburse against the prioritization of strategic projects for the implementation of the Economic Modernization Vision in the release of funds for capital spending by the Treasury. The DLR will disburse against each percentage point above 100 percent of the following ratio measured every year

$$\text{Ratio: } \frac{\text{percentage of appropriated capital expenditure for Economic Modernization released by Treasury}}{\text{percentage of total appropriations for capital expenditure released by Treasury}}$$

  The list of strategic capital projects to be used to measure result under the DLR will be determined in consultation with MOPIC and the MOF and detailed in the updated Program manual.

8. **To help increase the fiscal space for public investment more effectively, the Program now supports fiscal sustainability by incentivizing domestic revenue mobilization and the rebalancing of the budget spending mix towards capital spending.**

- **On domestic revenue mobilization, the added DLR 2.2 aims at helping bridge the existing gap between revenue and expenditure in the medium term to help carve out more fiscal space for capital spending.** As it is, domestic revenue does not cover recurrent expenditure and capital spending is mostly aid dependent. Supporting domestic revenue mobilization will help structurally increase fiscal space for capital spending by contributing to narrow the financing gap of recurrent expenditure. Domestic revenue in Jordan consists essentially of tax revenue (which amounted to 76 percent of total domestic revenue of central government in 2021[12]) and tax revenue consist essentially of income and sales/value added taxes collected by the Income and Sales Tax Department (ISTD) of the MOF. The ISTD is aggressively fighting tax evasion and avoidance to increase tax collection and rebalance the tax revenue mix towards income tax revenue for tax equity purpose (direct tax revenue have increased by 35 percent in 2022 and amounted to 30 percent of total tax revenue[13]). Under the IMF program, the GoJ is committed to increase tax revenue collection by broadening the tax base and improving tax compliance; enhancing the capacity of ISTD by a) upgrading its IT infrastructure (including the national invoice system); b) strengthening its audit function; c) fully automating the income and sales tax registration process for new companies. E-filing of income tax returns is already mandatory and the ISTD is planning to deploy an e-invoicing platform to improve indirect

[10] Government of Jordan, 2021, Guideline II: Feasibility Study, Summary Appraisal Submission and Assessment.
[11] The Executive plan for the Economic Modernization Vision
[12] IMF, 2022, Staff Report for the 2022 Article IV Consultation and Fourth Review under the Extended Fund Facility.
[13] Source: ISTD, 2023.

tax collection (Value Added Tax) as soon as in 2023; and to mainstream the automatization of tax auditing in 2023 as well. According to IMF fiscal projections, the ratio of domestic revenue to recurrent expenditure will increase from 86.1 percent in 2022 to 96.75 percent in 2027[14]. In order to incentivize the broadening of fiscal space for capital spending through the narrowing of the financing gap of recurrent expenditure by domestic revenue, the added DLR 2.2. will disburse against the increase of this last ratio (domestic revenue/recurrent expenditure) every year. It is intended to help finance the needed capacity building of the ISTD (which is reflected by its comparatively high productivity as measured by the cost to collection ratio[15]) and the customs. The DLR does not imply tax policy reforms and only builds on the performance of tax and other revenue collection.

- **The Program also supports the rebalancing of the budget spending mix to adjust to the deteriorating economic outlook.** Since the preparation of the parent Program the headwinds on the fiscal outlook have increased significantly as a result of the external shock entailed by Russia's invasion of Ukraine: despite its significant increase in 2021 (beyond IMF projections under its 2nd review of its Extended Facility program referred to for the preparation of the parent Program), in November 2022, the IMF estimated that capital spending would be cut by 0.3 percent of GDP[16] in 2022. Looking forward, IMF projections have been revised upward in 2022 (capital spending reaching 3.9 percent of GDP by 2026 and until 2028) but with the caveat that "risks to the outlook are tilted to the downside, stemming from a more challenging external environment" and may affect capital spending. Indeed, lessons learned from Program implementation is that capital spending remains the variable of adjustment of cash management and fiscal consolidation and that it is highly dependent on external aid (which explains to a significant extent its backloading to the last quarter of the fiscal year[17]). The backloading of capital spending towards the end of fiscal years also results from a range of bottlenecks beyond cash rationing such as protracted procurement delays, and a lack of capital project readiness for implementation. Addressing those bottlenecks requires proactive management of capital spending during budget execution by the Ministry of Finance. In this context, in order to better support the broadening of the fiscal space for public investment, the undisbursed proceeds initially allocated to DLR 2.1. on the increase in capital expenditure are reallocated to two complementary ways to support the sustainability of the fiscal space for capital spending: domestic revenue mobilization, and the rebalancing of the budget spending mix towards capital spending.

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[14] Idem.

[15] According to WB, 2022, Draft brief on Jordan tax index, "The overall cost-to-collection was only 0.49 percent. In other words, it cost the ISTD only JD 0.49 to collect every JD 100 of taxes. This is indicative of a high standard of efficiency, as the global average is usually above 1 percent."

[16] IMF, 2022, Fifth review of Extended Fund Facility (EFF) Program.

[17] In the past ten years, on average, 44 percent of annual capital spending happens in the last quarter, and 27 percent in the last month of the fiscal year (WB, 2022, draft InfraGov assessment).

Figure 3.1. Downward trend in capital spending has picked up in 2021.

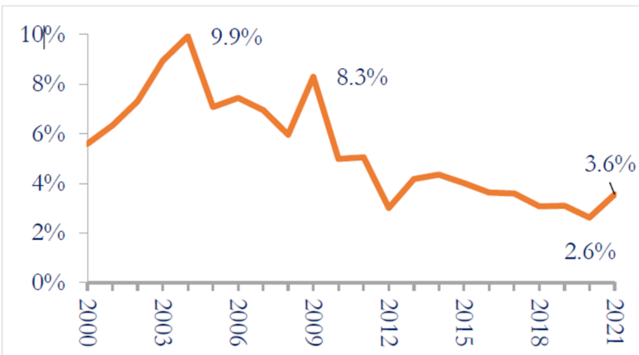
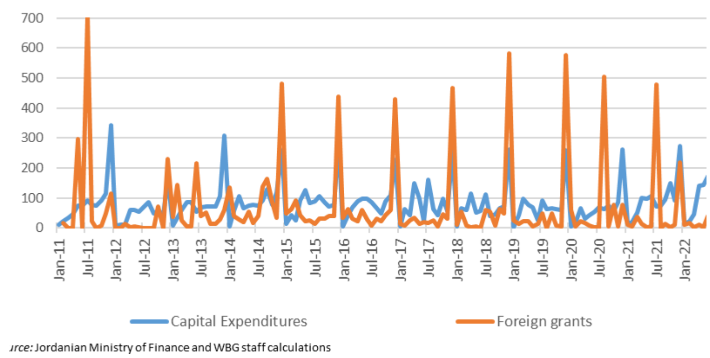


Figure 3.2. Correlation of capex execution and release of foreign grants.



Source: World Bank, 2022, Jordan Economic Monitor (based on IMF, MOF and WB data and WB staff calculations.

9. **Support by the Program under DLI 3 to climate responsive capital spending is enhanced by significantly increasing its pricing.**

- **DLR 3.2 on the increase in capital expenditure towards NDC goals is repriced to better reflect the fiscal cost of meeting the government unconditional commitment to the NDC by Program closure and refocused on emission reductions and adaptation**. Jordan updated its NDC commitments in October 2021, raising its GHG emission reduction target from 14 percent to 31 percent of the BAU scenario by 2030. The estimated total cost for achieving the 31 percent goal in Jordan NDC is over U$7.5 billion, 5 percent emission reduction financed from the government's own resources (for US$565 million) and the 26 percent emission reduction expected to be addressed by mobilizing private sector investment as well as support from international financial institutions. This repricing is expected to incentivize more action and at the same time provide flexibility to achieve the target with the inclusion of all relevant interventions from the budget allocations. The DLR will also support the implementation of more climate adaptation projects. In the recent Country Climate and Development Report (CCDR), the World Bank estimates Jordan's incremental investment needs for resilient and low carbon development in key sectors at US$9.5 billion (not including the Aqaba Amman Water Conveyor) for priority actions to be fully implemented by 2030. These financing needs build on the NDC priorities and include projects contributing to adaptation and resilience across the water, agriculture, energy, transport, and urban sectors. Despite Jordan's progress in preparing climate strategies and plans, implementation remains slow. There is a growing gap between climate action financing needs and available resources. Fiscal constraints affect the policy and regulatory environment, particularly incentives for investments in climate-responsive solutions. Many commitments remain aspirational and lack financing sources. There has been limited progress in developing locally appropriate and innovative non-fiscal, non-financial incentives for climate action. The DLR builds on achievements so far under the parent Program:
    - In December 2021, MoEnv issued an instruction of the definition and eligibility criteria for climate responsive government capital expenditure under the Climate Change by-law 2019. The 2021 circular for the 2022 budget preparation, recommends the prioritization of climate related sector activities, such as, reducing water losses, improving sustainable transport, etc., and prescribes to "take into account the necessary projects and expenditures to confront the conditions resulting to climate change and the

standards and requirements necessary for that". The 2022 budget circular for the preparation of the 2023 budget prescribes that when submitting their budget line ministries and agencies should "specify their priorities regarding gender, youth, persons with disabilities, and climate change, and the outcomes expected to be achieved in these areas for the years (2023-2025)".

- The government guidelines for the preparation of concept notes and appraisal reports for capital projects adopted in 2021 (under DLR1.2) requires project sponsors to mention climate co-benefits of projects submitted for approval by government and the National Registry of Investment Projects (NRIP) system under MOPIC Public Investment Management (PIM) Unit already captures the climate responsive eligibility criteria adopted by MoEnv in 2021, and also supported by the parent Program[18].

The DLR will now disburse against (i) completed changes to the MRV system to capture the adaptation projects and their benefits; (ii) cumulative emission reductions (tC02) from government supported climate responsive mitigation projects towards unconditional commitments; and (iii) report on adaptation projects in the MRV system.

- **DLR 3.3 on climate responsive PPP is also repriced to better reflect the fiscal cost of a lower number of targeted PPP transactions.** This is in consideration of government's expected fiscal commitments and contingent liabilities as regards two specific projects in Jordan's current PPP pipeline: the King Hussein Bridge as well as School PPPs. For the latter, government estimates that total direct liabilities during the project term will amount to JD 129.96 million (US$ 183 M) and contingent liabilities to JD 15 million (USD 21 M) in the first year of construction and JD 80.1 million (US$ 113 M) in the first year of operation. As regards the King Hussein Border Bridge project, the government expects to incur JD 46.65 million (USD 66 M) over the project life cycle in terms of direct liabilities. Contingent liabilities include contractual compensation payments (minimum revenue guarantee) for unfavorable political events in the amount of JD 53,000 (ca. USD 75,000) per day and JD 40.3 million (US$ 56 million) per year in 2043.

10. **In Result area 2 on private investment, the parent Program is aligned to the newly enacted legal framework and expands support for mobilization of green financing. The following explains the rationale behind key adjustments in existing DLRs and addition of new ones:**

- **DLI 4 on investment promotion is recrafted to reflect the replacement of the Jordan Investment Commission (JIC) by the Ministry of Investment, and to align to the newly enacted Investment Environment Law.** One of the key enablers for the Jordan Economic Modernization Vision has been the introduction of a new Investment Environment Law which came into force in January 2023. Another key enabler for the vision to be fulfilled is the implementation of a new Investment Promotion Strategy (IPS) for Jordan developed by the Ministry of Investment. The IPS targets JD1.8 billion in investments to be attracted by MoIN over four years (2024-2027). DLR 4.1 remains focused on the adoption of the new Investment Promotion Strategy, with a DLR formulation adjusted to accommodate the replacement of JIC by MOIN and a change in the timeline of the strategy. The part of the DLR linked to the adoption of the bylaw on investment window is dropped as the targeted legal framework during the preparation of the parent Program has been revisited by the GoJ since then, with the replacement of the initially prepared standard comprehensive investment law by the 2022 Investment Environment Law which introduces

[18] The WB team members provided training to the PIM unit staff on climate responsive definition and eligibility criteria in 2022, to support the identification of Climate Responsive projects within the Government/line ministries' budget proposals by the PIM Unit, and it was agreed that the PIM unit will appoint a climate change focal point.

the concept of Comprehensive Investment Services, dedicated to the registration and licensing of economic activities. It has notable differences from the initially envisaged Investment Window and cannot be covered by the relevant DLR.

The new Investment Environment Law of 2022 is meant to gather the main provisions regarding investors and their investments in one single instrument. To that effect, it contains general provisions on investment, including guarantees for investors, provisions on investment incentives as well as on development and free zones and, finally, business registration and licensing provisions. The law is complemented by a single bylaw addressing the same topics. This new set of regulations introduces improvements for the Jordanian investment legal framework such as fewer ownership restrictions for foreign investors, an online platform for registration and licensing of economic activities, more specific fiscal and administrative incentives, etc. However, the new instruments missed the opportunity to strengthen some common investor guarantees like protection against indirect expropriation or a broader dispute settlement provision. Furthermore, these instruments may lead to implementation issues since they lack some clarity on processes such as the granting and monitoring of fiscal incentives (the process could have been more transparent), the scope of the General register and licensing, and the objectives of the zones. Finally, having the promotion activities carried out by a Ministry with multiple functions may prove to be challenging.

- The previous DLR 4.2, whose main objective was to incentivize enhanced transparency linked to achievement of JIC investment related KPIs, is dropped, and is replaced by a new DLR that will disburse against gender-specific investment incentives. Overall, while the broader policy framework around investment incentives could be strengthened going forward, DLR 4.2 will support an appropriate implementation of a narrow but important sub-set of investment incentives, focusing specifically on incentivizing investment projects that create employment opportunities for Jordanian women. The new DLR aims to contribute to increased female employment of Jordanians in the private sector, as low female participation in labor market is currently one of the fundamental challenges hindering Jordan's economic growth. This DLR will disburse against the number of investment projects receiving gender-specific investment incentives in accordance with the Investment Environment Law (No. 21) of 2022 and Article 26B of the 2023 bylaw. Allocation of public funds through the incentive scheme reflects prioritization of gender inclusion as a key policy agenda for the Government and the DLR recognizes the step of conceiving selected investment incentives with targeted objectives. Monitoring and evaluation (M&E) of investment incentives is critical to support transparency, improved governance and ultimately the evidence base to consider reforms for more cost-effective incentives' instruments. Through the complementary MDTF, the WB team aims to support the GoJ on the M&E of incentives (focusing most immediately on the gender-related incentive)—building on the WBG recommendations from the December 2022 report on investment incentives delivered to the GoJ and iterated feedback on the Investment Environment Law and implementing bylaw. Doing so will help the Government systematically track the impact of investment incentives[19], focusing specifically on incentivizing investment projects that create women employment opportunities.

- The current DLR 4.3 that disburses against new investment decisions announced to locate in Jordan per year remains as is, with several adjustments, specifically (i) to reflect the organizational change from JIC to MOIN, (ii) to support the operationalization of an upgraded and integrated customer relationship management (CRM) system that is the foundation for the ministry to foster relationship building with current and prospective investors across project life cycle and provide excellent services to investors through an investor

[19] World Bank. December 2022. "Reviewing Jordan's Investment Incentives' Regime: Initial Benchmarking Analysis.

tracking system that concentrates, organizes, and manages information efficiently and effectively, (iii) to ensure that the investments are in the ministry's shortlist of investors receiving investment facilitation services, and (iv) to incentivize MOIN to prepare a semi-annual progress report based on the CRM. Linked to this DLR, a new DLR is added that disburses against investments started, which measures the effectiveness of the MOIN in converting investment pledges to realized investment. These two interconnected DLRs will strengthen the focus on and support to actual investments generated and private capital enabled.

- **DLI 5 on investment incentives is refocused on climate finance mobilization.** DLRs 5.1 and 5.2 on non-fiscal incentives are dropped as they are not aligned anymore with the government investment incentive policy. As indicated above, a new DLR under DLI 4 reflects further support in investment incentives area but focused specifically on gender-specific investment incentives scheme. To support the GOJ in addressing Jordan's climate financing gap and unlock new sources of finance for the implementation of climate-responsive projects (including those identified under DLR 8.3), a new DLR is added to support MOF in: (i) <u>achieving major milestones towards issuing the first sovereign green bond in Jordan</u> (operationalizing a working group for preparation and issuance of sovereign green bond; implementing investor relations function at MOF; updating debt management strategy with green bond as its integral part; adopting sovereign green financing framework; receiving an independent external review; and approving the list of eligible projects for the green bond proceeds); and (ii) <u>actual issuance of the green bond.</u> Green Bond Guidelines have been issued in Jordan in 2021 under DLR 8.2 of this operation, so a new DLR will support GOJ's continuing efforts in the area of green bonds. Issuance of the green bond would help Jordan signal its commitment to implement green economy objectives, enhance fiscal transparency, and would shape Jordan's international profile as a green investment destination. It would also help diversify investor base, which is an important medium and longer-term strategic objective for Jordan as it currently highly relies on donor financing. In addition, green bond may provide cost advantages and can also crowd-in concessional financing and provide benchmark for corporate issuers of green finance instruments. The latter would also contribute to capital market development in Jordan, which is one of the strategic priorities highlighted in Economic Modernization Vision. Given that issuance of the green bond is preceded by several important intermediate steps and require certain level of capacity at MOF and other related stakeholders, this DLR will support both a successful achievement of key milestones in the preparatory phase of the green bond as well as its actual issuance. MOF already has experience and capacity in issuing international sovereign bonds: for example, the latest US$650 M Eurobond was successfully issued (oversubscribed by more than 3 times) in June 2022, and this expertise will be leveraged for the international issuance of sovereign green bond. The implementing agency for the green bond DLR will be Ministry of Finance, with the Public Debt Department leading the preparation phase of the green bond (in coordination with MOENV and other entities) as well as responsible for the actual issuance of the green bond.

  <u>A new DLR under DLI 5 supports the adoption of a National Green Taxonomy.</u> As such, this DLR supports a broader GOJ's agenda on advancing green economy (including through a dedicated pillar in the Economic Modernization Vision) in Jordan and mobilizing climate finance: green taxonomy provides a common language in classifying climate-responsive projects and economic activities. National green taxonomy will generate value-add across the board, e.g., it can help with climate tagging of eligible budget activities; classifying eligible projects that can be supported by the green bond; supporting green public procurement; facilitating climate-responsive supervisory guidance by CBJ that could be focused on green finance mobilization; etc. In the absence of formally agreed-upon definitions, market actors tend to introduce their own; the result is a lack of comparability, reliability, accountability, and higher transaction costs. In Jordan, instructions issued by MOENV under the Climate Change Bylaw of 2019 (and supported by DLR 8.1) to include the definition and eligibility criteria for climate responsive

investments could be taken as a starting point in developing a full-fledged national green taxonomy. Development of the taxonomy will require active coordination between multiple authorities, including MOENV, CBJ, MOF, and others, and its successful adoption would be a major addition to the climate finance ecosystem. The Ministry of Environment will lead the DLR on National Green Taxonomy, which will also involve multi-entity coordination, including with CBJ in the co-leading role, Jordan Securities Commission, etc.

- **DLI 6 on tourism sector development is scaled up to expand support for tourism site improvements and has a new DLR focused on the achievement of gender-related outcomes.** The DLR on investments in tourism sites is scaled up and adjusted to disburse against development and implementation of Tourism Site Management Plans, aiming to increase revenue and investment (including private) generation from site improvements. COVID-19 hit the sector sharply, however, the rebound in tourism sector has accelerated in 2022 and is one of the main drivers of Jordan's economic upswing. On current trends, the number of visitors should achieve a full recovery in 2023. Therefore, it becomes ever more important to enhance tourism sites carrying capacity and quality of services. Scaling up this DLR will support GOJ in implementing their strategic activities under tourism area in the Economic Modernization Vision: developing, managing, and maintaining tourism sites and facilities, developing tourism sites' infrastructure are some of the targeted activities highlighted in the new Economic Modernization Vision.
  <u>A new DLR supports the implementation of selected gender-specific measures aiming to enhance female employment opportunities in tourism sector.</u> This ensures a continuation of the DLR6.1 that supported the development and adoption of the Tourism Gender and Inclusion Project Plan as the new DLR supports the implementation of the Plan. The new DLR will disburse against successful implementation of measures facilitating female employment opportunities in the tourism sector: opening additional spaces in tourism sites to be occupied by cooperates with majority of women; and implementing targeted upskilling programs for female job seekers; local communities; and already employed in the tourism sector. Female labor force participation in Jordan's tourism sector is several times lower compared to global average (the share of female employees in Jordan's tourism sector is 12 percent, however, for Jordanian women this share is much lower at an estimated rate of 5 percent of the workforce in accommodation and food services), and Jordan faces pressing challenges to incorporate more women into the labor force.

- **On the investor journey, DLI 7 is revised in light of recent policy shifts on business licensing and registration.** DLR 7.1 on business registration is dropped as the policy prerequisites to the full digitalization of business registration will likely not be met: the DLR on roll out of an integrated and digitized business registration system cannot be achieved in the absence of an acceptable policy framework that supports the reform objectives. DLR 7.2 remains focused on supporting the licensing reform in Jordan, and, as such, contributes to a cross-cutting objective of the Economic Modernization Vision to enhance the business enabling environment. This DLR is adjusted to target the number of licenses simplified, eliminated, or digitalized, with a minimum number of priority sectoral licenses, and will disburse against achieving major milestones in the lifecycle of the respective licensing reform design and implementation process. This new approach was adopted responding to the lengthy licensing reform process which mainly goes through three important milestones: (i) the reform concept or proposal, which is preceded with legal and institutional assessment to inform the reform direction; (ii) the reform implementation, which mainly includes developing new legal and administrative tools to implement the reform. Legal tools typically go through a lengthy review and approval process; and (iii) the results measurement, which usually happens post legal and institutional changes supporting the approved reform. The milestone approach will not only drive the reform momentum but more importantly it will allow additional review and verification of all three key milestones.

- **New gender related DLRs under DLIs 4 and 6 will support Jordan's efforts on making improvements in creating employment and business opportunities for women.** Jordan ranks among the countries with the lowest women participation to the workforce, and it rates poorly on both the Global Gender Gap Index (122th from 146 countries in 2022), and the Women, Business and Law Index. It is highlighted in the new Jordan Economic Modernization Vision that Jordan aims to achieve improvement on both rankings. In addition, after the parent Program was prepared, the 2021 Country Private Sector Diagnostic Report was published, and underscored the divide between male and female labor markets as one of the facets of the Jordanian labor market that represents a major missed opportunity for the country given the high educational attainment of Jordanian women. Despite high education achievements, only 14 percent of women participle to the workforce in Jordan with high women unemployment rate (at 29.4 percent), especially among young women, and with the public sector accounting for two thirds of women's employment. Women's access to assets and financial services is also low: only 3 percent of firms are led by a female top manager, 6 percent of landholdings are controlled by female farmers, and 27 percent of women have a bank account. A recent survey finds that 55.6 percent of unregistered businesses are owned by women, and 1 in 5 of unregistered businesses are home based businesses[20].

- **DLI 8 has been nearly fully achieved to the only exception of DLR 8.4 on tracking private and non-government climate responsive financing, which has been repriced and revised.** International and domestic private investment flows will be essential for developing countries to deliver on Nationally Determined Contribution (NDC) commitments made under the Paris Agreement. With Jordan projecting its investment needs to the tune of $7.5 billion for meeting the conditional targets of its updated NDC, it is essential that relevant incentive structures are put in place to support its achievement. Building on the infrastructure (MRV system) that is already in place and different elements under the climate finance governance system, to support achievement of the DLR 8.4. it is determined that there is a need for introducing either a directive or guidance to encourage non-governmental actors to report on climate responsive projects to MoEnv and the publication of a consolidated report on MoEnv's website. The purpose of this addition is to make it mandatory to the private sector (larger emitters) over time to report GHG data and climate-responsive projects into the existing MRV system. This would be done as part of tracking green investment by the private sector.

11. **In Result area 3 on governance, the parent Program is strengthened by extending support to data and evidence-based policy making, government responsiveness to citizen feedback and the operationalization of the climate finance governance framework, including by leveraging of carbon markets.**

- **Regarding service delivery, the Program is strengthened by adding a DLR on government responsiveness to citizen feedback by supporting the operationalization of the whole of government online Grievance Redress platform.** DLR 9.1 on the launch of the National Registry of Government Services (NRGS) and the uploading of selected service cards has been nearly fully achieved. And the GoJ is considering using the NRGS as the single government grievance redress (GRM) platform under which citizen feedback and government responses will be routed. A new DLR (DLR 9.3) on GRM will disburse against an increase in the response rate and delays by government to feedback filled through the platform. It will help improve the performance of the overall government GRM which the parent Program already leverages as its own GRM system. An assessment report of the government GRM (At Your Service platform) completed in May 2022 concluded that the government

[20] USAID, 2015, Jordan Local Enterprise Support Project. Survey of Jordanian Micro- and Small-Enterprises.

centralized grievance redress mechanism has fallen in relative disregard with only one third of surveyed users claiming that they received a response[21].

Figure 3.3: Government GRM users' experience of government responsiveness.

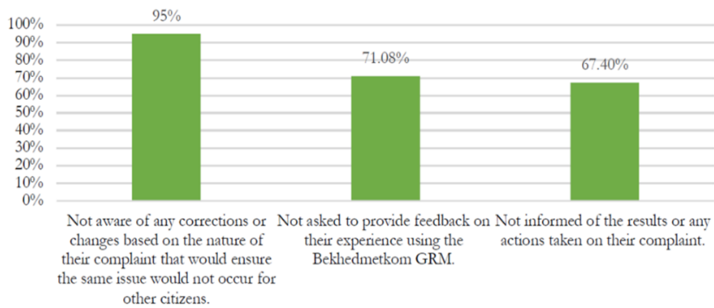
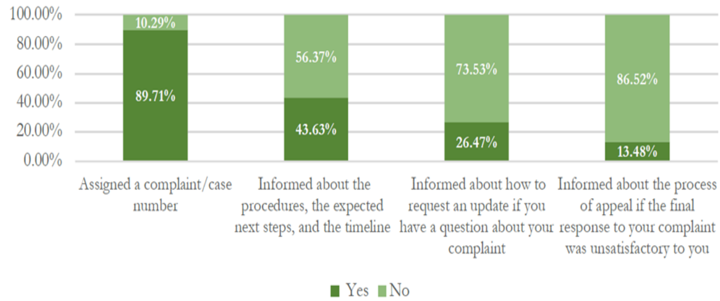


Figure 3.4: GRM Users' Experience about acknowledgement and follow up procedures (user survey).



(Source: World Bank, 2022, Assessment report of the At Your Service platform.)

- **Regarding accessibility and availability of statistical and administrative data, the Program builds on progress made so far on Jordan scoring under the Open Data Index (ODIN), to support the production of critical statistical surveys and of data analysis necessary to inform the implementation of the government economic reform agenda, including on gender.** The original assessment regarding DLI 10 of the National Statistics System (NSS) and the Department of Statistics (DOS) remains pertinent. But the data agenda has gained more prominence in Jordan under the Economic Vision and the Public Modernization Plan.

  - The Economic Modernization Vision aims at "empowering a public data agency responsible for data availability, access, and decision-making support", hence warrants further support to statistical data generation and analysis. In addition, the recently launched 2022-2025 Jordan's Public Sector Modernization Program gives statistics special consideration where the third strategic objective of this program named "Organizational Structures and Governance" indicates the national interest to ensure constant and reliable data sources, and robust statistical systems that contribute to timely and informed policy making through the transformation of Jordan's Department of Statistics (DOS) into an interactive National Statistical Center (NSC) to collect data, support policy-makers to develop scenarios, make decisions and anticipate the future. This will be realized through relying on DOS to form the main building block for a modern NSC functioning as a comprehensive umbrella for sustainably and the timely provision of all kinds of data, information, and sectoral indicators.

  - According to the GoJ, the Department of Statistics (DOS) can only inform 110 SDG related indicators (out of 210 needed indicators) to measure progress and gaps. A review by the Government of Jordan of the implementation of the SDG agenda highlights "the need to build the capacities of the national statistical system […] to accommodate new roles in data gathering and quality assurance envisaged for the DOS and other partners" and to address the "shortage of indicators available to monitor the SDGs" and recommends that: 1. The national statistical system should be further strengthened to address emerging data gaps; 2. The methodologies used to calculate indicators should be harmonized in line with international standards; 3. The role of DOS in quality assurance and coordination among different data producers should be further explored

[21] World Bank, 2022, Assessment report of the At Your Service platform.

and clarified; 4. Capacity development strategies are needed to strengthen the use of administrative records to cover data gaps; 5. National capacity development is also needed in planning, mainstreaming and localizing the SDGs, monitoring and reporting, and in gender mainstreaming."[22] – Under AF and restructuring, attention will also be paid to improve the governance structure of the NSS for greater independence in the publication of statistics by the new NSC. Importantly, the actions under the Program will build on ongoing transformation efforts around the use of administrative data for statistics led by the EU Twinning Project, modernization of National Accounts led by the ESCWA National Accounts project, and the advisory work led by the UK Office of National Statistics.

- Under AF and restructuring, the Program will also help MOPIC generate updated and detailed analysis and tabulations to inform progress towards the SDGs, including expanding the use of administrative data to generate more regular and disaggregated statistics (e.g., at sectoral level, such as for health and education, thematic level such as gender, and regional level, etc.) and also help strengthen the analytical capacities of MOPIC to buttress its planning function through the strengthening of its data analytical capacity: for that purpose, the Program will support the issuance of comprehensive thematic analytical reports to inform the economic vision plans and the Sustainable Development Goals such as: (i) a report on social statistics (including reporting on the sustainable Development Goals 1-6); (ii) a report on population and vital statistics using Demographic and Health Survey and administrative data; (iii) a report on national accounts and economic statistics (including SDG Goal 7-12 indicators); (iv) a report on agricultural and food security statistics; (v) report on labor supply statistics; (vi) a report on gender statistics (including socio-economic, labor, health, education and training aspects); (vii) report on governorate statistics (compiling data on socio-economic, labor, health, education); (viii) a report on environmental and climate statistics (related to SDG 13 and 15 indicators); a report on institutional statistics (related to SDG 16-17 indicators); (ix) a report on migration and refugees (x) a report to be co-authored with Ministry of Finance on fiscal incidence analysis. The analytical reports will be detailed reports that tabulate the core statistics collected by survey or administrative source by theme. The tables will present statistics by year (when trends exist), gender (when feasible), and at the governorate level. The reports will also include a section/annex on data sources, sampling, and metadata. They will also include codes and microdata to reproduce the indicators. The reports will be published in Excel, on the Website via interactive tables, and in pdf. Outlines for the reports will be prepared following examples from other Statistics Offices. Each report will be coordinated with respective data user entities within the GoJ addressing their needs. Importantly, the production of reports as main results will ensure a bottom-up modernization process that involves the technical teams at DOS and that can help strengthen capacities within the DOS staff and be more sustainable. Yet, attention will also be paid to improve the governance structure of the NSS for greater independence in the publication of statistics by the new NSC.

- **On regulatory governance, the Program now incentivizes the implementation of the government e-participation policy to strengthen stakeholder consultation and inform regulatory impact assessments and their strategic prioritization.** This will help the government focus on the legal reforms deemed conducive to economic modernization and significantly broaden the scope and inclusiveness of public consultation. It will help operationalize the 2021 e-participation policy and GoJ commitment to institutionalize it under its 5th National Action Plan on Open Government[23]. Accordingly, the completion of targeted RIAs will be priced 50 percent more

[22] MOPIC, 2022, Jordan Voluntary National Review on Sustainable Development Goals.

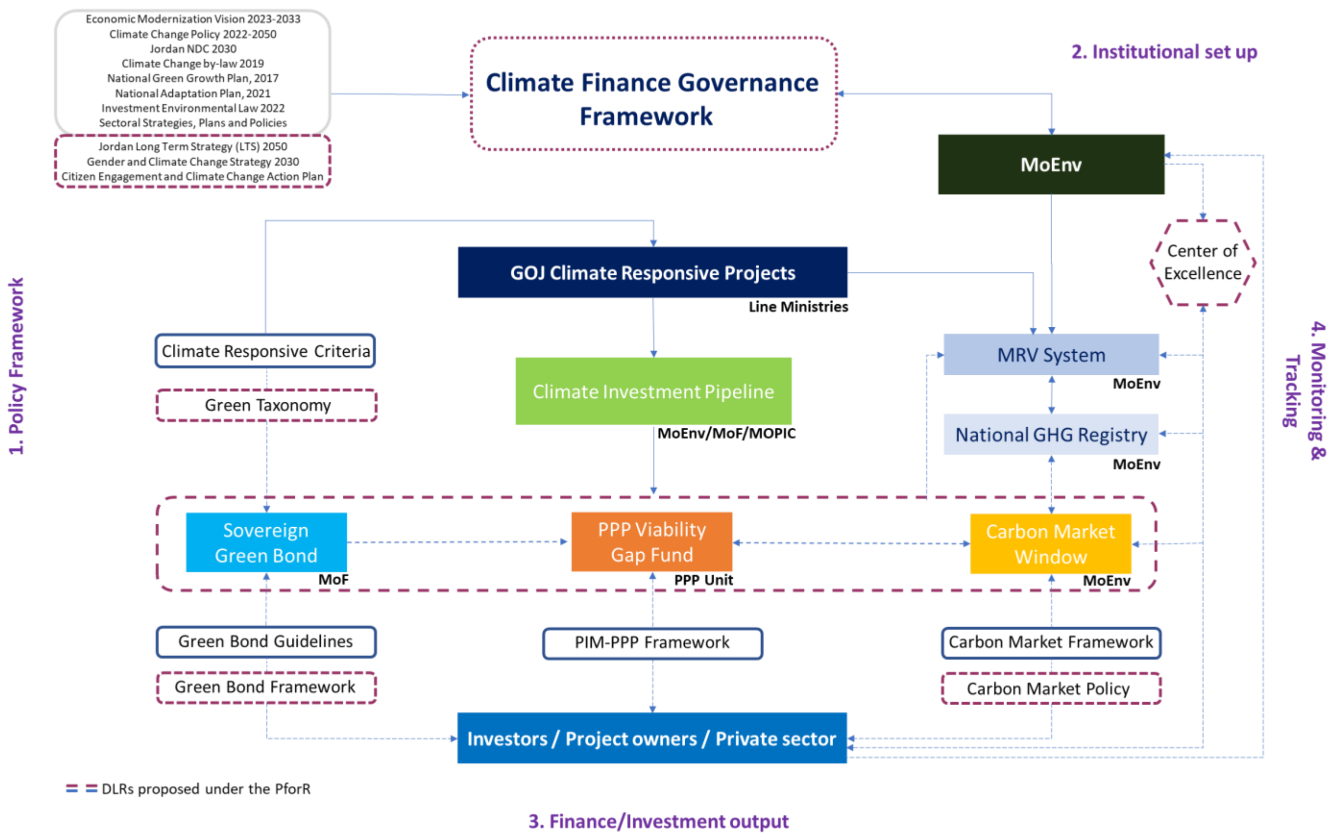
[23] The government commitment consists in 1) creating a single national portal to facilitate and increase broader

when they are informed by documented e-consultation in accordance with the e-participation policy than when they are not. And the DLI now disburses against the completion RIAs applied to priority legal reforms for the implementation of the government economic reform agenda.

- **Building on progress achieved in establishing the Climate Finance Governance System under the parent Program, the Program now moves down the result chain by supporting the strengthening the carbon market ecosystem and help mobilize carbon market/carbon finance.** The private sector interest in participating in carbon markets has increased during the last year in Jordan and UNFCCC has recently accredited the first Jordanian entity for Clean Development Mechanism (CDM), the only accredited entity in MENA. However, Jordan has very limited participation in the carbon markets so far. There are only four registered CDM projects in Jordan and only one voluntary carbon market (VCM) project registered to date. In Jordan, the digital infrastructure needed for tracking purposes is already operationalized (the MRV system and the National GHG Registry) and the recently published Paris Agreement Article 6 Policy framework developed under the parent Program has created a stronger governance and policy framework to support carbon market participation. Accordingly, the reviewed DLR will also disburse against (i) the adoption of the business plan of the Center of Excellence; (ii) the adoption of the Carbon Market Regulation/Policy, including the completion of the carbon market transaction and the connection of the national GHG registry with the Climate Action Data Trust (as part of the World Bank's Climate Warehouse program), and (iii) the creation of a Carbon Market Support Window. It will a) identify and help project developers to generate carbon credits from eligible mitigation projects by going through the entire project cycle; b) enable the MoEnv to act as an aggregator for carbon markets and facilitate carbon market transactions through relevant pricing strategies; and c) assist in the creation of the required institutional infrastructure supporting the carbon credits markets (i.e., local verifiers, linkages to global markets). Having such window, would act as an enabler to assist in the origination of the environmental assets (carbon credits), and a market maker by providing support to future carbon prices and trading these assets to improve their monetization for underlying projects. The figure below details the different elements of the Climate Finance Governance System and its functioning: it includes four main dimensions, (i) the policy framework, (ii) the institutional setup, (iii) finance and investment outputs and (iv) monitoring and tracking, and it explains how all the different elements (climate related DLRs) are interlinked, including all the results proposed under the Program (dashed lines) related to climate finance.

participation among citizens; 2) Build the capacities of public sector employees through training, qualifying, and developing the skills of officials in government bodies and officials in leadership positions on managing the implementation of e-participation mechanisms in cooperation with the Institute of Public Administration to ensure the continuity of training; 3) Conduct a series of workshops and awareness-raising activities for citizens to increase their interaction with the portal, engage citizens and inform them of the best practices of enabling community e-participation and its availability on the portal; 4) Draft a legislative framework regulating the e-participation" by 2025. (MOPIC, 2021, 5th National Action Plan on Open Government for 2021-25).

Figure 3.5. Climate Finance Governance Framework.



Update to Program expenditure framework and assessment

12. **As detailed in the main text, the expenditure framework (EF) is updated as follows: 1) it is extended by two years, 2) refers to 2023 budget data and projections (from 2023 to 2028), 3) aligns to a slightly revised institutional set up, 4) and refines its delineation by narrowing it down to relevant budget programs.** The first three updates are detailed in the main text. The fourth one is a refinement of the original EF: instead of applying to the budget of implementing agencies a notional ratio, the updated EF captures only within their budget fiscal resources allocated to relevant budget programs, i.e. the ones whose stated objectives and performance indicators meet the objectives of the Program. Within budget programs, only the following budget codes are included in the expenditure framework:
    - In recurrent expenditure: 2111 (salaries, wages and bonuses), 2121 (social security contributions), 2211 (use of goods and services, 2511 (Transfers to public institutions), 2821 (other recurrent expenditure);
    - In capital expenditure: 2822 (other capital expenditure); 3111 (non financial assets); 3112 (goods and services)

Table 2: Sample of budget programs included into the Program of expenditure (under MOF).

Implementing agency		Program	Objective of the Program	Performance indicators	Rationale for inclusion in EF
Ministry of Finance (MOF)	**General**	2201 Administration and Support Services Program	This program is intended to provide administrative and logistic support and services to the Ministry's headquarters and affiliated directorates in the governorates, cover the salaries, wages and compensations and use goods, services and purchases from fixed assets and scholarships and training courses.	Percentage of employees' satisfaction	Provides financial and administrative support for MOF units; builds staff capacity; finances studies and statistics, and issuance of MoF circulars, reports and instructions, internal controls and issuance of final account.
		2205 Public Expenditures Program	This program aims to disburse the expenditures issued as per decisions of the Council of Ministers and Prime Ministry letters from the public expenditures item or any other public expenditures related to ministries and government departments.	MoF Budget as a percentage of total spending	Finances MoF operating costs
		2265 Supporting Economic Affairs Program	This program aims to provide financial support to government entities concerned with the economic issue.		Includes the financing of PPPs
		2275 Financial Management Development Program	This program aims to build an integrated and computerized government administrative and financial system to link all ministries, government departments and financial centers with the Ministry of Finance.		Supports the management of and reporting on capital budget execution.
		2280 Governorates Development Program	This program aims to promote the local economy of the governorates, restore balance to the areas of least growth, prepare the investment attractive environment and create job opportunities in order to improve citizens' standard of living.		Finances deconcentrated public investment at governorate level
	ICTD	2705 Tax Assessment and Audit of Large and Medium Taxpayers Program	This program aims to concentrate efforts and direct capacities toward serving an important segment of tax society which constitutes (75 percent) of tax base	Percentage of large and medium taxpayers' contribution to total Department's revenues	
		2710 Tax Assessment and Audit of Individual, Staff and Workers Program	This program aims to facilitate the tax procedures for all individual taxpayers and employees.	Percentage of customer satisfaction	

Update to the results framework, as well as the monitoring and the verification protocols.

13. **In addition to detail provided in the main text, the rationale for the replacement of the Open Data Inventory (ODIN) index by the Statistics Performance Index (SPI) to measure improvements to the statistics system is the following:** The SPI is more comprehensive than the ODIN (which it includes) and measures the capacity and maturity of the whole National Statistic System (NSS). The SPI uses 51 indicators and benefits from large scale data collection efforts by organizations such as the World Bank, IMF, Open Data Watch, PARIS21, the ILO, WHO, UNESCO, IHSN, and the UN, among others. These Statistical Performance Indicators embody the granular measures of performance. The SPI provides a comprehensive framework to help guide actions to build a modern and interactive National Statistics Center. In 2020, Jordan scored 72 points out of 100 possible on the SPI overall score, which placed it ahead of the regional average in MENA of around 58 points (Figure 3.6). While Jordan scores above the regional and income group

averages in data services, there is room for improvement. Jordan has greater room for improvement in the areas of data sources and data infrastructure, scoring only 63 points out of 100 in data sources and 55 points out of 100 in data infrastructure score (which includes the ODIN as component) will be used as a PDO result indicator to reflect progress in the whole statistics system. The expected margin for improvement of Jordan score under the SPI during the remaining timeline of the Program is estimated to be 8 points to reach a score of 80: the main gains will be the areas of data sources and infrastructure, towards a score of 80 out of 100 as for the other dimensions of the SPI. For such improvement to happen, there will be a focus on three important areas: increased use of administrative data (dimension 4.2), more use of geospatial data (dimension 4.3), and improved standards and methods (dimension 5.2). On data sources, Jordan receives only 0.5 points out of a possible 1 on the SPI's administrative data indicator, which is based on the availability of complete birth and death registries. According to the UN Statistics Division, only 65 percent of deaths in Jordan are recorded in the death registries. Also, other sources point to issues with the completeness or recency of administrative data. According to the World Bank's ASPIRE database, Jordan has not released administrative tallies of beneficiaries and expenditures for school feeding programs since 2014. While the cash assistance program in Jordan has 2021 data for beneficiaries, data from 2009 is the most recent available for expenditures. On data infrastructure, Jordan has room for improvement in both the system of national accounts, classifications, as well as areas such as whether the Generic Statistical Business Process Model (GSBPM) has been implemented.

Figure 3.6: SPI Scores for Jordan in 2020

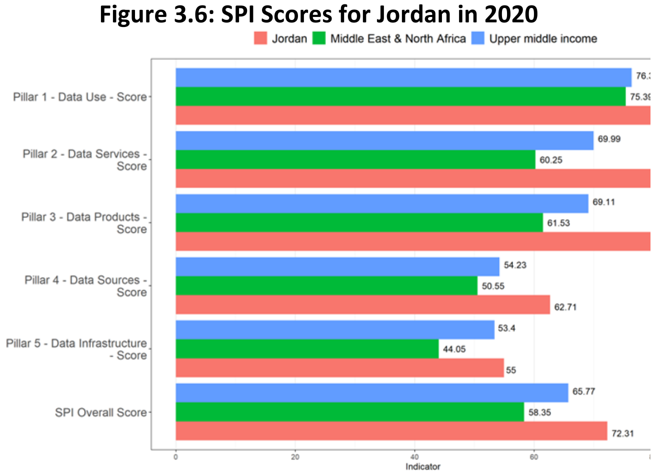
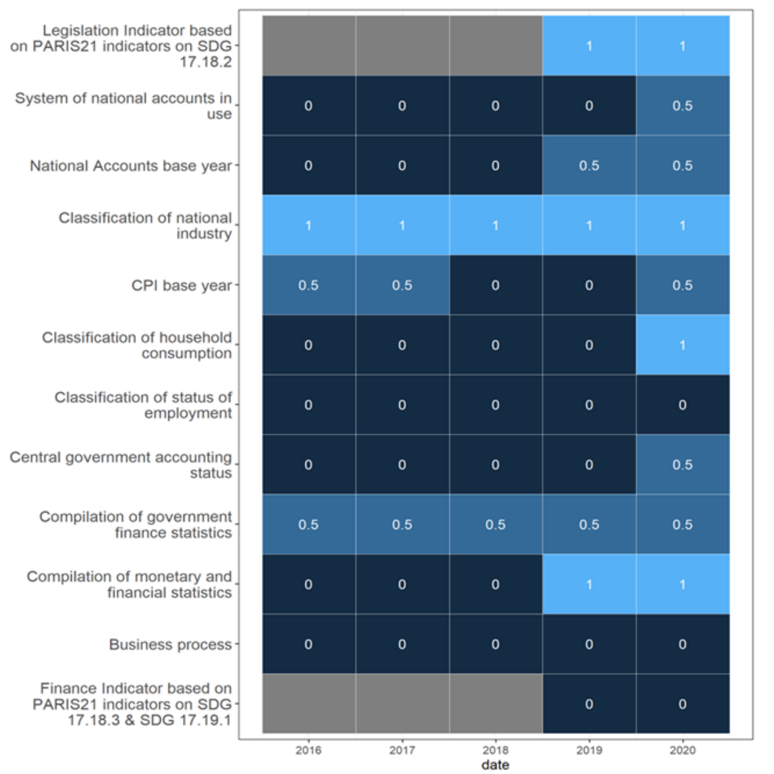


Figure 3.7: Pillar 5 on Data infrastructure (Jordan scoring over time)



Source: World Bank Statistics Performance Index 2020.

Update to economic analysis of the Program

14. **Following a relatively moderate contraction, Jordan's economic recovery in 2021-2022 has been solid.** Real GDP growth reached 2.2 percent in 2021 and expanded by 2.7 percent in the first three quarters of 2022 (9M-2022), maintaining a solid pace of recovery compared to the 2.2 percent of growth in 2021. The rebound was supported by the full reopening of the economy *post* Covid, a recovery in domestic demand, and a recovery in key services sectors, notably tourism. But the economic rebound has not resulted in sufficient growth in job creation. Moreover, a striking gender divide continues to characterize the labor market with the female labor participation rate at 13.8 percent in Q3-2022, among the lowest in the world. According to the World Bank Jobs Diagnostic (2019), at least 6 percent growth is required to make a dent in the unemployment rate. The ICT sector contributes marginally to the absorption of the employed labor force, with only 2.0 percent employed in the sector in Q3-2022.

15. **There is progress towards fiscal consolidation but at a slower pace due to the challenging global environment.** The Central Government fiscal deficit (including grants) declined to 6.3 percent of GDP in 2021 (from 7.2 percent the year before). It continued to slightly improve during the first 10 months of 2022 as the fiscal deficit excluding grants narrowed to 5.5 percent of GDP, compared to 5.7 percent in the first 10 months of 2021. A robust increase in domestic revenues from higher income tax receipts and non-tax revenues outpaced public spending pressures due to the re-introduction of temporary oil subsidies which now account for 0.7 percent of GDP. The increase in the global price of wheat – which intensified with Russia's invasion of Ukraine – poses an additional burden for the budget as spending on bread subsidies has increased. According to the 2023 draft budget, support for strategic food commodities (wheat and barley) in 2023 was budgeted at JD277 million (0.8 percent of GDP), the highest amount of subsidies since 2014. At the end of October 2022, Jordan's government guaranteed gross debt stood at almost JD 38.5 billion (111.5 percent of the 2022 projected GDP), 0.8 percent lower than at end-2021. Over the same period, public debt excluding Social Security Investment Fund (SSIF) holdings increased to JD 30.8 billion. The Fifth Review of the IMF Extended Fund Facility (EFF) program was concluded in December 2022. The Program focus has shifted from recovery to economic growth, containment of the quasi-fiscal deficits, and domestic revenue mobilization. The overall EFF review is positive, reflecting continued strong performance on international reserves, enhanced domestic revenue mobilization, and steady implementation of structural benchmarks. Deviations from fiscal targets are expected to be partially met through further rationalization of capital spending.

16. **Public investment spending has been on a steady decline over the past two decades but bounced back in 2021.** Capital spending averaged 7.2 percent of GDP in FY2000-2010 but declined to an average 3.7 percent in the following decade (2011-2021), down to 2.6 percent in 2020. In comparative terms, spending on nonfinancial assets is lower than the average spending in Upper-Middle-Income countries and oil-importing MENA countries. Its share in total spending – compared to recurrent expenditure has also declined from an average of 20 percent between 2000-2010 to 12.5 percent in the past decade, down to 8.9 percent in 2020. Capital spending has been consistently under-executed in the past decade and this implementation gap has been widening since 2015. In 2021, capital spending bounced back to 10.5 percent of total spending and 3.6 of GDP. Other institutional weaknesses in budgeting for capital projects exist, including the overestimation of capital expenditures needs, weak project-level follow-up and the reinstatement of undisbursed budgeted amounts for inactive projects without clarifying their status. Additional challenges include cash rationing, protracted procurement delays, and lack of project readiness for implementation. Public capital spending is also heavily dependent on external financing, with critical implications for operations and maintenance costs.

17. **External conditions have deteriorated, exacerbating fiscal, external and debt challenges.** Key factors include the

COVID-19 shock and the global food and fuel price volatility. The current account deficit widened to 9.2 percent of GDP in 9M-2022, up from 6.2 percent in 9M-2021. This was driven by a higher imports bill, despite robust export growth of 42 percent. Gross foreign reserves declined by US$0.9 billion, reaching US$18.2 billion at end 2022. The IMF fiscal projections for capital spending under the 5th review of its program have been revised downward for 2022 but upward from 2023 to 2027 (by 8 percent in total). But this projected increase is predicated on the increase of tax revenue in nearly the same proportion (by 7.4 percent) and will only lift capital expenditure to 3.9 percent of GDP by 2027 against 3.4 percent in 2022[24].

18. **Jordan has become increasingly vulnerable to climate change and the impact is worsening. Climate change will exacerbate Jordan's development challenges and creating pressing adaptation needs across sectors.** Jordan ranked 75 out of 182 countries in the Notre Dame Global Adaptation Initiative (ND-GAIN) index for climate vulnerability in 2019, sliding from 63 in 2015[2]. Since the 1960s, annual maximum temperatures have increased by 0.3 to1.8 °C and minimum temperatures have risen by 0.4 to2.8 °C across all climate regions. The annual precipitation has declined by 5 to20 percent, depending on the region. Climate modeling predicts (a) further decreases in total precipitation; (b) increasing variability in the location, timing and quantity of rainfall; (c) warmer average temperatures of up to 2.9 °C by 2050; (d) increased drought occurrence, length, and severity; and (e) more frequent extreme events. Prolonged and more intense heat waves, and reduced water availability and quality will affect the population's health. Higher temperatures and expected to reduced worker productivity for outdoor work (i.e. construction and agriculture), lowering earnings for many workers and companies and compounding existing growth and job challenges. Prolonged dry seasons will particularly affect low-income rural communities in poverty pockets such as the western and southern parts of the Badia desert. Climate change will also affect Jordan's competitiveness, generating both new risks and opportunities for the private sector[3]. The expected consequences of climate change warrant a dedicated focus on adaptation and mitigation as well as a need to increase the resilience of the economy and society.

[24] IMF, 2022, Fifth Review under the extended arrangement under the extended fund facility and modification of performance criteria.

[2] The ND-GAIN Index ranks countries using a score that calculates their vulnerability to climate change, other global challenges, and their readiness to improve resilience. Jordan received a vulnerability score of 0.375 on par with peer countries driven by high sub-scores on freshwater withdrawal, urban concentration, and energy import dependency.

[3] Jordan Climate Change and Development Report (CCDR), November 2022

ANNEX 3: FIDUCIARY SYSTEMS ASSESSMENT – ADDENDUM

1. **The envisaged AF will continue using the same fiduciary systems of the parent "Inclusive, Transparent, and Climate Responsive Investments Program-for-Results."** The original Fiduciary System Assessment (FSA), conducted in 2021 for the parent P4R, was updated for this envisaged additional financing.

2. **The Findings of the updated FSA assessment concluded that the overall fiduciary and governance framework provides a reasonable assurance that the Program funds will be used for the intended purposes of the proposed Additional financing**.

Fiduciary Risks

3. **The fiduciary risk of the Program continues to be rated as "Moderate"**. The overall Program's fiduciary framework is assessed to be adequate to provide reasonable assurance that the Program financing proceeds will be used for intended purposes, with due attention to the principles of economy, efficiency, effectiveness, transparency, and accountability.

4. **Key risks that potentially could impact the Program are**: (i) the lack of financial sustainability and funding predictability due to possible budget cuts due to the fiscal constraints of the GOJ; (ii) large number of implementing agencies under the Program that might result in delay in submission of annual audit reports as well as timely submission of related reports related to budget preparation and execution; (iii) commitments and arrears management needs restrengthening; (iv) implementation challenged by quality of technical specifications (supplies and construction) affecting the bidding process and contract implementation resulting in excessive variations in cost and timeline, and quality of deliverables; (v) cumbersome procurement processing and clearances; (vi) weak capacity for contract management and administration; (vii) lack of an integrated contract cycle from needs assessment to inventory; (viii) non-systematic coordination and integration of procurement of works and goods when implemented centrally by the General Tender Department (GTD/MoPWH) and the Government Procurement Department (GPD/MOF); (ix) coordination on the Program results challenged by a complex implementation through different agencies.

5. **The risk mitigation measures identified for the parent project are in effect and will be used for the additional financing, including**: (i) MOPIC oversees the overall implementation of the program through the PMU, including FM related aspects; (ii) MOPIC/RS ensures that all reports are collected and submitted to the World Bank; (iii) MOPIC ensures adequate procurement and financial staffing is in place; (iv) Government Financial Management Information System is used for commitment control and semiannual reports on commitments and arrears will be submitted to the World Bank; (v) the Jordan Audit Bureau submits consolidated annual audited financial statements of all agencies excluding independent institutions that will submit their annual audited financial statements using its own hired private sector auditor; (vi) procurement plans are maintained on the basis of the Annual Work Plans of the different agencies and are to be submitted through Jordan Online E-procurement System (JONEPS); (vii) MOPIC ensures full coordination and monitoring of the overall procurement plans; (viii) implementing agencies ensures proper drafting of bidding documents by appointing qualified technical specialized staff; (ix) integration of procurement processing and contract management in the same cycle; (x) training on procurement processing and contract management; (xi) when central procurement agencies are involved in procurement (GTD and GSD), mutual systematic reporting and coordination will be institutionalized; (xii) coordination and integration of the Program by a central agency (e.g.,

MOPIC), especially for result areas that include multiple agencies; and (xiii) where JONEPS is deployed, complaints records will be uploaded and published through the platform.

Original Program performance and required actions implementation

6. **The overall expenditures of the Program are still aligned with the expenditure framework**. The original PforR was valued at US$500.0 million, representing 42 percent of the US$1.2 billion (Government program) included in the P4R. The estimated Program of expenditure over 2021-2025 and the extended period until 2028 includes recurrent and capital expenditures across 7 implementing agencies. Based on the final accounts of the year 2021[25], the overall program expenditure is found short by an insignificant total amount of around US$ 15 million. Therefore, the overall program expenditure is still aligned with the expenditure framework. The PforR Program boundary will expand by US$ 843.3 million in terms of the expenditure framework, of which US$ 400 million is being provided through the AF.

7. **Similar to the parent program, MOPIC shall continue to align with the provisions of World Bank's Guidelines on Preventing and Combating Fraud and Corruption in Program-for-Results Financing (2015).** The implementation agencies will (i) share information with the World Bank regarding all allegations of fraud and corruption in connection with the Program, investigate all credible allegations received, report to the World Bank on actions taken, and cooperate in any inquiry that may be conducted by the World Bank into allegations or other indications of fraud and corruption in connection with the Program; and (ii) monitor and abide by the World Bank's list of debarred/suspended firms.

Updated Assessment of Fiduciary Systems

Budget Preparation and Execution

8. **The updated assessment confirms that Jordan's budget systems are adequate for the P4R AF**. Budget preparation continues to be prepared without any significant delays and the budget draft and final are published on the GBD website. Budget preparation and execution continue to be governed by the Organic Budget Law No. 58 of 2008, which sets out the responsibilities of the General Budget Department (GBD), a separate unit that reports directly to the Minister of Finance, but the core principles relating to revenue and expenditure management and accounting, and financial control, are specified in the Financial By-law No.3 (1994) as subsequently amended, and in the Application Instructions for Financial Affairs No. 1 (1995). Rules limiting the extent to which budgetary provision can be reallocated during the year are set out in each year's General Budget Law. A more comprehensive Organic Budget law has been under discussion for several years, but no proposals have been submitted to the National Assembly. The legal status of the Jordan Investment commission was changed to the Ministry of Investment, which follows the Public Financial Management (PFM) systems of the Government of Jordan stipulated in the Organic Budget Laws of 2008 and 2021 and the Financial By-law (1994) and its Amendment (2015). These PFM systems include budget preparation and execution, internal controls and internal audit, accounting and financial reporting, and external auditing.

9. **In 2022, the MOF introduced a major enhancement in relation to the budget law, which is combining the central government and independent public institutions' budget laws into one.** Previously, there were two budget laws, one covering the central government and another one for public governmental institutions. The budget law for 2023 combined the central government and independent public institutions. The 2023 budget law is arranged by sectors:

[25] The final accounts of 2022 are still not issued by the Government

public administration, security and defense, judiciary and religion affairs, financial management and planning, Tourism, Investment, and industrial development, infrastructure and local development, agriculture and natural resources, health and social development, education and human development, Youth and culture.

10. **The Government continues to use systems for budget classification and chart of accounts that conform to international standards and deploys a basic but effective results-oriented budgeting framework, all of which provide the means to track government spending.** Jordan has a robust classification system, which includes the most important classifications and is broadly consistent with the IMF's Government Finance Statistics Manual 2001, including administrative, economic, functional, geographical, and program classifications. These classifications are included in the current chart of accounts allowing for all transactions to be reported in accordance with the appropriate standards. The Government Financial Management Information System (GFMIS) is used for budget preparation and execution.

11. **The budget continues to be published on the GBD website, while final accounts and the monthly General Government Finance Bulletin, which includes budgetary Government finance statistics aggregated according to the economic and functional classifications) are published on the GBD website** (*http://www.gbd.gov.jo*).

12. All line ministries continue to use the Government Financial Management Information System (GFMIS) for budget preparation and execution. The GFMIS has been fully rolled out to nearly all budget units (ministries, departments, and regional financial centers) encompassed in the Budget Law. The Government has launched GFMIS phase two aiming to connect Independent Public Units (IPUs) by 2022. The GFMIS is nearly fully utilized for budget execution, yet, for budget preparation, there are manual interventions with various IT tools being used. The GFMIS offers limited functionalities for (a) presentation of an initial policy-focused budget submission; (b) entering of multiple quarters and multiyear commitments; and (c) capturing and populating the outstanding commitments and outstanding invoices for arrear monitoring. As a result, arrears have continued to be a problem. The Government has not been fully benefiting from the GFMIS to monitor the situation with arrears. Mechanisms designed to facilitate regular monitoring of arrears have recently been established at the MoF where a small team under the cash management division is assigned to track and monitor arrears. The Program control management will be strengthened using GFMIS contracts management and semiannual reporting on commitments, and information on arrears will be submitted to the World Bank.

13. **The public procurement system has experienced major reforms since the original assessment.** Indeed, as per required procurement actions, (i) a revised new procurement bylaw No. 8/2022 was made effective on January 29, 2022, (ii) the bylaw foresees the formation of a Unit for Procurement Policies and Complaints in the Directorate of support of ministerial committees at the Prime Ministry, and is operationalized, (iii) thresholds to process procurement by the central procuring agencies were increased (Article 62 and 71 of the Procurement Bylaw No. 28 for 2022), (iv) the capacity building strategy and sustainable training programs was developed, (v) agencies may use e-procurement system (JONEPS) for bidding, and (vi) JONEPS enhancement is progressing. Nevertheless, at the time of parent program, data collection demonstrating procurement efficiency was expected to be implemented through JONEPS. Delays in JONEPS deployment are being mitigated by the creation of a task team from the main shareholders to correct the deployment path. Limited procurement activities with low contract values are envisaged under the program AF, thus no exclusion will be observed since all individual contracts under the AF are deemed to be estimated below the thresholds of US$75,000,000 equivalent for goods and non-consulting services and US$30,000,000 equivalent for consulting services.

14. **Procurement processing remains centralized** at GTD for procurement of works and related consultancies, and at GPD for supplies and consultancy services. Both agencies have extensive procurement experience but are not in charge of contract management. Coordination mechanism shall be ensured by MOPIC. Procurement plans are expected to be reconciled through JONEPS.

15. **Contract management and settlement of disputes.** Under the program, contract management is to be handled by the different beneficiaries' ministries and agencies. The track record of contract management is in general not satisfactory. While the By-Law tries to regulate variations order, quality and timeliness of contracts remain challenged by bad design and quality of bidding documents. As per procurement by-law, the Jordanian courts shall be referred to for settlement of disputes during execution of contracts. Other dispute resolution methods, starting with amicable settlement and escalating to arbitration are promoted. The contract parties may recourse to a third party for settlement of disputes using conciliation and mediation, by appointing dispute-experts, or dispute review boards, and the related appointment procedures for such conciliators. Arbitration contract clause shall stipulate the institutional setting for the arbitration, the procedural rules to govern the conduct of the arbitration, and the location of the arbitration. In general, contract management capacity will need to be enhanced especially with respect to works contracts.

Budget performance Analysis

16. **The Budget expenditure outturn analysis 2017-2019 conducted for the parent project concluded that the actual expenditure deviation from the original budget is overall acceptable.** The budget expenditure analysis for 2020-2021 was conducted and did not reveal any significant variances, except for the Ministry of Investment, which had significant variations in budget performance for 2020 and 2021 due to spending less on capital expenditures compared to original budgetary allocation.

Agency	2021		Variation in percent
	Appropriated	Actual	
	JD (in M)	JD (in M)	
MoTourism	36.7	39.8	8.6 percent
MoFinance	3,705	3,678	-0.7 percent
MoEnv	6.6	5.9	-11 percent
MOPIC	9.6	10.7	12 percent
MoITS	11.1	10.3	-7 percent
MinINV	5.4	4.5	-17 percent
PMO	31.8	31.1	-2.4 percent

Treasury Management and Funds Flow

17. **The project will follow the government treasury management, which is found adequate.** AF will follow Jordan treasury management where all Government Units are required in accordance with the Surplus Laws (2007 and 2015)

to keep their bank balances in the Treasury Single Account (TSA), and to surrender any surpluses to MoF. In Jordan, the Public Treasury Directorate (PTD) of the MOF is responsible for managing the TSA through which all Ministries channel all their expenditures and revenues. The Central Bank of Jordan (CBJ) maintains all Treasury accounts, to which the MOF has real-time access. For all line ministries, the CBJ maintains expenditure and revenue sub-accounts, the balances on which are swept on a daily basis so that each sub-account has a balance of zero at the end of the day. A daily report by the CBJ allows the Treasury to know the source of all financial transactions.

18. **The funds of the World Bank will be transferred to the Treasury current account at the CBJ. MOPIC is responsible of submitting withdrawal applications with the necessary supporting documents evidencing DLIs achievements.** For each achieved disbursement-linked result (DLR), a specific verification protocol has been established. The verification will be carried out by entities specified in the verification protocol tables. Verification reports will be submitted within two months following the achievement of results. The Bank will review the documentation submitted. After the Bank formally considers the DLI(s) met (including satisfactory evidence that there is no reversal of earlier achievements), MOPIC will submit Withdrawal Applications for the disbursement of the relevant amount. Once the verification report has been completed, MOPIC will submit the documentation accompanied by the verification report to the Bank. The Bank will review and notify the Government to confirm the achievement of results and the amount to be paid. Based on the notification, the Government will submit the related withdrawal applications through Client Connection and preferably through electronic submission.

19. **Within six months after the end of the Program, the Government will carry out an expenditure reconciliation**. Any excess beyond the total amount paid by the Bank will be reimbursed by the Government. Likewise, any balance of the advance not documented by achieved DLIs will be refunded to the Bank.

Procurement profile

20. **Contracts Exclusion will not be observed since all individual contracts under this Program are deemed to be estimated below the Operations Procurement Review Committee thresholds following values:** US$75,000,000 equivalent for goods and non-consulting services and US$30,000,000 equivalent for consulting services.

21. **Procurement activities** under the Program remain of the same nature with modifications under the different results areas to escalate the DLIs

22. **Procurement Categories** of the Program activities remain the same as the parent program: supply and install goods and IT systems, technical assistance, and consulting services.

Accounting and financial reporting

23. **The updated assessment concludes that the accounting and financial reporting systems are found acceptable for purposes of the Program**. The Government adopts the cash basis of accounting. The Government adopts a chart of accounts that is compatible with the Government Finance Statistics Manual 2001.

24. **The GFMIS has facilitated the preparation of budget execution reports to GBD, on a monthly basis, and are sent to the GBD.** These reports are generated through GFMIS and conform to classification in the Chart of Accounts (COA), allowing for the comparison of actual performance to budget. There is a two-way flow of information between MoF

and line ministries. Spending of approved recurrent budgets can only take place after receipt by the ministries of a Public Financial Order issued by MoF. Similarly, a Special Financial Order is required for the spending of capital expenditures. The monthly General Government Finance Bulletin includes budgetary government finance statistics aggregated according to the economic and functional classifications (budget versus actual). The monthly financial positions sent by line ministries to the GBD/MoF present data in administrative, economic, program, funding, and geographical classifications.

25. **The final accounts are required by law to be submitted by MOF to Jordan Audit Bureau by June of the following year, which has been complied with.** The final accounts are published on MOF websites. The Government also issues consolidated financial statements in accordance with International Public Sector Accounting Standards (IPSAS) audited annually by the Jordan Audit Bureau following INTOSAI Standards. The Jordan Audit Bureau has issued a clean opinion on the most recent audited financial statements of 2021. All audited consolidated financial statements are published on MOF's website.

26. **The current GFMIS implementation utilizes a subset of the functionalities of the underlying application software.** The current core application software comprises: (a) Hyperion for budget preparation; (b) Oracle Financials for budget execution; and (c) software for interfacing to other software for debt management, payroll, bank reconciliation, and revenue management. The GFMIS is fully utilized for budget execution; yet, for budget preparation, there are manual interventions with various ICT tools being used. However, the GFMIS functionalities do not as yet fully meet the requirements of all budget actors during the budget preparation and execution. The GFMIS offers limited functionalities for: (a) presentation of an initial policy-focused budget submission; (b) entering of multiple quarter and multiyear commitments; and (c) capturing and populating the outstanding commitments and outstanding invoices for arrear monitoring. As a result, arrears have continued to be a problem. The Government has not been fully benefiting from the GFMIS to monitor the situation with arrears. Mechanisms designed to facilitate regular monitoring of arrears have recently been established at the MoF where a small team under the cash management division is assigned to track and monitor arrears.

Internal Controls and Internal Audit

27. **Based on the updated assessment, the overall control environment continues to be acceptable for purpose of Program implementation**. Budget execution controls are implemented and applied consistently throughout the ministries (including those included in the program) in accordance with the applicable Financial By-law (1994) and its Amendment (2015) and the Financial Control By-law (2011) and its Amendment (2015). The MoF regularly issues instructions detailing acceptable procedures to be followed by all ministries. The budget execution systems at line ministries implement prescribed controls, which include: (a) technical approval by the beneficiary department; (b) finance staff checking and approval; (c) periodic, ad hoc reviews by resident internal auditors; and (d) exercise of an expenditure controlling function by the MoF's financial controllers assigned to respective spending units.

28. **The MoF-assigned financial controllers oversee transaction-based compliance controls over payments, recording of transactions, and production of periodic and final accounts by responsible entities.** In practice, no payments can be authorized and processed before financial controllers verify and sign off on payment vouchers. In addition to resident MOF financial controllers, line ministries, including those included in the program, have internal auditors who mainly perform the job of internal/financial controllers. Internal audit activities are primarily confined to ex ante review of receipts, expenditure vouchers, and disbursements. Internal audit activities are, in this case, not designed to comply

with practices and standards promulgated by international standard setters. Ultimately, there appear to be excessive ex ante controls by the MoF financial controllers and internal auditors.

29. The absence of an effective ex post audit in accordance with recognized international standards weakens the effectiveness of the internal audit function and its suitability to effectively support program implementation. To mitigate risks presented by this deficiency, this assessment recommends extending the scope of work proposed to be done by the external auditor to include a review and assessment of the effectiveness of the internal control environment in beneficiary entities. The annual budget laws prohibit overcommitments or reallocations between budget lines. Financial controllers play a key role in making sure payments are within approved budget allocations.

Payroll

30. **The updated assessment confirms that an effective functional payroll management system is in place.** Payroll is decentralized at the level of the implementing agencies administrated by the payroll department at the Directorate of Employees Affairs (HR). The payroll systems in place have a good degree of integration and reconciliation between the position controls, personnel records, and payroll registers. The payroll system in Jordan follows the Civil Service Bureau instructions and is in line with the national financial law and internal controls regulation, in addition to instructions issued by the MoF. The Directorate of Employees Affairs (HR) is responsible for receiving the information for the appointed employee for entry into the automated HR database system. The HR department ensures the completeness of information and the data entry of related salary entitlements through an automated system and record archival both in the system and in paper files. HR input in the system is subject to both automated and human checks. A payroll schedule is prepared on a monthly basis by each implementing agency and subject to several layers of approvals (payroll officer, head of payroll unit, the department manager [budget holder], Internal Control Department, MoF resident financial controller, and the financial management manager). Salaries are transferred to employees' personal bank accounts. Monthly reconciliations are prepared in the system and shared with the internal control unit and MoF representative. Daily time attendance sheets based on an automated attendance register are maintained by the attendance supervisor, who reports absences to the HR and responsible departments. Supervisors confirmed that they strictly ensure all employees are in place and functional. All payroll records are kept in a secure, centralized computerized payroll data base that is updated daily from paper-based reports from the various directorates. The data base is audited by an internal audit mission within the Directorate of employee affairs to ensure that all changes are supported by appropriate documentation. The Audit Bureau of Jordan audits also the data.

Accountability

31. **In relation to strengthening accountability of use of public funds, the Jordan Audit Bureau has fully withdrawn from conducting ex-ante auditing in all line ministries starting 2019 in compliance with INTOSAI standards.** This has provided the Bureau with operational independence from the auditee as well as allowing the Bureau to focus on financial and performance audits. Additional progress is witnessed by the establishment of a special committee to review and solve the main audit issues raised in the audit reports during the past years including the most recent audit report of 2020. This shows the GoJ seriousness in following up and addressing the audit concerns reported by the Audit Bureau in the annual audit reports. The first audit report of the original P4R covering the period from inception until December 31, 2021, were submitted on time. The auditor issued clean opinions on the financial statements of the implementing agencies and the managements letters did not report any significant weaknesses in internal controls. The next audit report for the year ended December 31, 2022, is due for submission by not later than June

30, 2023.

Program Arrangements for Managing Fraud and Corruption Risks

32. As part of the FSA, the degree to which the Program systems handle the risk of fraud and corruption, including complaint mechanisms, was assessed. The Program embeds several fraud and corruption prevention, deterrence, and detection mechanisms in existing arrangements, including:

(a) publication of Program information, including provision for handling stakeholder complaints;
(b) comprehensive and clearly articulated procedures governing the use and accountability of funds, reflected in the PFM legislation, regulations, and operational guidelines;
(c) a strong internal control and compliance monitoring mechanism, including: (i) internal control and internal audit; (ii) periodic program progress monitoring by the PMU; (iii) strong compliance monitoring by the MoF financial controllers and internal auditors; and (iv) effective auditing arrangements including an extended scope of audit focusing on systems strengthening applying a risk-based approach;
(d) a strong track record of timely responsiveness in addressing and resolving audit findings; and
(e) effective arrangements for segregation of accountability and reporting functions.

These mechanisms will be complemented by proposed PAP remedies that address identified gaps and strengthen overall governance and risk management arrangements.

Application of the Anticorruption Guidelines

33. **The World Bank's Anticorruption Guidelines will be applicable to the Program as a whole.** Specific requirements of the World Bank's Guidelines on Preventing and Combating Fraud and Corruption in Program-for-Results Financing (2015) are the following:
    (a) Sharing information regarding all allegations of fraud and corruption in connection with the Program, investigating all credible allegations received; reporting to the World Bank on actions taken, and cooperating in any inquiry that may be conducted by the World Bank into allegations or other indications of fraud and corruption in connection with the Program.
    (b) Procurement entities monitoring and abiding by the World Bank's list of debarred/suspended firms. It will be the responsibility of the internal audit to monitor compliance of the different entities with this provision in terms of verifying contractors' name against the World Bank debarred/suspended list.

34. The Jordanian Anticorruption Commission (JACC), established in 2005, has over the years established elaborate arrangements to prevent, deter, and investigate fraud and corruption. It is headed by a board comprising a chair and five members—eminent persons nominated for a limited two-year period. The JACC has departments responsible for public outreach and awareness; information management and investigation; and quality assurance. It closely collaborates with various stakeholders responsible for fiduciary oversight and the Judiciary. The JACC continues to receive capacity building support, including ongoing twinning arrangements with the Finnish anticorruption agency and recent technical assistance from the World Bank Group for establishment of a comprehensive database.

35. **Jordan ranks 61 Worldwide with a score of 47 on the 2022 Corruption Perception Index (CPI), lower by 2 points compared to 2021 (58).** Jordan ranked fourth among the Arabic countries after the United Arab Emirates, Qatar, and the Kingdom of Saudi Arabia. The GoJ launched several initiatives to strengthening the rule of law[26], protecting public money[27], and combating corruption[28] that are profound steps in the correct direction yet there is need for a holistic approach to enhance integrity and transparency in anti-corruption measures: (a) publishing periodic and updated public reports on the government's fulfillment of its commitments to fight corruption; (b) enforcing control and oversight over political money and funding, (c) Exercising preemptive and periodic disclosure of cases that are referred to the competent courts with respect to corruption and misuse of public office by the relevant authorities, (d) publicizing financial disclosures and beneficial ownership, as well as limit conflict of interest, (e) disclosing the number of objections filed against tenders, as well as the measures taken to address those objections, and in the event the objections are justified, it is necessary to clarify the corrective measures that are taken; (f) advancing the implementation of digitalization of public services, (g) promoting a deep understanding of the concepts of integrity, transparency and accountability in order to combat corruption among school and university students through a specialized scientific curriculum, and (h) simplifying investment procedures through downsizing bureaucratic red tape that foreign and local investors have to deal with.

Transparency

36. **Key institutions involved in public financial accountability have established elaborate public information sharing arrangements on their websites.**

a) The MoF publishes multi-year budget planning and execution reports, including key performance indicators covering all core ministries and departments. These were observed to be comprehensive and maintained up to date.
b) The Jordan Audit Bureau publishes its annual report covering the outcome of audits of all ministries covered in the program.
c) The JACC has established a comprehensive mechanism for receiving, investigating, and reporting on all allegations received from the public.
d) Procurement notices and contract awards are required to be published as the Procurement by-law no.8/2022 using traditional and/or electronic means.
e) Public procurement complaint mechanism is established by the Public Procurement By-Law no. 28 for 2019 and is further detailed in consequent implementation instructions. The committee is housed at the Prime Minister's Office and is operational since the end of 2020.
f) JONEPS deployment will increase transparency of procurement processing and contract management and will allow building a reliable database on the system performance, among others.

37. **Access to information**. There were no consequences for government departments, if they failed to fulfill their obligations as stated in the law. Furthermore, the petitioner is required to cover the expenses associated with the production of information with no specific ceiling.

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[26] Several laws were amended, including the Illegitimate Profit Law, the Audit Bureau Law, and the Integrity and Anti-Corruption Law.

[27] A new approach was adopted in screening the queries and violations listed in the Audit Bureau's report and established joint committees to follow up on recommendations and rectify the situation, in addition to referring the necessary cases to the Integrity and Anti-Corruption Commission. The Unified Procurement Bylaw (the government's Procurement Bylaw number 28 for 2019) served to establish a unified competent authority concerned with government tenders and procurement

[28] the Council of Ministers has approved the Recruitment Bylaw for leadership positions number 78 for 2019, which provided some procedures that enhance the principles of transparency, as well as the policy of open data and cloud computing

38. **Public complaints handling (non-related to procurement)**. A Central Government Complaints Management System is maintained in the Prime minister's office as a central entity for receiving and monitoring resolution of citizens' complaints directly with all concerned government agencies. The management and maintenance of the system are supervised by the PMO. The unit receives citizens' complaints on services provided by government departments, corporations, and municipalities and follows up with the National Contact Center. The system generates monthly reports that provide a basis for setting performance indicators and making appropriate decisions to reduce citizens' complaints and address negative trends in a practical and evidence-based approach, in line with the vision of His Majesty King Abdullah II for better government services achieved by listening to citizens, taking their suggestions into account, and considering them as key partners in developing government services. The Central Government Complaints Management System serves as a central outlet that guarantees the confidentiality of complaints and ensures that they are handled in a professional and transparent manner upon verification of the complainant's identity through databases linked to the system.

39. **Procurement notices and contract awards** are required to be published by Procurement by-law 8 (2022) using traditional and/or electronic means.

40. **Public procurement complaint mechanism**. The public procurement complaint committee (PCC) was established by the prime minister's decision of November 2019 and is housed at the Legislation Opinion Bureau. PCC initiated its operations by handling procurement complaints raised from different institutions and bidders. Complaints' processing complies with articles No 50 to 53. PCC handles on average one complaint every two weeks. The complaint mechanism is operational and was supplemented by a Unit (administrative and technical capabilities). The PCC is diligently following the timeline defined in the bylaw to resolve complaints (average 24 days). Complaints' resolution is published on the procuring entity website. JONEPS "Objection" (1^{st} instance) module is developed and activated but still needs commitment of procuring agencies to close the loop of Objections electronically. Complaint module (for escalation of "Objection" to PCC) is not yet integrated awaiting decision of the Procurement Complaint Committee. According to the PCC feedback, the complainants that used the Complaint mechanism (offline) expressed trust even in those cases where the resolution was not to their advantage. The PCC is in the process of recruiting support and technical staff and acquiring adequate offices, IT and office equipment. Under the PAP (annex 6), complaints records are to be uploaded and published through JONEPS platform, otherwise, agencies to keep a log of cases and their resolution and adopt publication on individual websites.

41. **Code of ethics for public servants.** All implementing agencies follow the code of ethics for public servants. In general, the code of ethics sets rules of behavior for employees and aims to strengthen public confidence in the professionalism and conduct of employees. The code defines relationships with citizens, professional behavior, conflicts of interest, relations with colleagues, personal behavior, and so on.

42. **Asset disclosure.** The Financial Disclosure Department by-law increased the number of individuals from the public and private sectors who are required to submit financial disclosures. Nevertheless, the law is not as effective as an investigation tool because assets disclosed by public officials in financial statements are not verified by the Financial Disclosure Department unless there is a complaint against the public official.

43. **Conflict of interest**. In addition, bidding documents for public procurement contain ethics clauses, which regulate interactions between the employer and the bidders with regards to the process of bid examination, clarification, and evaluation; conflict of interests; unlawful agreement with competitors or influence on the evaluation committee; and

so on. Also, the requirement of this part of the bidding document is that the contractors shall act professionally, impartially, and in accordance with the code of ethics of their profession.

ANNEX 4: ENVIRONMENT AND SOCIAL SYSTEMS ASSESSMENT – Addendum

Executive Summary

The risks, impacts, activities and benefits of the parent Program outlined in the parent ESSA are all still relevant to the parent and AF. **Thus, an ESSA of the Parent program** remains valid and 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. The ESSA Addendum reflects the following**:** 1) an assessment of the ongoing relevance of the parent ESSA, including any changes to the activities, risks or benefits under the parent program; 2) any new risks or benefits associated with new activities under the Additional Financing (AF); 3) changes to borrower environmental and social systems; 4) evaluation of the borrower's environmental and social performance and track record to date in delivering the program; and 5) recommendations for actions to be taken by the borrower; 6) The PDO will remain unchanged; 7) The Program boundaries will be updated as it is suggested to extend the timeframe of the operation and thus the boundaries by two years, that is, until June 30, 2028, while keeping the perimeter of the Program of expenditure unchanged. On substance, the Program boundaries will remain consistent with the initial ones. No additional implementing agencies will be included (except for the replacement of the JIC by the Ministry of Investment) to the institutional set up of the operation which also justifies limited updates to the environmental and social assessment. However, the ESSA Addendum also comprises an update on the assessment of the legal policy framework and the institutional setup and responsibilities to reflect the replacement of the Jordan Investment Commission (JIC) by the Ministry of Investment as an implementing agency, and the enactment of a new Investment Environment Law.

The assessment of the Environmental and Social Risks Screening of the AF and Restructuring of the Program is maintained as Substantial as for the Parent program. Similarly, the AF and Restructuring will have a number of positive environmental and social effects (benefits) in the areas of government accountability; information sharing and accessibility; citizen engagement; improvement of livelihoods; resilience to climate change and reduction of GHG emissions. The AF and Restructuring is also expected to have direct adverse environmental and social impacts and risks. The AF will directly support an increase in climate responsive infrastructure investments, which are tied to Disbursement-Linked Indicators. These investments could be in various sectors, supported with either public or private financing. Their environmental and social impacts and risks will be assessed and mitigated in line with relevant laws of Jordan and the core principles of Bank Policy on Program for Results Financing. Several of the program activities are designed to improve the overall investment policies and regulatory framework in the country. This in turn, is expected to attract more investment, particularly in infrastructure development. The increase in infrastructure investment in all sectors will bring significant socioeconomic benefits, but will be accompanied with a range of direct and indirect adverse environmental and social impacts, such as pollution, land acquisition or involuntary relocation, labor risks, etc. Measures to improve the national environmental and social management systems and processes, have accordingly been incorporated into the Program.

The Environmental and Social Performance of the program is rated Moderately Satisfactory owing to the following reasons: 1. The project management unit does not have the required E&S staffing, including the social and environmental specialists; 2. The program does not have an operational GRM; 3. The World Bank did not receive any E&S reporting. Nonetheless some E&S PAP actions and verifications were completed under the parent. For example, the PPP unit hired an interim E&S consultant to screen projects; the PPP Appraisal Methodology was adopted and informed by good environmental and social practice; a Strategic Environmental and Social Assessment of the Tourism Strategy was prepared, consulted and disclosed; and an independent technical assessment of the government's centralized grievance redress mechanism was completed with recommendations on how to improve it. The targeted 20 percent increase in environmental inspection compared to the 2019 baseline was achieved in the year 2020. Hence, the data available do not support confirming that this increase was maintained or scaled up in the year 2021.

The environmental and social risks and benefits of the program restructuring and scale up have been consulted through the ESSA of the Parent Project. However, the Program will have to conduct proper consultations on the ESSA Addendum following appraisal which should include external stakeholders such as: government representatives from various implementing agencies, CSOs, and private sector associations. The ESSA Addendum has been disclosed on the World Bank and MOPIC website before approval of the Additional Financing and restructuring and hard copies will be made available at MOPIC Offices.

The GRM of the project will also be assessed under the AF and Restructuring. Under the Parent Project, the program was relying on the governmental electronic centralized and specialized platform called "At Your Service" (Bekhedmetkom) that is directly responsible for managing and tracking citizens' complaints with all government agencies. However, an independent assessment of the government grievance redress mechanism (At your Service platform) commissioned by the World Bank has shown certain weaknesses and needs to be strengthened. Currently, the government is considering enhancing the way it is dealing with citizen feedback through enhancing the GRM system. The proposed measures are still under discussion by the government; however, no matter what system will be adopted by the implementing agencies to report on complaints, the government responsiveness to citizen feedback should be enhanced. The government entities under the project are: Ministry of Tourism and Antiquities (MoTA), Ministry of Industry, Trade, and Supply (MoITS), Ministry of Environment (MoE), Ministry of Investment (MoI), Department of Statistics (DoS), Ministry of Planning and International Cooperation (MoPIC), and Ministry of Finance (MoF).

The environmental and social risks of the program are considered to be adequately mitigated, through DLIs and associated verification protocols and committed actions in the Program Action Plan. All the following recommendations are the responsibility of MOPIC as the implementing agency and will be supervised throughout bank implementation.

All the recommendations stated in the ESSA of the Parent program are valid and should be read and followed in conjunction with the following recommendations. The recommendations below include some recommendations that were already included in the ESSA of the Parent program but are being carried forward and reemphasized for their importance for the AF and Restructuring

- Assign one part-time Environmental and one part-time Social Specialists at the PMU in MoPIC and allocate resources needed to ensure alignment between the government's environmental and social management systems and the core principles of Policy on Program-for-Results Financing. The specific Terms of Reference (ToR) should include screening the environmental and social impacts and risks associated with the proposed capex and PPP investment activities to be supported under the Additional Financing (AF).
- Assign E&S focal points in each implementing agency to follow up on the Program's E&S aspects as needed, and to contribute to the E&S screening of related expenditure and investment for their respective IAs in coordination with the E&S resources at the PMU.
- Strengthen and maintain the capacity of the PMU and the implementing agencies to address the E&S requirements and to report on E&S progress and results.
- Program GRM Procedures and Action Plan to strengthen the existing GRM (At Your Service system and system at Implementing Agency level), or another feedback mechanism acceptable to the Bank, will be included in the POM. A report on grievance data will be prepared on a semi-annual basis.
- Any new investments proposed by MoInv and/or investments financed by the PforR should be screened for E&S risks and impacts based on the exclusion list stated in the ESSA of the Parent program and against the core principles of Policy on Program-for-Results Financing and national environmental regulations. Screening and risk rating decisions should be aligned with the Environmental Classification and Licensing System (69-2022) which requires the preparation of ESIA/ESMPs for investments rated as of moderate, substantial, or high environmental and social risks to comply with the national system.

Recommendations added to the PAP:

- Modify the recommendation for the MoEnv to increase monitoring/inspection capacity (DLRs 1.5, 4.3 and all DLRs under DLIs 2 and 3, and all DLR under DLI 8) to clarify that this will be done by increasing inspection visits by 20 percent from the baseline of 2019 and maintaining it throughout the project duration.

[1] World Bank Program-for-Results, Jordan Education reform support program, *ENVIRONMENTAL AND SOCIAL SYSTEMS ASSESSMENT (ESSA)*

[2] *Bank Policy Program for Results Financing, November 10, 2017*

ANNEX 5: MODIFIED PROGRAM ACTION PLAN

Action Description	Source	DLI#	Responsibility	Timing		Completion Measurement	Action
PPP Unit should have dedicated E&S resources	Environmental and Social Systems		PPP unit	Other	At effectiveness	Ensuring that PPP Unit has specialized and qualified E&S resources; Access to resources for E&S – at effectiveness; Full-time availability of E&S resources - in 2 years.	No Change
Increase environmental inspection visits by 20% compared to the baseline of 2019	Environmental and Social Systems		Ministry of Environment	Due Date	31-Jan-2023	Increased visits by 20% by January 2023, and maintained thereafter.	Revised
Proposed Increase environmental inspection visits by 20% compared to the baseline of 2019, maintain it throughout the project duration.	Environmental and Social Systems		Ministry of Environment	Recurrent	Continuous	Increased visits by 20% by January 2023, and maintained thereafter.	
Annual Work Plans of different entities validated by the Reform Secretariat	Technical		Reform Secretariat,implementing agencies	Other	First plan by July 30, 2021; subsequent plans by December 15 of preceeding year.	- AWP updated at end of each quarterly by line agencies (March, June, Sept., Dec.); due to RS on 10 of following month; - AWP agreed with WB and transferred into procurement planning. - Coordination mechanism institutionalized	Revised

						via TSC and EDC	
Proposed Annual Work Plans of different entities validated by the PMU	Technical		Reform Secretariat,implementing agencies	Other	First plan by July 30, 2021; subsequent plans by December 15 of preceeding year.	- AWP updated at end of each quarterly by line agencies (March, June, Sept., Dec.); due to RS on 10 of following month; - AWP agreed with WB and transferred into procurement planning. - Coordination mechanism institutionalized via TSC and EDC	
Establishment of a separate budget for each implementing unit	Other		MOF and PMO/MOPIC/MoEnv	Other	In 2021 supplementary budget or 2022 appropriation act.	Institutionalizing the PIM and PPP unit in budget management. Institutionalizing Climate Change Directorate in MOEnv budget management, with continued allocation for current staffing and allocation for budget for O&M of the MRV & Registry System.	No Change
Review and prioritization of bylaws for revision to streamline and improve tourism private sector enabling environment (indicative list of bylaws is provided in the Verification protocol of DLR	Other	DLI 6	MOTA	Other	2022	Bylaws reviewed and prioritized, based on their importance to the tourism private sector, expected impact on job creation, women employment, relevance for entrepreneurs and investment.	Marked for Deletion

6.2).							
Conduct Strategic Environmental and Social Assessment of National Tourism Strategy based on agreed TOR, including consultations	Environmental and Social Systems	DLI 6	MoTA	Other	June 2022	Adopted SESA on National Tourism Strategy	No Change
Issue a COM decision identifying new licensing reform priorities and specific sectoral licenses to be eliminated or simplified for the period 2023-2025.	Other	DLI 7	MoITS/COM	Other	2022	The decision shall be issued following a consultative process. Selected licenses should be selected based on their importance to the private sector, expected impact on job creation, women employment, relevance for entrepreneurs and investment	Revised
Proposed Issue a COM decision identifying new licensing reform priorities and specific sectoral licenses to be eliminated or simplified for the period 2024-28.	Other	DLI 7	MoITS/COM	Other	2023	The decision shall be issued following a consultative process. Selected licenses should be selected based on their importance to the private sector, expected impact on job creation, women employment, relevance for entrepreneurs and investment	
Legislative amendments in relation to Companies Control Department's new role and the new IBR process	Other	DLI 7	MoITS	Other	March 2023	Required legal amendments are gazetted	Marked for Deletion

have been enacted and published on the Official Gazette including a new Law for the IBR Framework and Authority and amendments to Companies Law							
Existing Program GRM (i.e. At Your Service Platform, implementing agency systems) to be strengthened as necessary, according to the principles listed in the Environmental and Social Systems Assessment.	Environmental and Social Systems		Reform Secretariat,implementing agencies	Other	1. Action Plan and GRM Procedure within 3 months of effectiveness. 2. Required Actions are completed within 6 months of effectiveness. GRM report within 6 months of effectiveness and thereafter every 6 months throughout implementation.	1. Action Plan and GRM Procedure are included in POM and subject to bank approval 2.GRM reports consistent with procedure (including required actions) are provided to the bank.	No Change
The PMU to retain full time Program manager, and part time Environmental and Social specialists, and an M&E specialist until Program closure.	Technical		MOPIC	Other	Continuous	Verification of employment contract of targeted staff at the PMU	New
Procurement Complaints: Where JONEPS is deployed, complaints records to be uploaded and published through the platform, otherwise, agencies to keep a log of cases and their resolution	Fiduciary Systems		All agencies covered by the Program	Recurrent	Continuous	Procurement Complaints: Where JONEPS is deployed, complaints records to be uploaded and published through the platform, otherwise, agencies to keep a log of cases and their resolution and to adopt	No Change

and to adopt publication on individual websites.						publication on individual websites.	
DOS to upgrade its payroll system.	Fiduciary Systems		MOPIC- DOS	Other	2022	Upgraded system to connect payroll to HR system	Marked for Deletion
The PMU to submit bi-annual progress reports to Cabinet on the implementation of the Reform Matrix.	Technical		PMU	Recurrent	Semi-Annually	Bi-annual reporting by PMU to cabinet on the performance of the Program and its impact under a format to be detailed in the Program implementation manual.	New