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JORDAN

PROGRAM-FOR-RESULTS

Economic Opportunities for Jordanians and Syrian Refugees

Environmental and Social Systems Assessment

(ESSA)

World Bank

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ABBREVIATIONS AND ACRONYMS

CBA	Collective Bargaining Agreement
CO	Carbon Monoxide
CEDAW	Convention on the Elimination of all Forms of Discrimination Against Women
CEA	Country Environmental Assessment
CIIP	Competitive Industries and Innovation Program
CPs	Core Principles
CSCs	Community Support Committees
DEF	Development and Employment Fund
DFZC	Development and Free Zones Commission
DLIs	Disbursement Linked Indicators
EIA	Environmental Impact Assessment
EMP	Environmental Management Plan
EMRC	Energy and Minerals Regulatory Commission
EPA	Environmental Protection Agency
E-TVET	Employment – Technical and Vocational Education and Training Fund
EU	European Union
FAFO	Institute for Applied International Studies
FTA	Free Trade Agreement
GCC	Gulf Cooperation Council
GDCD	General Directorate of Civil Defense
GDP	Gross Development Product
GOJ	Government of Jordan
GRM	Grievance Redress Mechanism
HazMat	Hazardous Materials
HSE	Health, Safety, and Environment
ICT	Information and Communications Technology
ID	Identification Document
IZE	Initial Environmental Examination
IFC	International Finance Corporation
ILO	International Labor Organization
IPPS	Industrial Pollution Projection System
ISO	International Organization for Standardization
IZs	Industrial Zones
JCCA	Jordanian Construction Contractors Association
JD	Jordanian Dinar
JEDCO	Jordan Enterprise and Development Corporation
JIB	Jordan Investment Board
JIC	Jordan Investment Commission
JIZC	Jordan Industrial Estates Company
JNBC	Jordanian National Building Council
JNCW	Jordan National Commission for Women
JD	Jordanian Dinar
JSMO	The Jordan Standards and Metrology Organization
LAL	Land Acquisition Law
LPI	Logistics Performance Index
MEMR	Ministry of Energy and Mineral Resources
MOA	Ministry of Agriculture
MoEnv	Ministry of Environment
MOF	Ministry of Finance

MOH	Ministry of Health
MOIT	Ministry of Industry and Trade
MOL	Ministry of Labor
MOPIC	Ministry of Planning and International Cooperation
MOTA	Ministry of Tourism and Antiquities
MPWH	Ministry of Public Works and Housing
NGOs	Non-Governmental Organizations
OP/BP	Operational Policy/ Bank Procedure
OSH	Occupational Safety and Health
OSS	One-Stop Shop
PAP	Program Action Plan
PAPs	Project Affected Persons
PDOs	Program Development Objectives
PforR	Program for Results
PPE	Personal Protective Equipment
QIZs	Qualifying Industrial Zones
SEZs	Special Economic Zones
SOPs	Standard Operating Procedures
TA	Technical Assistance
TDS	Total Dissolved Solids
UNICEF	United Nations Children's Emergency Fund
UNIFEM	United Nations Development Fund for Women
UNHCR	United Nations High Commission for Refugees
VTC	Vocational Training Corporation
WBG	World Bank Group

0 EXECUTIVE SUMMARY

0.1 Purpose of the ESSA

1. This Environmental and Social Systems Assessment (ESSA) has been prepared by the World Bank for the proposed Jordan Economic Opportunities for Jordanians and Syrian Refugees Program for Results (PforR). It includes the following information: (a) a summary of environmental and social risks and benefits associated with proposed activities required to achieve the Program Development Objective (PDO) and the Disbursement Linked Indicators (DLIs) for each results area; (b) an assessment of the borrower's environmental and social management systems which apply to these activities, their risks and benefits; (c) an evaluation of the borrower's performance and track record in implementing its environmental and social management systems; (d) an assessment of the extent to which the borrower's environmental and social management systems are consistent with the Bank's core environmental and social principles spelled out in Bank policy and associated guidance materials; and (e) a set of recommendations and actions which the borrower has agreed to undertake to improve the implementation of applicable systems.
2. This report was prepared by Bank staff and consultants through a combination of reviews of existing program materials and available technical literature, in-depth interviews with government staff, as well as focus group discussions with Jordanians and Syrian refugees, factory owners and investors, donors, partners, and key experts. Findings of the assessment will be used in the formulation of an overall Program Action Plan (PAP) with key measures to improve environmental and social management outcomes of the program. The findings, conclusions and opinions expressed in the ESSA document are those of the Bank. Recommendations contained in the analysis have been discussed and agreed with the Hashemite Kingdom of Jordan counterparts.

0.2 Program Objectives, Results Areas, Program Scope, and Disbursement Linked Indicators

3. Based on the objectives of the Jordan Compact and the proposed Project Boundaries **the PDO of the project is to “Improve Economic Opportunities for Jordanians and Syrian refugees”**. The PDO reflects the following:
 - a. ‘Improve’ involves both creating economic opportunities for Jordanians and Syrians, and legitimizing the status of Syrians currently working.
 - b. ‘Economic opportunities’ involves entrepreneurship, self-employment and formal employment in firms.
 - c. ‘Jordanian and Syrian refugees’ implies the project beneficiaries are Jordanians and Syrians living in Jordan regardless of their status.

0.2.1 Key Program Results

4. The PforR seeks to provide economic opportunities for both Jordanians and Syrians by:
 - i) Reforming Jordan’s labor market regulations to grant access to Syrian refugee workers to the formal labor market and allowing them to legally contribute to Jordan’s economic activity;
 - ii) Improving Jordan’s investment climate through improving predictability of regulations, and reducing red tape, supporting small businesses, and trade facilitation; and
 - iii) Attracting and retaining investments—both domestic and foreign, especially in manufacturing, in Special Economic Zones that will benefit from preferential access to the EU. The foreign investments would most likely come from: i) the Syrian business diaspora; ii) regional investors and iii) investors targeting the EU market.

0.2.2 PforR Program Scope

5. In order to support the implementation of the Jordan Compact, this PforR will support the following core themes: (i) business environment reform, (ii) investment promotion and (iii) labor market liberalization. These topics represent the boundaries of the Project. Other topics in the Compact were not included such as (i) Jordan Response Plan initiatives (ii) Education for the Syrian Children, and (iii) measures to support macroeconomic stability, although the project is designed in terms of disbursements and content to be supportive of the macroeconomic stability objective. The JRP is supported by the UNDP and is administratively distinct from the Compact. Education for the Syrian children to ensure there is no lost generation is managed and supported by a group of donors led by the USA. The macroeconomic challenge involves the IMF who are preparing an Extended Funding Facility, the Bank through a series of DPFs and donors such as the EU and the USA who provide cash transfers to the GoJ.

0.2.3 Disbursement-Linked Indicators

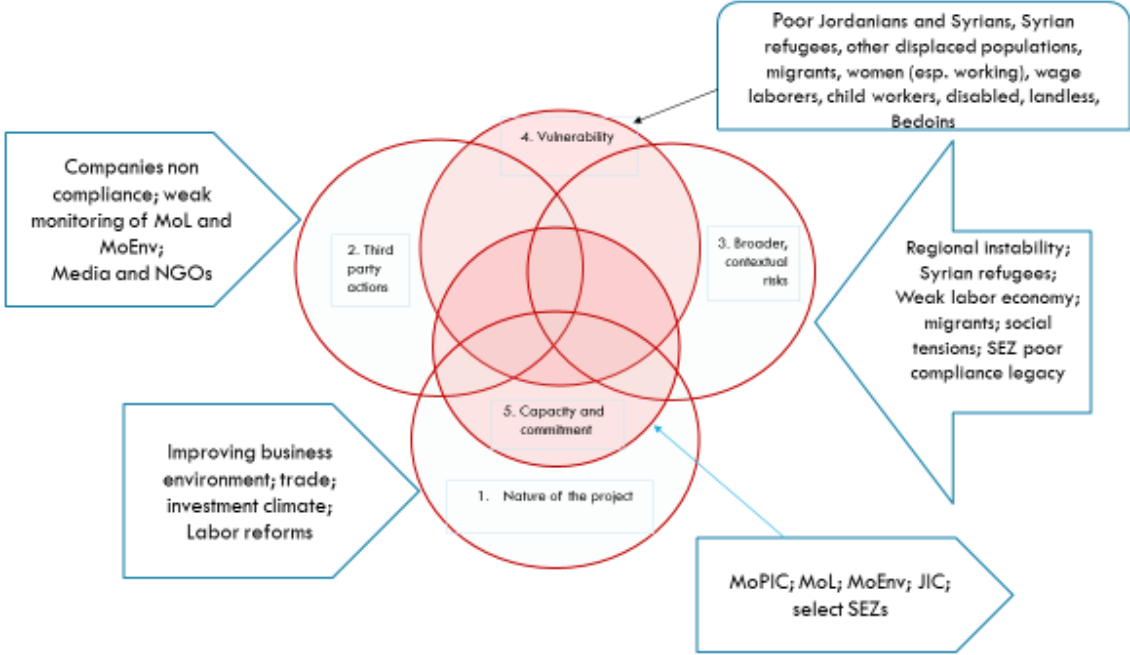
DLI #	DLI Description
Theme 1: Labor Market	
1	Number of work permits issued to Syrian refugees
2	Annual public disclosure by Better Work Jordan of a list of 29 items minimum of factory level compliance
Theme 2: Investment Climate	
3	Establishment and implementation of selected simplified and predictable Regulations for the private sector including household businesses
4	Reduction in the number of inspection structures (joint committees and/or individual inspectorates) inspecting the food sector business, through joint inspections
5	Increase in the number of enterprises on the Custom Golden List
Theme 3: Investment Promotion	
6	Number of investments benefitting from investment facilitation by JIC

0.3 Conceptual Approach to Social and Environmental Risks

6. The PforR is a program of *national reach* that will support government reforms to improve the business environment, labor market reforms, investment climate, and special economic zones -- measures that can benefit all Jordanians and all Syrians. Given that Program boundaries are broad, the team has redefined the scope for the purpose of the ESSA preparation. In order to develop the assessment, the boundaries focused on the social and environmental risks pertaining to SEZs, as well as broader political economy contextual issues, implementing agency capacities, and a characterization of the vulnerable groups. The program will not support investments that would normally be excluded under PforR policy.
7. Factors affecting social risks can be classified into five broad categories attributable to the (i) nature of the project; (ii) third party actions; (iii) broader, contextual risks; (iv) vulnerability issues; and (v) government/implementing agency capacity and commitment. The interaction amongst all of these factors may multiply or minimize overall program risk. Based on the assessment, the social risks are considered high.
8. The **nature of project** refers to the “footprint” of the proposed program (i.e., direct impacts directly caused by the project and for which full control and responsibility of the government is assumed). As discussed, the program will finance high-level policy reforms to improve the overall business environment for which no negative social nor environmental effects are anticipated. Labor reforms will facilitate the issuance of work permits to Syrians, which will be beneficial for formalizing them; however, this may be a source of social tension due to preferential treatment by other migrant groups. Direct investments in SEZs or employment generation activities outside SEZs will not be financed under the Program therefore; there is no direct causality between the Program and non-compliance of labor and environmental standards.
9. However, impacts associated with **third party actions** are defined as ones that are contributed to by the project and for which good faith efforts to reduce project-related risks need to be implemented. The most prominent associated social risks include *companies’* non-compliance of labor and environmental standards; poor monitoring by the *Ministries of Labor and Environment*; and the potential *role of the media or NGOs* by influencing public opinion and perceptions about program benefits that may create social tension.
10. **Broader, contextual and political risks** have neither been caused by the Program nor have contributed to the risks, however are considered substantial and may exacerbate other project-related risks. These include: the regional instability caused by the Syrian crisis, its weak labor economy, large migrant numbers (close to a third of the population), social tensions amongst some of the host communities and Syrian refugees, and legacy issues related to gross non-compliance of labor and environmental standards in SEZs. Despite these political economy risks (more details provided in the political economy section of the PAD), program benefits outweigh the costs and therefore the Program is deemed viable.

11. Adverse impacts that fall disproportionately on the poor or vulnerable groups are defined as **vulnerability risks**. Vulnerable groups are particularly exposed to systemic barriers to project benefits. In this Program, vulnerable groups are defined as: poor Jordanians, poor Syrian refugees, other displaced populations (i.e., Libyans, Yemeni, etc.), migrant workers, women (especially women workers), wage laborers (especially those on a contract basis), child workers, the disabled, landless, the Bedouins, and project affected persons who may not be protected through national land compensation legislation. Working women are particularly vulnerable to different forms of harassment. *Citizen engagement* measures to strengthen voice of low-wage workers, migrants, and women; grievance redressal mechanisms; actions to increase access to information about rights; and scrutiny of labor and environmental practices have been proposed in the Program Action Plan to mitigate these risks.

Summary of Key Social Risks



12. **Capacity and commitment** refers to the resources, capacity, and political will for implementing the social and environmental issues in the program. While there is strong political will to implement the overall program, capacity remains weak and a risk to program implementation. Capacity of the below Institutions/Departments was assessed and the below measures were proposed:

- *MoPIC*: assignment of staff to oversee implementation of social and environmental PAP measures.
- *Ministry of Labor and Ministry of Environment*: human resources and financial means for the to conduct compliance monitoring of selected SEZ estates needed; development of baseline data,

- *Select SEZs*: improving the capacity and practices around labor practices and occupational safety and health within SEZs;
- *Jordanian Investment Commission*: support for the reinforcement of the MOL and MoEnv as well as the SEZ management administration.

Progress in this area will measure the Program’s performance through quarterly reporting, supervision missions, and monitoring and evaluation of the DLI verifications, and results framework indicators.

The regulatory framework was also assessed and spanned the review of the Jordanian laws pertinent to labor and environmental issues, land acquisition and resettlement, and International Labor standards (refer to full ESSA Annex for details).

Lastly, to bolster the social and environment measures in the program and demonstrate the government’s commitment to doing good, the following social and environmental DLI will be introduced: *Public disclosure of Better Work Jordan ratings and publish disclosure of major labor and environmental violations*. While the Program will utilize existing infrastructure of the SEZs and is providing specific guidance on labor and safety related issues in the PAP, it is paramount that the government demonstrate commitment to making efforts to curb low compliance. Global experience has demonstrated that pressure created by “shaming” through transparency of information has positively influenced increased compliance.

Efforts are currently underway to mobilize funding to support capacity building activities to support Program implementation. In particular, efforts to support strengthened monitoring of labor and environmental (safety) standards in manufacturing will be provided to support the JIC in its social and environmental monitoring of the SEZs.

0.4 Environmental and Social Effects

The combined social and environmental risks are considered to be Substantial; however, these will be mitigated through specific actions proposed hereafter. The overall social risks are expected to be Substantial due to the perception held by host communities and other migrant communities that Syrian refugees may be disproportionately benefiting from job opportunities and donor resources. Future threats of crowding out in the labor market exist. There are clearer signs of this in the construction wholesale, and retail sectors. Legacy issues associated with low compliance of labor conditions as well as lack of compliance with environmental standards are also a risk. With regard to increasing women’s employment for both Jordanian and Syrian refugees alike, the need for viable solutions to enable women to work—namely transportation and childcare—will be critical to provide culturally sensitive and safe employment options. This is even more important if women want to work outside camps. Child labor is also a concern, particularly as early signs of vulnerability and negative coping strategies (mobility, debt, asset selling, child labor, early marriage, begging, and so on) are prevalent among the Syrian refugee population.

To mitigate the social risks described earlier, the PforR includes a DLI requiring annual public disclosure by Better Work Jordan of reports on factory-level compliance with a list of at least 29 social and environmental-related items. This DLI will help mitigate social risks, as well as

environmental risks specific to occupational health and safety standards. This public disclosure DLI is expected to incentivize an increase in compliance, improve MOL monitoring, and serve as a pilot for expansion to other labor-intensive sectors.

The environmental risks are expected to be Moderate, with risks including worker health and safety, air pollution, industrial water effluent, and industrial waste management. No PforR funds will support infrastructure financing.

The applicable federal and governorate environmental and social management systems in Jordan, from a legal, regulatory, and institutional perspective, are considered to be generally appropriate and comprehensive. Therefore, no significant changes to the overall structure of these management systems are required or proposed. However, the institutions, processes, and procedures at the governorate level are not supported by adequate human and/or financial capacity to operate as designed. Enforcement of the legal framework governing compliance on labor and environmental standards is weak.

The detailed analysis identifies a diverse set of risks, some of which are contextual and beyond the program's scope, however the most relevant include:

1. **Future threats of crowding out in the labor market:** Signs of crowding out are relatively modest in most sectors at present, with clearer signs in the construction and wholesale and retail sectors. An overall deterioration in working conditions leading to increased decent work deficits in Jordan. More Syrian refugees than Jordanians from the host communities finding jobs in certain sectors primarily the garment sector. An increase in employment of Syrians in the construction industry from 2011 to 2014 in combination with a relatively high number of Jordanian workers who have dropped out of this sector since the start of the Syrian crisis.

2. **Institutional capacity of SEZs to implement and monitor adequate labor conditions is weak:** The institutions involved in establishing SEZs/IZs are divided into central government and local level (governorate) institutions depending on responsibilities, but this can be complicated when responsibilities and work are shared between institutions. The current overall institutional setup is complex and needs strengthening with regard to capacity and procedures required for effective management of social issues.

The risk related to weak institutional capacity includes improper management of social issues. However, this risk can be managed with institutional strengthening during program implementation, along with development and implementation of appropriate management procedures for both the IZ and individual industries. Recommendations have been provided in the Program Action Plan.

3. To ensure that SEZs/IZs attract foreign investment and are compliant with local labor laws, there is an urgent need to enforce existing legislation in industries in the SEZs/IZs to control issues related to minimum wage, child labor, bonded and contract labor, and registration of employees with social security.

Additionally, Program benefits, and may not give special attention to the rights and interests of the host communities and to the needs or concerns of refugees, and other vulnerable groups; and thus exacerbate social conflict.

4. **Child labor has increased with the arrival of Syrian refugees, particularly in the agricultural-related work area:** Children work in order to support family income, also unaccompanied children work and send remittances home (typically, boys ages 14-17). Agricultural-related occupational, health, safety, and labor issues include increasing incidence of transboundary livestock and pest diseases as the movement across Lebanon, Syria, and Jordan has become more active and fluid.

5. The below table provides a summary of the overall social and environmental risks by results area:

Jordan PforR Overview Social and Environmental Risk Ratings	Social Risk	Environmental Risk
PforR Objective 1: Improving Labor Market Regulations	Substantial due to potential for social tensions between Jordanians, Syrians, and other economic migrants over jobs. Perceptions that Syrians are disproportionately benefiting over other groups. Working conditions may be poorly regulated; however, job opportunities are likely to be substantially increased for all, particularly the vulnerable through homebased work scheme reforms.	Moderate due to the potential for increased industrial production to create increases in air, water, solid waste pollution for all residents, as well as to create direct impacts on workers
PforR Objective 2: Improving Investment Climate	Low	Low
PforR Objective 3: Attracting and Retaining Investments	Substantial due to legacy issues associated with SEZ employment, fear/misperception of economic migrants to be replaced, poor labor conditions with weak enforcement.	Moderate due to the potential for increased investments in SEZs, especially in manufacturing, to lead to increased pollution and increased numbers of workers at OSH risk
Overall Risk Rating	Substantial	Moderate

0.5 Assessment of Borrower Systems

6. The applicable federal and Governorate environmental and social management systems in Jordan, from a legal, regulatory and institutional perspective, are considered generally appropriate and comprehensive, with only a few gaps in relation to the principles of the ESSA. The scope of the legal and regulatory systems is adequate to address underlying environmental and social risks, therefore, no significant changes to the overall structure of these management systems are required or proposed. The systems, on paper, are in many respects consistent with the principles and attributes of a well-functioning system as defined by Bank policy.

7. However, the institutions, processes, and procedures at the Governorate level are not supported by adequate human and/or financial capacity to operate as designed. Enforcement of the legal framework governing compliance on labor and environmental standards is weak. Several policy gaps exist between Bank policies and Jordanian laws regarding land acquisition, compensation, and resettlement. To begin to address these capacity constraints and to close these important implementation gaps, an incremental step-by-step, risk-based approach is recommended throughout the life of the proposed operation.

0.6 Stakeholder Consultations

8. The preparation of the ESSA has been carried out in a participatory manner involving feedback and inputs from a number of key stakeholders working in government, private sector, and nongovernmental organizations (NGOs) and other sectoral experts, donor agencies, and international partners. The Bank team has used informal interviews and stakeholder dialogue in combination with more formal and structured focus groups and other public meetings to solicit information relevant to the analysis as well as to verify judgments made in the course of conducting this review. The Bank team conducted numerous field visits to Industrial Zones (IZs) in Jordan to interact with the private sector, management boards, local and state governments as well as other international organizations and specialists in this field.

0.7 Environmental and Social Recommendations Rationale

9. The proposed PforR operation should be used strategically to begin to strengthen Jordan's environmental and social management systems by using a risk-based approach, starting with: (a) managing perception issues about who the winners and losers are in the program, (b) providing the human resources and financial means for the Ministries of Labor (MOL) and Environment (MoEnv) to strengthen their compliance monitoring of selected SEZ estates; (c) improving the capacity and practices around labor practices and occupational safety and health within SEZs, and; (d) instituting policies at the Jordanian Investment Commission (JIC) that regulate land acquisition, resettlement, compensation, and environmental and labor standards in SEZs.

10. These activities have been embedded through specific proposed activities as part of the DLI 5, Improving Investment Promotion, (measures to attract investors, including benefits to SEZs) and DLIs 6, 7, and 8 related to Creating Conditions for Labor Market Participation (i.e., work permits and disclosure of compliance information). As such, this requirement will have the full force of legal covenants and will be the basis for funds disbursement under this proposed

operation. The program will also support the reinforcement of the MOL and MoEnv as well as the SEZ management administration.

11. These activities are to be supported by technical assistance (TA) activities, to run in parallel with the PforR, Other TA activities budgeted will support broader capacity-building activities, such as addressing sources of pollution and resource use in the SEZs and development and adoption by the industries of a Better Works Jordan (BWJ) compliance structure, within the lifetime of the PforR operation.

12. With respect to social measures, SEZ development and management companies will improve stakeholder and public consultation to make the process more inclusive in accordance with the requirements of guidelines for public consultation. With regards to enforcement of labor laws, the MOL and the SEZs will work in close collaboration. A labor cell will be established within the social unit at the company level to liaise closely on issues of child and bonded labor, as well as to assist the district labor officer to monitor and help create the conditions for the enforcement of existing labor laws. To deal with public complaints or disputes within an IZ, a system of grievance redress will also be developed and implemented which will be complemented by measures to strengthen the existing hotline at the Ministry of Labor.

13. SEZs will also be expected to develop, notify, and implement standard operating procedures (SOPs) covering the occupational, construction, labor working conditions, and community aspects related to health, safety, and environment. Significant capacity strengthening and improvements on procedures are necessary. This will be newly instituted through the support to the Jordan Investment Commission and development of guidelines. The social units will take the lead in this aspect and work in collaboration with the MOL and MoEnv. The enforcement of bylaws and policies in JIC relating to the establishment of industries will also be improved by the SEZs.

14. If the activities summarized below are successfully implemented, the overall environmental and social management systems in Jordan would be strengthened and set on a more sustainable path. Based on the Bank's assessment, a number of specific recommendations and actions will also be put forth to address environmental and social risks associated with the program

0.8 Specific Recommendations

15. This draft ESSA recommends undertaking the following social and environmental measures during the life of the program:

1) Strengthening Jordan Investment Corporation (JIC) Environmental and Social/Labor Advisory Services

- Strengthen One-Stop Shop (OSS) role to include (i) *proactive* information sharing (through printed materials and other relevant venues) of environmental and labor standards to investors; (ii) proactive information sharing about land acquisition, compensation and resettlement laws and regulations.

2) Establishment of Worker's Centers at Zone Level (modelled after Worker's Center Pilot / Better Works)

- Establish Workers' Center at the SEZ level to provide a bundle of services for workers, to include information on social and environmental standards, preventative medical check-ups, legal advice, and a secure grievance redress system for workers. Specifically:
 - Legal advisor or worker's rights and channels and processes available for grievance redress (including advisors—not just translators—in different languages)
 - Proactively providing information on labor standards and environmental standards through printed materials and company visits and awareness-raising activities
 - **OSH advisor to** oversee OSH issues at zone level and liaises with the MOL, MoH, and MoEnv for follow-up needed
 - Clinical doctors to oversee specialized services such as eyes, ears, respiratory conditions, minor injuries, repetitive injuries, and urgent care
 - **Compliance monitoring officer to** liaise with management and compliance staff to monitor company-level compliance issues on environmental and labor standards
 - Allowing for outsourcing of medical services to the private sector

3) Strengthening Ministry of Labor's Inspectorate Unit

- Develop infrastructure (database software and computers) to strengthen MOL Hotline (grievance redress system), and establish information technology linkages between inspectors and hotline.
- Strengthen existing Grievance Redress Mechanisms (GRM) at MOL to allow for confidential and effective resolution of complaints between affected people, communities and managers of SEZs.
- Complete a Memorandum of Understanding between the Ministry of Health and the Ministry of Labor to enable MOL to take responsibility and accountability for workers' dormitories inspection and compliance.
- Continue to support a singular integrated inspection database across MOL, Ministry of Environment, and other relevant ministries that aggregate current compliance rates for individual factories across several inspection agencies. This is so risk-based inspections can increase in parallel with a lower average of yearly inspections per factory.
- Build monitoring and evaluation system to assess percentage of case resolution
- Redeploy and train existing Inspectorate Unit staff to increase technical expertise, while changing mindset from 'policing' to providing incentives to comply with standards.
- Conduct awareness-raising and communications activities to increase the knowledge of grievance system available to workers.
- Provide legal advisors (to advise on Labor Law) with diversity of language skills to manage cases of migrant workers.

4) Support Ministry of Environment Capacity More Strategically:

- *Focus Ministry of Environment Inspectorate capacity on designing and implementing – in priority pollution hotspots - air pollution abatement plans*, containing: a) targets for selected environmental improvement objectives, b) a clear assignment of roles and responsibilities for the different stakeholders involved; and c) incentive mechanisms (including soft loans) to encourage industries to comply with environmental regulation.
- *Promote pollution control* through a combination of (1) Positive incentives (including soft loans and technical assistance) to encourage the use of cleaner production processes; and (2) gradual phasing-in of negative incentives (pollution levy for industrial emissions exceeding a given standard) to induce firms to meet effluent/ambient standards (e.g., via end-of-pipe treatment). Initially the levy could be linked to level of activity/employment, and later - once adequate monitoring capacity is in place - to emission levels.
- *Promote the inclusion of specific targets of environmental improvements in selected sectors*, particularly those targeted by the Jordan Compact to create increased employment. This would include definition of responsibilities for their achievement, performance indicators, and allocation of the required human and financial resources.

5) Policy and Assessment Areas for Strengthening Environmental and Social Standards

- Developing, notifying, and implementing SOPs related to OSH and improve implementation of bylaws
- Completion of OSH Strategy according to ILO Convention 187
- Memorandum of understanding between the Ministry of Health and MOL for MOL to lead on dormitory inspections
- In-depth assessment of dormitory safety and quality of life

6) Provision of a Women Friendly Enabling Environment

- Provide safe transportation that is culturally sensitive to women to SEZs.
- Request SEZs benefiting from EU trade preferences provide stipends above their base salaries to women working in SEZs to cover childcare costs.
- Generate data to measures sexual harassment cases nationally and support a national dialogue between relevant ministries on adopting a regulatory framework against sexual harassment to protect women.

7) Strengthening Transparency and Program Communication *(to manage social risk associated with perceptions and to be developed with the support of ECR)*

- Develop a comprehensive plan between the World Bank and GOJ with clear, concise, consistent messages about the program starting at Board approval.
- *Develop a communications strategy and roll-out plan* with MOPIIC to share information about program objectives, components and investments; access to program benefits
- Segment the target audience and the messages to target groups that are the perceived ‘losers’ of the program via: identifying the issues (i.e., misperception about replacement of Jordanian or migrant workers, etc.).
- Strengthen impacts of the program by establishing and *communicating* processes put in place during project implementation (e.g., how different geographic areas and social

groups are targeted, whether targeting happens in a manner that is transparent and based on clear criteria, such as poverty or vulnerability, and not (solely) on refugee/non-refugee status).

- ***Public disclosure of compliance information of factories in participating QIZs.*** There are approximately 30 criteria being discussed and to be agreed to and revised through tripartite workshops, every 2 years. Annual report on companies' performance to be released and shared with all.
- ***Participation of each targeted factory in compliance programs modelled after BWJ.*** While BWJ is currently limited to the garment industry there is a shared donor commitment to find practical solutions to expand its work beyond the garment sector. Donors, buyers, and other stakeholder are cognizant that there are industry specific elements that are different from the garment industry and that there are variances in the state of social dialogue at the sector level, however it is expected that commitment and funding will be leveraged by both buyers and donors.
- Based on current results of air and water quality monitoring, establish a list (or improve existing ones) of priority pollution hotspots, particularly in Zarqa.
- Encourage compliance with environmental regulation through public disclosure of performance of the polluters by the NGOs and the media, in tandem with the suggested public disclosure program to be implemented by BWJ.

8) Support to Workers in the Agricultural and Construction Sectors (albeit indirectly)

- Share of own account workers with social security to continue to grow by at least 10% per year, with the support of a nationwide campaign.
- Share of employed Jordanians paid below minimum wage to decrease.

9) Strengthening Case Management of Child Labor

- At least 3,000 child laborers identified, withdrawn, and rehabilitated through the National Framework on Child Labor through support to Inter-Agency Task Force and Child Protection Working Group

10) Environmental Measures – Emissions Inspections and Industrial Waste Management

A. Targeting Emissions Inspections

- The Ministry of Environment, in partnership with the Greater Amman Municipality, will pilot accelerate efforts to improve the air monitoring system, including ambient air quality, as well as emission from stationary (e.g. the likely highest emitting sectors), as well as mobile ones;
- Continue to put into place a risk-based management approach to inspections, defining in a transparent manner priority locations/sectors (as opposed to the standard approach, which is primarily complaint-driven);
- Maintain the Ministry of Environment as the primary inspection authority for emissions inspections until the JIC is able to fully take on this function, if that is the intention of the Government of Jordan. When the function does transfer to the JIC, offer incentives to move Ministry of Environment inspectorate staff to the JIC in order to seed capacity;

B. Improve Industrial Waste Management Capacity

- Industrial waste, including hazardous, medical, and construction waste, has increased and will continue to increase with incentives to expand businesses and create employment. Although the solid waste management sector is receiving attention, as the incremental load of solid waste is said to be created from the Syrian refugee influx, increased industrial waste management systems need financing in order to absorb larger capacities.

1 INTRODUCTION: SCOPE OF PROPOSED PROGRAM, PDO AND DLIs¹

1.1 Country Context

Jordan is a small middle-income country facing severe challenges. These challenges are brought by insecurity in neighboring Syria and Iraq and declining oil prices which impacts the neighboring Gulf Countries – a major source of investments, aid and remittances. The total closure of land trade routes with Syria and Iraq and other security-related challenges within and around Jordan adversely impacted trade, tourism, investment and construction.² It has a population of 9.5 million³ and suffers from a high unemployment rate of 13% for Jordanians – about 200,000 individuals. Real GDP growth (GDP per capita of 5,423 USD in 2014⁴) is estimated to have contracted to 2.4 percent in 2015 from 3.1 percent in 2014. GDP growth is forecast to rebound slightly at 3.0 percent and 3.3 percent in 2016 and 2017, respectively. These low growth rates are inadequate to provide sufficient new jobs for the growing population.

According to the recent census, about a third of residents are non-Jordanians. Among these are approximately 650,000 economic migrants, primarily from Egypt, Bangladesh, the Philippines and Sri Lanka. Jordan has a long history of hosting waves of refugees including Palestinians, Iraqis and most recently Syrians.

The crisis in Syria has led to a massive influx of Syrians over the past 5 years – the recent census estimates that about 1.3 million Syrians now live in Jordan (13.7% of its total population). Among them, there are 655,217 Syrians registered with UNHCR as refugees. About 75% of Syrian refugees live in the Governorates of Mafraq, Irbid and Amman. The largest camp is Al Zaatari camp in Mafraq, host to almost 80,000 Syrian refugees (equivalent to the second largest city in Jordan). The 2015 census notes that aside from some 1.3 million Syrians, there are a further 1.6 million non-nationals in Jordan. According to the Ministry of Labor, 324,000 foreigners have work permits, 65% of them are Egyptians, 3% from Arab countries, 26% are mainly Asians and only 2% are Syrians.

The situation of most Syrians in Jordan is highly vulnerable. Extremely vulnerable female-headed households, represents a quarter of all refugee households. Approximately 17% of the refugees live in camps; the balance lives a variety of lives. However it is clear the majority –

¹ For a full description of the program scope, PDO and DLIs as well as development and economic context of this operation, please refer to the Project Appraisal Document (PAD).

² As an indication, and comparing 2015 results with 2014: the number of tourist arrivals regressed by 9.7 percent; similarly the number of construction permits were 9.6 percent lower; exports to Iraq and Syria cut by 40.5 percent and 40.3 percent, respectively.

³ 2015 Census

⁴ Source Data.WorldBank.Org for 2014, based on a population of 6.6M, before the release of the latest Census (December 2015) of 9.5M figure.

about 80% are below the national poverty line and need assistance to bring dignity to their lives through access to expanded education, health and housing as well as economic opportunities.

The WBG has been asked by the Government of Jordan and the International Community to support the Jordan Compact. The parameters of the international response were defined in the Jordan Compact, which was tabled in the Heads of State Level “Supporting Syria and the Region Conference” held in London on February 4, 2016. This Project supports the Economic Opportunities Aspects of the Compact.

Sectoral (or multi-sectoral) and Institutional Context

The core objective of the Compact is to adopt a holistic approach to the twin challenge of addressing Jordan’s structural growth needs and managing the influx of Syrian refugees.

Key Features of the Jordan Labor Market

The Jordan labor market was already highly challenged before the advent of the Syrian refugees: The economically active population is 35% (60 percent among men and only 13 percent among women) compared with an international norm of 60%. About 120,000 Jordanians enter the work force per annum, and approximately 55,000 find employment. The unemployment rate has hovered between 12-14% for the past decade – accounting for about 200,000 individuals. Females and the least educated constitute the bulk of the 65% of the population that is non active.

A large number of highly skilled Jordanians move abroad as economic migrants, largely to Gulf Cooperation Council countries, where it is easier for them to find the salaries they aspire to.

At the same time, Jordan has long relied on economic migrants to fill private sector jobs that Jordanians do not want. There are approximately 650,000 economic migrants working in Jordan. In 2015, work permits were issued for 110,000 new economic migrants and were renewed for about 202,000 others. Non-Jordanians are allowed to work subject to a set of restricted professions and sector-specific quotas

About half of employment in Jordan is informal.

This will be primarily achieved by developing economic opportunities for all with a focus on developing markets. These markets include: (i) better market access to the EU, (ii) encouraging the potential market for the Syrian reconstruction, and (iii) targeting diaspora and social impact investors who bring markets with them. In addition, the reform of internal labor markets will help Syrians. In parallel reforms and measures that improve Jordan’s competitiveness (trade and investment climate reforms) will be needed.

A key indication from the SCD is that there are major distortions in the functioning of labor and capital markets which impedes the ability to create high productivity job opportunities. On one hand, with respect to factor markets, the two essential signals to structural impediments diagnosed were the low level of investments and deep labor market. On the other hand, it was diagnosed that the level of investments lacks buoyancy and investment surges have not been sustained.

This PforR responds to the Compact by supporting the development of these economic opportunities and ensuring that both Jordanians and Syrians have access to them. This is achieved through a focus on a set of transversal reforms that improve the investment climate, strengthens investment promotion capacity and liberalize the labor market for Syrians.

The better market access to the EU is based on negotiations between GoJ and EU, which are expected to lead to the granting of a preferential access to the EU market through the relaxation of the rule of origin requirement, by the summer 2016. This agreement will be limited in time to 10 years, limited in terms of eligible product lines and limited geographically to a specified number of special economic zones (at this stage 11).

The Special Economic Zones, which will enjoy the trade preference are already well established both in terms of institutions and with infrastructure and have idle capacity (vacant land and capacity potential in existing factories). In Al Mafrqa a 23 km sq. zone adjacent to Zaatari camp only 10% of the land is occupied. Based on initial soundings with investors the trade preference when combined with the other measures identified in this PforR should lead to a substantial number of Syrian refugees working in these zones.

The core challenge of this project is to attract new investment into Jordan. As the international experience shows most new investors are likely to be existing investors in Jordan. Indeed the preliminary market assessment identifies substantial interest from this group in an investment offer, which combines the EU market access with investment incentives. In addition to these investors there is the opportunity of targeting the following groups of investors: (i) the Syrian diaspora particularly those that can bring established international markets with them, (ii) other regional investors (GCC in particular), (iii) other international investors attracted by market access or the reconstruction opportunity.

Jordan has a weak business environment. In parallel with these investment promotion efforts substantial reform of the business environment is required. In terms of Doing Business Indicators, it ranks 113th in 2016 (down from 107 last year). Moreover, the business environment is reputed to be unpredictable as policy changes can occur with neither consultation nor notice. Syrian businesses, in particular face some discrimination in terms of business entry. In addition to addressing the business environment other important areas that will require attention include: (i) access to finance which has been identified as one of the most important obstacles to firms operations by the recent Enterprise Survey (2013-2014); (ii) incubation type support for some industries – provision of rentable factory space, (iii) transportation and child care (core issues for women’s employment) (iv) trade **facilitation** and (v) skills.

Prior to 2015, the vast majority of Syrians were prohibited from working legally in Jordan. Although there was no law against Syrians working, very few met the requirements of the existing work permit regulations. As of the end of 2015, only 5,300 Syrians were working legally in Jordan. A much larger number worked in the informal sector. Estimates of Syrians working in the informal sector ranged from 42,000 to 150,000. Syrians refugees living in camps face additional constraints, as their mobility is highly restricted.

At the London Conference “Supporting Syria and the Region” (February 4, 2016) where the Compact was adopted, the Government of Jordan committed to generate 50,000 job opportunities for Syrian refugees in the short term—primarily in the form of work permits, rising to 200,000 in the coming years. These opportunities to work legally will come from three sources: (a) legalization of Syrian refugees who are currently working illegally; (b) employment of Syrian refugees in job vacancies that would have otherwise been filled by new, incoming economic migrants from other countries—both of these first channels will materialize in the short term; and (c) jobs created in the medium term through the planned improvement of the investment climate, the opportunities offered by improved market access to the EU, the

reconstruction of Syria, and cash-for-work programs. To support the target, the GoJ has taken several important steps, including (a) allowing Syrian refugees to use the Ministry of Interior ID card in lieu of a passport and removing the prohibition to work; (b) prioritizing Syrian refugees over economic migrants by placing a partial moratorium on new economic migrants entering Jordan and waiving work permit fees for Syrian refugees; and (c) relaxing labor inspections targeting Syrian refugees for the next two years.

Developing jobs for Jordanians will be challenging. As can be seen the labor market is failing to meet the demand for jobs for Jordanians (see Box 1). With Jordan’s economy being primarily in services (over 70%) it is the growth of tradable services that is key. This will generate jobs not only in its own right but also as components in knowledge intensive manufacturing. For example linking Jordanian fashion expertise with the garments sector. The PforR measures will help by creating a more competitive environment and encouraging more active investment promotion, but additional measures beyond the scope of the PforR will be needed.

1.2 Program Description

1.2.1 Government Program

“The Compact’s approach is anchored on three interlinked pillars, to support Jordan’s growth agenda whilst maintaining its resilience and economic stability:

- (i) Turning the Syrian refugee crisis into a development opportunity that attracts new investments and opens up the EU market with simplified rules of origin, creating jobs for Jordanians and Syrian refugees whilst supporting the post-conflict Syrian economy;
- (ii) Rebuilding Jordanian host communities by adequately financing through grants the Jordan Response Plan 2016-2018, in particular the resilience of host communities; and
- (iii) Mobilizing sufficient grants and concessionary financing to support the macroeconomic framework and address Jordan’s financing needs over the next three years, as part of Jordan entering into a new Extended Fund Facility program with the IMF.”⁵

Core elements of this program **are investment climate reform, labor market reform with a focus on legalizing the status of the Syrian Refugees, investment promotion and facilitation,** education of the Syrian children, the Jordan Response Plan, and Macro-economic Stability. The proposed Program for results addresses the highlighted topics. The Program will also contribute to the higher-level objectives of Jordan’s Vision 2025, which “*charts a path for the future and*

⁵ Government of Jordan – February 7, 2016.

determines the integrated economic and social framework that will govern the economic and social policies based on providing opportunities for all”.

Chart 1: The contours of the PforR versus the GoJ Program (Compact)



1.2.2 EU-Jordan Preferential Trade Agreement Specifics

One important element of the Jordan Compact is the temporary relaxation of the rules of origin laid down in Protocol 3 of the Euro-Mediterranean Association Agreement. This relaxation of the preferential rules of origin applicable to bilateral trade is expected to attract more investment to the country for productive activities aiming at the EU market. This relaxation will cover a selected number of products of interest for Jordan and will be made available to producers in Jordan as an alternative to the existing rules. The relaxation would in a first stage be subject to certain conditions that aim at ensuring that the benefit of the relaxation is available only to exporters which are directly contributing to the goal of ensuring additional employment of Syrian refugees. These conditions concern the place of production (in a number of development zones and industrial areas specified by Jordan) and the use of a proportion of Syrian refugee labor in the relevant production facilities (at least 15% at the outset, rising to 25% from year three).

The alternative rules of origin made available under this proposal are those applied by the EU for imports from least-developed countries under the Generalized Scheme of Preferences (GSP) Everything But Arms (EBA) initiative. For industrial products this implies that the threshold for non-originating materials that may be used by Jordan exporters in order to benefit from preferential treatment in the EU would be substantially increased (in general up to 70% rather than 40%). For clothing these relaxed rules are based on the principle of single transformation rather than the principle of double transformation.

The required working or processing to be carried out on non-originating materials in order for such products to obtain originating status takes place in production facilities located in one of the following Development Zones and Industrial Areas: Alhussein Bin Abdullah II Industrial City- Alkarak, Aljeeza Industrial Area- Amman, Alqastal Industrial Area- Amman, Al Quwayrah Industrial Area- Aqaba, Al Tajamuat Industrial City- Sahab, Dulail Industrial City- Zarqa, El-

Hashmieh Industrial Area- Zarqa, El-Ressaiefeh Industrial Areas- Zarqa, El-Sukhneh Industrial Area- Zarqa, Irbid Development Zone and Irbid Alhassan Industrial City, King Abdullah II Bin Alhussein City- Sahab, King Hussein Bin Talal Development Zone- Mafraq (including Mafraq Industrial City), Ma'an Development Zone- Ma'an, Marka Industrial Area- Amman, Muwaqqar Industrial City- Amman, Wadi El-Eisheh Industrial Area- Zarqa

The total work force of each production facility located in these Development Zones and Industrial Areas in which such products are worked or processed contains a proportion of Syrian refugees equivalent to at least 15% during the first and second years after the entry into force of this Annex and to at least 25% from the beginning of the third year after the entry into force of this Annex.

The relevant proportion shall be calculated at any point after the entry into force of this Annex and on an annual basis thereafter taking into account the number of Syrian refugees that are employed in formal and decent jobs and on a Full-Time Equivalent basis, and that have received a work permit valid for a minimum period of twelve months under the applicable legislation of Jordan.

At a second stage, once Jordan achieves the target of creating around 200,000 jobs for Syrian refugees established in the framework of the London Conference, it is proposed that the EU and Jordan further simplify this support measure by eliminating the conditions concerning the place of production and the use of Syrian labor in the relevant production facilities. This would effectively extend the possibility to use the alternative rules of origin to all producers in Jordan in recognition of the significant effort that Jordan would have made to ensure the integration of such a sizeable proportion of Syrian refugees into the formal labour market across the whole economy.

1.3 Program Development Objective/s (PDO) and key results

2. Based on the objectives of the Jordan Compact and the proposed Program Boundaries, the PDO of the program is to “Improve Economic Opportunities for Jordanians and Syrian refugees in Jordan”.

This can be further explained as follows:

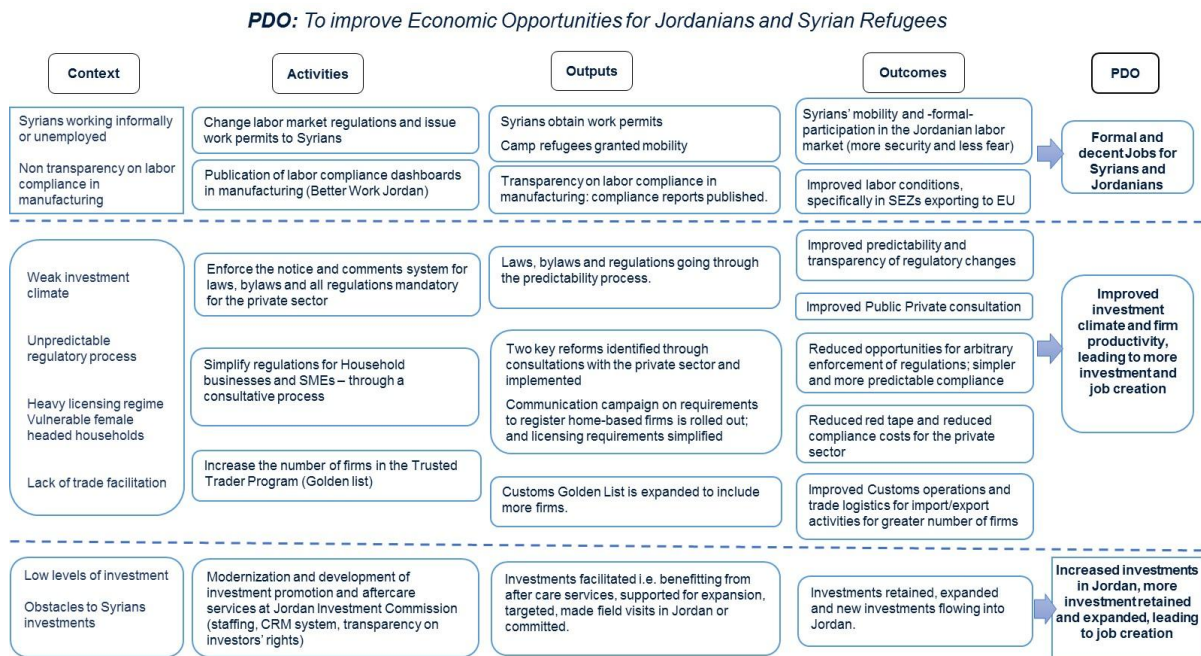
- ‘Improve’ involves both creating economic opportunities for Jordanians and Syrians, and legalizing the status of Syrians currently working in Jordan.
- ‘Economic opportunities’ involves entrepreneurship, self-employment, formal employment as well as improved investment climate.
- ‘Jordanian and Syrian refugees’ implies that the program beneficiaries are Jordanians and Syrian refugees living in Jordan regardless of their status.

Key Program Results

3. The PforR seeks to provide economic opportunities for both Jordanians and Syrian refugees by:

- Reforming Jordan’s labor market regulations to grant access to Syrian refugee workers to the formal labor market and allowing them to legally contribute to Jordan’s economic activity.
 - Improving Jordan’s investment climate through improving predictability of regulations, and reducing red tape, supporting small businesses, and trade facilitation.
 - Attracting and retaining investments—both domestic and foreign, especially in manufacturing, in Special Economic Zones that will benefit from preferential access to the EU. The foreign investments would most likely come from: i) the Syrian business diaspora; ii) regional investors and iii) investors targeting the EU market.
4. **The economic modelling shows a positive cost benefit ratio for this Program**, thanks to a better business environment, lower compliance costs for firms and increased in firm productivity as well as increased investments and job creation.

Figure II-1: The result chain and logic for DLIs selection



1.4 PforR Program Scope

5. **In order to support the implementation of the Jordan Compact, this PforR will support the following core themes:** (i) improvement in the business environment (ii) investment promotion and (iii) implementation of labor market reform. These topics represent the boundaries of the Program. **Other topics in the Compact were not included** such as (i) Jordan Response Plan initiatives (ii) Education for the Syrian refugee Children, and (iii) vocational training iv) measures to support macroeconomic stability. The JRP is planned to be supported by a number of donors and UN partners through grants. Education for the Syrian

refugee children to ensure there is no lost generation is supported by a group of donors and UN partners led by the USA and UNICEF. The macroeconomic stability objective is supported by other programs and donors (the USA and the EU in particular), also including a potential IMF program under preparation (in the form of an Extended Funding Facility), as well as the ongoing series of World Bank supported DPLs.

- i) Reforming Jordan’s labor market regulations to grant access to Syrian refugee workers to the formal labor market and allowing them to legally contribute to Jordan’s economic activity;
- ii) Improving Jordan’s investment climate through improving predictability of regulations, and reducing red tape, supporting small businesses, and trade facilitation; and
- iii) Attracting and retaining investments—both domestic and foreign, especially in manufacturing, in Special Economic Zones that will benefit from preferential access to the EU. The foreign investments would most likely come from: i) the Syrian business diaspora; ii) regional investors and iii) investors targeting the EU market.

1.5 Disbursement Linked Indicators and Verification Protocols

6. **Underlying the proposed investment climate actions is the need to improve the overall governance of private sector-related policy-making.** Measures that this P for R will support include an improvement of the regulatory governance framework in Jordan, reducing regulatory uncertainty, improving predictability and reducing red tape which should reduce arbitrariness and unfair treatment of investors. Taken together, these measures should also improve public stakeholder accountability as well as better regulatory service delivery.

7. **The 5 DLIs are summarized below:**

Table 1-4: Description of the DLIs

DLI	Description
Theme 1: Improving Labor Market	
1	Number of work permits issued to Syrian refugees
2	Annual public disclosure by Better Work Jordan of report on factory-level compliance with a list of at least 29 social and environmental-related items
Theme 2: Improving Investment Climate	
3	Establishment and implementation of selected simplified and predictable regulations for the private sector, including household businesses
4	Increase in number of enterprises on the Customs Golden List
Theme 3: Improving Investment Promotion	
5	Number of investments benefitting from investment facilitation by JIC

Theme 1: Improving the Labor Market

1. **The number of work permits issued to Syrian refugees.** In support of the implementation of the Compact, the GOJ will issue each year work permits to Syrian refugees (as set out in the table below). **In addition, in order to ensure sustainability, GOJ will take**

all agreed upon necessary measures to facilitate the issuance of work permits for refugees. Specific agreed upon measures will be detailed in the Program Operational Manual. To achieve DLI#1 prior result, 20,000 work permits are to be issued between April 8 and October 31, 2016 to Syrian refugees.

	Baseline (as of April 8, 2016)	April 8 to December 31, 2016	January 1 to December 31, 2017	January 1 to December 31, 2018	January 1 to December 31, 2019
Number of Work Permits* issued to Syrian Refugees	5,300	25,000	55,000	90,000	130,000

Table 5. DLI#1: The Number of Work Permits Issued to Syrian Refugees

2. **This PforR supports the implementation of the Jordan Compact, which includes commitments from the Government of Jordan and the international community.** Jordan's ability to implement its Compact commitments remains tied to the continued support provided by the international community and fulfillment of its London commitments.

3. **Better Work** is a joint International Labor Organization (ILO) and IFC program that provides assessment, advisory, and training services to factories and to improve working conditions and increase compliance with international labor protection standards (child labor, working conditions, and so on) and local labor law. **Labor compliance with Better Work will be fostered through DLI # 2: Annual public disclosure by Better Work Jordan of report on factory-level compliance with a list of at least 29 social and environmental-related items.** This Program will be expanded to include factories exporting using the EU trade preference. A major concern of stakeholders has been the nondisclosure of the findings of these inspections. The proposed DLI will require disclosure of inspection findings. This compliance is also an important part of the investment value proposition.

Theme 2: Improving the Investment Climate

4. **Business environment.** Jordan has a very poor track record of implementing business climate reforms. This is reflected in poor performance in Doing Business measures such as distance to the frontier and the World Economic Forum Competitiveness Index. The reasons for this poor performance relate to a lack of systematic processes to identify and implement reforms. Often, reforms are donor driven rather than developed organically and, as a result, there is very little buy-in from stakeholders and poor implementation of regulations. Processes to ensure implementation of reforms are also weak. **Businesses face a constraining regulatory environment in Jordan, limiting the potential for formal entrepreneurship and job creation, including home-based enterprises.** The objective behind the proposed reforms is to create momentum and address regulatory areas that are important impediments to business growth.

5. **This Program aims to institutionalize a systematic ‘home-grown’ process that will improve the business climate.** This includes (a) establishment of a deliberative and consultative process that provides a menu of reforms; (b) predictability measures to ensure any new reforms are subject to a public notice and consultation process; (c) development of a measurement system to assess implementation progress; and (d) articulation of clear targets. The menu may contain reforms identified at the start of implementation of the PforR as well as those identified through a consultative process during the Program lifetime.

6. **In approaching the investment climate area, a multipronged approach has been developed.**
- The first prong addresses the medium- to long-term challenge of developing a predictable, systematic approach to regulatory reform. The actions will be identified in consultation with the private sector. A measurement system and a baseline will be put in place.
 - The second prong aims to provide immediate impetus to implementing reform by focusing on one regulatory area highly relevant to the business environment that can make an immediate impact while two others will be identified during the Program implementation, through a structured public-private open dialogue process.
 - The third prong aims to facilitate the formalization of home-based enterprises. Home-based work (household enterprises) for many countries provides marginalized people—particularly women—work opportunities. In Jordan, where 65 percent of the working age population is not working formally, addressing some of the regulatory barriers to establishing these businesses could encourage more formalization of home-based enterprises, potentially leading to increased market access for some of them.
7. Another critical area of the business environment that will be supported by the Program is trade facilitation in order to take advantage of the EU trade preferences.
8. **Simple and predictable regulations for the private sector including household businesses.**

Table 6. DLI#3: Establishment and Implementation of Selected Simple and Predictable Regulations for the Private Sector Including Household Businesses

DLR 3.1: A reform establishing a predictability process for issuance of business regulations has been identified and adopted following an inclusive public-private dialogue and a measurement system (including baseline identification) has been prepared.	2017
DLR 3.2: One key business regulatory reform has been identified following an inclusive public-private dialogue, and a measurement system covering the time, cost, and complexity of the compliance process has been prepared (including baseline identification).	2018
DLR 3.3: 1000 officially established household enterprises, of which 100 are Syrian refugee owned and 100 female owned.	2019
DLR 3.4: 70 percent of business regulations mandatory to the private sector have been issued following the predictability process adopted under DLR 3.1.	2020
DLR 3.5: Regulatory burden on businesses has decreased by 30 percent following implementation of business regulatory reform adopted under DLR 3.2.	

Note: the baseline for household enterprises is 50. The target dates are indicative. Syrian businesses will be allowed to operate only in sectors open to foreigners.

9. **Trade and customs: increase in the number of enterprises on the Customs Golden List.** The DLI#4 encourages an expansion of the Customs Golden List/Trusted Trader Program list of firms that receive fast-track customs clearance. On an exceptional basis, these firms are subject to expedited clearance, including lowered guarantees, green channel streaming, cursory document review, and minimal to no physical inspections. The aim is to increase the number of importers and exporters benefiting from reduced physical inspections and increased customs clearance privileges.

Table 7. DLI # 4: Increase in Number of Enterprises on the Customs Golden List

	Baseline (2016)	2017	2018	2019	2020
DLI # 4: Increase in the number of enterprises on the Customs Golden List each year	n.a.	25	50	75	150

Theme 3: Improving Investment Promotion

10. **Attracting investment into Jordan is critical to generating jobs.** Three main avenues are expected to attract new investments in Jordan in the near future. The first is what is known as the SEZ approach, which is based on the notion that if a sufficiently attractive business environment is created in specific zones and EU market access is improved for these, then investors will develop enterprises that will benefit both Jordanians and Syrian refugees. This would allow Syrian refugees to stay closer to their homes and enable an eventual return to their homeland. At the same time, it is recognized that this return would take a number of years. The second avenue is encouraging new market development—this ranges from the potential that the future reconstruction of Syria to support from social entrepreneurs. The third avenue is encouraging the business diaspora (mainly Syrians) with existing export market links to establish businesses in Jordan. In addition, the proposed measures would help with the retention of existing investments (investor’s flight has become an issue in Jordan). The proposed DLI focuses on strengthening the investment promotion capability of the JIC. The DLIs will facilitate investment in Jordan and provide effective aftercare, including for firms of Syrian origin. This DLI has been developed in consultation with the JIC.

11. **As a first step, the JIC will remove the minimum capital requirements for foreign investments. The result to achieve will be the number of investments facilitated, i.e. benefitting from investment facilitation by the JIC, which includes the following:**

- (a) Basic communication/investor inquiries
- (b) Site visits facilitated
- (c) Secured investment commitment
- (d) Aftercare services

12. The target number of facilitated in investments is 530, with the following indicative trend over the Program implementation period:

Table 1. DLI#5: Number of Investments Benefitting from Investment Facilitation by the JIC

	Baseline (2016)	2017	2018	2019	2020
Number of investments benefitting from investment facilitation by the JIC	0	20	80	230	530

(iii) Capacity Building and Institutional Strengthening

A substantial amount of capacity building and institutional strengthening is taking place in coordination with the P for R. Within the World Bank Group this includes efforts by the Social Protection Practice, the joint IFC/Bank practices (Trade and Competiveness and Finance and

Markets) and IFC in its own right (strategic investments in training and SMEs). A number of donors are also very active. Some highlights of this support include:

Investment climate reform: i) Inspections Reform, aiming at streamlining and simplifying the inspection regimes; Jordan Economic Legislation Reform, tackling the licensing regimes and iii) Doing Business Reform aiming at improving Doing Business ranking, including reforms on secured lending (collateral registry) that is key to access to finance.

Investment Promotion: Jordan Competitiveness & Investment and Investment Policy & Promotion projects both supporting Jordan Investment Commission (JIC) -including relevant agencies represented inside JIC: i) Developing JIC investment Window: Simplification and standardization of the business registration function and Licensing (including permits and pre-approvals) in selected sectors and ii) Developing JIC's Investment services: 1.Promotion, aftercare, grievance, Labor permits, residency cards, vehicles permits and 3.Incentives' management.

Other capacity building support is being mobilized this includes the following measures:

- (i) Targeted investment promotion support focusing on Syrian Diaspora: This activity aims at attracting diaspora investors in MNA (Syrians, Libyans and Yemenis), who have established themselves competitively in international markets but have lost their operating base, to a number of well-established SEZs in Jordan.
- (ii) Trade facilitation: this activity will support the Government of Jordan in implementing key reforms and steps toward the reduction of the logistical burden in the port of Aqaba that is key to exports to the European Union and to maximize the benefits of the upcoming preferential market access that EU will grant to Jordan for the next 10 years (duty free entry for a set of industrial products, main Jordanian exports).
- (iii) Fostering the services sector such as ICT, home based work and construction services and more generally professional services. The services sector is a priority of Jordan's Vision 2025. It is a large reservoir for jobs especially for MSMEs in the professional services and ICT sector. This is particularly the case for home based work that the Jordan Program for Results aims at fostering to create new economic opportunities for Jordanian and Syrian refugees (today licensing home based work is almost impossible).
- (iv) Developing the construction sector and improving its readiness to participate to the future reconstruction of Syria. The construction sector in Jordan is important because it provides jobs to both Syrian refugees and Jordanians, allowing both to contribute to the economy, be self-reliant and relieve tensions between refugees and host communities. Moreover, thanks to its proximity to Syria, Jordan could become a construction hub not only for the future reconstruction of Syria but also for the current construction needs in Al Mafraq and Irbid areas where the largest proportion of refugees live. For instance, Al Mafraq special Economic Zone, near the north border with Syria, has spare capacity that could be used as a construction platform.
- (v) Syrian access to labor market, decent jobs and skills: in order to achieve the main goal of the Jordan Compact, the Bank – in coordination with its donors partners and ILO- needs to provide continuous support to the government of Jordan in devising

the policies and measures to enable smooth and effective integration of the Syrian labor force into the Jordanian labor market through facilitating access to work permits and training to be able to access jobs. Support in the area of monitoring labor and environmental (safety) standards in manufacturing should also be provided to support Jordan Investment commission in its social and environmental monitoring of the Special Economic Zones.

Verification Protocols will need to be established in order for the funds to be released once the DLIs are achieved. The Protocols will establish who will carry out the verification, which needs to be done by an independent body. It is likely the verifier will vary according to the DLI. In some cases the Government Audit Office could carry out the verification. In others it might be an NGO or an International Organization such as UNHCR or ILO and in others such as the Doing Business Reforms it would be the Doing Business Team.

Beneficiaries. Primary beneficiaries will be currently Jordanians and Syrian refugees in Jordan. Secondary beneficiaries include Jordanian-based businesses who gain from investment climate and trade reforms.

Development partners. This PforR, including the DLIs has been designed jointly with Development Partners who operate in Jordan thanks to several consultations and iterations in the choice of the components of the program and its key results and Disbursement Linked Indicators. Beyond the joint design, many Development Partners are providing specific support that will serve the aims of the Compact and the PforR.

IFC Engagement: From the IFC side of the WBG there will be a substantial effort to (i) assist in designing the key supporting measures for investment particularly with access to finance; (ii) proactively engage with client investors, including targeting key sectors such as green manufacturing; and (iii) support efforts to develop PPPs within the SEZs.

MIGA Engagement: MIGA has indicated a strong interest in providing insurance to investors willing to invest in Jordan.

1.6 Program Exclusions

The Proposed Operation will not support any direct infrastructural investment. Thus, program exclusions include the following: any investment in the construction, expansion, or rehabilitation of SEZs; any infrastructural investment in any other sector. The Program will instead support improvements to the national governmental systems which regulate industries, notably for the more labor-intensive industries expected to generate additional employment. No civil works will be supported by this Program; any goods supported by this Program will most likely be those which improve government capacity to support, regulate, and monitor Program areas.

2 ENVIRONMENTAL & SOCIAL EFFECTS OF THE PROPOSED PROGRAM

2.1 Background

On the whole the proposed program as defined by the PDO, results areas and DLIs poses *substantial* environmental and social risk if business as usual is maintained with respect to treating the environmental and social effects of industrial development. On the other hand, the Jordanian government has a strategic opportunity to leverage this program to significantly improve the way it addresses these social and environmental issues.

The main environmental and social risks and benefits of the proposed program are associated with Results Areas 1 (labor market), and 3 (investment promotion). For Results Area 1, risks may include aggravated tensions between Syrians and Jordanians as well as other economic migrants due to increased competition, potential for limited access or low quality training and improper working conditions, which could in turn result in a variety of health issues to workers. Risk is considered high due to the large number of new workers (Syrians and Jordanians) injected into the economic zones and into other delocalized sectors like construction and agribusiness.

Specific activities under Results Area 2 to introduce systematic changes in investment climate reform raise low or negligible concerns from an environmental or social perspective.

Past Programs in Jordan have prepared and applied resettlement policy frameworks (RPFs) to address land acquisition related concerns in Jordan. However, under the PforR OP 9.00, the Bank task team is required to undertake an environmental and social systems assessment in order to establish if the country systems will manage potential social impacts.

Results Area 3 aimed at investment promotion, would increase the integration of Syrian refugees as well as Jordanian local workers in the SEZs, environmental risk is considered moderate, and will depend on the type of sectors which expand due to the EU-Jordan preferential trade agreement amended June 16, 2016 (see Section 1.2.2).

2.2 Detailed Risk Ratings

The below table details social and environmental risk ratings associated with the three PforR objectives. The risk ratings will be explained in the social and environmental assessment which follow.

Jordan PforR Detailed Social and Environmental Risk Ratings	Social Risk	Environmental Risk
PforR Objective 1: Improving Labor Market & Conditions and Promoting Work Permit Access For Syrians by:	Moderate	Moderate
- Granting work access and integrating Syrians to the Jordanian labor force	Moderate	Moderate
- Integrating Syrian refugees in the Jordanian labor market: to grant 200k work permits	Moderate	Low

- Ensuring leave permits are granted to refugees in camps to allow them access economic opportunities	Moderate	Low
- Disclosure of industry compliance information provided by Better work Jordan	Moderate	Moderate
PforR Objective 2: Improving Investment Climate reforms	Moderate	Moderate
• Developing a systematic approach to regulatory reform including improved predictability of private sector regulations through a notice and comments system	Low	Low
• Fostering household enterprise development	Low	Low
PforR Objective 3: Attracting and Retaining Investments in the Special Economic Zones especially in Manufacturing by:	Substantial	Moderate
• Promoting investments from key sources including regional and diaspora investors as well as investors targeting the EU market	Moderate	Moderate
• Improving the capacity of the Jordan Investment Commission (JIC)	Low	Low
• Enacting the investment bylaw removing the minimum capital requirements for foreign investors	Moderate	Moderate
• Signing collaboration MOUs between relevant ministries/ agencies including with clear contact, periodic coordination meetings, and response / service level agreements	Low	Low
• Eliminating stringent requirements on certain foreign investors -including Syrian refugees as well as harmonizing all the requirements for all foreign investors	Substantial	Moderate
• Providing Business incubation access	Low	Low
• Fostering Syrian entrepreneurship	Low	Low
• Setting up a Client Relationship Management (CRM) IT system and database and investors' aftercare	Low	Low
○ Setting up an after care unit at JIC to provide aftercare services	Low	Low
• Publishing a guide for foreign investors	Low	Low

2.3 Social Assessment Summary

The PforR is a program of *national reach* that will support government reforms to improve the business environment through labor market reforms, investment climate and investment

promotion activities, including revitalizing targeted special economic zones -- measures which can benefit all Jordanians and all Syrian refugees. Given that Program boundaries are broad, the team has redefined the scope for the purpose of the ESSA preparation. In order to develop the assessment, the boundaries focused on the social and environmental risks pertaining to SEZs, as well as broader political economy contextual issues, implementing agency capacities, and a characterization of the vulnerable groups. The program will not support investments that would normally be excluded under PforR policy.

Factors affecting social risks can be classified into five broad categories attributable to the (i) nature of the project; (ii) third party actions; (iii) broader, contextual risks; (iv) vulnerability issues; and (v) government/implementing agency capacity and commitment. The interaction amongst all of these factors may multiply or minimize overall program risk. Based on the assessment, the social risks are considered high.

The most prominent risks are associated with the broader, contextual factors and vulnerability risks, both of which cannot be directly attributable to the nature of the project however could be aggravated by the project. For this reason, the social risk ratings reflected in the assessment span from substantial to low. The project in fact aims at minimizing some of these risks by promoting greater economic dynamism which would in turn lead to increased investments in the country, and greater job opportunities for all.

2.4 Social Assessment

2.4.1 Broad, Contextual Factors

Broader, contextual and political risks have neither been caused by the Program nor have contributed to the risks, however are considered substantial and may exacerbate other project-related risks. These include: the regional instability caused by the Syrian crisis, its weak labor economy, large migrant numbers (close to a third of the population), social tensions amongst some of the host communities and Syrian refugees, possible loss of land due to overburdened regions, and legacy issues related to gross non-compliance of labor and environmental standards in SEZs. Despite these political economy risks (more details provided in the political economy section of the PAD), program benefits outweigh the costs and therefore the Program is deemed viable.

2.4.1.1 Poverty and Fragility

Jordan has received millions of refugees during its history. According to some estimates, approximately half of the Jordanian population is made up of Palestinians and their descendants. An estimated 131,000 Iraqis remain in Jordan after seeking refuge during the first Gulf War and the Anglo-American invasion of Iraq. The recent population census in Jordan indicates that Jordan hosts 2.9 million non-Jordanians out of a total population of 9.5 million.⁶ The census puts the number of Syrian refugees in Jordan at 1.265 million, while the UNHCR has registered

⁶ The census lists approximately 640,000 Egyptians and 634,000 Palestinians (without Jordanian ID numbers).

about 640,000 Syrians. About 85 percent of Syrian refugees live in Jordanian communities, while 15 percent live in refugee camps.

The Jordanian response to the influx of Syrian refugees has been varied. Tensions are higher in the northern governorates where the largest numbers of Syrians live than in the southern governorates that host few Syrians. Poverty is not evenly distributed – it is concentrated in the more densely populated regions of Amman, Irbid and Zarqa. A key factor behind the high levels of poverty is the low level of employment, and the fact that many of the jobs that are created are low quality jobs. Poverty is also related to demographic variables, being more pronounced among households with many children.

Syrian refugees confront a difficult political economy reality, which is that many faced poverty even before coming to Jordan and many more have fallen into poverty as they have used up their savings. As a result of their economic circumstances, a large number are grateful and willing to accept work, even below minimum wage. The vast majority of Syrian refugees agree that Syrians will accept any work opportunity despite the fact that the majority believe that Syrian workers are being exploited. Beyond the economic sphere, there is a significant feeling of personal vulnerability.

2.4.1.2 Results Area 1 (Labor Market): Labor Market and Working Conditions

Results Area 1 will promote conditions to facilitate employment for Syrians through the legalization of work for 200,000 Syrians through the provision of free work permits and by providing incentives for employers to hire Jordanians and Syrians (and/or formalize them) rather than other economic migrants. This is important as the *type of employment* is closely related to poverty. Incidence, depth and severity of poverty are the highest among non-salaried employees. Such employees constitute more than one third of the working poor, while another third of the working poor are self-employed. In contrast, salaried employees and employers have the lowest poverty incidence. This suggests a large extent of poverty among unskilled Jordanians in informal and low productivity employment, and large gaps in earnings between formal/skilled and informal/unskilled jobs.

The situation of Syrian refugees in Jordan is very diverse. This ranges from a small number of wealthy industrialists who have established significant operations in Jordan, to extremely vulnerable female-headed households, which represents a quarter of all refugee households. Approximately 17% of the refugees live in camps; the balance lives in Jordanian neighborhoods. However, it is clear the majority – about 80% are below the national poverty line and need assistance to bring dignity to their lives through access to expanded education, health and housing as well as economic opportunities. They are willing to work and when given the opportunity are valued for their work ethics and their construction, agricultural and industrial skills.

Jordanian employers generally welcome the presence of Syrians in the labor market. There is broad agreement that Jordanian workers cannot fill all of their needs. There is a wide perception among Jordanian employers and workers that Syrians are hard workers. Most Jordanian employers believe the Government should encourage hiring Syrian workers, at least in specified industries.

Although there are a wide variety of views on the extent to which Syrians will compete with Jordanian workers, the extent of competition with Egyptians and other economic migrants is clear. In January 2016, the Government of Jordan began giving priority to Syrian refugees over economic migrants by placing a six month moratorium on bringing new economic migrants. The expectation is that at least a part of the Jordan Compact goal of economic opportunities for 200,000 Syrians will fill some of the 325,000 to 650,000 jobs already held by economic migrants. Economic migrants currently in Jordan are not impacted by this policy. They are, nevertheless, aware that the size of the pool of potential workers has expanded and that this may impact their wages.

2.4.1.3 Results Area 2(Investment Climate): Regulations, Trade and Customs

One of the program's cornerstones is to facilitate a predictable and systematic approach to investment climate reform including measures to formalize informality and enable home based and SME employment. The changes in regulations to support household enterprises is deemed to be a highly positive way to include many marginalized people (i.e., women at large as well as migrant workers, Syrian refugees) to work. In Jordan, where 65% of the working age population are not working formally, addressing some of the regulatory barriers to establishing these businesses is generally agreed as a reform that can encourage more formalization. One possible risk – to be considered low - could be that formalization of home based work could lead under-aged workers. However, this is unlikely given that families that have enough resources and stability to begin a small business and/or work from home are not likely to be the most vulnerable.

Attracting investment into Jordan is critical to generating jobs and this PforR will do so through three key activities: (i) the SEZ approach, which is based on an attractive business environment is created and EU market access is improved, therefore investors will come and develop enterprises that Jordanians, Syrians and other economic migrants will benefit from; (ii) encourage new markets – this ranges from the reconstruction of Syria, to support from social entrepreneurs; and (iii) encouraging diaspora (mainly Syrians) with existing markets to establish businesses in Jordan. These activities are envisioned to improve the overall economy thereby benefiting all populations (regardless of ethnicity). The associated risks to Results Area 3 overlap – yet less - than with those outlined in Results Area 1. While a first emphasis will be placed on promoting jobs for Syrians and Jordanians, trade facilitation measures are likely to grow the size of the pie, thereby benefiting the overall economic activity and thus all populations.

2.4.1.4 Results Area 3 (Investment Promotion): Attracting Investments -- Legacy Issues of Special Economic Zones

Legacy issues associated with poor working conditions and labor rights violations in the Special Economic Zones contribute to broader, contextual risks. In the early 2000s human rights violations ranging from forced labor, sexual exploitation, and discrimination were rampant and were covered extensively by the media. Lessons learned based on an evaluation of five SEZs conducted by USAID and recent assessments prepared by Better Work Jordan have provided a sound basis of understanding of the risks and opportunities for actions that strengthen labor and environmental standards. The MoL has strengthened its inspections protocols and tightened monitoring (albeit a shift away from compliance to a focus on finding illegal workers in recent

years). Also, between 2010-2015 Better Work Jordan has conducted in-depth assessments on labor and occupational safety and health compliance of garment companies who have signed onto the program. However, experience from the past may deter target populations, both Jordanian, and Syrians, and in particular women, from wanting to work in SEZs.

2.4.1.5 Loss of Livelihoods, Infrastructure, and Assets

Certain locations impacted by the Syrian conflict and the resultant refugees influx are located in productive Governorates with regard to agricultural land and produce. The unplanned growth of industries in/nearby residential areas is becoming a serious concern. Some of the SEZs/IZs, have been constructed on converted land from agriculture to industrial use (changed land Use Planning). This transition has impacts on the income source of the local population, which was based on agriculture.

SEZs/IZs location issues concern the surrounding land use (existence of housing colonies in the surrounding areas, schools, and other social amenities and services), conversion of agricultural land into built-up areas, loss of structures, infrastructure, and other built-up areas, loss of livelihood, and other issues related to exposure to industrial wastewater, air pollution, and solid waste disposal. These issues will likely be less significant for the rehabilitation of existing IZs; development of new IZs would not be eligible under the PforR.

Some IZs were constructed on barren land, others with many small settlements in close proximity that may be affected by the IZ. Conversion of agricultural land poses risks to livelihoods. MIZ Phase 1 is located near settlements that would be affected by waste drainage. While, such risks can be managed with proper mitigation as recommended by the environmental management plans of their respective EIAs, these would still be too risky for a PforR.

The proposed program will be exposed to contextual social risks: with respect to loss of livelihood, loss of source of income for the local communities, overburdened infrastructure and assets, including risk of conversion of agricultural land, resulting in an increase in poverty on the larger level, potential increase in social conflicts, health risks to the neighboring community due to exposure to pollution and absence of grievance mechanisms to address these risks.

2.4.2 Nature of the Project

With regards to impacts that are directly caused by the project, the key social risks are related to economic migrants having diminished access to work permits. Trade facilitation and promotion reforms while beneficial for the overall economy could entail the development of new SEZs which could be fraught with poor labor and environmental practices. As discussed, the program will finance high level policy reforms to improve the overall business and investment environment, as well as targeted labor reforms.

The GoJ has recognized the risk that Syrians may remain in Jordan and could become a “lost generation,” dependent on others for their survival. The labor reforms promoted by the Program will therefore facilitate the issuance of work permits to Syrians which will be beneficial for formalizing them. By way of mitigating this risk, the Government of Jordan proposed the Jordan Compact through which Jordan would allow Syrians to work in Jordan in exchange for support from the international community. As described in the ‘broad, contextual section’, while this

may be a source of social tension between Syrians, Jordanians, and other migrant groups due to their preferential treatment, social risk is considered moderate.

Direct investments of SEZs or employment generation activities outside SEZs will not be financed under the Program therefore, there is no direct causality between the Program and non-compliance of labor and environmental standards. In other words, this PforR will not finance any infrastructure investment. Therefore, we can only indirectly influence on-site compliance of industries – through strengthening monitoring and enforcement.

However, as part of the World Bank's due diligence, a detailed assessment of the possible impacts due to land acquisition or other changes in the land use has been provided in section 2.9 below.

2.4.3 Third-Party Actions

The most prominent associated social risks that are contributed to by the project include companies' non-compliance of labor and environmental standards; company attitudes and preferences of employees; companies' future potential of land acquisition or resettlement; poor monitoring by the Ministries of Labor and Environment; and, based on experience to date, the potential role of the media by influencing *public opinion and perceptions about the program* benefits that may create social tension.

While compliance with ILO and Jordanian labor and environmental standards are varied across sectors, companies, and SEZs, there are overall low levels of compliance. Given that the baseline for compliance is low, including for programs that adhere to Better Work's monitoring, it is unrealistic to expect that Jordanian firms will attain full or high level of compliance. Moreover, outside the garment firms that adhere to the program, a systematic baseline on compliance with labor and environmental standards is not available.

Monitoring of compliance by the Ministries of Labor and Environment is relatively weak. The Ministry of Labor's Inspectorate Unit collects complaints through their hotline and inspector's reports, however the data collection and its assessment of the issues is weakened because some non-compliance issues are directed to the operational safety and health unit, child labor unit, labor inspections unit, Ministry of Social Development, Ministry of Environment, or foreign ministries when it pertains to labor issues of migrant workers. Additional factors that contribute to poor labor and environmental compliance are associated with weak institutional capacity due to insufficient staff with technical expertise, need to reorient focus of 'policing' to providing incentives to comply with standards, lack of integrated database across MoL, MoEnv and other relevant ministries which aggregates current compliance rates, and weak monitoring and evaluation.

Notably, the perception of Jordanians on this issue has changed over time due to the shifts in communication messages by the government between prior to the announcement of the Jordan Compact and its launch in February 2016. Significant efforts were made by the GOJ in collaboration with the ILO/Better Works to promote Syrian employment, particularly in SEZs, such as Al-Hassan and Al-Abduleil. As explained above, there is evidence that indicates that some Jordanians are concerned about Syrians taking their jobs thereby contributing to increased

social tensions. However, fieldwork has also revealed that many Jordanians share common values with Syrians thereby contributing to social cohesion, and peaceful co-existence between Syrians, Jordanians and other migrant workers.

Following the public announcement and high visibility of the Jordan Compact, messaging from the government has become more nuanced in order to address potential tensions. The principle of “one Jordanian job and one Syrian job” has become the GOJ’s guiding message moving forward. Additionally, the government has publicly announced that Syrians will not be able to work in all sectors, and that some sectors will be limited to Jordanians only. In practice, many of the sectors which employ Syrians, whether formally or informally are the garment, agricultural, and construction sectors, 93% of which are non-Jordanians. Most recently, it is believed that the Jordanian economy as a whole can benefit from Syrian expertise and their added value, particularly in the garment, culinary and artisan sectors.

The GOJ has agreed to issue 200,000 free work permits to Syrians as a way to formalize many who are already working illegally. The benefits to Syrians are clear: they are entitled to better wages and working conditions, and can access social security and health services. For Jordanians, formalization of Syrian labor is beneficial in that wages will not decrease further because Syrians will be required to get equal pay to Jordanians.

2.4.3.1 *Ensuring Minimum Wage Alignment for Jordanian And Syrian Workers*

Issues: International consumers are actively concerned about the well-being of Syrian refugees across the globe. Buyers are willing to take on that challenge, though they will need to assess the risk of sourcing from factories that employ refugees

Risks: For factories that contract large numbers of Syrian workers, buyers will need to be very confident that working conditions are not only acceptable, but exemplary. This includes ensuring minimum wage alignment for Jordanian and Syrian workers.

2.4.3.2 *Unhealthy Competition Over Jobs*

Issue: Increased unemployment amongst Jordanians and competition for existing jobs between Jordanians in host communities and Syrian refugees. A general sign of this is the increase in the unemployment rate of Jordanians from 14.5 to 22.1 per cent between 2011 and 2014, and particularly the increase from 19 to 35 per cent unemployment among the youngest age group of 15–24 years; and

- A similar trend of increased competition can be sensed for the wholesale and retail sector, in which a large share of Syrian refugees living outside camps has found jobs (23 per cent).

However, there are some sectors that are only eligible for Jordanians to work in and many jobs currently taken by Syrians are jobs Jordanians do not want.

Risks: There are some signs of Syrian refugees entering into jobs that were part of the job market that existed for Jordanians prior to their arrival, and hence that they do to some degree push Jordanians out of the labor market. Indicating that it has become more difficult for young and new Jordanian workers to enter the labor market.

- More Syrian refugees than Jordanians from the host communities finding jobs in certain sectors primarily the garment sector. A more specific sign is the increase in employment of Syrians in the construction industry from 2011 to 2014 in combination with a relatively high number of Jordanian workers who have dropped out of this sector since the start of the Syrian crisis.
- Future threats of crowding out in the labor market: Although signs of crowding out are relatively modest in most sectors at present, with clearer signs in the construction and wholesale and retail sectors. An overall deterioration in working conditions leading to increased decent work deficits in Jordan.

Issue: Declining preference of local workers as opposed to foreign turnover and relative inefficiency levels of local workers. Local workforce turnover is higher than the turnover of the foreign workforce. In addition, the average local worker's efficiency is estimated to be at or less than 50 percent of a foreign worker.

Risks: There is the risk that insufficient training steps are provided to improve local workforce readiness and the same for the case of the Syrian refugees where more efforts are needed to address the culture and mindset of the local workforce that there are social and labor issues at the SEZs.

2.4.4 Vulnerability Risks

Adverse impacts that fall disproportionately on the poor or vulnerable groups are defined as **vulnerability risks**. Vulnerable groups are particularly exposed to systemic barriers to project benefits. In this Program, vulnerable groups are defined as: poor Jordanians, poor Syrians, Syrian refugees, other displaced populations (i.e., Libyans, Yemeni, etc.), migrant workers, women (especially women workers), wage laborers (especially those on a contract basis), child workers, the disabled, landless, and the Bedouins. Working women are particularly vulnerable to different forms of harassment.

2.4.4.1 Syrian Refugee Profile, Fragility, and Conflict

Syrian refugees have specific vulnerabilities. The refugees that are currently in Jordan mostly come from poorer than average areas of Syria. As compared to the host population, Syrian refugees tend to have larger families, have lower than average education levels, and have fewer assets. Syrian refugees in Jordan are more likely than the host populations to work in agriculture, have fewer economic opportunities, and have limited access to services. In addition, there is a higher share of women and children among the refugee population, as well as a higher share of people in psychological distress. Early signs of vulnerability and negative coping strategies (mobility, debt, asset selling, child labor, early marriage, begging, etc.) are prevalent among the Syrian population. Perhaps most notably, when the Jordanian poverty rate is used, 9 out of 10 refugees are below the poverty line. International assistance has prevented an increase in poverty

but remains inadequate and is unsustainable. Economic opportunities in hosting countries are few and not increasing, no short-term prospects of return to the country of origin.⁷

Syrian refugees are more likely to be socially excluded than the host population. Refugees are likely to have been separated from social and community networks, including family; to have lost or have weakened security and protection mechanisms and networks; and to be experiencing difficulties adapting to a new environment. Refugees are more likely to have been forced to discontinue education, have reduced access to services, and to have more free time. These dramatic changes often force young refugees, and especially female youth, to be under pressure to abide by traditional norms and rules, to marry early and to stay confined at home. Refugees are more likely to feel fear, sadness, anger, boredom, and pessimism, as well as frustration and loss of control.⁸

Among the refugee population, children, youth, and women are among the more vulnerable. Young people, seeing themselves with free time and lack of opportunities, are more likely to resort to violence, including sexual violence, to criminal activities, or to substance abuse. In other cases, young people become victims of abuse or exploitation. Young people in this situation are more likely to resort to survival sex, have unsafe sexual relationships. For economic reasons, some may also drop out of school so that they can work or enter early marriages. The humanitarian setting forces young people to assume adult roles at an early age, and without proper role models or support networks.⁹

Approximately 80% of the Syrian refugees live outside the camps. This segment, which constitutes the majority, is also the less reported on and less assessed. Many Syrians in urban settings work in the informal sector, particularly in construction and agriculture. With regards to Syrian refugees employment preferences, one must distinguish between Syrians living inside camps, in the urban areas, female, male, whether there are female-headed households, and whether we are referring to Syrian families who have fled conflict, or single males who have come to work to send remittances back home. One common employment arrangement for Syrian men, or women, is that Syrians and Jordanians partner to open a small business in which the Jordanian man is the registered party and the Syrian partner remains informal however adds value to business development and quality.

2.4.4.2 Gender Equity, Indigenous People, and Social Diversity

Women

In terms of gender equality, the World Economic Forum's 2015 Global Gender Gap ranked Jordan as the 140th country (out of 145). Within this, it was ranked as the 142nd country for economic inequality specifically¹⁰. The female participation rate in the Jordanian labor market is

⁷ Verme 2015 Welfare of Syrian Refugees

⁸ Al Masri, Muzna 2014

⁹ Al Masri, Muzna 2014

¹⁰ World Economic Forum, 2015. Available at: <http://reports.weforum.org/global-gender-gap-report-2015/economies/#economy=ISL>

indeed one of the lowest, standing at 12.1% of women in comparison to 60.3% of men¹¹. Moreover, the formal labor market is segmented along gendered lines. Opportunities for women are primarily based in the civil service, particularly health and education.

Women are also disproportionately represented in the informal labor market, with 27% of women working in this manner¹². This means that they are often working without security, social protection and for lower wages than their male counterparts. Broadly speaking, they earn 88.3 piasters for every one Jordanian Dinar (JD) a man earns¹³.

Based on UNHCR experience regarding female employment, there are significant differences between women in camps who go outside to work and women in urban settings. Women with husbands living in camps were initially encouraged to work outside by their husbands thinking that they would face less antagonism in the work place. However, support from their husbands changed as working women began to experience harassment. According to the UNHCR's 2013 Protection Assessment, gender-based violence has increased since women in camps started working. Patterns of mobility and life styles have changed, and, in part as a result of this, both women and men have been forced to redefine core aspects of their identities. Violence towards women and children has increased as some men's lowered self-esteem has at times led to negative expressions of masculinity. In addition to losing their traditional role as breadwinner, men seeking jobs and services also face threats and discrimination from some members of host communities. Negative coping strategies such as early marriage, common practice in Syria before the conflict began have become more prevalent as ways of protecting young girls or easing pressures on family finances.

While reliable data is unavailable, many of the women in urban settings work from home or illegally. Syrian women in particular do not see themselves as housekeepers; instead they are quite active taking jobs in cooking, sewing, informal teaching, beauty salons, and in child care areas. There are also anecdotes that reveal concerns by Jordanian women of employing Syrian women for household work are associated with concerns about their husbands preferring Syrian women to them.

Issues: Projects/programs supported by the compact shall be designed and implemented in such a way that both women and men in host communities, refugees in host communities and camps (a) are able to participate fully and equitably; (b) receive comparable social and economic benefits; and (c) do not suffer disproportionate adverse effects during the development process. Also, the project will emphasize the need to consult with these communities. According to UN

¹¹ Labour Watch Jordan, 2015. Available at:

http://www.phenixcenter.net/uploads/ar_phenixcenter.net_635706471933727575.pdf

¹² UNDP, 2013. Available at:

<http://www.undp.org/content/dam/jordan/docs/Publications/Gov/The%20Informal%20Sector%20in%20the%20Jordanian%20Economy-jo.pdf>

¹³ United Nations Statistics Division (UN STAT). 2014. Available at:

http://unstats.un.org/unsd/gender/Mexico_Nov2014/Session%20%20Jordan%20paper.pdf

Women reports, concerns about sexual harassment are the number one reason why Jordanian women do not want to work outside the home.

Risks: Safe transport and affordable childcare are provided for women to access the labor market. Absence or weak monitoring of the change in the normative behavior between men and women due to shifting power structures resulting from the displacement of so many, therefore generating new expectations and social behavior; and lack of legal framework in Jordan to protect against sexual harassment. Data to benchmark changes to the level of incidence is also absent. Rural Jordanian women and Syrian refugee workers may face cultural barriers to inclusion, or may not feel that the jobs on offer meet their needs or expectations.

Issues: QIZs enhanced women's participation in the labor force. Historically, women's involvement in the Jordanian workforce was low. However, by 2010, Jordanian women filled more than 5,000 jobs in QIZs. This upsurge is reflected in the rising incomes with the number of Jordanian females working at the QIZs even surpassing those of their male counterparts. These opportunities paved the way for women to enter the labor force. However despite these improvements, a contentious issue remains: the growing share of foreign workers at the QIZs and in particular foreign female workers as compared to Jordanian female workers.

Risks: Weak understanding of the power relationships between different social groups, or appreciation of their assets, including ethnicity and age, as well as cultural, economic, or historical that may cause the project to affect social groups differently; and absence or weak monitoring of the change in the normative behavior between men and women due to shifting power structures resulting from the displacement of so many, therefore generating new expectations and social behavior.

Child Labor

Issues: The program area has no evidence of known indigenous peoples in Jordan. However, there are several vulnerable groups that warrant careful consideration in the operation of existing estates and in the process for establishment of new ones. These include Bedouins, women (especially women workers), wage laborers (especially those on a contract basis), child workers, and the disabled. Working women form a particularly vulnerable group.

In particular, rural, female Jordanian workers in satellite factories lack prior experience in formalized employment, and they are often unclear on the expectations of formal sector employers. Furthermore, these workers do not feel their contribution to the economy since they do not see the full export process.

- Similarly during operation, women workers are vulnerable and may face issues related to lower wages, lack of safe transportation, lack of childcare and toilet facilities, and sexual harassment in the work place. Contract labor, both men and women, face issues of lower wages, and harsh working conditions such as longer hours.
- Preference to hire child labor at low wages to reduce costs is a major social issue. Working in harsh weather conditions for long hours at odd locations makes this group particularly vulnerable.

- Exhaustive legal provisions on labor have been enacted in Jordan and adopted by the government, for example, on working conditions and payment, including minimum wage, social security registration, and safety at work, child labor, bonded labor, contract labor, female workers, and others. However, implementation remains limited.
- Welfare Facilities: The Jordanian Labor Law No 8 for the year 1996 and under article 72 requires factories that hire more than 20 women who collectively have 10 children under the age of 4 years old to provide day care services for workers' children to be under the supervision of an accredited career. Failure to comply with this article subjects the facility owner to an infringement of the law.

Indigenous Peoples

Risks:

- There may be indigenous peoples (Bedouins) located in the geographical context of the program, therefore, there may be risks related to them. (Bedouins are nomadic peoples and are not considered indigenous peoples by the Government of Jordan nor other governments in the MNA region). To ensure that SEZs/IZs attract foreign investment and are compliant with local labor laws, there is an urgent need to enforce existing legislation in industries in the SEZs/IZs to control issues related to minimum wage, child labor, bonded and contract labor, and registration of employees with social security.
- That the proposed Program may not give due consideration to the cultural appropriateness of, and equitable access to, Program benefits, and may not give special attention to the rights and interests of the host communities and to the needs or concerns of refugees, and other vulnerable groups; and thus exacerbate social conflict
- That the proposed PforR activities increase vulnerability of the poor (i.e., through involuntary resettlement, or other adverse social impacts) for example through loss of livelihoods or source of income or overcrowding on job prospects.
- Possible resistance at the community level regarding the integration of young Jordanian women into the garment industry.

Issues: Certain incidents were reported to show certain QIZs Descending into Human Trafficking and Involuntary Servitude, was compiled from interviews with foreign workers at QIZs in Jordan.

Risks:

- There may be risks related to violation or weak adherence to pertinent national laws especially those related to labor, and social/environmental protection laws;
- Labor Rights Provisions of the EU–Jordan Free Trade Agreement being violated systematically with Complete Impunity;
- That human and labor rights are violated at SEZs; and
- Insufficient or weak access of refugees and vulnerable groups and host communities to a grievance and redress system.

2.4.4.3 Access, Governance and Equity

Issues: Many reasons behind the prevalence of foreign workers has been cited among which were; shortage of adequately local trained skilled workers, culture of shame, productivity and labor issues. It has been noted that such prevalence of unskilled workers exacerbates the unemployment challenges and hinders the economy's transformation into an industrialized economy

Risks

- Refugees in camps and host communities do not get access to basic human rights and services (education, training access to jobs, and health services etc.)
- Disputes and grievances not treated in a fair and equitable manner and access to these services get impeded.

2.4.5 Capacity and Commitment

Capacity and commitment refers to the resources, capacity, and political will for implementing the social and environmental issues in the program. While there is strong political will to implement the overall program, capacity remains weak and a risk to program implementation. Capacity of the below Institutions/Departments was assessed: *MoPIC, Ministry of Labor and Ministry of Environment and Select SEZs.*

Jordanian Investment Commission

Progress in this area will measure the Program's performance through quarterly reporting, supervision missions, and monitoring and evaluation of the DLI verifications, and results framework indicators.

2.4.5.1 Overall Government Commitment: Employment within the Industrial Zones Model

One of the most important benefits of the IZs is the opportunity for employment provided to the local communities. The proposed use of existing SEZs, will provide employment opportunities to about 200,000 persons (Syrian refugees and Jordanians) and enhance the road and transportation networks, to offer job opportunities to a number of people, generate increased employment with its improved power/water supply and diversification of industrial production. The textile sector proposed to be developed through foreign investment expected to generate more jobs once in operation.

Benefits beyond job creation include amenities for laborers, and provision of residential dormitories for some Syrian refugees, vocational and technical training institutions, and improved access system to hospitals for medical care to be provided or planned at the Industrial Zones (SEZs/IZs).

Likewise, the SEZs/IZs provide amenities such as a concrete road network, sewerage system, electricity distribution system, potable water, fully equipped fire station, information signage, technical training facilities, estate-owned security arrangements, emergency medical services

(social security), and so on. Other benefits include: employment and income growth; regional development opportunities; among others.

Issue: The institutions involved in establishing SEZs/IZs are divided into central government and local level (governorate) institutions depending on responsibilities, but this can be complicated when responsibilities and work are shared between institutions. The current overall institutional setup is complex and needs strengthening with regard to capacity and procedures required for effective management of social issues.

Risks: The risk related to weak institutional capacity includes improper management of social issues. However, this risk can be managed with institutional strengthening during program implementation, along with development and implementation of appropriate management procedures for both the IZ and individual industries. Recommendations to do so have been provided in the Program Action Plan.

2.4.5.2 Satellite Sites and Subcontractor Sites

Issues: Garment buyers have significant concerns regarding lack of oversight and low compliance among satellite sites and subcontractors. Since the model of satellite factories is planned to nearly triple in size in the upcoming years, this is a critical challenge which must be addressed. The program recognizes that many different factors may contribute to the challenge of making a profit, but has chosen to hone in on working conditions and productivity because we have the best comparative advantage in addressing these issues.

These risks are further complicated by the fact that international consumers are actively concerned about the well-being of Syrian refugees across the globe. Buyers are willing to take on that challenge, though they will need to assess the risk of sourcing from factories that employ refugees. For factories that contract large numbers of Syrian workers, buyers will need to be very confident that working conditions are not only acceptable, but exemplary. In Jordan, the strongest demand-side influence is international buyers in the garment industry (e.g. Nike, UnderArmour) and they are the ones who most fear the bad press if Syrian refugees are found to be treated poorly as factory workers.

This includes ensuring minimum wage alignment for Jordanian and Syrian workers.

The project therefore looks to close the knowledge gap on how to sustainably improve productivity and labor standards compliance in this group of factories, thereby mitigating risks for private investors by offering preventative solutions.

The project will allow BWJ to actively engage in discussions regarding how the *industry* expansion can increase opportunities for jobs and build resilience to refugee shocks in Jordan. The proposal addresses a combination of more, better, and inclusive jobs by looking to improve labour standards and productivity, incorporating refugees and rural female workers, and promoting inclusive industry growth over the long term.

The project recognizes that rural Jordanian women and Syrian refugee workers may face cultural barriers to inclusion, or may not feel that the jobs on offer meet their needs or expectations. As

so, the project will emphasize the need to consult with these communities, as explained throughout the project.

Risks:

- Lack of management systems for Occupation Health and Safety, finance, planning and productivity measurement, and the like.
- These institutions do not perform optimally - of the 12 satellite factories who participate with Better Work, only 4 currently make a profit or are close to breaking even and thus they rely on the contracting factories for financial support

2.4.6 Land Acquisition and Resettlement Issues

The program will not support investments that would normally be excluded under PforR policy. In order to develop the assessment however, the boundaries focused on the social and environmental risks related to labor standards as well as broader political economy contextual issues, implementing agency capacities, and a characterization of the vulnerable groups. In terms of associated social risks that are contributed to by the project, the potential of companies' expropriating land is considered a moderate risk.

Land and Property Expropriation for the public interest projects in Jordan is carried out through established institutional and legal frameworks. Land acquisition is undertaken in accordance with Decree (12) of 1987 referred to as the Land Acquisition Law (LAL) and in accordance to its amendments. The LAL applies in all cases of land acquisition in the Kingdom of Jordan.

Conditions for Land Acquisition

Article 3 and Article 9 of the Labor Acquisition Law (LAL) states the two main conditions under which land can be expropriated:

- No land can be taken away unless it is for public benefit and that there is fair and just compensation for any PAPs -Article 3 of the LAL; and
- The law requires direct negotiation between the purchasers or public benefit project and land owners until agreement is reached - Article 9 of LAL. In the event that agreement cannot be found between the two parties' cases are referred to the Primary Court that has jurisdiction in this area and to higher courts if necessary.

Potential for OP 4.12 Resettlement and Land Acquisition and OP 4.04 exist given that past experience indicates that some of the land acquisition for SEZs/IZs may be community lands or community forest areas, particularly in remote locations. In some cases, land has been acquired under emergency or public benefit conditions, leading to issues related to lack of public consultation and sudden dispossession of land and assets leading to further vulnerability.

Most legacy issues relate to the rates of compensation be paid to the affected persons. These risks can affect the construction process of the new SEZs/IZs and delay the start of operations.

Compensation for expropriated land is referred to in Article 10 of LAL states compensation should be fair to both PAP owners and tenants. The law stipulates that owners should be compensated for their properties including (e.g., buildings, improvements, trees) at full replacement cost.

The Compensation Principles, Articles 11-26 of the LAL lists the following key principles and stages under which compensation shall be processed. Setting the proper amount of compensation for land value is dependent on:

- The amount of land confiscated,
- The purpose of confiscation,
- The percentage of land confiscated and,
- The status and size of the leftover land

As such, risks related to land acquisition are both equity and reputation risks. Unless compensation is paid in line with prevalent market rates, long drawn-out legal cases lead to financial and reputational loss. The latter will, among others, include the risk of lost investment opportunities from international industry that is keen to avoid such conflicts. Risks are also faced on a social equity basis as lack of compensation to non-titleholders often leads to poverty and vulnerability.

2.4.7 Prioritization of Social Risks

The analysis above identifies a diverse set of risks, some of which are contextual and beyond the program's scope however, , the most relevant include:

- 1) **Future threats of crowding out in the labor market:** Signs of crowding out are relatively modest in most sectors at present, with clearer signs in the construction and wholesale and retail sectors. An overall deterioration in working conditions leading to increased decent work deficits in Jordan.

More Syrian refugees than Jordanians from the host communities finding jobs in certain sectors primarily the garment sector. A more specific sign is the increase in employment of Syrians in the construction industry from 2011 to 2014 in combination with a relatively high number of Jordanian workers who have dropped out of this sector since the start of the Syrian crisis.

- 2) **Institutional capacity of SEZs to implement and monitor adequate labor conditions is weak:** The institutions involved in establishing SEZs/IZs are divided into central government and local level (governorate) institutions depending on responsibilities, but this can be complicated when responsibilities and work are shared between institutions. The current overall institutional setup is complex and needs strengthening with regard to capacity and procedures required for effective management of social issues.

The risk related to weak institutional capacity includes improper management of social issues. However, this risk can be managed with institutional strengthening during program implementation, along with development and implementation of appropriate management procedures for both the IZ and individual industries. Recommendations to do so have been provided in the Program Action Plan.

To ensure that SEZs/IZs attract foreign investment and are compliant with local labor laws, there is an urgent need to enforce existing legislation in industries in the SEZs/IZs to control issues related to minimum wage, child labor, bonded and contract labor, and registration of employees with social security.

Additionally, Program benefits, and may not give special attention to the rights and interests of the host communities and to the needs or concerns of refugees, and other vulnerable groups; and thus exacerbate social conflict.

- 3) **Child labor has increased with the arrival of Syrian refugees, particularly in the agricultural-related work area:** Children work in order to support family income, also unaccompanied children work and send remittances home (typically, boys ages 14-17). Agricultural-related occupational, health, safety, and labor issues include increasing incidence of transboundary livestock and pest diseases as the movement across Lebanon, Syria, and Jordan has become more active and fluid.

2.4.8 Program Direct and Indirect Benefits to Jordanians and Syrian Refugees:

- i) Improving Jordan's investment climate, including increased coherence and productivity of the business sector;
- ii) Increasing efficiency of factory inspections and thus improved working conditions;
- iii) Reforming its labor market to grant access to Syrian workers to allow them to contribute to Jordan's economic growth;
- iv) Enhanced income and livelihood of Syrian refugees as well as increased self-reliance, resilience, and entrepreneurship.
- v) Increased engagement of marginalized groups, including women;
- vi) Supporting trade facilitation to foster the creation of jobs to which Jordanians aspire;
- vii) Supporting the development of investment promotion capabilities;
- viii) Fostering Syrian entrepreneurship activities
- ix) Decreased usage of hazardous materials in manufacturing due to increased compliance with EU labor and safety codes;
- x) Increased credibility and visibility of Jordanian industries on the international market; and

2.5 Environmental Assessment: Issues and Risks

2.5.1 Context

The primary environmental risks of this PforR and broader Jordan Compact support are associated with a direct impact on labor conditions and an indirect impact on labor-intensive sectoral production. Thus worker health and safety is determined to be the predominant environmental risk, with air pollution, industrial effluent, and poor management of solid waste from these zones are identified secondary and indirect environmental risks.

Most work permits to be issued to Syrian refugees are expected to be to those are already informally working in construction and agricultural sectors. However, if the preferential trade agreement spurs additional investment for Jordanian exports to European markets, it is

anticipated that the most labor-intensive industries within SEZs will be those who issue permits to Syrian refugee workers for newly-created jobs. These labor-intensive industries are identified as textile and ready-made garment as well as agro-processing factories. See Annex 3 for a more thorough analysis of Jordan and the labor and capital intensities of its productive economy. The textile and ready-made garment as well as agro-processing industries are relatively less pollution-intensive than capital-intensive industries.

2.5.2 Occupational Health, Safety, and Labor Issues

2.5.2.1 Industrial-Related

Occupational health, safety, and labor issues and risks generally will be aggravated due to increasing enrollment of Syrian and Jordanian workers in the local market, in a noticeably short time. Effects on OSH can be severe if insufficient training provided to workers. High-risk-ranking industries (fertilizers, mining, paints, petrochemicals, etc.) are usually committed to using personal protective equipment; however, these should be constantly provided and more enforced through internal audits. Impacts include a wide range of injuries and illnesses, could they include small injuries and may lead to death in severe cases. More specifically, the occupation with the most fatalities in Jordan is construction (44%), falling from a height is the most common type of accident (44%) and head injuries were the leading injury type (22%). Moreover, 23% of deaths were between ages of 25-29.¹⁴

OSH Rules Enforcement: Qualifying private/public industrial zones are being inspected by the Ministry of Labor for OHS-related issues and by the Ministry of Environment for environmental compliance. Each of the mentioned two Ministries has local inspectorates, which perform their work on a daily basis through their relevant directorates. Inspections are often based on complaints; these inspections take priority over periodic monitoring, as staff resources are limited

In general, the proposed areas for development of this program can have varying levels of negative effects on the environment and the Occupational Safety and Health (OSH) of workers.

Risks:

- The loss of life through accidents such as the one described in box 1, and fires. Such practices are not just a denial of laws; they are also not conducive to attracting international business investors or those industries that are keen to export their products.
- Absence of an OSH policy and plan will result in weak/reduced compliance on emergency preparedness
- Risk of employer not having written policy and plan for OSH programs
- Risk of employer not recording work-related accidents and diseases

¹⁴ Journal of Forensic and Legal Medicine 2015 Jan:25-9 Epub 2014 November 13. "Occupational Fatalities in Jordan".

- Factory not employing the required OSH specialists
- Factory not having a valid business license (business licenses require building safety approvals)
- Failure of the employer to form a joint worker/management OSH committee
- Failure of the employer to perform an assessment of general occupational safety and health issues in the factory.

OSH Management Systems: A primary challenge is the lack of presence of written OSH plans for the vast majority of factories. It is worth mentioning that while these might exist in practice, some factories have neither formalized these, nor translated them to be disseminated to staff in their local languages. There are (written) Jordanian and international standards which guide factories. However, each factory should have its specific OSH plan. The garment factories which are direct contractors with international buyers under Better Works have these, but most of the garment industry sub-contractors do not, nor do most of the non-garment industries.

Concerns also relate both to activities taking place within the boundaries of SEZs/IZs as well as to areas beyond the IZ walls. Within production facilities of IZs, many individuals are employed, almost two thirds of them are expatriates from south East Asia and a majority of them are women working often in difficult and dangerous environments. Health and safety issues are sometimes ignored in the face of greater productivity and existing legislation pertaining to it is rarely enforced.

There are many issues related to non-enforcement of health and safety within SEZs/IZs. It is unclear if training is imparted on safety evacuation procedures. The maintenance of safety equipment and enforcement of worker occupational health and safety laws are often ignored.

OSH On-Site Specialists: The highest non-compliance in this area is that of OSH management systems, where 100% of factories are out of compliance. This is primarily due to 60 of the 64 factories that were out of compliance on the legal requirement *on the number of OSH specialists that needed to be employed*; the four factories noted as compliant are subcontractors employing less than 200 workers for which the requirement is to only hire one OSH technician. (For factories with more than 200 workers, the Jordanian official law is quite stringent, and factories with 201-500 workers must recruit two OSH technicians and one OSH specialist, factories with 501 to 1000 workers should have two OSH Specialists and three technicians, plus one supervisor and two technicians for each additional 1000 employees).

On-Site Medical Facilities and Staff: Jordanian law requires the presence of physician(s) specialized in occupational medicine and nurses on-site for all factories with over 50 workers (factories with under 50 workers can share a physician and a nurse). The number of doctors and nurses increases proportionally with factory size, with large factories (over 1,000 workers) required to house three physicians, four nurses, and one medical unit on site.

Factories that are registered with Better Work are assessed as per the Jordanian law. As such, 55 factories were found non-compliant on the requirement for onsite medical facilities and staff. As was the case above for OSH technicians, the Golden List requires lower numbers of staff for this category compared to Jordanian law. MOL inspects factories based on the 'Golden List'¹⁵, which requires that factories of 50 to 500 workers to have one part time doctor and one full time nurse; factories of over 1,000 workers must have two full time nurses, one full time doctor, and one part time medical specialist. By these standards, the high levels of non-compliance would not be present.

It is worth highlighting that factories mentioned facing difficulty in finding MOL approved doctors and nurses. Several factories have tried to meet worker needs by hiring migrant medical staff as translators, many of whom have medical backgrounds as per their personnel files, to support the in-factory clinic's services. However, as per the Jordanian legal requirement, these migrant medical staff has not been approved by the MOL.

Issues: According to Jordanian law, workers exposed to chemicals, pesticides, noise, or vibration should have medical checks twice per year. Workers in the fields of spinning and weaving should have medical checks once a year.

Risks:

- Failure of the employer to comply with legal requirements regarding medical checks for workers.
- The workplace not having required onsite medical facilities and staff.
- Failure of the employer to ensure that there are a sufficient number of readily accessible first aid boxes/supplies in the workplace.
- Failure of the employer to provide first-aid training for workers.

Workers' Dormitories: Based on the employment contract and the provisions of the CBA, garment factory employers in Jordan provide accommodation for migrant workers; this area remains a key challenge for OSH compliance as nearly 70% of worker dormitories do not comply with the minimum space requirements, are inadequately protected against heat, cold and dampness and have a significant presence of insects.

Issues: One of the main challenges to ensuring safety is the lack of legal dormitory standards in Jordan, including specific fire safety practices, which results in inadequate inspection of accommodations. Additional regulation is critical in order to provide guidance to employers and building owners to improve fire safety. Furthermore, the Ministry of Health currently has jurisdiction over workers' dormitories but does not carry out inspections.

¹⁵ The Golden List in SEZs refers to a trade facilitation program, gives preferred operator status to companies that demonstrate low risk and a strong compliance history with customs requirements. This was developed in coordination with USAID's Fiscal Reform Project, the revised program seeks to incentivize more companies to join.

Risks:

- Dormitories may lack hot water, heat, fans, and proper washing facilities.
- Dormitories may be overcrowded, with inadequate fire exits and emergency equipment.
- Dormitories may have inadequate food preparation and food storage facilities, leading to unsanitary food preparation, food spoilage, increased fire hazards, and increased pest incidence.

Fire Safety and Emergency Preparedness

Issues: In regards to flammable materials, at least 1.5 meters of space should be present between cardboard boxes/cartons and the ceiling. The non-compliant factories in this category had boxes stacked too close to the ceiling, creating a risk of fire due to closeness of lights or other electrical wires. As related to emergency exits, 27 of the non-compliances relate to obstructed exit paths due to boxes, fabric, cartons, etc. Four factories were found to have at least one locked emergency exit door (though in these cases there were other emergency exit doors which were unlocked). In one factory, stairs must be used to reach the emergency exit and it was determined that the stairs were not in appropriate condition for this task due to exposed construction steel.

Risks:

- Emergency exits and escape routes not being clearly marked and posted in the workplace
- Unsafe storage of flammable materials.
- Possible sources of ignition not appropriately safeguarded.
- The aisles and emergency exits not being accessible, obstructed and locked during working hours, including overtime.
- Insufficient enough emergency exits
- Failure of the employer to conduct periodic emergency drills
- The workplace not having fire detection and alarm system
- Inadequate and inaccessible fire-fighting equipment at the workplace
- Failure of the employer to train an appropriate number of workers to use the fire-fighting equipment.

Worker Transportation

Issues: Youth surveyed in four areas where many young people are considered at-risk youth highlight four main transportation challenges:

- High cost of public transportation
- Safe transport for women
- Disorganized service
- Poor reliability
- Limited or no service at hours when youth need transport, or to locations where they live or work 6% of surveyed workers go to work by taxi and 5% use public cars, but 86% take the bus. 39% of the surveyed young workers must transfer at least once to get to work.

Risks:

- For youth and women workers to be able to reach their destinations, they face unpredictable wait times which, combined with uncoordinated services, often prolong their commute even

Many companies at an SEZ/IZ caters for the transportation of its employees every day, costing the companies an average of JD34 per worker per month. Not only does transportation of workers incur extra costs to the company but the availability of means of transportation in itself is a problem.

2.5.2.2 Construction-Related

Issues: Factors involved in the construction sector in terms of occupational health and safety include the following: (i) organizational safety policy; (ii) safety training; (iii) safety meetings; (iv) safety equipment; (v) safety inspections; (vi) safety incentives and policies; (vii) workers' attitudes towards safety; and (viii) labor turnover rates.

Risks: Even though construction labor accounts for about 7.1% of the labor force, the Occupational Safety and Health Institute (OSHI) in Jordan reports that accidents in the construction industry account for about 10.5% of incidents. The proportion of these accidents which are severe and/or fatal is higher than is the case for other major employment sectors. Lack of Personal Protective Equipment (PPE) is not the constraining factor to worker safety; consistent use of this equipment is. Instituting and enforcing safety incentives/penalties for consistent use of this equipment is one way to nudge worker adoption of this equipment. Specifically, use of safety belts on scaffolding is the primary means to reduce worker fatalities from falls.

2.5.2.3 Agricultural-Related

Issues: Agricultural-related occupational, health, safety, and labor issues include increasing incidence of transboundary livestock and pest diseases as the movement across Lebanon, Syria, and Jordan has become more active and fluid. The incidence of child labor in agriculture has dramatically increased with the arrival of Syrian refugees. Unsafe exposures to chemicals and treated wastewater reuse as inputs to agriculture continues to have an impact on agricultural worker health.

Risks: As noted above, exposure to animal disease, chemicals, treated wastewater reuse are risks to human health in the agricultural sector. Additionally, transportation of workers from field to field as migratory workers is often in the backs of trucks, with a higher incidence of serious injury in the case of traffic accidents. Lastly, the nature of child development means that all of the risks above can cause more permanent damage than in adults.

2.5.2.4 Physical and Cultural Resources

Issues: Physical and culture resource issues may not be significant, as this PforR does not support rehabilitation or expansion of existing IZs or establishment of new SEZs/IZs. However, in the case that existing IZs choose to expand or rehabilitate hangars and/or upgrade existing supporting infrastructure (e.g. water networks), chance find issues are still appropriate, and require proper screening and development of procedures.

Although developers of SEZs/IZs are expected to screen a potential site(s) for archeological significance under the EIA system, there is a need to ensure that this exercise is undertaken. Further, 'chance finds,' for which there are no procedures in SEZs/IZs, cannot be ignored.

Risks. The risk of loss and/or permanent damage to cultural property is a real one if screening for potential chance find discovery is not part of the rehabilitation process. Sites may occur a higher risk of illegal construction, loss of heritage and potential disincentive for investors, who may not be able to rehabilitate infrastructure in a location that contains a site or objects of archaeological significance.

2.5.2.5 *Demand for Natural Resources: Water, Energy, Natural Resources and Land*

Issues: New workers are expected to engage in a variety of industries. Of special concern is increasing demand for water, energy, natural resources and land.

2.5.2.5.1 *Air Quality*

Issue: Increased pollution of ambient air as a result of increased industrial production. As much of the labor-intensity in Jordan is in light industries (food processing, pharmaceutical products, paints, chemicals, fertilizers, wood and metal works, etc.), this is not a major concern.

Risks:

- Higher levels of air particulate matters. Brick making and quarries are known of high levels of air particulate matters, although these are not primarily located inside industrial zones. However, the risk is still high, as Syrian workers are commonly in favor of the construction sector.
- Higher levels of ambient air pollution within the factories. To a lesser extent is the risk of indoor air pollution, due to poor ventilation and lack of protective equipment. For instance, special zones include a high percentage of garment factories (Ad-Dulayl Special Zone in Mafraq).
- More incidences of respiratory illnesses. As these workplaces grow and expand within Industrial Zones, more suspended matters could find their way to the workers' lungs. Therefore, respiratory illnesses are expected high in such work environment.

2.5.2.5.2 *Wastewater Quality and Quantity*

Issues: Wastewater effluents of wastewater can be severe if not managed properly. Some of the involved industrial zones possess treatment facilities for industrial wastewater. Some others use reclaiming technologies to re-use water in certain areas. As a common treatment facility to be used by different industries in an estate, a network of drains, channels, and pipes are required to receive the influent from multiple points and at the location of the approved environmental receptor for the discharged treated effluent. According to the Jordanian Regulations, it is prohibited to discharge industrial wastewater into domestic sewers. Instead, industries have to transport their effluents to a licensed dumpsite for industrials wastes (mainly open ponds).

Risks:

- Industrial wastewater contains significant amounts of heavy materials (fertilizers, mining, paints, petrochemicals, etc.).
- Risk of contamination with land, soil, and water sources is high (high frequency and severity).
- Health issues when in direct contact.
- Deterioration of the surrounding physical and biological environments.
- Indirect negative impacts on biological life.

2.5.2.5.3 *Solid and Hazardous Waste*

Issues: Industries of chemicals, petrochemicals, fertilizers, and construction materials can result in disposal of toxic and persistent pollutants, including heavy metals and synthetic organic chemicals, directly on land and to water bodies, without any form of environmental treatment or protection.

Risks:

- Indiscriminate disposal of toxic waste by industries may contaminate fresh groundwater and prime arable land.
- Leaching of heavy metals at dumping sites may also cause or exacerbate groundwater contamination.
- Open burning of toxic industrial waste at low temperatures produces carcinogenic pollutants with adverse public health implication.
- Improper management access to waste sites may lead to increased incidences of waste pickers, whose health can in turn be adversely affected.
- Increased transportation of solid and hazardous waste materials to waste sites effects increased demand for waste transportation vehicles, gas/diesel, and in turn causes increased air pollution.

2.5.2.5.4 *Pollution Management and Mitigation Infrastructure and Services*

Issues: The results of sectoral surveys show that infrastructure which manages and/or mitigates pollution (waste-water treatment plants, shared washing facilities, recycling facilities, etc.) are lacking within several of the industrial estates. Most individual factories are not large enough to build and operate firm-specific pollution management and mitigation infrastructure and services, with the exception of industry-specific equipment (e.g. filters, shields).

Risks:

- Weak or absent infrastructure related services exacerbate each of the issues (air quality, wastewater quality and quantity, solid and hazardous waste) elaborated above.

- Lack of infrastructure needed to manage pollution at the level of industrial zones may encourage individual factories to illegally manage waste on-site or, alternatively, dump waste off-site.

3 POLICY & LEGAL FRAMEWORK FOR MANAGING ENVIRONMENTAL AND SOCIAL IMPACTS OF THE PROPOSED PROGRAM

3.1 Introduction

The scope, coverage and relevance of these laws and regulations are briefly summarized below. Several laws, regulations, procedures, and technical guidelines have been developed to address key social risks associated with labor market implications (Results Area 2) and attracting investment and the development of SEZs/IZs (Results Area 4). The legal framework includes legislation addressing land acquisition, social analysis as part of the Environmental and Social Impact Assessment (ESIA), resettlement of affected people, and labor protections among many others.

3.2 Labor Market

Between 70,000 and 160,000 Syrians are working in the largely informal agriculture and construction sectors, thus the focus on regulations pertinent to these sectors.¹⁶ Although the Syrian informal workers have been primarily competing with economic migrants, there has also been some impact on Jordanian workers. Recognizing that most Syrians entered Jordan through unofficial borders and do not hold valid passports, the GOJ has removed these as requirements for obtaining work permits. As of date, a Ministry of Interior identification card serves as a substitute for the passport.

3.2.1 Labor Market and Working Conditions

The Jordan Compact set out a goal of 50,000 Syrians working by end of 2016, ultimately rising to 200,000.

Employment of Syrian refugees in job vacancies that would have otherwise been filled by new incoming economic migrants due to the moratorium of migrant workers. This process cannot occur immediately, but will happen over the coming few years. To support this process, the GOJ will extend the moratorium on new economic migrants during the life of the PforR.

Formalization of the informal sector. Jordan faces challenges to formalizing the informal sector similar to the challenges faces in other countries. Employers often prefer to hire informally because of the high financial cost and time involved in obtaining work permits, as well as to avoid paying minimum wage. Although it is difficult to estimate, we expect the informal sector provides a significant number of jobs that would not exist if they were forced to formalize. The primary benefit to workers of having a work permit is to become legal and gain in terms of security (ie., no fear of being caught by labor inspectors of the police)

¹⁶ The ILO report estimates 70,000. GOJ estimates 160,000.

Two actions will help Jordan in formalizing the informal sector. First, the GOJ will extend its directive to make work permits to Syrians free of charge and relax labor inspections for at least two years. Second, the Syrians who work in typically-short term jobs (e.g. agriculture and construction, and for which employers are generally unwilling to provide work permits) will be allowed to obtain their own work permits as “freelancers.”

These actions are expected to positively impact the 70,000 – 160,000 Syrians currently working in the informal sector as well as others who are now eligible for jobs in traditionally-informal sectors such as agriculture and construction.

3.2.2 Construction Labor Laws

The Jordanian National Building Code no. 7 of the year 1993 This new National Building Law has replaced the provisional law No. 31 for the year 1989. It covers 32 codes that address different aspects of the construction sector in Jordan. The following are summary information pertinent to Environment, Labor, and Occupational Safety and Health (OSH):

Code 1: Generalities : This code covers the scope of codes issued by the Jordanian National Building Council (JNBC) and general recommendations for the preparation of engineering symbols and terminology used within the codes and the international system of units.

Code 3: Site Investigation: The main concern of this code is doing a soil investigation, when it is intended to construct a building in view of the significant effect on the design and construction of civil works of the project, in addition to the influence on the adjacent structures.

Code 9: Scaffolding: This code deals with scaffolds more than three meters high measured from the adjacent land.

Code 11: Building Materials & Usage: This code reviews with most of the materials used in the building industry and methods of application.

Code 13: Thermal Insulation: This code aims at defining the building optimum thermal design principles and methods of calculating the thermal characteristics of the different structural elements together with determining the minimum and maximum thermal requirements for these elements to enable the best selection by the engineer.

Code 14: Acoustics: The code aims at formulating recommendations and carrying out measurements related to building acoustic characteristics and building elements necessary for creating a non-harmful quiet environment, as well as protecting citizens in all fields of work and at home against the effect of harmful noise and providing comfort at work and during leisure time.

Code 15: Fire Protection: This code provides designing and constructing requirements of new buildings as well as modifying existing buildings according to the type of occupancy, which in turn, would ensure sufficient levels of public safety against fire hazards.

Code 16: Natural Ventilation & Sanitary Requirements: This code addresses ventilation of buildings that are being designated for human occupancy. It also provides the sanitary requirements therein.

Code 17: Natural Lighting: Mainly this is concerned with familiarizing of the importance of daylight and methods of calculation and control for optimum use of daylight in buildings, in an attempt to ensure comfortable seeing according to the human activity therein.

Code 18: Water Supply for Buildings: This code covers the general conditions and recommendations for the design and installation of cold and hot water supply networks, water demand for fire-fighting in buildings, in addition to defining the terms and other items related to the pipes and fittings network installation, maintenance and similar works.

Code 19: Drainage and Sewerage in Buildings: This code puts technical and sanitary basis for the design of the building's sanitary drainage networks.

Code 20: Urban Aesthetics: This covers urban aesthetics with respect to: land planning; local environment aesthetics; natural and planned sites; public and private parks and gardens; archaeology and archaeological sites; traditional buildings; public services; commercial and information advertisements; and maintenance. In general, this code aims at making recommendations to those in charge of city administration to enhance city aesthetics and prevent any distortion.

Code 21: Refuse Disposal: This code covers the methods of solid refuse storage and collection resulting from daily use in buildings, in addition to arrangements necessary to facilitate its collection by the respective official authority.

Code 22: Public Safety at Construction Sites: This code deals with the necessary requirements and arrangements for safeguarding workers, visitors and those concerned with construction projects in general, and buildings projects in particular.

Code 23: Electrical Wiring and Installations: This code provides regulations defining the minimum safety protection requirements for citizens and their properties against the risk of misuse of electrical wiring, installations and equipment.

Code 27: Fire Alarm Systems: This code contains recommendations for the design, installation, operation and maintenance of the fire detection and fire alarm system in buildings and their surroundings.

Code 30: Mechanical Ventilation and Air Conditioning: This code covers works related to the general design, planning, and installation and testing of mechanical ventilation systems which operate on driving or drawing of air to or from the building and/or the mechanical air conditioning system which operate on converting air characteristics within the air conditioned space.

Engagement of Jordanian Labor in Governmental Construction Contracts (Instruction no. 63/1/7637, dated on 22 Feb. 2014). The core value of the Ministerial decision is to regulate

Jordanian laborers engagement in construction contracts tendered by the MPWH. The following table highlights numbers versus types of contracts.

Buildings contracts	Number of Jordanian laborers
500 – 1,000 sq. m (including outdoor areas)	5
1,000 – 2,000 sq. m (including outdoor areas)	10
2,000 – 3,000 sq. m (including outdoor areas)	15
3,000 sq. m or more (including outdoor areas)	15 or more
Road Construction (through local governance)	
100,000 – 200,000 JD	5
Road construction	
250,000 – 500,000 JD	5
0.5 – 1.0 m JD	10
1 – 2 m JD	20
2 – 5 m JD	20 or more

Key requirements include that workers are residents of the project area, workers are unbound to other businesses and not within the contractor’s cadre, workers to be selected from the national database created and managed through the “Foras program” of the King Abdulla II Fund for Development (jointly with the Ministry of Labor), and workers should present their Jordanian ID.

3.2.3 Agricultural Worker Sector Policy

Agriculture Law no. 13 of the year 2015 The provisions of the labor law applies except for the provisions of the fifth, sixth and 11 chapters except articles 137 138 and 139 of Chapter 12 on the following categories of agricultural workers : agricultural engineer and a veterinarians , workers in government institutions, public and official institutions and technical factor on agricultural technical factor machines in fruit tree nurseries and ornamental plants, vegetables and cut flowers farms and produce seedlings tissue and the production of seeds and oily fish hatcheries workers in poultry farming, cattle, sheep and artificial insemination and breeding farms and fish farms bookkeeping.

3.3 Industry Laws and Regulations

3.3.1 Industry Investment Laws

Investment Law no. 30 for the year 2014

The Investment Law provides mainline provisions for undertaking an investment in Jordan. The Law has also empowered the Jordan Investment Commission as the sole governmental entity responsible for attracting investments, supporting exports, and offering a safe and stable investment environment. Amongst others, JIC is responsible for establishing and regulating special economic development zones, and tailoring specific areas in the Kingdom for companies interested in establishing and managing sector-specific special zones. Aqaba special economic zone is not covered under this Law. Pursuant to the Law, an Investment Council has been formed that includes memberships of:

- Minister of Industry, Trade and Supply.
- Minister of Finance.
- Minister of Labor.
- Minister of Planning and International Cooperation.
- Chairman of Investment Commission.
- Governor of the Central Bank.
- Chairman of Jordan Chamber of Industry.
- Chairman of Jordan Chamber of Commerce.
- Four qualified and experienced representatives of the private sector shall be nominated according to a decision by the Cabinet upon recommendation of the Prime Minister for two years to be renewed for once.

In addition to crafts and services, the new Law identifies opportunities brought about by manufacturing, agriculture, hospitality, healthcare, entertainment cities, research centers, media production, convention centers and events, transport, distribution and/or extraction of water, gas and oil derivatives using pipelines, and air, sea and railway transports. Importantly, the Law establishes the Investment Window for the purpose of providing a single point of contact to license economic activities in the Kingdom of Jordan.

Article 36 stipulates that JIC shall exercise preserving environment, water and natural resources, and biological diversity in line with the Environmental Law, regulations, and instructions issued thereto in coordination with the concerned parties. Further, JIC – according to this Law – shall exercise the authorities of the municipal council as well as the authorities of the head of the municipal council.

Article 37, JIC has the authority to extend its legitimate power under this Law (and connected to development and free zones) to any official party or a government-wholly-owned company, and further can entrust management of private affairs to the master developer of the development/free zone within which these affairs take place.

Article 38, in addition to different functions of registration, licensing, fees/tax collection, JIC has the power to expropriate lands and real estate that are necessary for developing the development and free zones in compliance with the Jordanian Land Acquisition Law.

Regulation no. 129 for the year 2015 – Organizing investment environment, and registering establishments in development and free zones.

According to the Article 23 of the Regulation, the registration of the establishment within the development zone is void if a prohibited activity has been recorded. Such prohibited activity includes:

- Manufacturing of radioactive/nuclear materials, environmentally-harmful materials, and/or storing and/or trading thereof.
- Manufacturing of hazardous, anaesthetizing, and toxic materials, and/or storing and/or trading thereof, except those materials having relevant legal consent for manufacturing and handling.

- Production of biological and genetically-active materials and/or trading thereof.

In addition, such registration is void if the establishment has undertaken a restricted activity without getting permission from relevant entity. For instance:

- Quarrying, cement manufacturing, and mining of phosphates, coal, oil, and potash. Permitting entity in this case is the Jordan Energy and Minerals Regulatory Commission (EMRC);
- Supplying and/or distributing fuel and gas. Permitting entities in this case are the Ministry of Energy and Mineral Resources (MEMR), as well as the Jordan Petroleum Refinery Company;
- Generating and/or distributing electricity. Permitting entity is the Jordanian Electricity Regulatory Commission;
- Generating renewable and non-renewable energies. Permitting entities are MEMR and EMRC; and
- Construction services. Permitting entities are Ministry of Public Works and Housing (MPWH) and Jordanians Constructions Contractors Association (JCCA)

3.3.2 Legacy of Free Trade Agreements and Compliance

In May of 2002, Jordan entered a Free Trade Agreement with the European Union, which calls for the elimination of all tariffs, to be phased in over a 12 year period. Jordan became a member of the World Trade Organization in April 2000. It is interesting to note that as a condition of WTO admission, Jordan had to pass several new laws to improve the protection of intellectual property rights and trademark.

Each party must desire to promote higher labor standards by building on their respective international commitments and strengthening their cooperation on labor matters; and wishing to promote effective enforcement of their respective environmental and labor laws. Labor obligations as members of the International Labor Organization (“ILO”) and their commitments under the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up. Labor rights must be recognized and protected by domestic law.

- Discourage trade that may result by relaxing domestic labor laws.
- Effectively enforce labor laws, through a sustained or recurring course of action or inaction.
- Allow the WB and EU the right to exercise discretion with respect to investigatory compliance while maintaining national prosecutorial, regulatory, and compliance matters and to make decisions regarding the allocation of resources to enforcement with respect to other labor matters determined to have higher priorities.

The U.S.-Jordan Free Trade Agreement demanded even stronger enforcement of intellectual property rights.

Article 6: has clauses related to labor issues as follows:

- The Parties reaffirm their obligations as members of the International Labor Organization ("ILO") and their commitments under the ILO Declaration on Fundamental Principles and Rights at Work and its follow-up. The Parties shall strive to ensure that such labor principles and the internationally recognized labor rights set forth in paragraph 6 are recognized and protected by domestic law.
- The Parties recognize that cooperation between them provides enhanced opportunities to improve labor standards. The Joint Committee established under Article 15 shall, during its regular sessions, consider any such opportunity identified by a Party.
- For purposes of this Article, "labor laws" means statutes and regulations, or provisions thereof, that are directly related to the following internationally recognized labor rights:
 - (a) The right of association
 - (b) The right to organize and bargain collectively
 - (c) A prohibition on the use of any form of forced or compulsory labor
 - (d) A minimum age for the employment of children and
 - (e) Acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health.

Labor & Safety

Job creation will be affected by Labor Law No. 8 for 1996 including all of its subsequent amendments.

- Article (12) of Chapter 3 of the Labor Law pertains to nationalities and work permits.
- Articles under Chapters 4 and 7 relate to contracts and wages.
- Articles under Chapter 8 specify, among other things, working hours, leave and juvenile employment.
- Articles under Chapter 9 (titled "Safety and Occupational Health" cover the obligations of the employer to provide a safe working environment for his workers, increased risks on the job and for the public, precautions and measures to be followed in the workplace, and protective and therapeutic medical care.
- Articles under Chapter 10 (titled "Work Injuries and Occupational Diseases") provide for issues related to work injuries and occupational diseases for those employees who are not covered under the provisions of the Social Security Law of Jordan.

Public Health: Public health protection is assured under the Public Health Law (No. 54, 2002). According to this Law, issued by a Royal decree in 2002, the Ministry of Health is responsible for all health matters in the Kingdom, and in particular:

- Protecting health through providing preventive and curative services as well as monitoring responsibilities
- Organizing and supervising health services provided by the public and private sectors
- Providing health insurance for citizens within available resources

- Establishing educational and training health institutions managed by the MOH

Article 4 of the Law defines areas of work for the Ministry including health promotion and healthy lifestyles, disease control, prevention of nutritional deficiencies, maternal and child health, school health, health of the elderly and prevention and control of non communicable diseases. The Law contains provisions on the practice of medical and health professions, private health care institutions, mental health and drug addiction, communicable diseases, immunization, pharmaceuticals, water and sanitation:

Adherence to the above mentioned national regulations and standards will ensure compliance with the WB's ESSA.

3.4 Labor Rights and Standards

3.4.1 ILO Core Labor Rights

Decent Work Country Program in the Arab Region in Jordan in 2006. Since the completion of the first Jordan Decent Work Country Program (2006-2009), Jordan was selected as one of nine countries globally, and the only country in the Arab region, to pilot the Global Jobs Pact that was adopted by the International Labor Conference in June 2009. The Global Jobs Pact contains a portfolio of policies to promote jobs and protect people, based on the Decent Work agenda. The Jordan Decent Work Country Program 2012-2015 seeks “to support national initiatives aimed at reducing decent work deficits and strengthening national capacity to mainstream decent work in social and economic policies.”

Jordan and ILO: Since joining the ILO in 1956, Jordan has ratified 24 Conventions including seven out of eight fundamental Conventions. The ILO's three priorities in Jordan are:

- *To expand decent work opportunities for young Jordanian men and women through the promotion of better working conditions, non-discrimination and equal rights at work*
- *To extend a minimum level of social security to the most vulnerable groups of society through the Social Protection Floor as part of a more comprehensive social security system in Jordan.*
- *To enhance employment opportunities with a focus on youth employment.*

To achieve these objectives, the ILO is working with the Government of Jordan, workers and employers to advance the national employment agenda and enhance access to decent work opportunities. It represents the common commitment of the ILO and its partners to collaborate on specific objectives in the areas of employment promotion, rights at work, social protection, social dialogue, pay equity, youth employment, labor inspection, child labor among others.

- Workers' Rights Jordanian law prohibits most workers from working more than the customary 48 hours a week, and 54 hours for hotel, restaurant and cinema employees.
- Employees are entitled to one day off each week, and workers may not work more than 16 hours in any continuous period or more than 60 hours' overtime per month
- Workers in the private sector and in some state-owned companies have the right to establish and join unions, although unions must be registered to be considered legal. Over 30 percent of the work force is organized into seventeen unions, which comprise the General Federation

of Jordanian Trade Unions. The Constitution prohibits anti-union discrimination, and unions exercise their right to bargain collectively.

- Labor disputes are usually resolved through mediation or arbitration, and during this time strikes are prohibited. If a settlement cannot be reached through mediation, the Ministry of Labor may refer the dispute to an industrial tribunal by the agreement of both parties. If only one party agrees, the Ministry of Labor refers the dispute to the cabinet and then to Parliament. Labor law prohibits employers from dismissing a worker during a labor dispute.
- *Trade Union and Employers Association Regulation:* Workers may organize themselves in a trade union in accordance with of Labor Laws and regulations. Trade union can be established by at least fifty founding members working in the same trade or engaged in similar or interdependent occupations within one field of production and any worker in such trade has the right to join the trade union if he fulfills membership conditions. The employers has No right to make the employment subject to status that worker does not join a trade union or withdraws from membership of a trade union (Article 97 and 98 of Labor Law). The employers has also the right to establish unions that represent them and their mutual issues (Article 98

3.4.2 National Frameworks for Gender Equity and Social Diversity

In response to international commitments, mainly the provisions of Article 18 of the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), the Jordan National Commission for Women (JNCW) prepared the Kingdom's Fifth National Periodic Report for subsequent submission to the CEDAW Committee was prepared with the active participation of many public institutions and non-governmental organizations, which provided the required information and data needed to prepare the report.

The report depicts the achievements of the Hashemite Kingdom of Jordan in its quest to eliminate discrimination against women, as well as the efforts being exerted to mainstream gender into the process of activating constitutional and legal rights in the framework of implementing CEDAW articles and the progress achieved during the period from July 2005 (when the Combined Third and Fourth reports were submitted) until November 2009 in the economic, social, cultural political and civil rights areas, through a review of the CEDAW articles one by one in order to assess the achievements made for women in all the CEDAW domains, supported by some indicators. A preliminary version of the present report was studied and refined by all the official and non-governmental organizations' commissions during several workshops addressing all the Convention's articles before it was adopted in its final form.

When Jordan ratified the Convention on 1/7/1992, it entered a reservation to Article 9/2, which stipulates that «States Parties shall grant women equal rights with men with respect to the nationality of their children», as well as Article 15/4, relating to «the movement of persons and the freedom to choose their residence and domicile», and paragraphs c, d and g of Article 16, related, respectively to «the same rights and responsibilities during marriage and at its dissolution»; «the same rights and responsibilities as parents, irrespective of their marital status; and «the same personal rights as husband and wife.»

Women's Rights

Jordan's constitution protects women by explicitly stating that all Jordanians are equal before the law, have the right to assume public office and the right to work. In 1974, women were given the right to vote and the right to run in general elections.

In September 1996, a National Committee for Women (JNCW) was formed in order to formulate general policies related to women in all fields. The committee also defines the priorities, charts plans and programs for women in both the governmental and non-governmental sectors.

In June 1996, working mothers were provided with additional legal protection. The new labor law that went into effect includes an article that prohibits employers from terminating their jobs or giving them notice about termination if they are past their sixth month of pregnancy or on maternity leave. It also gives mothers ten weeks of paid maternity leave, compared with the previous allowance of eight weeks, as well as an hour a day for breast-feeding during the first year after delivery and a year's unpaid leave to care for their newborns.

Article 72 of the Labor Code which explicitly stipulates:

“Employers who employ no less than twenty women must provide an appropriate site under the supervision of a qualified teacher to care for the children of working women who are under four years of age, on condition there are no less than ten children”.

Children's Rights

The government is committed to ensuring the rights of children. Education is free for all primary and secondary school students and compulsory until age 15, and corporal punishment in schools is prohibited. Jordanian labor laws also prohibit children under the age of 16 from working except as apprentices, who at age 13 may begin part-time training for up to six hours per day.

Poverty has contributed to the problem of child street peddlers, and the Ministry of Social Development has formed a committee to address the problem. In most cases, the children are removed from the streets, returned to their families or to juvenile centers, and their families are sometimes provided with a monthly stipend.

Indigenous Peoples Rights

This is protected under the National Tribal Law of Jordan. The United Nations Development Fund for Women (UNIFEM) indicated that tribal law in Jordan was abolished in 1975 (UN 2006, 17) where as far as the role of the state is concerned it should be noted that Jordan tends to respect tribal law and customs and allows much autonomy to its tribes in conducting their own internal affairs. In fact, the Jordanian legal system informally recognizes the existence of tribal law side by side with civil law. For instance, a conflict between two families would be dealt with in court but at the same time the families would try to solve their case through tribal processes of conflict resolution (temporary truce, mediation, arbitration, compensation, reconciliation, etc.).

Access, Governance and Equity

This is guaranteed under both the national environmental law, health and water laws as well as under the construction, labor by laws and human rights national center oversight to ensure fair and equitable access to benefits in a manner that is inclusive and does not impede access to basic health services, clean water and sanitation, energy, education, housing, safe and decent working conditions, and land rights.

3.4.3 Land and Property Expropriation Regulations

Land and property expropriation for the public interest projects in Jordan is carried out through established institutional and legal frameworks. This section (a) describes the Jordanian legal and policy framework for land expropriation, (b) discusses the various land and property ownerships and, and (c) maps the procedures for land and property expropriation.

Compensation of Private Land and Properties

Legal instrument: Land acquisition is undertaken in accordance with Decree (12) of 1987 referred to as the Land Acquisition Law (LAL) and in accordance to its amendments. The LAL applies in all cases of land acquisition in the Kingdom of Jordan.

Conditions for Land Acquisition

Article 3 and Article 9 of the Labor Acquisition Law (LAL) states the two main conditions under which land can be expropriated:

- No land can be taken away unless it is for public benefit and that there is fair and just compensation for any PAPs -Article 3 of the LAL; and
- The law requires direct negotiation between the purchasers or public benefit project and land owners until agreement is reached - Article 9 of LAL. In the event that agreement cannot be found between the two parties' cases are referred to the Primary Court that has jurisdiction in this area and to higher courts if necessary.

Compensation for expropriated land is referred to in Article 10 of LAL states compensation should be fair to both PAP owners and tenants. Owners should be compensated for their properties including (e.g., buildings, improvements, trees) at full replacement cost.

The Compensation Principles, Articles 11-26 of the LAL lists the following key principles and stages under which compensation shall be processed. Setting the proper amount of compensation for land value is dependent on:

- The amount of land confiscated,
- The purpose of confiscation,
- The percentage of land confiscated and,
- The status and size of the leftover land.
- The status and size of the leftover land.
- The land owner is responsible for paying any previous taxes on the property concerned prior to compensation.
- Upon final agreement reached on compensation amount, approval and authentication by the Directorate of Land followed by an authentication of the Cabinet is required,
- The relevant party or the public benefit project is required to pay the compensation to the land owner directly or deposited the full compensation amount in the Treasury under the beneficiary name within three months.

- Non-payment results in a 9% annual interest being added to the compensation starting the day after the three months period. (As the World Bank required payment prior to acquisition this will be accommodated where possible by the project)

Land and Property Ownership

Private land

Article 7 of the LAL specifies that the owner of the property is the person in whose name the property is registered at the Land Registry. If the property is not registered, the person seizing the land on the day of issuance of the Council of Ministers' Resolution to acquire shall, for the purposes of compensation, be considered the owner. This stipulation does not preclude anyone else from claiming ownership through the courts. The entitlements of legally established renters are also confirmed.

The Jordanian LAL in Article 11 does not place limit on what a PAP can be compensated for. However, it permits expropriation without compensation for up to 25% of the area of a plot if the purpose of the expropriation is for:

- Linear projects, e.g. the construction, or expansion/widening of a road, or
- The construction of a government housing project

Article 12 of the LAL stated that, if for the above purposes all the area is expropriated or if what is left is not of use, compensation shall be paid in full for the whole property without any part being acquired for free.

Multiple ownerships

It is the general practice of the government of Jordan to deal with the multiple owners as a body and to ask them to select a representative to act and negotiate on their behalf. Nonetheless, all owners or shareholders will be entitled to property compensation according to their shares.

Government lands

The process of acquisition of government lands and assets will be handled through intra-government discussions and agreements.

Tribal lands

There are no specific provisions in the LAL or other legislation for tribal lands to be acquired or for the loss of traditional use rights. However, all lands affected by the project are registered by the appropriate authority to owners or government departments (or are under dispute).

Physical and Cultural Heritage

The Antiquities Law (No. 21, 1988) avoids the alteration, damage, or removal of any physical cultural resources, cultural sites, and sites with unique natural values recognized as such at the community, national or international level.

The Interim Law for the Protection of Urban and Architectural Heritage No. 49 FY 2003, states that Jordan cultural Heritage is divided into Antiquities (Any object, whether movable or immovable which has been constructed, shaped inscribed, erected, excavated, or otherwise produced or modified by humankind earlier than the year 1750 A.D), which is protected by the Antiquity Law No. 21 for the year 1988 and its amendment. The law deals with heritage sites constructed after the year 1750 for its importance either with regards to the structural technique, or its relation to a historically important personality, or its relationship to important national or religious events. A new directorate was created at the Ministry of Tourism and Antiquities to implement this law.

Terrestrial Ecology and Antiquities

Terrestrial ecological resources are afforded protection under the Agriculture Law (1973) and the Hunting and Protection of Wild Animals and Birds regulations No 113 (1973). *Agriculture Laws No. 20 and No. 113 (1973)* contain chapters on plant and forestry protection, registration of crops and pesticides, orchard and nursery regulations, fertilizer use, soil conservation, and range-land administration. Under Article 9 of the Law of Antiquities, it is unlawful to destroy, disfigure, or cause any harm to antiquities, including causing changes in features, disconnecting any part thereof, altering it, sticking advertisements or attaching any plates to them.

The Jordan National Building Council establishes design principles and minimum requirements needed for codes to ensure public safety of structures, provide sound and efficient electro-mechanical services and to safeguard against earthquake risks.

The Jordanian Institute of Standards and Meteorology (JSMO) is charged with the duty of issuing standard specifications according to Article 5 of the Standards and Specifications Law No.22 of 2000.

Also *the General Directorate of Civil Defense (GDCD)* was established in 1959, under the umbrella of the Ministry of Interior The GDCD is considered to be one of the most important agencies in Jordan since it deals with human lives and properties.

3.4.4 Public Health Laws and Industries

Public Health Law no. 47 for the year 2008

The Public Health Law articulates the formation of the Ministry of Health (MoH) and its associated roles and responsibilities in protecting public health in Jordan.

Chapter 8 of the Law deals with potable water, in which responsibility is assigned to the Ministry of Health for monitoring water resources in liaison with other relevant parties for validity to human consumption. Monitoring includes the water source and associated distribution networks, as well as monitoring treatment process/materials, storage, bottling, and distribution. The Law urges prompt reporting to the MoH in case of any outbreaks.

Chapter 9: is concerned with importing and handling chemicals from the perspective of protecting public health. In this context, the MoH has the authority to inspect adherence to safe storage and handling of chemicals within an enterprise, and so has the right to take samples and analyze at the expense of the enterprise owner. It is obligatory to remove harm caused by misuse

of chemicals by an enterprise, along with the possibility to re-export within the period decided by the Minister of Health.

Chapter 10: Health Hazards. All illegal disposal of wastewater is considered a public health hazard and a threat to the public safety, including disposal of untreated wastewaters from treatment plants. The same applies to medical wastes generated from health care centers. The Law also identifies most of the sources that would cause a health hazard, including workshops and residences. Causing/generating health hazards is prohibited and subject to punishment

Chapter 11: The MoH is authorized by this Law to inspect and monitor sanitary networks and domestic wastewater in close liaison with other relevant parties, accordingly, the MoH has the right to take measures that aim to remove harm caused thereby.

Chapter 13: the Law also prohibits running small and medium businesses and industries having effect on public health without prior consent from MoH. An inspector of the MoH has the right to inspect any enterprise that would cause harm to public health.

3.4.5 Occupational Health and Safety

Labor Law no. 8 for the year 1996 and amendments thereof

This Code repeals the Labor Code, Act No. 21 of 1960, and all amendments made thereto; regulations, instructions and decisions issued thereunder shall remain in force for a maximum period of two years unless they conflict with the new Labor Code.

Chapter I defines the words and expressions to be used in the Code, including casual work, temporary work, seasonal work, collective agreement, young persons, occupational disease, and industrial injury. Article 3 specifies persons who are excluded from the scope of the Code.

Chapter II covers labor inspection. Chapter III covers recruitment and career guidance, providing for, inter alia, the organization of the labor market and for career guidance by the Ministry of Labor, for the establishment of private employment offices, and for the employment of non-Jordanians.

Chapter IV relates to contracts of employment, including subcontracting work; validity of contracts in case of change in employer, and termination or suspension of contracts of employment in certain economic or technical conditions.

Chapter V covers vocational training contracts. Chapter VI provides for collective agreements, the drafting of such agreements, and the parties to which such agreements are binding.

Chapter VII provides for protection of remuneration; remuneration shall be specified in the contract of employment. Chapter VIII covers organization of work and leave time: periods of work, rest, work offenses, and penalties and measures taken to that effect, including dismissal. This chapter also concerns industries and trades where women's work is prohibited; hours during which women may not be employed; maternity leave with full pay; the provision of child care under certain conditions; the prohibition of employing young persons under the age of 16; hours

of work for young persons; documents to be submitted by young persons prior to their employment; and fines to be paid for the violation of this chapter.

Chapter IX provides for occupational safety and health; necessary precautions and measures for the protection of workers to be taken by employers, and types of work where a person cannot be employed without a medical check-up to certify his physical fitness for such work. Chapter X covers work injuries and occupational diseases; the provisions of this chapter cover workers not covered by the Social Security Law in force.

Chapter XI relates to the establishment of trade unions; the objective of trade unions; the statutes of trade unions; unions branches; and trade union registration. Chapter XII covers the settlement of collective labor disputes; the appointment of conciliation officers; mediation proceedings; industrial tribunals; fines liable in case of violation of the provisions of a settlement or award; and strikes and lock-outs.

3.4.6 Environmental Protection and Monitoring

Environmental Protection Law no. 52 for the year 2006

The Law entrusts the Ministry of Environment (MoEnv) as a specialized agency to protect the environment in Jordan. The Law outlines duties and responsibilities of the MoEnv, including official representation in international events. The ultimate objective of the MoEnv is the protection of the environment and elements thereof. According to the Law, it is prohibited to enter hazardous materials/waste into the Kingdom of Jordan, if so found illegal, a range of punishment measures will apply. Authorized personnel (by the Minister or Secretary General) have the right to access any enterprise (industrial, commercial, agricultural, etc.) for environmental inspection. A range of penalty would apply in case of environmental violation. In addition, the Law prohibits the discharge of a substance, solid, liquid, or gaseous, deemed detrimental, into the environment. Storage of hazardous materials close to water sources is prohibited as well. Pursuant to the Law, noise thresholds are determined, along with measures to attenuate. In addition, any establishment prior to construction, which could adversely impact the environment, must undertake an Environmental Impact Assessment (EIA). A technical committee is formed to evaluate environmental impact assessment studies.

For any enterprise that exerts harmful emissions to the environment, measures should be employed as required to prevent such emission, or at least ensure no exceedance to the set limits. A range of penalties apply in case of noncompliance. This authority given by the Law could be delegated to any other party through prior approval from the Prime Ministry (that includes other ministries, local governors, and environment directors).

Instructions for site selection of the development projects for the year 2012

These instructions have been issued by virtue of Environment Protection Law no. 52. And it applies to any kind of development/developmental activity. In general, if an open area is available for multiple developments; predominant wind direction should be taken in account. The following are specifications per type of development:

Development	Minimum distance form sensitive receptors (m)	Minimum distance from source pollution	Minimum distance from main road
Food			
Light food industries (no emissions)	250	500	50
Food industries exert emissions	2,000	500	100
Dairy products factory	1,000	500	100
Dairy workshops	50	500	-
Pharmaceuticals	500	1,000	100
Fish farms	200	-	200
Chicken farms	500	-	-
Cattle and sheep farms	500	-	-
Potash, silica, power plants, mining, fertilizers, pesticides, petrochemicals, leather, cardboard/cardboard recycling industries	5,000	-	500
Detergents, paints, textile, plastics, glass, and electroplating industries	1,000	-	200
Wood and metal furniture	500	-	100
Bricks, tiles, stone and marble cutting industries	500	-	100
Warehousing			
Food, drug, and furniture warehousing	100	-	50
Chemicals in tanks (1 ton and more)	500	-	50
Chemicals in barrels	200	-	50

Environmental Monitoring and Inspection Regulation no. 65 for the year 2009

As part of duties of the Ministry of Environment (MoEnv), the Regulation aims at ensuring adherence to laws, regulations and instructions relevant to protecting the environment, as well as systemizing procedures of environmental inspection. According to the Regulation, environmental inspection is performed as scheduled inspection, post-inspection, or unannounced inspection. The environmental inspector has the right to inspect an enterprise in special cases

other than the above mentioned if approved by the Minister of Environment. The Regulation provides ranking of enterprises into three main categories for environmental inspection purposes:

- High risk of environmental pollution (Category 1),
- Medium risk of environmental pollution (Category 2), and
- Low risk of environmental pollution (Category 3)

Criteria for such ranking is based on location, inputs/outputs of production, technology used, quantity/quality of pollutants, inspection records, and degree of fulfillment. The environmental inspector should discuss the violation case(s) with the enterprise owner prior to issuing the fine. Violation reporting should specify measures to be taken to rectify the issue. Inspection visit could necessitate undertaking an environmental audit inside the enterprise by external parties, in which case the inspector should be able to provide guidance.

In addition, the MoEnv in light of environmental correction measures can share Clean Development Mechanisms with the industrial sector to meet environmental objectives.

3.4.7 Air Quality and Noise Thresholds and Monitoring

Air quality and noise

Jordanian Standard for Ambient Air Quality – 1140/2006

The Jordanian Standards for ambient air quality JS 1140/2006 include regulations concerning the allowable concentrations of pollutants for given durations of time. The following pollutants are covered in the standard: SO₂, TSP, PM₁₀, NO₂, CO, H₂S, and Pb. Also included in the standard is the number of allowable exceeding occasions per year. This standard should be consulted if any of the preceding pollutants will be produced due to operations. See the following table for allowable limits.

Air Pollutant	Average Time	Maximum Allowable Concentration	Number of allowed exceedances
Sulfur Dioxide (SO ₂)	1 Hour	0.30 mg/kg	3 times within a given month in one year
	24 Hour	0.14 mg/kg	Once a year
	1 Year	0.04 mg/kg	--
Carbon Monoxide (CO)	1 Hour	26 mg/kg	3 times within a given month in one year
	8 Hour	9 mg/kg	3 times within a given month in one year
Nitrogen Dioxide (NO ₂)	1 Hour	0.21 mg/kg	3 times within a given month in one year
	24 Hour	0.08 mg/kg	3 times within a given month in one year

Air Pollutant	Average Time	Maximum Allowable Concentration	Number of allowed exceedances
	1 Year	0.05 mg/kg	--
Hydrogen Sulfide (H ₂ S)	1 Hour	0.03 mg/kg	3 times within a given month in one year
	24 Hour	0.01 mg/kg	3 times within a given month in
Ammonia (NH ₃)	24 Hour	270 µg/m ³	3 times within a given month in one year
	1 Year	8 µg/m ³	--
Total Suspended Particles (TSP)	24 Hour	260 µg/m ³	3 times within a given month in one year
	1 Year	75 µg/m ³	--
PM ₁₀	24 Hour	120 µg/m ³	3 times within a given month in one year
	1 Year	70 µg/m ³	--
PM _{2.5}	24 Hour	65 µg/m ³	3 times within a given month in one year
	1 Year	15 µg/m ³	--
Lead (Pb)	Seasonal	1 µg/m ³	--
	1 Year	0.5 µg/m ³	--

Jordanian Standard for Prevention and Elimination of Noise (2003)

Article (4) of the Standards for the Prevention and Elimination of Noise (2003) indicated that all projects and noise producing facilities should comply with International Noise Standards (No. 2204) and related amendments for issues related to measurement of noise and other associated technical issues.

Article (5) of the same standards established a list of activities which are prohibited by law. Those activities include (but not limited to):

All construction activities utilizing noise producing plants and equipment (e.g. mixers and vibrators) must cease between 8:00 pm and 6:00 am, unless a permit is granted by the Minister of Environment.

Work activities within light industrial areas with residential dwellings are prohibited to continue between 9:00 pm and 7:00 am (summer) and between 8:00 pm and 6:00 am (winter).

Article (6) of the Noise Standard specifies the maximum allowable noise level (in dBA) for specific times and areas. The maximum allowable noise levels applicable to this project are given in the table below:

Area	Allowable limits (dBA)	
	Day	Night
Residential areas within the City	60	50
Commercial areas	65	55
Industrial areas (Heavy Industry)	75	65

3.4.8 Wastewater, Solid Waste, and Hazardous Water Management Guidelines

Potable Water/Wastewater

Jordanian Standard for Treated Domestic Wastewater JS 893/2006

According to the Standard it is not allowed to:

- Discharge any raw sewage into the environment. Irrigate crops, which are eaten raw, with treated effluent regardless of water quality;
- Irrigate crops that are eaten cooked unless the fecal coliforms are less than 1,000/100 ml and the nematode eggs count is less than 1/liter;
- Irrigate crops and trees (including fruit trees) which are exposed to animal feed;
- Use Sprinklers for irrigation except for golf courses.

Waste Management

Solid Waste Management Regulation no. 27 for the year 2005

Solid waste management must comply with the Regulation of Solid Waste Management No. 27 for the year 2005. The objective of the Regulation is to ensure a sound management of solid waste that would result in protecting environment and public health.

The Regulation gives information on responsibilities and tasks to be undertaken including observing and collecting operations, transportation of wastes, permitting, supervising, scheduling and manifesting. It also outlines the responsibilities and tasks of the Ministry of Municipal Affairs. In addition, the Regulation sets the duties to be fulfilled by the Ministry in cooperation with the related bodies. These duties include picking up the waste, defining procedures of storage, collection, sorting, recycling. In addition to providing treatment, awareness and training programs. The Regulation also deals with compliance, offences, punishments and fines thereof.

Harmful and Hazardous Waste Management, Transfer & Handling Regulation No. 24, 2005

The Regulation focuses mainly on setting the general procedures for hazardous waste in terms of storing, handling, collection and disposal, including empty hazardous waste containers, as well as setting emergency plans, precautions and general procedures before transferring to parties responsible for transporting this type of waste (usually Civil Defense Department).

The regulation also deals with special conditions for owners or managers of the specified site for storing, treating and disposing of hazardous waste in terms of receiving and registering the waste (hazardous waste manifest). Site managers should ensure the full implementation and compliance of safety procedures/ restrictions in order to prevent fire and other hazards/accidents.

4 CAPACITY ASSESSMENT FOR MANAGING ENVIRONMENTAL AND SOCIAL EFFECTS WITH EMPHASIS ON INDUSTRIAL ZONES

4.1 Introduction

This section summarizes the evaluation of the capacity of program institutions to implement the program environmental and social management system. It focuses on the institutions linked directly and indirectly to the implementation of these systems. It briefly describes the background of the institutions and their mandates; hierarchical organization and its adequacy; institutional capacity with regard to staff, budget allocations, training and so on; effectiveness of inter-agency coordination arrangements and performance of the implementing agency in ensuring that the rules and procedures are being followed.

4.2 Summary of Findings

The key findings reveal that while there is strong political will to implement the overall program, capacity remains weak and therefore is a risk to program implementation. Capacity of the below Institutions/Departments was assessed and the below measures were proposed to minimize the possible risks. The actions detailed in the program action plan are designed to address the gaps identified. In summary:

- *MoPIC*: assignment of staff to oversee implementation of social and environmental PAP measures.
- *Ministry of Labor and Ministry of Environment*: human resources and financial means for the to conduct compliance monitoring of selected SEZ needed; development of baseline data,
- *Select SEZs*: improving the capacity and practices around labor practices and occupational safety and health within SEZs;
- *Jordanian Investment Commission*: support needed for the reinforcement of the MOL and MoEnv as well as the SEZ management administration.

Progress in this area will measure the Program's performance through quarterly reporting, supervision missions, and monitoring and evaluation of the DLI verifications, and results framework indicators.

4.3 Existing Institutional Setup for Industrial Zones

4.3.1 *Jordan Industrial Estates Company (JIZC)*

Jordan Industrial Estates Company (JIZC) is considered the legal successor of Jordan Industrial Estate Corporation, which was established in 1980 as one of the tributaries of the national economy. The Company has accomplished an effective developmental and strategic performance, as it worked in a close cooperation with private sector institutions in promoting Jordan as a suitable and distinguished environment for investment.

The Company was converted into a private shareholding company under the Development Zones Law No. 2 for the year 2008. The law has been replaced by the current *Investment Law No. 30 for the year 2014*, in which a whole section tackles the issue of a one-stop-shop investment window for all investment activities inside the Industrial Estates. The purpose is to reorganize all promotion efforts for encouraging the investment climate.

The task of JIZC aims to establish, to develop, manage and market the Industrial Estates around the Kingdom to involve all its governorates by the holistic approach of the company. By this approach, JIZC seeks to combine the provision of basic and infrastructure services such as water supply, electricity, roads, telecommunications and other services that are needed for the operation of industrial productivity processes with the diversification of financial banking, customs, health and security services.

4.3.2 Jordan Investment Commission

The Jordan Investment Commission is the successor of three merging agencies, the Export Promotion Department of Jordan Enterprise and Development Corporation (JEDCO), the Development and Free Zones Commission (DFZC), and the Jordan Investment Board (JIB). JIC has been consolidated with the Passing of Investment Law no. 30 of October 2014. This emergence came into effect in 2014 to reduce bureaucracy, clearing up legislative requirements for development, and creating a One-Stop Shop (OSS) for new investors (known as the Investment Window). Services provided by JIC tackle a number of sectors, which include Agriculture, Industry, Tourism, Energy, Medical, and Information and Communications Technology (ICT). Under the jurisdiction of JIC are all development zones in Jordan (5 functioning already, and 6 other zones underway). JIC has the following organizational structure.

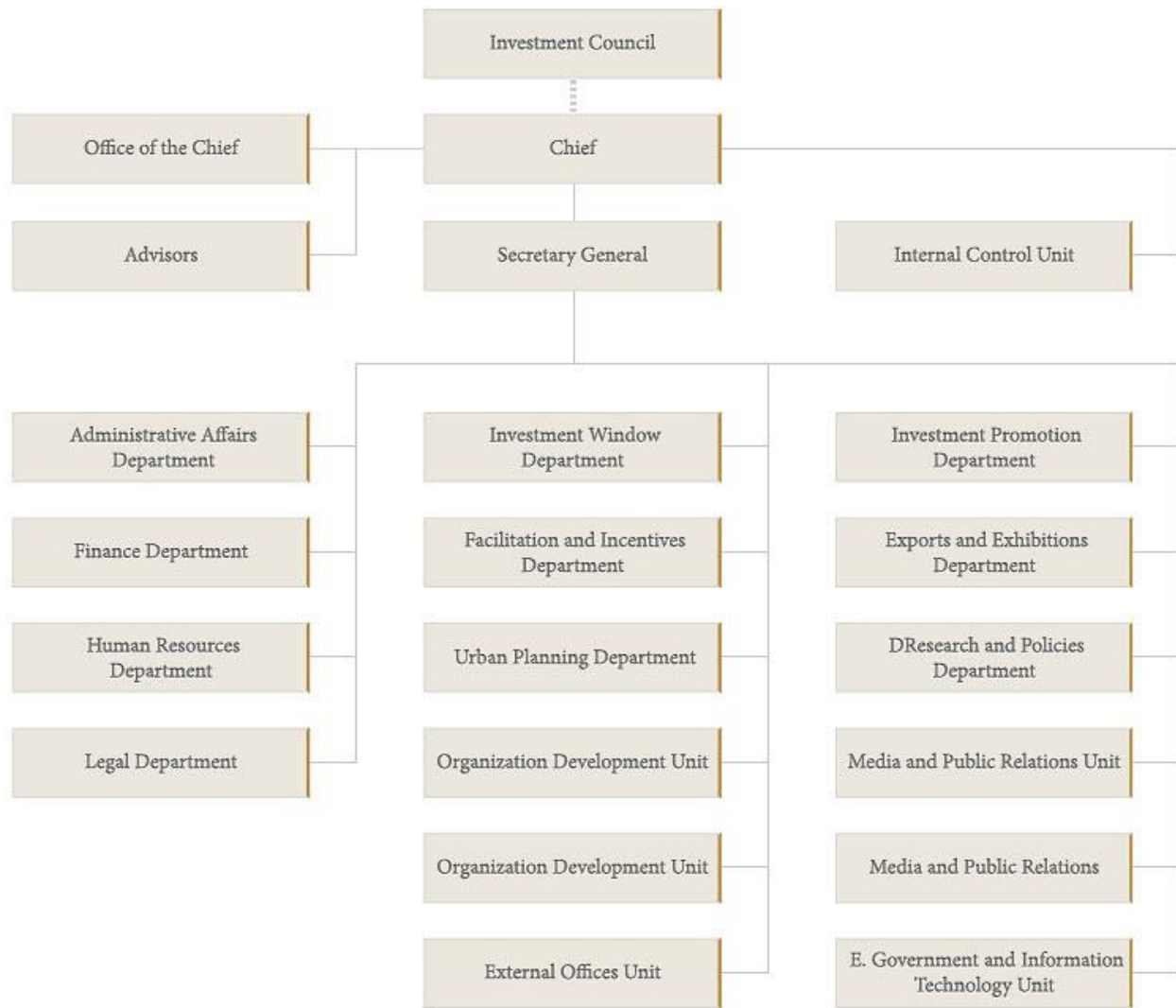


Figure 1: Organizational Structure – JIC

Source: www.jic.gov.jo

As stipulated in the “Administrative Organization System of the Investment Commission By-law no. 31 of the year 2015” JIC would include one urban planning department for development and free zones, as well as one department for licensing and inspection. During consultations with JIC, it was concluded that the Urban Planning Department would be responsible for master planning development zones, including free and industrial zones. It was also been understood that the department of licensing and inspection would embark on setting a system for inspecting working environments on-site in all development zones, in addition to its roles of inspecting licensing obligations and financial credibility. JIC is still centralized in Amman through its headquarters and one office in the Business Park Development Area (one of the functioning development zones in Amman).

JIC’s future plans are to establish under the Urban Planning and Infrastructure Department five different departments which will include: (i) Urban planning, (ii) Land Survey and Ownership,

(iii) GIS, (iv) Sustainable Environment and (v) Infrastructure Development / SEZs. However, these capacities do not yet exist within JIC.

Jordan Investment Commission

However, the JIC is to become the accountable authority for business inspections. The JIC as of now has no inspectors and no inspection capacity. The JIC will need to identify capacity needed, recruit staff, and begin to build capacity prior to being able to take on the role identified for it as part of the new Inspection Law. In addition to the new Law, the JIC will need to have in place regulations, guidelines, instructions, and SOPs. It is suggested that, if the Law is passed prior to the JIC having such capacity in place, that the JIC delegate authority to conduct environmental inspections as it is currently doing so.

There is expressed concern of a conflict of interest in having JIC responsible for all business inspections. Suggestions received to alleviate this concern include having the JIC inspectors responsible for periodic inspections and capacity building within IZs, to be supplemented by an outside, or third-part inspection system which would confirm JIC's nascent inspection capacity and ability to conduct inspections with technical integrity.

JIC did participate in a pilot, discontinued in 2010, which conducted environmental inspections and identified areas of concern through a committee of representatives from Amman Municipality, Ministry of Environment Inspectorate Section, JIC, and Sahab Industrial Zone. It is suggested that this approach once piloted could again work well to have a common approach to ensuring environmental compliance within the zones.

If such an approach works, this could then allow the Ministry of Environment to focus its inspection capacities on known industrial hotspots, such as Sahab IZ, where the IZ is not zoned by industry type. Hence, there are low-risk, food- and garment industries next to industrial factories with air and noise pollution. Also, Sahab needs to be intensively monitored, so as to enforce the pre-treatment of industrial effluents prior to entering the domestic effluent system.

4.3.3 JIC's One-Stop Shops

The JIC oversees a number of special economic zones, distributed in various locations of the Kingdom. In efforts to better serve the investors, in early 2016, JIC established a *One Stop Shop* to facilitate the registration and licensing services for promoting economic activities. The Investment Window brings together representatives from relevant government agencies working together under the supervision of the JIC. The representatives are empowered within their Ministries to issue licenses and approvals, supported by JIC staff that follow up on procedures and provide specialized services to investors.

The One-Stop Shop counts with a representative from every Sectoral Ministry, including representatives from Ministry of Labor, Ministry of Environment and Ministry of Health whose primary focus is to process permits. In the case of the MOL, the work permits are delegated to the Ministry of Interior (police) and the MOL representative liaises with MoI. At present, when investors approach OSS for permit processing, the sectoral representatives do not share any materials on environmental and labor standards/rights, Jordanian laws about land acquisition,

resettlement, nor compensation. For this reason, the proposed program action plan includes supporting JIC, including OSS in strengthening its communications with potential investors.

4.4 Institutions Overseeing Social and Labor Issues

4.4.1 Ministry of Labor (MOL)

MOL was established by virtue of Regulation no. 40 for the year 1976 after serving as one part of the Ministry of Social Affairs for around 25 years. Key responsibilities of MOL include: overseeing labor and laborers affairs; participating in organizing Jordanian labor market by providing instructions and guidance; providing employment plans for the people of Jordan inside and outside the country; registering labor associations. MOL has dedicated in its structure inspectorates for labor inspection. In addition to inspectorates of headquarters, MOL has provided localized labor inspections through its directorates in the governments of Jordan. Key services include:

- *Inspecting child labor.* Jordan is a signatory of ILO's convention no. 182 for the year 1999 on the Worst Forms of Child Labor;
- *Inspecting business owners.* MOL has prepared a comprehensive guideline on principles of inspecting workplace and occupational safety and health. This guidance aims at familiarizing employers and business owners with objectives; possible advantages of having their organizations inspected; inspection procedures (introductory meetings, taking photos, interviewing laborers, and closing meetings); and business owners' rights and responsibilities. The Guidance was prepared with financing from IFC. However, the Guidance is not intended to minimize or substitute provisions of Labor Act no. 8 for the year 1996;
- *Preparing the Codes of Practice* based on international principal working criteria. This includes inspecting establishments to ensure compliance with the Code. Preferential banking services are granted to establishment owners who fulfill all requirements, and consequently enter the golden list. Benefits would also include the bank guarantee waiver when hiring foreign labor, and participation in the national vocational training programs for Jordanians; and
- *Providing a comprehensive guidance on contracts attestation,* compensation procedures for workers out of the national social security program, certifying OSH inspectors and committees, individual workers complaints mechanism;

Child Labor

In practice, there are two scenarios that depict child labor in Jordan; those of children who are accompanied by their parents and children who are on their own. Typically, the unaccompanied parents have been sent from Syria to work and send remittances home thus tend to be young teenage boys (ages 14-17). These boys engage in a variety of occupations, including auto maintenance and repair, vocational trades (such as blacksmiths, electricians, battery technicians,

plumbers), agriculture, fishing, mining, manufacturing, gas and water sectors, construction (carpenters, painters), hotels and restaurants, transport and storage, street peddling, and begging.

In the case of accompanied children, these vary in gender and age groups and they common characteristic is that they want, (or are asked) to support the family income. While cash programs have helped to some extent, they have not really prevented children from working. There is a new Inter-Agency Task Force and Child Protection Working Group with the support of ILO to strengthen the referral system and resolution system on this issue. However, a significant challenge is that MOL works with the employer to address child labor but there are limited systems in place to support the child.

Ministry of Labor – Inspectorate Unit

The Ministry of Labor is comprised of the Labor Inspectorate Unit which is responsible for carrying out inspections in two areas: *in terms of compliance with international and Jordanian labor standards* and in terms of *legality of employment by ensuring work permits* have been issued to all workers. The Inspectorate Unit is organized into five departments: (i) hotline/complaints; (ii) operational safety and health, (iii) child labor, (iv) labor inspections, and (v) data.

Jordan wide, the Unit comprises of approximately 238 inspectors; 24 of these are based at the Ministry in Amman, twelve of which are inspectors. All of the inspectors have university degrees and undergo a six-month training period after which they become inspectors. While the focus of the inspectors has primarily focused on compliance of labor standards, anecdotal evidence indicates that the inspectors have had a shift in their work to overly focus on finding illegal workers.

The Hotline/Complaints Department

The Hotline/Complaints Department is the official channel for receiving an array of complaints associated with workers being abused and mistreated as well as illegality of workers. In order to be responsive to migrants, the Department has translators who can register complaints; however they have no ability to provide legal advice on the issues raised. There are multiple informal and/or less structured channels through which complaints are sometimes transferred to the Hotline. These channels include walk-ins; letters, faxes, complaints made to the Minister and to other Ministries however not all complaints are registered, and therefore follow up and clarity on percentage of resolution is also unreliable.

The most typical types of complaints include delays in paying wages and presence of illegal migrant workers. During 2015, the total number of complaints received was 410. Breakdown of grievances by type is as follows:

Breakdown of grievances by type
Breakdown of grievances by
sector

Delays in payroll	174
Overtime	24
Work Experience certificate	32
Illegal labor	37
Passport detention	22
Contract violations	18
Objections on procedures and other issues	103

Restaurants	28
Transformative Industries	24
Construction	13
Multiple Sectors	38
Services	89
Garments	10
Bakeries	3
Home maids	2
Others	203

Breakdown of grievances by nationality

Jordanian	354
Egyptian	32
Indian	4
Bengali	4
Others	16

Breakdown of grievances by resolution

Grievances solved in-house	367
Grievances filed and sent to court	43

There have been little complaints associated with sexual trafficking (about 10-15 cases during 2015), which may be attributed to the sensitivity of the issue. Similarly, there are no reports on sexual abuse. Approximately 70% of the complaints received come from Jordanians and about 30% come from migrant workers. In the case of employment in SEZs, approximately 70% are migrant workers indicating that there is a disproportionate number of Jordanians who are either aware or feel empowered to use the hotline in comparison with the migrant workers.

In cases where complaints about human trafficking or child labor have been identified, the Embassies are contacted and also the police get involved. This is particularly challenging in the case of Syrian laborers because there is lack of clarity about what national entity should be transferred such cases, (there have been attempts to transfer these to UNHCR with little follow up).

With regards to child labor, UNICEF, ILO and other donors have been financing a series of projects. At the beginning of 2016, the MOL has established a Committee comprising also of the Ministry of Education (Non-Formal Education Section) and the Ministry of Social Development (Follow Up Unit – beggars and under aged children) to develop a more coordinated response to handling cases of child labor. The Ministries are part of an effort to implement a National Framework to Combat Child Labor.

In the agriculture sector, inspections are challenging for several reasons and are less straightforward. First, workers are farmers or agricultural workers that perform seasonal work and often work in remote areas and the regulations in this sector lack clarity.

In the construction sector, the MOL does not distinguish between migrant and Jordanian workers in terms of rights.

Regulatory and Practical Impediments to Female Employment in Jordan

Transportation

The quality of transport services being delivered was generally low in terms of reliability of schedules, distances and frequency in the offering of the service and infrastructure services supporting public transport services. In addition, Based on the experience of the Youth for the Future (Y4F) program. Furthermore, the quality of transport services being delivered was generally low in terms of reliability of schedules, distances and frequency in the offering of the service and infrastructure services supporting public transport services. *In addition, passengers experienced some harassment, particularly in large and medium sized public buses.* The lack of decent and available transportation options to support youth trainings and employment opportunities led Y4F to carry out a study to better understand exactly what these impediments were and to identify possible solutions to increase youth participation in the organization's activities and programs. A pre-assessment was conducted in 2013 by the Y4F program looking at a sample of 422 youth beneficiaries tracked through the program's monitoring and evaluation system. The findings indicated that one of the main reasons that prompted these youth to leave work or reject job opportunities was transportation problems, and that these transportation problems affected the decision of a number of youth to reject job opportunities from the outset or to decide to leave work.

Transportation was an even greater obstacle to employment for females due to the sociocultural limitations that they are subject to. *In addition, 66% of the reasons youth gave for leaving work or rejecting employment opportunities were related to low financial returns that do not cover general living costs, including transportation, distance from home to work sites, and difficulty of access.* This confirms that transportation barriers influence the decision of a large percentage of disadvantaged youth to reject job opportunities. Based on the initial findings of the pre-assessment, a larger study was carried out to identify the impact of current public transport services for young people, ages 15-24, on their training and employment options, as well as to better understand the main challenges and issues youth face when using various means of transport to come up with practical and implementable recommendations that will help address these problems.

Sexual harassment: According to UN Women reports, concerns about sexual harassment are the number one reason why Jordanian women do not want to work outside the home. There is no legal framework in Jordan to protect against sexual harassment. Data to benchmark changes to the level of incidence is also absent. For this reason, providing safe and affordable transport for women to and from work places is key to increasing women's participation in the labor market. With regards to transportation, most companies in SEZs currently provide transportation to Jordanian workers and based on information interviews, employers would be willing to do the same for Syrians. A stipend is also paid, as part of the total salary, to cover transportation costs.

Accessible and Affordable Child Care

Additionally, significant impediments to women with small children accessing the labor market exist. The *Child Care related Article 72, under The Labor law No 8 of 1996:* stipulates the following key items:

- Employer to provide an appropriate site without specifying its terms and conditions
- Employer to provide a qualified caregiver for the children
- Employer's obligations are subject to law when there are 20 workers and 10 children less than four years old
- No financial burdens on the working women in return for benefitting from daycare services to be imposed
- There are no regulations about how this should be implemented. The article did not stipulate licensing for the daycare, did not specify the number of caregivers, or the site of the daycare, inside or outside the workplace.

In February 2013, the Ministry of Labor, started to contact all companies through the Minister of Labor to comply with the provisions of Article 72. It has also, through local radio stations, to broadcast media spots to raise awareness on the right of women to work in Article 72 and the employer's compliance.

A study of the inspection and monitoring mechanisms reveal that the labor inspectors have significant discretion to enforce the law. While it is widely known that most companies do not comply with this regulation, to date, no cases of establishment closure establishments have been reported for reasons related to the employer's non-compliance with the provisions of Article 72. The penalty for non-compliance is only financial and ranges between fifty and one hundred JD. Therefore, the imposed fine is much less from the employer's point of view than the cost of establishing a daycare center.

Factory management claim that many women – if given a choice – prefer not to bring their children to the industrial zone citing safety issues and prefer in-kind stipends for external childcare costs. Of the 19 non-compliant factories, 13 provided an in-kind stipend of JD 25 per child. BWJ has been collaborating with national stakeholders and local NGOs to explore different alternatives such to provide shared day care facilities within the industrial zones and/or outside the factory premises.

In 21 factories, Better Work found instances of migrant workers not being provided enough food of decent quality. The migrant workers complained about not being provided nationality-wise

menus. In two cases, assessment procedure revealed that insects had been found in the food. One of these factories has already been shut down by the government due to multiple non-compliances.

Moreover, based on informational interviews with women of childrearing age, women’s preferences are to leave their children in the care of immediate family and relatives, rather than transporting them to the workplace. According to the Labor Law, factories are prohibited from issuing stipends to women to cover childcare, posing a significant bottleneck to women with small children employment.

4.4.2 Better Works Jordan

Better Work is an IFC/ILO partnership that improves working conditions and competitiveness in garment factories in 8 countries on four continents, reaching over 1.5 million workers. Better Work promotes improved working conditions and competitiveness through factory level advisory, training, and assessment; buyer engagement; and advocacy. The BW Jordan (BWJ) program started in 2009 and the government has since mandated participation for all US/Israel exporting factories (including satellites and subcontractors), indicating high government support for BWJ.

This support is echoed by the Better Work impact evaluation, which demonstrates that compliance has improved in Jordanian factories since Better Work began its operations. Use of yelling as a punishment is down 77% since the start of the program and there is now 100% compliance in paying the correct minimum wage, paid leave, and social security among factories participating for more than two years.

According to Better Work Jordan findings, forced labor has also been reduced- 94% of migrant workers now retain their own travel documents. Given the improved standards of compliance, business has improved. The impact evaluation cites that 46% more managers feel they are preferred suppliers to their buyers (as opposed to just a contractor or subcontractors). Similarly, factories note that they have more consistent orders- 11% more factories are now operating at ¾ capacity or higher. The program is committed to ensuring that these gains are maintained during the industry expansion.

In the first 5 years of BWJ operations, compliance in force labor issues has improved dramatically. Under coercion, referring particularly to curfews in workers’ dorms, compliance has improved by 19%. There is a relative increase of 6.4% since baseline surveys were carried out looking at the proportion of workers who report to control their own passport, an improvement especially for migrant workers, who make up the majority of the garment workers in Jordan.

Better Work Jordan Assessment: ILO Standards in Practice in Jordan

<i>Child Labor</i>	Local workers over the age of 16 can legally work in factories, but the tasks they can undertake and the hours they are permitted to work are limited; for migrant workers, the recruitment age is 18. Recruitment of underage migrant workers is categorized as trafficking and is handled by the Anti-Trafficking
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	governmental department.
<i>Discrimination</i>	Discrimination on the basis of race, color and origin with 51 factories (80%) out of compliance due to the national law and CBA not meeting international standards because of the differences in the payment of financial benefits between migrant and Jordanian workers. The recently signed Addendum to the sector-wide collective bargaining agreement will gradually eliminate this discriminatory practice by August-2017.
<i>Public Consultations</i>	Under the Jordanian Law this is covered under the EIA Regulation no 37 FY 2005 where public scoping sessions are a part of the EIA procedures which have to cover socio-economic aspects of a given project or its activities.
<i>Hiring of disabled workers</i>	As agreed by the Ministry of Labor, the employer and union representatives, the hiring quota for persons with disabilities is determined based on the number of Jordanian workers. <i>Employers must employ at least one disabled worker if the workplace has 25-50 workers, and at least 4% of workers with disabilities must be employed in workplaces with more than 50 workers.</i> BWJ is also providing advisory support to factories on the effective integration of disabled workers.
<i>Forced Labor</i>	Jordan has significantly reduced forced labor since the inception of Better Work. Forced labor had been related to either <i>bonded labor or coercion</i> .
<i>Freedom of Association and Collective Bargaining</i>	Under Freedom to Associate as the law forbids workers from forming unions of their own choice by stipulating a single trade union structure. In terms of Freedom to Associate, Jordanian law contradicts international labour law. In July 2010, the Cabinet approved a series of amendments to the labour law. Among the amendments was the elimination of language that specifically forbade migrant workers from joining trade unions. The law still contains language that forbids workers from forming unions of their own choice by stipulating a single trade union structure, thereby impeding the ability of all workers to form or join a union of their choice.
<i>Collective Bargaining Agreement</i>	This agreement was passed in 2013. Better Work has followed up on the strengths and weaknesses of this initial CBA, and in late 2014 the program worked with stakeholders to write an addendum to the Collective Bargaining Agreement. The Addendum hopes to gradually eliminate discriminatory practice in the calculation of overtime and benefits for migrant workers in the sector over a three year period. In August 2015, a two-year extension of the sector's CBA struck in 2013 was signed by the national stakeholders. The CBA aims at strengthening workers' representation and the stakeholders' partnership, improving the sector's working conditions of over 60,000 employees, as well as the productivity and competitiveness of the industry.

4.4.3 Public Reporting for Better Work

An important activity supported by Better Work Jordan is that of public reporting: the publication of factory level compliance information on selected issues assessed by Better Work. Public reporting will be rolled out in all Better Work Country Programs, including Jordan and

will be leveraged by the PforR to strengthen labor compliance. As part of public reporting, garment factories are identified by name along with their compliance findings, and the information is made public on the Better Work website.

Experience in other Better Work countries has shown that public reporting on compliance can accelerate change towards a more responsible and competitive garment industry. Specifically, experience shows that public reporting:

- ***Raises the compliance levels across the sector.*** Research on Better Factories Cambodia has shown that transparent reporting significantly lowered the probability of non-compliance.¹⁷
- ***Helps high compliance factories distinguish*** themselves from those with a weaker compliance commitment.
- ***Spurs changes in factories with chronically low compliance.*** Even suppliers without reputation sensitive buyers improved their levels of compliance upon transparent reporting.
- ***Protects the reputation of the country's industry.*** In the past, entire industries have had their reputations damaged because of a few low-compliance factories. Transparent reporting projects the true picture of a country's industry. Furthermore, it strengthens the competitive advantage deriving from participation in Better Work, as participating countries reinforce their commitment to labour compliance.

There is also a business rationale for transparency, as having clear information on compliance levels allows factories with good records to be rewarded. Research on Better Factories Cambodia shows that factories that comply with fundamental rights are 56% more likely to retain buyers.

In Cambodia, Better Work experience shows that exports continue to thrive after transparency is launched. Following the re-introduction of public reporting in January 2014, the garment industry in Cambodia has continued to perform well. Exports grew by 9.3 percent in 2014, and expanded by 10.6 percent in the first quarter of 2015 (compared to the first quarter of 2014). In fact, the industry posted the highest export revenues in the country's history in 2014.¹⁸

- ***Consultations:*** In each Better Work country, a tripartite Project Advisory Committee (PAC) is consulted on public reporting. In Jordan the PAC is composed of representatives from relevant ministries and governing bodies (the ministry of labour including representatives from the labor inspectorate and occupational health and safety department, and a representative from the ministry of industry and trade), employer associations (chamber of industry, investment and exports associations), and workers' unions. Better Work and the Jordan Project Advisory Committee support transparent public reporting as an efficient and effective way to highlight issues related to

¹⁷ Ang, D and Brown, D K., Dehejia, R and Robertson, R (2012). Public Disclosure, Reputation Sensitivity, and Labour Law Compliance: Evidence from Better Factories Cambodia. *Review of Development Economics* 16(4), 594-607

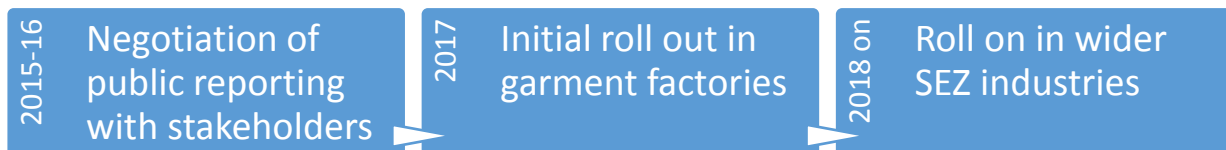
¹⁸ Cambodia Garment and Footwear Sector Bulletin, Issue 1, July 2015, http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---sro-bangkok/documents/publication/wcms_383562.pdf

compliance, and the improvements throughout the industry. Public Reporting was approved by the Better Work Jordan Project Advisory Committee (PAC) in 2015.

Issues: Better Work Jordan public reporting will be based on a list of 29 issues, drawn from a list of over 250 compliance assessment questions.

On the website, factories with no non-compliances on the publicly reported issues will be clearly distinguished from those with one or more non-compliances. Public reporting also will show the issues on which a factory is *compliant* or *non-compliant*.

Implementation Timeline: Public Reporting will be launched in all garment factories currently participating in Better Work Jordan starting in 2017. Garment factories that participate with Better Work, including in Jordan, are assessed once per year. Findings on the 29 issues will be eligible for public reporting for all factories that have had at least two assessments.



As the SEZs develop and open new businesses, the Public Reporting model will also be applied to non-garment factories in the Special Economic Zones. Better Work foresees this phase of the roll out starting in 2018, dependent on the roll out of the SEZs themselves.

4.5 Institutions Overseeing Environmental Issues

4.5.1 Introduction ¹⁹

On account of its current importance in Jordan’s economy (over 22% of GDP), its fast rate of annual growth (12% in recent years), and the lack of an adequate regulatory and enforcement framework, the industrial sector is an important source of environmental pressure in Jordan, and is likely to become more so in the future, especially if the full implementation of trade agreements will result in an increase of foreign demand for Jordanian industrial products.

Poor or not easily accessible monitoring data on polluting emissions makes it difficult to evaluate priorities for pollution abatement across sectors, locations, pollutant types, and enterprise size. To overcome this obstacle and provide policy makers with broad indications for action, the Jordan Country Environmental Assessment (CEA) applied international emission coefficients (obtained from the World Bank’s IPPS system) to estimate the structure of industry’s pollution. The results are subject to obvious caveats linked to the limitations of the methodology, and to

¹⁹ This section is taken from the 2009 Jordan Country Environmental Assessment (World Bank) as supplemented by “Main Industrial Indicators 2015” from the Jordan Chamber of Industry.

some data classification issues, but are found to be in line with the limited empirical evidence available.

The following key findings should be used as first indications of areas of policy interest, to be revisited once Jordan-specific industrial emission data becomes available:

- The *bulk of pollution* originates from enterprises located in the Amman and Zarqa industrial districts; the relatively lower share of total pollution in Irbid and Zarqa is associated to advanced forms of localized environmental degradation, which is no less important than Amman's.
- While at the national level most of the pollution comes from (larger) industrial enterprises (70% to 90% depending on the pollutant), in *Irbid, and particularly Zarqa, micro enterprises are an important source of pollution*, accounting for up to 60% of some emissions (i.e. BOD in Zarqa
 - At the national level, the *chemical, medical and engineering/ electrical sectors account for the larger contributions* to most polluting emissions. However, the sector ranking is different when specific pollutant types are considered. In particular, the food supply sector is estimated to be the top air and water polluter; the engineering/ electrical sector has the largest share of heavy metal pollution; and the leather/ garment sector is the top contributor to toxic emissions (particularly water). For virtually all pollutants, the “cleanest” sector is the packing and paper sector.
 - *Pollution shares of industrial subsectors vary by location.* The ranking of polluting industries per medium in Amman and Zarqa is similar to that at the national level. For Irbid, however, the ranking is different: leather is the most polluting industry of air and air toxics and a relatively important contributor to water pollution (BOD). This suggests that efforts to abate pollution should be site specific and take into account local conditions.
 - *Mining is important in terms of air pollution.* However, because it is remotely located with respect to urban areas, it is difficult to determine its importance in terms of health impacts.
- Because of large variations across sectors in unit abatement costs and relative contribution to total emissions, *the cost of abatement policies is likely to be very sensitive to the selection of target sectors.* As an example, it is estimated that the cost of reaching a given abatement target for all pollutants (e.g., 50% or better) can vary by a factor of up to 3.5, depending on whether or not the optimal combination of abatement efforts across subsectors is selected.
- A few abatement cost curves are estimated to further illustrate the importance of carefully targeting abatement efforts. In the case of *air pollution*, some 80% of total emissions can be abated by focusing on the *food, chemicals, medical and plastic* sectors, at a cost of \$4,000/ ton or less; For *water toxics*, priority should be given to the *leather, food, construction and furniture* sectors, which have the lowest unit abatement cost and account for 80% of total emissions

Approximately 60% of Jordan's factory laborers are employed in three industrial sectors as follows: (i) textile and ready-made garment industries (25%); (ii) food, agricultural and animal stock industries (20%) and engineering, electrical, and information technology industries (19%) (see Annex 2 for details).

The labor/capital intensity ratio (ratio of total number of employees by sub-industrial sector to registered capital by sub-industrial sectors for 2015) shows that the textile and ready-made garment industry has by far the highest ratio (374), followed by wood and furniture industries (152.7), packaging, paper, carton, and office equipment (74.5), and food, agricultural and animal stock industries (63.5).

Thus, if policies are put into place to encourage labor-intensive businesses, then the Better Work Jordan's approach to social and environmental standard compliance in the textile and ready-made garment industries and food might best be extended to the agricultural and animal stock industry as an adjacent sector for focus.

4.5.2 Ministry of Environment

- Whereas the Ministry of Labor is responsible for the "inside-factory environment", the Ministry of Environment is responsible for the "outside factory environment". The Ministry of Environment has a Directorate of Environmental Inspection, with an Environmental Inspection Section within. The Environmental Inspection Section has 5 inspectors located in Amman, and an inspector located in most of each of the governorates. The Environmental Inspection Section is responsible for the inspection, monitoring, and compliance of factories/industries, agriculture, farms (including poultry and livestock), slaughterhouses, olive mills, wastewater treatment plants, dumping areas, landfills, handicrafts, as well as stone and mining quarries.

The Environmental Inspection Section conducts three types of inspections: (i) periodic; (ii) surprise (in response to accidents or complaints); and follow-up inspections after violations have been issued. According to Article 7 of the Jordan Environmental Protection Law, the inspectors issue warnings to violations, and cannot issue fines directly. Instead, repeat offenders can be sent to court and fined, usually for the cost of the remediation plus 25%.

The inspectors usually measure and monitor the following: (i) industrial wastewater; (ii) emissions/filters; and (iii) solid (including industrial, hazardous, and medical) waste. The Section has various tools which aid in the inspection process, including SOPs, code of inspector conduct, and reporting format.

The Inspections Section has been participating in an International Finance Corporation (IFC) project implemented by the Ministry of Industry and Trade (MOIT) to develop and implement a harmonization framework for business inspections. The project has for objectives to computerize the inspection process, issue a new inspection law, and build inspection capacity. This is to decrease the overall number of inspection visits.

As part of this same project, the Inspections Section has been moving to a risk-based assessment process for targeting inspection visits which includes the following characteristics: (i) prior violations; (ii) industry type; (iii) raw materials used; (iv) end product type; and (v) proximity to urban areas.

As of yet, the Ministry of Environment does not yet have a proper computerized system in place to register inspection visits. The checklist now in use is on personal digital assistant (PDA) which is no longer effective in the field. The Ministry of Environment would like to upgrade to a tablet-based system. However, it appears that most inspection visits are being recorded manually and posted to a management information system once the inspector returns to the office. This system has files for each firm report and is not easily able to sort, aggregate or analyze data.

There is a new version of the Environmental Protection Law currently proceeding through Parliament which will allow inspectors to issue fines at the inspection sites. As of now, the inspector must return to the Ministry and ask the Minister or Secretary General to sign a warning to be issued, which can only be followed up in court.

4.5.3 Ministry of Health

The Ministry of Health (MoH) undertakes all health affairs in the Kingdom. Key tasks and duties include: (i) Maintaining public health by offering preventive, treatment and health control services; (ii) Organizing and supervising health services offered by the public and private sectors; (iii) Providing health insurance for the public within available means; and (iv) Establishing and controlling the management of health, educational and training institutes and centers according to relevant provisions of the legislations enacted. The Ministry also works in coordination with concerned parties, to raise public health standards by fighting diseases resulting from malnutrition.

At the MoH organizational structure, two departments are concerned with OSH and environmental monitoring:

Environmental Health Directorate: is responsible for reviewing national strategies for water, wastewater, air quality, medical wastes, and chemicals handling; field inspections (according to the Public Health Law); participating in updating regulations and standards; providing general health and occupational requirements for new developments; monitoring quality of potable water and wastewater discharges; and providing education in the areas of environmental health.

Occupational Health Directorate: Key roles and responsibilities include physical/chemical checks at industrial and occupational facilities, to ensure safe and non-hazardous work environment; periodic health checks for workers, initial and follow-up evaluations for the workplace; site surveillances and research on occupational hazards and their associated effects on workers' health; providing advice on OSH; participating in inter-ministerial committees for strategy reviews, OSH evaluation and environmental assessments, and licensing.

Both Directorates are directed by the Primary Health Care Management, which in turn is connected to the Secretary General of the Ministry. The Ministry hosts a complaining system within the Ministry headquarters, including a special for human rights violation. It is worth mentioning, that MOH also has two directorates for communicable and non-communicable diseases.

4.5.4 Jordan Standards and Metrology Organization (JSMO)

The Jordan Standards and Metrology Organization (JSMO) was established as a public Organization with financial and administrative autonomy in accordance with the Standards and Metrology Law No. 15 for the Year 1994, amended in accordance with the Law No. 22 for the Year 2000. Prior to that, the Organization had been one of the directorates in the Ministry of Industry and Trade.

JSMO promotes the following principal objectives: Adoption of a national system for standardization and metrology based on accepted international practices; Following up scientific and technical developments in the fields of standards, metrology, conformity assessment and laboratory accreditation; Ensuring the health and safety of citizens by monitoring quality compliance of goods and products; Preparing and issuing of technical standards to enhance competitiveness of Jordanian goods and products in national, regional, and international markets. In addition, JSMO has been a nationally recognized party for formalizing Standards and Technical Regulations for a wide variety of industries.

The JSMO hosts three important departments in the context of this PforR compact:

Inspection and Surveillance Department: responsibilities include: Ensuring compliance of products with technical regulations and mandatory requirements in order to protect health, safety, and human rights; ensuring high quality products and increasing confidence of national products and services; Contributing to health and environment protection in Jordan. The Department's structure breaks down into two key functions: Control of imported products, and Control of local factories and internal market surveillance.

Certification Department: This department is foreseen one of the important national certifying bodies that aim at protecting consumers and environment and supporting economic competitiveness. Customers of the department include a wide array of Industrial, agricultural, commercial sectors, and academic and public organizations. The department runs a complaints and appeals mechanism, by using a specialized Complaint/Appeal form.

Laboratories Unit: This Unit provides testing services of:

- Food items, and animal feeds to determine their compliance with Jordanian Standards and Technical Regulations. For example: Milk & milk products, Cereals & Pulses & its products, Rice, Coffee & its products, Fruits & Vegetables (canned, frozen & dried) & derived products, Meat products (canned, frozen & emulsified sausage), canned Fish products, Olive Oil & vegetable oils, Sugar and sugar products, etc.;
- Chemical products to determine their compliance with Jordanian Standards and Technical Regulations. For example: Soap products, Cosmetics (skin creams, nail polish, lipsticks, perfumes & hair dyes, etc.);
- Detergents: liquid glass cleaner, liquid sodium hypochlorite, dishwashing liquid, washing powder (automatic, semi-automatic & hand washing);
- Body Care products: body cleaning products, hair shampoo, children shampoo, etc.;

- Lubricating oils. For example: lubricating oils for internal combustion engines, gear oils, automatic transmission fluids & greases; and
- Performance requirements and energy efficiency class for different types of lamps (Energy saving lamps, Neon lamps, Incandescent lamps, High pressure sodium lamps, Halogen lamps, etc.) using integrating sphere method of testing.

5 COMPARATIVE ANALYSIS OF CLIENT SYSTEMS AND BANK CORE POLICY PRINCIPLES

5.1 Introduction

This section provides an assessment of the extent to which the applicable systems are consistent with the core principles and key planning elements expressed in the Bank policy on PforR (OP 9.0). It also provides a review of aspects where gaps exist between the two.

Generally, the applicable environmental and social management systems at the federal and provincial levels are considered to be appropriate and comprehensive with only a few gaps in relation to the principles of the ESSA. The scope of the legal and regulatory systems is adequate to address underlying environmental and social risks, therefore, no significant changes to the overall structure of these management systems are required or proposed.

The Table below summarizes the findings of the social systems assessment as they relate to the principles and attributes contained in OP/BP 9.0 Program for Results financing.

5.2 Environmental and Social Assessment and Action Plan Summary

Core Principle 1: Environmental and social management procedures and processes are designed to (a) avoid, minimize, or mitigate against adverse impacts; (b) promote environmental and social sustainability in program design; and (c) promote informed decision making relating to a program’s environmental and social effects.

Key Elements	System Requirements	Key Findings	Recommendations
<p>1.1 Bank program procedures are backed by an adequate legal framework and regulatory authority to guide environmental and social impact assessments at the programmatic level.</p>	<ul style="list-style-type: none"> Environmental protection objectives are well-presented in the Jordan Environmental Protection Act (Law no. 52 for the year 2006). The Law has explicitly articulated the requirement of protecting the environment and all of its elements in a sustainable manner. The MoEnv is entrusted by the Law to regulate activities that could impact the environment, as MoEnv is considered the sole reference for environmental clearances and permits. Preparation of environmental strategies, standards and programs are fairly derived from the Law. A system is created pursuant to Laws, regulations, standards, and instructions to preserve environment and control materials and harmful activities. The environmental system that the MoEnv runs has allowed for environmental inspections, promoting corrective actions, and issuing fines upon violation. In terms of flexibility and decentralization, the System also allows for authority delegation to other governmental partners when necessary. <i>Land and Property Expropriation</i> for the public interest projects in Jordan is carried out through established institutional and legal frameworks. Land acquisition is undertaken in accordance with Decree (12) of 1987 referred to as the Land Acquisition Law (LAL) and in accordance to its amendments. The LAL applies in all cases of land acquisition in the Kingdom of Jordan. 	<p>The capability of regulatory institutions for environment and labor monitoring is low which results in low integration of environment and social assessment at the implementation stage of projects.</p> <p>Overall the LAL reflects WB Policies however there are some policy gaps including: compensation, land compensation, intangible assets, loss of income and livelihoods, squatters and encroachers, and tenants.</p>	<ul style="list-style-type: none"> More enforcement to regulations is needed Need to integrate social and environmental evaluations at the strategic level. Capacity building is foreseen urgent for environmental at MoEnv, MoL, MoPIC, and JIC, as well as other line departments before starting the program. (see recommendations section for details) Provide specific guidance to JIC on social issues including proactive dissemination of information on labor standards to investors. Provide capacity building to Ministry of Labor (as detailed in the PAP). Establish Worker’s Centers at zone level to provide a bundle of services for workers on social and environmental issues.

	<ul style="list-style-type: none"> • GoJ subscribes to ILO labor standards and has national labor laws that address child labor, discrimination, over time, wages. • The Jordan Investment Commission (JIC), on another hand, is entitled to supervise investments in Jordan. JIC has undergone mergence with other institutions and hence, expanded in functions and capabilities to cope up with investment momentum. The system at the JIC is advisory in nature. One department has been created (urban planning dept.) to oversee technical issues). However, JIC’s system is not sufficient to support environmental and labor systems at development areas. 		
<p>1.2. Incorporate recognized elements of environmental and social assessment good practice, including the following:</p> <p>1.2a Early screening of potential effects</p>	<ul style="list-style-type: none"> • Environmental appraisal is mandated by the EIA regulation 37. Projects are screened out for their expected burden on the environment. The EIA regulation also explains process of issuing an environmental license for a certain development. It also gives a generic classification for industries according to their environmental impacts, which is then used to determine EIA preparation level. However, MoEnv has dedicated a licensing committee to give final decision about EIA level. • In most cases, requirements for conducting EIA are matching its equivalent at the international level. • EIA regulation is the only reference for project proposals. An EIA guidance manual (Guidance for Preparing Environmental Impact Assessments, MoEnv, 2014) has been prepared recently to provide a clear procedure throughout environmental clearance process. 	<ul style="list-style-type: none"> • Although there is a list of screening projects for their potential effects, it remains generic, and decisions made through the licensing committee outside of the list are not very transparent. • The environmental screening procedure is not comprehended through regulations and guidelines. 	<ul style="list-style-type: none"> • All sub-projects associated with this Program need to be screened for their social and environmental effects. • The program should adopt a simple, clear, and guiding procedure for screening all commercial enterprises with the program (in light of the Environmental Protection Law, and ESIA Regulation).

<p>1.2b Consideration of strategic, technical, and site alternatives (including the 'no action' alternative)</p>	<ul style="list-style-type: none"> • MoEnv issued instructions for site selection for development projects. The Instructions give a preliminary list per type of activity and requirements for setbacks from other activities, urban areas, and the main road. • No consideration for project alternatives (strategic and technical) so far in the MoEnv's framework. However, the MoEnv's EIA Guidance gives details on project alternatives, including the no-project option. 	<ul style="list-style-type: none"> • No mentioning to the "project's alternatives" in either the Environmental Law or the EIA Regulation, thus no enough legitimacy for this component. • There is often a high degree of reluctance to critically evaluate alternatives from an environmental and social point of view or carry out any significant modifications to project location or design at this stage. • It has been observed that this analysis is mostly done in retrospect to justify the site already selected without actual consideration of the environmental and social aspects. 	<ul style="list-style-type: none"> • Introduction of the assessment of the alternatives in the EIA Regulation. • Increasing due diligence for analyzing project's EIA studies for the development by increasing capacity of both assessor and EIA evaluator.
<p>1.2c Explicit assessment of potential induced, cumulative, and transboundary impacts</p>	<ul style="list-style-type: none"> • Determination of cumulative environmental impacts is not covered by the scope of the EIA regulation. However, induced and cumulative (but not transboundary) impact analysis requirements are mentioned in the MoEnv Guidance. • Specific regulations/instructions were issued by virtue of the Environmental Protection Law that aim to provide allowable limits of pollutants/precautions for air, water, soil, pollutants, noise level, and hazardous materials. 	<ul style="list-style-type: none"> • Data on ambient conditions such as status of air, noise, water, soil, waste pollution and pollution levels of receiving bodies are collected under the specific regulations and instructions, and impacts are determined for immediate surroundings (only for comprehensive EIA studies). However, occurrence of cumulative impacts under air and water pollution dispersion modeling are not done. 	<ul style="list-style-type: none"> • Provisions of cumulative impacts of air and water pollution should be made part of the EIA scope. • More strengthening to the induced, cumulative, and transboundary requirements should be made in the specific regulations and instructions, as well as in the EIA Guidance.

<p>1.2d Identification of measures to mitigate adverse environmental or social impacts that cannot be otherwise avoided or minimized</p>	<ul style="list-style-type: none"> • The EIA Regulation urges the adequacy of mitigation measures as a condition to approve EIA and thus the Project from an environmental perspective (Article 11). The EIA report is considered incomplete if it's missing a full set of mitigation measures. • It is also detailed in the EIA Guidance key elements of mitigation measures to be considered when preparing the EIA. 	<ul style="list-style-type: none"> • Procedures for the assessment of environment and social impacts are in place for the development projects; however, its actual implementation is not done. • Mostly the mitigation measures are provided in the environmental assessment report but mostly they are not project-specific and their implementation is limited to the projects financed by international agencies. 	<ul style="list-style-type: none"> • More technical expertise should be included in the EIA evaluation technical committee. • More emphasis in the EIA Regulation should be made on requirements and output of mitigations preparation.
<p>1.2e Clear articulation of institutional responsibilities and resources to support implementation of plans</p>	<ul style="list-style-type: none"> • Institutional responsibilities and resources for preparation, implementation monitoring, and inspection are not clearly spelled out neither in EIA Regulation nor in Environmental Protection Law. • Nevertheless EIA Guidance provides enough examples on institutional responsibilities and requirements. 	<ul style="list-style-type: none"> • Poor monitoring of institutional capacities of various implementing agencies throughout project lifecycle (planning, pre-construction, construction, post-construction, operation, and decommissioning) 	<ul style="list-style-type: none"> • Capability strengthening needs to be explicitly articulated in the EIA Regulation • Capability strengthening needs to be done (refer to PAP actions #5 on 'policy and assessment areas for strengthening environmental and social standards').
<p>1.2f Responsiveness and accountability through stakeholder consultation, timely dissemination of program information, and through responsive grievance redress measures</p>	<ul style="list-style-type: none"> • Public consultation is implicitly required in the EIA Regulation "Article 9: The Ministry shall call the project owner and any concerned individual or representative of a public or private party that may be potentially affected by the project to participate in investigating the preliminary draft EIA to identify the Significant Impacts of the project on the Environment. The Ministry and the project owner shall provide all the available information on the project and its surrounding Environment to all concerned entities within an appropriate time prior to the date of the meeting, in order to facilitate the identification thereof" • Nevertheless EIA Guidance provides enough guidance on the requirements for consultation. • Aspects of the public consultation are better in projects financed by Banks, and other multilateral 	<ul style="list-style-type: none"> • Although the timings and techniques of consultations are clearly stated in the guidelines, generally public consultation is carried out at two stages, scoping and disclosure. • Ultimate outcome of consultations could not be met because of insufficient time and material given to PAPs in prior. • Under the Jordanian Law this is covered under the EIA Regulation no 37 FY 2005 where public scoping sessions are a part of the EIA procedures which have to cover socio-economic aspects of a given project or its activities. 	<ul style="list-style-type: none"> • Public/stakeholder consultation should be enhanced in accordance to codes of financing agencies • EIA outcome disclosure requirements and access to information should be clearly stated in related regulations and guidance. • Ministry of Planning and International Cooperation (MOPIC) to facilitate a system within its premises to reach out PAPs and receive and respond to grievances/complaints/information requests. • Strengthen MoL's Inspectorate Unit infrastructure and systems to allow for effective resolution and confidentiality. • Strengthen JIC Advisory Services on Social/Labor to 'improve implementation

	<p>and bilateral institutions. Especially for requirements of access to information and dissemination.</p> <ul style="list-style-type: none"> GRM is absent at the program and policy level except the legal course through courts. GRM is only implemented at the project level. 	<ul style="list-style-type: none"> The MoL has a complaints/hotline for grievances associated with labor related issues (child labor, forced labor, discrimination, wages) however there is no systematic recording of grievances to assess responsiveness. 	<p>of stakeholder consultations and outreach during planning and implementation phases of SEZ development”.</p>
<p>Core Principle 2: Environmental and social management procedures and processes are designed to avoid, minimize, and mitigate against adverse effects on natural habitats and physical cultural resources resulting from the program.</p>			
Key Elements	System Requirements	Key Findings	Recommendations
<p>Includes appropriate measures for early identification and screening of potentially important biodiversity and cultural resource areas</p>	<ul style="list-style-type: none"> The scope of EIA adequately covers potentially important biodiversity and cultural/historical resource areas (through extensive baseline data collection stage for comprehensive studies). Archaeological conservation measures are covered through instructions of the Ministry of Tourism and Antiquities (MOTA) 	<ul style="list-style-type: none"> Provisions for this area are foreseen enough at this stage. In the long run, risk of damaging biological and cultural heritage increases as developments sweep qualifying zones. Enough attention is paid by relevant authorities, with a much closer oversight from international environmental/cultural protection agencies No SOPs are available to share with construction companies/projects. However, under the law, chance finds should be promptly reported to the Department of antiquities (MOTA), which could result in work suspension until issue resolved. 	<ul style="list-style-type: none"> Strategic Environmental Assessment (including biological and cultural aspects) Strengthening capacities for monitoring biological environment Inventory of archeologically significant sites needs to be prepared for the areas of development zones by the Archeological Department (or a consultant) and shared with all the line departments of the government of Jordan. SOPs should be prepared for project execution parties regarding chance find of archeologically significant sites not mentioned in the inventory of archeologically significant sites.

Supports and promotes the conservation, maintenance, and rehabilitation of natural habitats; avoids the significant conversion or degradation of critical natural habitats and if avoiding the significant conversion of natural habitats is not technically feasible, includes measures to mitigate or offset impacts or program activities.	<ul style="list-style-type: none"> This aspect is covered under EMP of EIA Regulation, as well as in the EIA Guidance issued by the MoEnv, in line with the best international practices and protocols. 	<ul style="list-style-type: none"> This is of low significance given that necessary follow-ups are undertaken (throughout the lifecycle of the Program). 	<ul style="list-style-type: none"> Strengthening monitoring capacity across the lifecycle of the Program Restoration evidence to be attached to, and considered one of the Program's Results
Takes into account potential adverse impacts on physical cultural property and, as warranted, provides adequate measures to avoid, minimize, or mitigate such effects.	<ul style="list-style-type: none"> Some requirements are covered under the "Instructions for site selection of the development projects for the year 2012" However, the EMP of EIA Regulation covers how adverse impacts to be managed As spelled out in the Jordanian Law of Antiquities no. 21 for the year 1988 (and its amendments) a project to be licensed should at least established not less than 5 – 25 meters from and archaeological site (compensated if required) Article 13. However minimum distance could be extended to avoid blocking the historical scene, or if there is a need to increase setback of the site, or for maintenance purposes. In any case heavy industries are prohibited within 1 km of the site 	<ul style="list-style-type: none"> Precautionary measures, such as consulting relevant Departments of Antiquities, in the planning phase are not a common practice. No SOPs are available to share with construction companies/projects. However, under the law, chance finds should be promptly reported to the Department of antiquities (MOTA), which could result in work suspension until issue resolved. 	<ul style="list-style-type: none"> Any proposed site for a new development should be screened for possible impact on sites of archeological significance. Without proper screening damage can be caused during construction Increase awareness about the Jordanian Law of Antiquities among stakeholders and improve its implementation. Develop and implement SOPs related to the project screening with respect to its impacts on sites in close proximity. Conduct site survey (in consultation with related department of antiquities) at selected sites and implement procedures for chance finds.

Core Principle 3: Program procedures ensure adequate measures to protect public and worker safety against the potential risks associated with (a) construction and/or operations of facilities or other operational practices developed or promoted under the program and (b) exposure to toxic chemicals, hazardous wastes, and otherwise dangerous materials.

Key Elements	System Requirements	Key Findings	Recommendations
Promotes community, individual, and worker safety through the safe design, construction, operation, and maintenance of physical infrastructure, or in carrying out activities that may be	<ul style="list-style-type: none"> The Ministry of Public Works and Housing (MPWH) has issued building codes that include enough requirements for safe and sound construction of infrastructures The Ministry of Labor is empowered by the Labor Code to lead and supervise the labor sector in Jordan, and consequently has dedicated a 	<ul style="list-style-type: none"> Building codes target general constructions and buildings construction in particular, no specifications for industrial constructions in the Codes. Inspection system at MOL is adequate in terms of resources 	<ul style="list-style-type: none"> Enhancement to post-monitoring capabilities Enhancement to industrial estates' capabilities at the local/site level Training of industrial units for the implementation of the EMPs.

<p>dependent on such infrastructure with safety measures, inspections, or remedial works incorporated as needed.</p>	<p>specialized staff for inspecting industrial and commercial facilities for their compliance with OSH requirements, has prepared needed documentation for handling site visits, and has designated a unit for labor-related complaints. The MOL is also the reference point for vocational training programs across the country. Vocational training centers are fairly represented in major cities, and, being provided as a prerequisite for employment at industrial establishments.</p> <ul style="list-style-type: none"> • The Ministry of Health (through its Occupational Health department) puts general requirements for managing hazardous materials from a public health and safety perspective. The Law of Public Health also authorizes inspections to the industrial facilities, in addition to any other facility that imposes risks on the public health. • EIA Regulation requires the formulation of an Environmental Management Plan to control and manage different hazards to workers and public health (construction and operation phases of a development). 	<p>and plans, however, on the provincial level it is considered weak.</p> <ul style="list-style-type: none"> • The Occupational Health dept. at MOH has weak and irregular access to industrial zones. • Mostly no industry-specific measures integrated in EMP of the EIA 	
<p>Promotes the use of recognized good practice in the production, management, storage, transport, and disposal of hazardous materials generated through program construction or operations; promotes the use of integrated pest management practices to manage or reduce pests or disease vectors; and provides training for workers involved in the production, procurement, storage, transport, use, and disposal of hazardous chemicals in</p>	<ul style="list-style-type: none"> • Construction and manufacturing standards are provided through building codes of MPWH and technical quality standards of JSMO. Also the MoEnv has issued a number of regulations and instructions to deal with hazardous effluents and materials (handling, storage, transporting, storage, disposal, etc.). These standards and instructions are mandatory to all related industries and developments and are applicable to the Program. 	<ul style="list-style-type: none"> • Available standards and codes are not tailored enough to the Program • EMPs (via EIA) of individual projects are not sufficient throughout the lifecycle of the development • No strategic assessment is practiced in the country 	<ul style="list-style-type: none"> • Further analysis should be done to diagnose the deficit • Capabilities of best practices should be strengthened at the local level (mainstreamed within industries to match the industry line)

accordance with international guidelines and conventions.			
Includes measures to avoid, minimize, or mitigate community, individual, and worker risks when program activities are located within areas prone to natural hazards such as floods, hurricanes, earthquakes, or other severe weather or climate events.	<ul style="list-style-type: none"> • These aspects of the proposed projects are covered by the Civil Defense Law, which already has put appropriate response plans in case of natural disasters. These are considered of responsive measures rather than preventative. • The Jordan National Building Codes establishes design principles and minimum requirements needed to ensure public safety of structures, provide sound and efficient electro-mechanical services and to safeguard against earthquake risks. • The Jordanian Institute of Standards and Meteorology is charged with the duty of issuing standard specifications according to Article 5 of the Standards and Specifications Law No.22 of 2000. • Disaster Management Plans (DMPs), are normally partially covered in the environmental management plans included in the IZE/EIA reports while implementation is mostly partial unless an actual disaster occurs then GDCD takes effective action. 	<ul style="list-style-type: none"> • The contingency/emergency response plans are adequate at the Program level (national). • Industries are weakly adaptive to climate change issue 	<ul style="list-style-type: none"> • Strengthening more emergency plans at the local scale as much as at the national scale • Best practices and adaptive measures should be inherent in industries daily practices (more stringent control measures are recommended)

Core Principle 4: Land acquisition and loss of access to natural resources are managed in a way that avoids or minimizes displacement, and affected people are assisted in improving, or at least restoring, their livelihoods and living standards.

Key Elements	System Requirements	Key Findings	Recommendations
Avoids or minimizes land acquisition and related	<ul style="list-style-type: none"> • The main legal tools used for land acquisition in Jordan is the Land Acquisition Law No. (12) of 	Land Acquisition Rules examines feasibility taking into consideration	<ul style="list-style-type: none"> •

adverse impacts	<p>1987 provides the Government of Jordan the right to acquire any piece of land or property to develop a project for public benefit. However, the government has to compensate the owner(s) fairly. In case the owner(s) are not satisfied with the compensation, they can take it to court. Such matters are considered of high urgency and will be handled by the court system as quickly as possible. The law outlines all the related specifics.</p> <ul style="list-style-type: none"> • Management of Government Property Law / Leasing and Authorization of Government Property By-law • Under the provisions of the Management of Government Law No 17 of 1974 and the Leasing and Authorization of Government by-law No. 53 of 1977, the Cabinet of Ministers have the right to lease or authorize government property in return of rent equivalent to market prices, and in accordance to the recommendations set by the concerned ministry and higher commission of government property. The Ministerial Cabinet has to approve the lease or authorization even if it is going to be used by a government body. 	<p>the genuineness of the public purpose involved, the minimum requirements of the acquiring agency, and suitability of the area proposed for requisition keeping in view its alternative uses if any.” However, performance in this regard varies and needs significant improvement.</p>	<ul style="list-style-type: none"> • The PforR shall not support projects/programs that involves resettlement. • When limited involuntary resettlement is unavoidable-for activities occurring in parallel of the PforR- due process should be observed so that displaced persons shall be informed of their rights, consulted on their options, and offered technically, economically, and socially feasible resettlement alternatives or fair and adequate compensation.
Identifies and addresses economic and social impacts caused by land acquisition or loss of access to natural resources, including those affecting people who may lack full legal rights to assets or resources they use or occupy	<p>1 – Land Acquisition Law, Decree 12 of 1987</p> <p>2- Public Housing and Urban Development Law no.28 of 1992</p> <p>3- Management and Administration of Government Properties Law no. 17 of 1984</p> <p>4- Environmental Legislation of relevance to Land Use4- Law of organization of cities, villages and buildings no 70 of 1966 and its amendments</p>	<p>Payment of compensation is not consistent except for Bank supported projects where emphasis on preparation of RAPs is made. Lack of clarity regarding provision of restoring loss of income sources or means of livelihood.</p> <p>Otherwise in isolated cases may receive market rates as opposed to replacement rates.</p> <p>Common practice of requesting</p>	<p>Implement measures to close the gap between Jordanian law and WB policies regarding compensation and loss of livelihoods, particularly:</p> <ul style="list-style-type: none"> • At JIC, once established, provide capacity building to Land Acquisition and Survey Unit, including development of Standard Operating Procedures (in long term).

		land to be given freely to municipal projects.	
Provides compensation sufficient to purchase replacement assets of equivalent value and to meet any necessary transitional expenses, paid before taking of land or restricting access	<p>Articles 11-26 of the LAL lists the following key principles and stages under which compensation shall be processed. Setting the proper amount of compensation for land value is dependent on:</p> <ul style="list-style-type: none"> -The amount of land confiscated, -The purpose of confiscation, -The percentage of land confiscated and, -The status and size of the leftover land <p>According to the Land Acquisition Law, compensation is paid for all assets at market value rather than replacement cost. The process for the determination of market price relies on recent land sale transactions of similar nature in the nearby area. The market rates are also registered on an annual basis. Most of the legacy issues of the IZs are related to the market value determination of affected assets and lands.</p>	Risks related to land acquisition are based on both equity and reputation. Unless compensation is paid in line with prevalent market rates, long drawn-out legal cases lead to financial and reputational loss. The latter will, among others, include the risk of lost investment opportunities from international industry that is keen to avoid such conflicts. Risks are also faced on a social equity basis as lack of compensation to non-titleholders often leads to poverty and vulnerability. The risk of conflict can also not be ruled out.	The PforR shall not support projects/programs that involves resettlement.
Provides supplemental livelihood improvement or restoration measures if taking of land causes loss of income-generating opportunity (for example, loss of crop production or employment)	Livelihood restoration is not emphasized in the Land Acquisition Law, which is a major gap.	The land acquisition process should include additional provisions for loss of business and project-affected people were provided a loss of business allowance. This practice needs to be adopted on a formal level. Project activities supported by the Compact shall be designed and implemented in a way that avoids or minimizes the need for involuntary resettlement (the national law enforces that when limited involuntary resettlement is unavoidable, due process should be observed so that displaced persons	The PforR shall not support projects/programs that involves resettlement.

		shall be informed of their rights, consulted on their options, and offered technically, economically, and socially feasible resettlement alternatives or fair and adequate compensation).	
Restores or replaces public infrastructure and community services that may be adversely affected.	Not applicable	N/A	N/A

Core Principle 5: Due consideration is given to cultural appropriateness of, and equitable access to, program benefits, giving special attention to rights and interests of indigenous peoples and to the needs or concerns of vulnerable groups.

Key Elements	System Requirements	Key Findings	Recommendations
Undertakes free, prior, and informed consultations if indigenous peoples are potentially affected (positively or negatively) to determine whether there is broad community support for the program.	<p>Indigenous peoples are found in Jordan; they are protected under the National Tribal Law of Jordan. The United Nations Development Fund for Women (UNIFEM) indicated that tribal law in Jordan was abolished in 1975 (UN 2006, 17) where as far as the role of the state is concerned it should be noted that Jordan tends to respect tribal law and customs and allows much autonomy to its tribes in conducting their own internal affairs. In fact, the Jordanian legal system informally recognizes the existence of tribal law side by side with civil law. For instance, a conflict between two families would be dealt with in court but at the same time the families would try to solve their case through tribal processes of conflict resolution (temporary truce, mediation, arbitration, compensation, reconciliation, etc.). Therefore, this aspect is applicable to the program.</p> <p>Jordan is signatory to UN Human Rights Declarations and has active NGOs and civil society programs that monitor human rights as well as</p>	Exhaustive legal provisions on labor have been enacted in Jordan and adopted by the government as discussed elsewhere in this report. There is a need to enhance the participation of women as workers in IZs, which is only possible if positive measures are taken to provide a secure environment and safe transport. For Jordan to adhere to the allowances acquired under the status of EU's FTA which allows increased access for some categories of Jordanian products by allowing duty-free exports to EU markets which requires ratification and compliance with international conventions including core labor standards of the ILO.	The PforR shall not support projects/programs that are inconsistent with the rights and responsibilities set forth in the UN Declaration on the Rights of Indigenous Peoples and other applicable international instruments relating to indigenous peoples.

	international organizations doing that this compact will continue to adhere and monitor social changes and be sensitive to the marginalized and vulnerable groups such as the Bedouins and the expatriate labor force in the SEZs, refugees in camps and host communities, as well as women and children.		
Ensures that indigenous peoples can participate in devising opportunities to benefit from exploitation of customary resources or indigenous knowledge, the latter (indigenous knowledge) to include the consent of the indigenous peoples.	Not applicable	N/A	N/A

<p>Gives attention to groups vulnerable to hardship or disadvantage, including, as relevant, the poor, the disabled, women and children, the elderly, or marginalized ethnic groups. If necessary, special measures are taken to promote equitable access to program benefits.</p>	<p>Vulnerable groups in this Program are defined as: poor Jordanians, poor Syrians, Syrian refugees, other displaced populations (i.e., Libyans, Yemeni, etc.), migrant workers, women (especially women workers), wage laborers (especially those on a contract basis), child workers, the disabled, landless, the Bedouins, and project affected persons who may not be protected through national land compensation legislation. Working women are particularly vulnerable to different forms of harassment.</p> <p>Regulations that promote equality include:</p> <ul style="list-style-type: none"> • Labor Standards: Since joining the ILO in 1956, Jordan has ratified 24 Conventions including seven out of eight fundamental Conventions for equality and decent labor conditions. • Women: Jordan’s constitution protects women by explicitly stating that all Jordanians are equal before the law, have the right to assume public office and the right to work. • Children: The government is committed to ensuring the rights of children. Education is free for all primary and secondary school students and compulsory until age 15, and corporal punishment in schools is prohibited. • Indigenous People: protected under the National Tribal Law of Jordan. The United Nations Development Fund for Women (UNIFEM) indicated that tribal law in Jordan was abolished in 1975 (UN 2006, 17) where as far as the role of the state is concerned it should be noted that Jordan tends to respect tribal law and customs and allows much autonomy to its tribes in conducting their own internal affairs. 	<p><i>Syrian refugees have specific vulnerabilities.</i> The refugees that are currently in Jordan mostly come from poorer than average areas of Syria. <i>Among the refugee population, children, youth, and women are among the more vulnerable.</i> Young people, seeing themselves with free time and lack of opportunities, are more likely to resort to violence, including sexual violence, to criminal activities, or to substance abuse.</p> <p>There may be indigenous peoples (Bedouins) located in the geographical context of the program, therefore, there may be risks related to them. To ensure that SEZs/IZs attract foreign investment and are compliant with local labor laws, there is a need to enforce existing legislation in industries in the SEZs/IZs to control issues related to minimum wage, child labor, bonded and contract labor, and registration of employees with social security.</p>	<p>Projects/programs supported by the PforR shall be designed and implemented in such a way that both women and men in host communities, refugees in host communities and camps (a) are able to participate fully and equitably; (b) receive comparable social and economic benefits; and (c) do not suffer disproportionate adverse effects during the development process. Also, the project will emphasize the need to consult with these communities. Some of the relevant measures include:</p> <ul style="list-style-type: none"> • Provision of women friendly enabling environment (safe transportation, stipends to cover childcare) • Establish Worker’s Center at Zone Level (legal advisors on worker’s rights, grievance centers, operational health and safety measures, harassment hotline) – in the SEZs • Child labor case management strengthening
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Core Principle 6: Avoid exacerbating social conflict, especially in fragile states, post-conflict areas, or areas subject to territorial disputes.

Key Elements	System Requirements	Key Findings	Recommendations
<p>Considers conflict risks, including distributional equity and cultural sensitivities</p>	<p>Local cultural and sensitivity issues are covered under requirements of social and environmental assessments, especially in projects financed by the Bank and other multilateral and bilateral institutions. There is great variance in availability and access to Grievance and Redress Mechanisms that are effective and confidential in IZs. There is also no formal system of public information sharing and is left to the discretion of the company.</p>	<p>Despite tensions about influx of refugees, and the possibility of job replacement, there have been no significant instances of violence.</p> <p>Grievances may arise due to issuance of work permits to Syrians and potential perception of replacement of other economic migrants.</p> <p>The planned SEZs expansions and operation could lead to or contribute to further aggravation of these issues due to weak or insufficient systems for public communication and outreach, transparency and building meaningful links with local communities.</p>	<p>Strengthen impacts of the program by establishing and <i>communicating</i> processes put in place during project implementation (e.g., how different geographic areas and social groups are targeted, whether targeting happens in a manner that is transparent and based on clear criteria, such as poverty or vulnerability, and not (solely) on refugee/non-refugee status).</p> <p>Establish Workers Centers at the SEZ level to provide a bundle of services for workers, to include: information on social and environmental standards, preventative medical check-ups, legal advice, and a secure grievance redress system for workers.</p>

6 STAKEHOLDER CONSULTATIONS

6.1 Introduction

Ongoing stakeholder consultations were and continue to be an integral part of the ESSA preparation. The proposed program involves a large array of partners and a diverse group of stakeholders which have been consulted through workshops, in-depth interviews, focus group discussions, informal meetings and field visits to SEZs. This section highlights the consultation process, elaborating on the participatory approach, stakeholders met and major issues raised.

6.2 Consultations Approach

The primary beneficiaries of the Program are the currently unemployed Jordanians and Syrian refugees who will become employed due to this intervention. Other direct beneficiaries of the Program are the factories working in the SEZs who will benefit from privileged investment conditions. Secondary beneficiaries include Jordanian-based businesses who gain from investment climate and trade reforms. For this reason, consultations were carried out with investors, buyers, government officials, NGOs, donor agencies, international partner institutions, and Jordanians and Syrians living in Jordan.

1) Initial Consultation meetings: A series of interviews with governmental and non-governmental stakeholders, the private sector, SEZ developers and JIC were held to consult on environmental and social management issues related to the SEZs, social and environmental standards, and tensions between Syrian refugees, host communities, and other migrant workers. Organizations and stakeholders met included:

- *Government Agencies:* MOPIC, Jordan Investment Commission, MOL, MoEnv, E-TVET
- *Partners and Donors:* ILO, EU, UNHCR, UN Women, Swiss Cooperation, Better Work Jordan

2) Field Visits: Visits to a representative sample to SEZs to establish the status and standard of environmental and social safeguard systems at local levels and interviews were conducted with technical staff in relevant institutions. SEZs visited included: Al-Hassan SEZ, Al-Dulayl Industrial Estate, Mauwaqqar Industrial Estate, and Irbid SEZ.

3) Focus Group Discussions: A select number of focus group discussions were conducted with both Jordanians and Syrians living and working in host communities.

4) Consultation Forum: A two day forum which convened over 50 representatives ranging from investors, buyers, government agencies and ministries, international partners such as ILO, Better Work Jordan, EU, UNHCR, regulatory agencies such as Jordanian Investment Commission, JGATE, Worker's Union met to discuss broad program design and feasibility issues. The Forum took place on April 12-13, 2016 in Amman, at the Sheraton Hotel.

6.3 Issues Discussed

The Forum provided an open debate on the following topics: (i) labor compliance issues, aspects that are working and its challenges; (ii) integration of Syrian refugees into the labor market, (iii) industry expansion and access to the EU market.

The UNHCR has informally conducted focus groups with factories as well as Syrians refugees to identify the social risks or tensions that could arise from the program, particularly when scaling up. Both were positive. The factories have the expertise dealing with many nationalities. The Syrian female women were positive and comfortable too and are willing to participate in this program.

Some of the key messages emerging from the consultations are:

- Concerns by some investors that the business model of employing Jordanians or Syrian rather than hiring new migrant workers may not work given the expertise migrants have already in certain industries (garment).
- Having training programs that cover the needs of factories would help create opportunities for both Jordanians and Syrians.
- Preference over Jordanian and Syrian workers due to concerns about the cultural differences between migrant workers and local communities that tend to be more conservative.
- At the moment, it is difficult to hire more Jordanian and Syrian females as the industrial estate is more heavy-industries centered.
- Regarding the integration of Syrians, the local community members are complaining and claiming that the Syrian laborers are a burden and are compromising the minimum rights in order to get the job opportunities. Additionally, the Syrian managers and supervisors treat Jordanians differently, in that there is overt discrimination. These tensions and risks could be mitigated by training and creating more jobs for Jordanians.

The ESSA has reflected concerns raised by incorporating suggestions both within the text of the ESSA itself as well as in the more substantive recommendations and proposed actions. Detailed feedback from the consultation workshop is attached as annex 2 along with the list of participants.

7 RECOMMENDATIONS AND PROPOSED ACTIONS

7.1 Introduction

The Jordan Economic Opportunities for Jordanian and Syrian Refugees ESSA identifies clear gaps and opportunities in Jordan's environmental and social management system with respect to effectively addressing the associated environmental and social to enable the desired environmental and social effects as guided by the PforR Core Principles.

The ESSA Recommendations and Actions presented here seek to ensure that the opportunities identified in this assessment are built on and reinforced to attainment of the Program's objectives. The current gaps in the system are addressed through a set of essential but viable actions to be adopted by Government to strengthen the environmental and social management capacity and performance at the national and local level. This is particularly important in the social dimension as they relate to grievance redress systems, land acquisition, resettlement and transparency of program objectives, targeting, and criteria regarding access to benefits

The ESSA Action Plan presents the Core Principles associated with each action, and the risks associated with not completing the action. The main areas for action are:

- ✓ Strengthening of the environmental and social assessment system;
- ✓ Institutional capacity enhancement measures;
- ✓ Reporting and disclosure procedures and resource allocations;
- ✓ Development of SOPs and improved enforcement of the regulatory framework and guidelines; and
- ✓ Undertaking of technical studies and development of sustainability frameworks

In some instances improvements may be enhanced by the adoption of National Policy or Regulations; these have been highlighted, although outside the remit of Program's to influence.

Elements of the ESSA Action Plan will be embedded into the Program Action Plan. It is presented here to facilitate planning of action implementation and provision of Bank implementation support. World Bank implementation support through the PforR financing vehicle is available to assist the client in the following manner: (i) Helping the client to resolve implementation issues associated with specific actions in the Plan and to carry out institutional capacity building; and, (ii) monitoring the performance of Program systems, including the implementation of the Program Action Plan.

This section includes key measures that need to be taken during implementation for social and environmental aspects. Measures are also recommended to improve the current system's performance to address important gaps between the GOJ's systems and the PforR core principles.

7.2 Program Action Plan: Environmental and Social Aspects

The following recommendations have been devised based on the review of the present systems in place and their comparison with PforR principles and institutional arrangements for program implementation.

1) Strengthening Jordan Investment Corporation (JIC) Environmental and Social/Labor Advisory Services

- Strengthen One-Stop Shop role to include (i) *proactive* information sharing (through printed materials and other relevant venues) of environmental and labor standards to investors;

2) Establishment of Worker's Centers at Zone Level (modelled after Worker's Center Pilot / Better Works)²⁰

- Establish Workers' Center at the SEZ level to provide a bundle of services for workers, to include: information on social and environmental standards, preventative medical check-ups, legal advice, and a secure grievance redress system for workers. Specifically:
 - ✓ Legal Advisor or worker's rights and channels and processes available for grievance redress, (including advisors – *not just translators* - in different languages);
 - ✓ Proactively provides information on labor standards, environmental standards through printed materials and company visits and awareness raising activities
 - ✓ Operational Safety and Health (OSH) Advisor: oversees OSH issues at zone level and liaises with MOL, MoH, MoEnv for follow up needed;
 - ✓ Clinical doctors to oversee specialized services such as: eyes, ears, respiratory, minor injuries, repetitive injuries and urgent care
 - ✓ Compliance Monitoring Officer: Liaises with management and compliance staff to monitor company level compliance issues on environmental and labor standards
 - ✓ Allow for outsourcing of medical services to private sector

²⁰ **Worker's Center (ILO/BWJ initiative in Al-Hassan IZ):** a multi-purpose service center sponsored by ILO/Better Works opened at Jordan's Al-Hassan Industrial Zone in a bid to improve the lives of the thousands of clothing factory workers employed there, the majority of whom are migrants from the Asian subcontinent. The center, the first of its kind in the country, includes facilities such as a computer lab and canteen. It offers support to workers in the form of skills training, legal advice, and mental health counselling.

3) Strengthening Ministry of Labor's Inspectorate Unit

- Develop infrastructure (database software and computers) to strengthen MOL Hotline (grievance redress system), and establish information technology linkages between inspectors and hotline.
- Strengthen existing Grievance Redress Mechanisms (GRM) at MOL to allow for confidential and effective resolution of complaints between affected people, communities and managers of SEZs.
- Complete a Memorandum of Understanding between the Ministry of Health and the Ministry of Labor to enable MOL to take responsibility and accountability for workers' dormitories inspection and compliance.
- Continue to support a singular integrated inspection database across MOL, Ministry of Environment, and other relevant ministries which aggregates current compliance rates for individual factories across several inspection agencies. This is so risk-based inspections can increase in parallel with a lower average of yearly inspections per factory.
- Build monitoring and evaluation system to assess percentage of case resolution
- Redeploy and train existing Inspectorate Unit staff to increase technical expertise, while changing mindset from 'policing' to providing incentives to comply with standards.
- Awareness raising and communications activities to increase the knowledge of grievance system available to workers.
- Provide legal advisors (to advise on Labor Law) with diversity of language skills to manage cases of migrant workers.

4) Support Ministry of Environment Capacity More Strategically:

- Focus Ministry of Environment Inspectorate capacity on designing and implementing – in priority pollution hotspots - air pollution abatement plans, containing: a) targets for selected environmental improvement objectives, b) a clear assignment of roles and responsibilities for the different stakeholders involved; and –subject to criteria of financial sustainability and cost recovery, c) incentive mechanisms (including soft loans) to encourage industries to comply with environmental regulation.
- Promote pollution control through a combination of (1) Positive incentives (including soft loans and technical assistance) to encourage the use of cleaner production processes; and (2) gradual phasing-in of negative incentives (pollution levy for industrial emissions exceeding a given standard) to induce firms to meet effluent/ambient standards (e.g., via end-of-pipe treatment). Initially the levy could be linked to level of activity/employment, and later -once adequate monitoring capacity is in place- to emission levels.
- Promote the inclusion of specific targets of environmental improvements in selected Sectors, particularly those targeted by the Jordan Compact to create increased employment. This would include definition of responsibilities for their achievement, performance indicators, and allocation of the required human and financial resources.

5) Policy and Assessment Areas for Strengthening Environmental and Social Standards

- Develop, notify and implement SOPs related to OSH and improve implementation of bylaws.
- Completion of OSH Strategy according to ILO Convention 187.
- MOU between Ministry of Health and Ministry of Labor for MOL to lead on dormitory inspections.
- Dormitory Safety and Quality of Life in-depth assessment.

6) Strengthening Transparency and Program Communication: *(to manage social risk associated with perceptions and to be developed with the support of EXT)*

- Develop a comprehensive plan between the World Bank and GOJ with clear, concise, consistent messages about the program starting at Board approval.
- ***Develop a communications strategy and roll-out plan*** with MOPIC to share information about program objectives, components and investments; access to program benefits.
- Segment the target audience and the messages to target groups that are the perceived ‘losers’ of the program via: identifying the issues (i.e., misperception about preference to Jordanian over migrant workers, etc.).
- Strengthen impacts of the program by establishing and *communicating* processes put in place during project implementation (e.g., how different geographic areas and social groups are targeted, whether targeting happens in a manner that is transparent and based on clear criteria, such as poverty or vulnerability, and not (solely) on refugee/non-refugee status).
- ***Public disclosure of compliance information of factories in participating QIZs.*** There are approximately 30 criteria being discussed and to be agreed to and revised through tripartite workshops, every 2 years. Annual report on companies’ performance to be released and shared with all.
- ***Participation of each targeted factory in compliance programs modelled after BWJ.*** While BWJ is currently limited to the garment industry there is a shared donor commitment to find practical solutions to expand its work beyond the garment sector. Donors, buyers, and other stakeholder are cognizant that there are industry specific elements that are different from the garment industry and that there are variances in the state of social dialogue at the sector level, however it is expected that commitment and funding will be leveraged by both buyers and donors.
- Based on current results of air and water quality monitoring, establish a list (or improve existing ones) of priority pollution hotspots, particularly in Zarqa.
- Encourage compliance with environmental regulation through public disclosure of performance of the polluters by the NGOs and the media, in tandem with the suggested public disclosure program to be implemented by Better Works Jordan.

7) Provision of a Women Friendly Enabling Environment

- Provide safe transportation that is culturally sensitive to women to SEZs.
- Request SEZs benefiting from EU trade preferences provide stipends above their base salaries to women working in SEZs to cover child care costs.
- Generate data to measures sexual harassment cases nationally and support a national dialogue between relevant ministries on adopting a regulatory framework against sexual harassment to protect women.

8) Support to Workers in the Agricultural and Construction Sectors

- Share of own account workers with social security to continue to grow by at least 10% per year, with the support of a nationwide campaign.
- Share of employed Jordanians paid below minimum wage to decrease.

9) Strengthening Case Management of Child Labor

- At least 3,000 child laborers identified, withdrawn, and rehabilitated through the National Framework on Child Labor through support to Inter-Agency Task Force and Child Protection Working Group

10) Environmental Measures:

i. Targeting Emissions Inspections

- The Ministry of Environment, in partnership with the Greater Amman Municipality, will pilot accelerate efforts to improve the air monitoring system, including ambient air quality, as well as emission from stationary (e.g. the likely highest emitting sectors), as well as mobile ones;
- Continue to put into place a risk-based management approach to inspections, defining in a transparent manner priority locations/sectors (as opposed to the standard approach, which is primarily complaint-driven);
- Maintain the Ministry of Environment as the primary inspection authority for emissions inspections until the JIC is able to fully take on this function, if that is the intention of the Government of Jordan. When the function does transfer to the JIC, offer incentives to move Ministry of Environment inspectorate staff to the JIC in order to seed capacity;

ii. Improve Industrial Waste Management Capacity

- Industrial waste, including hazardous, medical, and construction waste, has increased and will continue to increase with incentives to expand businesses and create employment. Although the solid waste management sector is receiving attention, as the incremental load of solid waste is said to be created from the Syrian refugee influx, increased industrial waste management systems need financing in order to absorb larger capacities.

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Annex 2: Stakeholder Consultations

Introduction

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Consultations Approach

The primary beneficiaries of the Program are the currently unemployed Jordanians and Syrian refugees who will become employed due to this intervention. Other direct beneficiaries of the Program are the factories working in the SEZs who will benefit from privileged investment conditions. Secondary beneficiaries include Jordanian-based businesses who gain from investment climate and trade reforms. For this reason, consultations were carried out with investors, buyers, government officials, NGOs, donor agencies, international partner institutions, and Jordanians and Syrians living in Jordan.

1) Initial Consultation meetings: A series of interviews with governmental and non-governmental stakeholders, the private sector, SEZ developers and JIC were held to consult on environmental and social management issues related to the SEZs, social and environmental standards, and tensions between Syrian refugees, host communities, and other migrant workers. Organizations and stakeholders met included:

- *Government Agencies:* MOPIC, Jordan Investment Commission, MOL, MoEnv.
- *Partners and Donors:* ILO, EU, UNHCR, UN Women, Swiss Cooperation, Better Work Jordan.

2) Field Visits: Visits to a representative sample to SEZs to establish the status and standard of environmental and social safeguard systems at local levels and interviews were conducted with technical staff in relevant institutions. SEZs visited included: Al-Hassan SEZ, Al-Dulayl Industrial Estate, Mauwaqqar Industrial Estate, and Irbid SEZ.

3) Focus Group Discussions: A select number of focus group discussions were conducted with both Jordanians and Syrians living and working in host communities.

4) Consultation Forum: A two day forum which convened over 50 representatives ranging from investors, buyers, government agencies and ministries, international partners such as ILO, Better Work Jordan, EU, UNHCR, regulatory agencies such as Jordanian Investment Commission, JGATE, Worker's Union met to discuss broad program design and feasibility issues. The Forum took place on April 12-13, 2016 in Amman, at the Sheraton Hotel.

Issues Discussed

The Forum provided an open debate on the following topics: (i) labor compliance issues, aspects that are working and its challenges; (ii) integration of Syrian refugees into the labor market, (iii) industry expansion and access to the EU market The below table summarizes the issues raised during the Forum:

Topic	Stakeholder Perspectives and Questions
Increased incentives to business	JGATE (representatives of investors) asked for more incentives in order to provide 2000 more jobs for Syrians once the infrastructure is ready.
Establishment of Satellite Units	MOL is supporting some directorates establish Satellite Sites with 3000 workers, 90% females, only Jordanians. Huge incentives given to those who want to establish such units and can be expanded
Employing Syrians	International company happy to see the Syrians are engaged but should be done in proper way and to learn from Turkey (BWJ went on mission to turkey).
Strengthening Business Owners and Labor Union Collaboration	Based on review of the labor agreements signed under the garment sector; labor agreement includes all (Jordanians and migrant) and stipulates establishing a joint council of labor union and business owners
Inspection Gaps	The Union representatives indicated that there are gaps in the inspection process and there is a need for a more coordinated effort. The Ministry of Health is solely responsible of inspection and the Ministry of Labor only inspects firms.
Job Numbers	Concerns over sufficient job creation for Jordanians; and about competition in labor market between Jordanians and Migrants
Preference Concerns	MOL representatives indicated that the small number of employed Syrian refugees won't affect the Jordanians taking into account that 75% of workers under the garment industry are Migrants. Additionally there are specific professions and industries that neither the Syrians not the migrant worker are able to work in.
Need for Training and Employment	MOL stressed importance of the focus on training and employing Jordanians in rural area so that the migrant workers will not affect the Jordanian labor force.
Capacity Building of Inspectors	The other gap is the lack of training and awareness of the newly hired inspectors (around 230).
Disclosure and Transparency of Compliance	Broad support from stakeholders for transparency measures and self-reporting of the factories.
	The union is willing to publish the violating firms through ads and negotiations with buyers as well as take legal actions against the violating firms.
Classification of Syrian Refugees	Government representatives and buyers would classify and 'treat' Syrians the same way as migrant workers, following the

The UNHCR has informally conducted focus groups with factories as well as Syrians refugees to identify the social risks or tensions that could arise from their pilot program, particularly when scaling up. Both were positive. The factories have the expertise dealing with many nationalities. The Syrian female women were positive and comfortable too and are willing to participate in this program.

The ESSA has reflected concerns raised by incorporating suggestions both within the text of the ESSA itself as well as in the more substantive recommendations and proposed actions. Detailed feedback from the consultation workshop is attached as annex 2 along with the list of participants.

Summary of Focus Group Discussions: April 7 – 16, 2016

Question: Could migrant workers be replaced by Jordanians and Syrians?

Responses:

- When asked if the migrant workers can be replaced with Jordanians and Syrians; the most common answer is that it is difficult to replace migrant workers given that they have substantial experience in specific industries. Jordanians may have the needed expertise but they hesitate to join as they perceive working in QIZs and industrial zones as an unhealthy environment in terms of rights, working conditions and wages that do not cover the cost of living.
- For factories, the Jordanians are more trusted than Syrians and other nationalities. Nevertheless, the Jordanian labors are abundant and are willing to work, out of the MIZ's experience. Regarding the Syrian labor force, it's difficult for the factories to replace the migrant workers with them due to the lack of expertise too. Difficult to replace the migrant workers in garment sector.
- Having training programs that cover the needs of factories would help create opportunities for both; Jordanians and Syrians.
- At the moment, it is difficult to hire more Jordanian and Syrian females as the industrial estate is more heavy industries centered.
- At the moment, there are 10 factories owned by Syrians who employ their citizens illegally. The Syrian managers, who work illegally, prefers to hire Syrians, also illegally, over Jordanians. Other factories are also hiring some Syrians illegally.
- There are social tensions and risks that arise due to the existence of Syrian labor and migrant workers. Regarding the integration of Syrians, the local community members are complaining and claiming that the Syrian laborers are a burden and are compromising the minimum rights in order to get the job opportunities. Additionally, the Syrian managers and supervisors treat Jordanians differently, in that there is overt discrimination. These tensions and risks could be mitigated by training and creating more jobs for Jordanians.

- Preference over Jordanian and Syrian workers due to concerns about the cultural differences between migrant workers and local communities that tend to be more conservative. Incidents have been reported of individuals of local communities and some Bengali female workers having had sexual relationships.
- Addressing the training component, there is a training center within the zone that covers all the specialties and needs of the factories. The center gives paid training and employs the participant at the partnering firms. This entity is governed by the ministry of labor and was established by the Jordanian Armed Forces and is called the National Training and Development Co. Additionally, there is a VTC branch in Sahab.

Informal Discussions and Interviews with Business Owners and Syrian Illegal Workers

a) Mamoon Kbous-Investor and Trader in Tea and Coffee

- 73 labors; 55 Jordanians, 17 Yemenis and 1 Syrian (illegal).
- The migrant workers are hard workers.
- The factory, and other factories as well, faces a shortage in skilled mechanics, electricians and production specialists. The management is willing to support training programs that match their need through recruiting trainers and providing facilities.
- The language barriers is the most challenging when it comes to migrant workers.
- The authorities cannot control the enforcement of the unified contract on all factories.
- The average wage for :
 - non-skilled 240 JDs
 - semi-skilled 350 JDs
 - Skilled 600 JDs
- The management is willing to support the Syrian employment program and changes the internal policies accordingly.
- They cannot hire females due to nature of production process.
- They are proving transportation from home to work and vice versa.
- Some businesses refused to hire Syrians illegally and could not afford the work permit fees (450JDs)
- Some Syrians registered under the UNHCR refugees scheme.
- They have never experienced nor heard of tensions between Jordanians and Syrians.
- If the program is launched, some Syrians may opt not to enroll for work permits as they are receiving aid from the NGOs; others are willing to participate.

b) Ayman Melhem/ Taybeh for Metal Industries

- 200 laborers (2 shifts), 40 Indians, 3 Syrians (illegal).
- They do not export due the higher price of their products compared to neighboring countries (higher electricity rates).

- The migrant labor cannot be replaced due to their specialty. The type of jobs that the Indians occupy are not the Jordanians and Syrians' preference.
- The management is willing to hire more Syrians in case the number of hired Syrians won't be deducted from the factory quota to recruit migrant workers.
- They have a clinic and one doctor.
- If a Jordanian and a Syrian applied for the same job with the same qualification and experience, they'd prefer Jordanians.
- They provide transportation to and from central stations
- They do in-house training.
- They run a dormitory, the OHS supervisor conducts regular checks

List of participants at Buyer's Forum, Amman, Jordan – April 12-13, 2016

Ministry of Labour, Deputy of General Secretary	Haitham Al Khasawneh
Head of the Directorate of migrants workers	Majed Al Jazi
Head of inspection department	Abdullah Al Jbour
Investment Department	Sami Al Khdeir
Inspection department	Rand Al Araj
Legal Department	Abed Al Jwad Al Natsheh
MOL	Eman Alrashdan
Head of Legal Department	Samer Al Qudah
Ministry of Industry, Trade and Supply, General Secretary	Yousef Al Shamali
Head of Industrial Development	Yasmine Al Khrysat
Head of Business Environmental Development of QIZ	Hassan Al-Nsour
U.S. Embassy, Deputy Chief of Mission	Henry T Wooster
Political Officer	Stephanie R. Sobek
Political Specialist	Rasha Akkash
Senior Economic Specialist	Shereen Al Vzaiz
International Relations Analyst, Division of Research and Policy	Afshar Ahoura
European Union of Jordan, Ambassador	Andrea Matteo Fontana
Attache' Trade and Private Sector Development	Maria Iarrera
Trade, Economic Affairs & Private Sector Development	
UNHCR, Representative of UNHCR Jordan	Andrew Harper
Work Permit Project Manager	Anna Gaunt
USAID , Director (Economic Development & Energy Office)	H. Russell Bauer
Project Management Specialist	Haneen S. Rasheed
Swiss Embassy, Regional Programme Manager - Middle East	Pascal Raess
Swiss Agency for Development and National Programme Officer	Aya Maraqa
Cooperation SDC	

BUYERS

Li & Fung	Senior Manager – Vendor Compliance & Sustainability Sorini, Samet & Associates LLC	Eylam Yilmaz Andrew J. Samet
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Hanes Brands Nike-Turkey Office	Senior Compliance Specialist Senior Sustainability Consultant at EMEA at Nike	Ahmad Abdallah Duygu Keles
New Balance Gap Inc.	EMEA Compliance Manager Manager – Monitoring and Remediation	Loay Tolba Sharmila Nithyanand
Sears Holdings Corporation Jones Apparel Group, Inc. H & M Ann Inc.	Assistant Compliance Manager Country Manager Regional Manager Manager, Corporate Social Responsibilities	Muhammed Muntakim Husain Micky Pulickal Serkan Tanka Cydney Stevens
EIS/ERBA Delta Galil Industries Ltd.	Quality Systems & Compliance Global Compliance Director/Century Wear Programme Manager	Hikmet Eksi Yildiz Leslie Shull
Better Work Jordan Team Leader Team Leader Enterprise Advisor/ Consultant Enterprise Advisor/ Consultant Administrative Assistant Enterprise Advisor/ Consultant Communications Consultant UNHCR International Labour Organization	Work Permit Project Manager Global Operation Manager Technical Officer CTA Senior Advisor	Tareq Abu Qaoud Ala'a Al Saifi Zainab Yang Adiba Afros Mahenaw Wara Ghada Al Janabi Muna Ali Elisa Oddone Anna Gaunt Conor Boyle Alix Nasri Igor Bosl Phil Fishman

Annex 3: Jordanian Labor Tables

Number of Employees by Sub-Industrial Sectors, 2015

Sector	HS Code	Total	Industrial	Handcraft
Textile and ready-made garment industries	50 - 63	55,556	50,748	4,808
Food, agricultural and animal stock industries	01 - 24, 41- 43	44,924	37,913	7,011
Engineering, electrical and information technology industries	99	42,237	29,691	12,546
Chemical industries and cosmetic preparations	28 - 29, 31 - 38	14,716	13,155	1,561
Packaging, paper, carton, and office equipment	48 - 49	13,731	10,996	2,725
Mining industries	25 - 27	10,630	10,489	141
Construction industry	981	16,935	9,254	7,681
Therapeutic industries and medical supplies	30, 90	8,586	8,429	157
Plastic and rubber industries	39 - 40	8,397	7,231	1,166
Wood and furniture industries	44 - 49, 94	9,973	4,108	5,865
Total		225,675	182,014	43,661

Labor-Capital Intensity by Sub-Industrial Sectors, 2015

Sub-Industrial Sectors (2015)	HS Code	Labor / Capital Ratio*	Number of Employees		
			Total	Industrial	Handcraft
Textile and ready-made garment industries	50 - 63	374.1	55,556	50,748	4,808
Food, agricultural and animal stock industries	01 - 24, 41- 43	63.5	44,924	37,913	7,011
Engineering, electrical and information technology industries	99	28.1	42,237	29,691	12,546
Chemical industries and cosmetic preparations	28 - 29, 31 - 38	20.8	14,716	13,155	1,561
Packaging, paper, carton, and office equipment	48 - 49	74.5	13,731	10,996	2,725
Mining industries	25 - 27	21.5	10,630	10,489	141

Construction industry	981	54.1	16,935	9,254	7,681
Therapeutic industries and medical supplies	30, 90	31.9	8,586	8,429	157
Plastic and rubber industries	39 – 40	73.3	8,397	7,231	1,166
Wood and furniture industries	44 - 49, 94	152.7	9,973	4,108	5,865
Total			225,675	182,014	43,661

*Ratio of total number of employees by sub-industrial sector to registered capital by sub-industrial sectors for 2015.

Annex 4: Typical Environmental Impacts of Industrial Zones and Mitigations: Operational Stage

1. Wastewater impacts from Combined Effluent Treatment Plant at the IZs

Source: sanitary and industrial wastewater

Potential impacts of industrial pollutants

Parameter	Impacts
pH	Growth inhibition of bacterial species (responsible for removing organic pollution) under highly acidic or alkaline conditions
	Corrosion of water-carrying system and structures with acidic wastewaters having low pH
	Malfunctioning and impairment of certain physicochemical treatment processes under highly acidic or alkaline conditions
Organic pollutants	Depletion of DO levels, of the receiving water body, below limits necessary to maintain aquatic life (4–5 mg/liter)
Suspended solids	Sedimentation at the bottom of water bodies leaving adverse impact on flora and fauna
	Localized depletion of DO in the bottom layers of water bodies
	Reduced light penetration in natural waters and consequent reduction in photosynthesis
	Aesthetic nuisance
Oil and grease	Reduced aeration in natural surface bodies, because of floating oil and grease film and consequent depletion in DO levels
	Reduced light penetration in natural waters and consequent reduction in photosynthesis
	Aesthetic nuisance

Typical mitigation measures

- Monitoring of pollutants levels in the domestic network,
- Monitoring of pollutants levels in the effluent of CEMP,
- Promoting using reclaimed wastewater in limited applications on site (for instance, watering landscape)

		BOD (mg/l)	COD (mg/l)	TSS (mg/l)	E-Coli (CFU/100ml)	
Jordanian Standards no. 893 (2006) for Reclaimed Domestic Wastewater.	Treated wastewater (TWW) allowed to drain to side wadis, water ways, and water bodies	60	150	60	1,000	
	TWW allowed to artificially recharge ground-water	15	50	50	<2.2	
	TWW for Irrigating:	Cooked vegetables, recreational areas, sidewalks inside cities (A)	30	100	50	100
		Fruit trees, sidewalks outside cities, green areas (B)	200	500	200	1,000
	Field crops, industrial crops, forestry (C)	300	500	300	-	

2. Solid and liquid waste from IZs:

General waste from IZs include: empty containers of lubricants and raw materials, metal scrape, discarded mechanical parts, and domestic solid waste. Any contaminated waste residuals are considered hazardous – according to the Jordanian Regulations for Hazardous Materials and Waste – thus entails the application of hazardous waste management practices.

Potential impacts. Nature of impacts depends on the type of industry. However, typical impacts would include the following:

- Soil/land contamination, which could enter the human body through crops and water, including animal products, and food,
- Health nuisance to people, which usually be of gaseous form (Volatile Organic Compounds in air), and results from bacterial activities on biodegradable organic materials. Health issues are mostly respiratory in nature, along with other irritating effects on eyes, nose and skin. Psychological effects are also expected due to the natural scene distortion.
- Groundwater contamination, which could occur due to leaching of hazardous chemicals.

Mitigation measures would include:

- Processing waste through local industrial waste management systems,
- Promoting Reducing, Re-using, and Recycling of solid waste,
- Conducting monitoring of solid waste according to its source, type, and generation rate,
- Dumping waste in pre-designated landfills, in close liaison with relevant municipalities,
- Seeking services of collecting and re-using lubricants and used oils by local vendors.

3. Air Pollution

Source: indoor (ambient) and outdoor air pollutions. Industrial activities can exert a wide range of air pollutants from using combustion machinery and vehicles for transportation. Emissions include fumes, solvents, volatile organic compounds, and particulate matters. Effects are detrimental to all physical and biological environments, as well as to the human health. Of particular concern are rising levels of the following pollutants within industrial working environments.

Parameter		Impact
Particulate Matter	E	Damage to plants by choking the leaf pores and restricting photosynthesis
		Global cooling of earth by reflecting back the solar radiation
		Impairment of atmospheric visibility, affecting transportation safety
		Deterioration of aesthetic quality of atmosphere, land, and water
		Soiling of materials, physical properties, and infrastructure
	HL	Increase in the frequency of respiratory infections such as bronchitis
Carbon Monoxide	HL	Heart attack by reducing the oxygen carrying capacity of blood
		Birth defects including mental retardation and impairment of fetus growth
		Dizziness, headache, and nausea
		Increase in reaction time of the drivers, a threat to road safety
Oxides of Sulfur	E	Chlorosis and plasmolysis in plants
		Damage to materials and property, by acid rains, resulting from oxidation of sulfur oxides to sulfuric acid, after reacting with water vapors
	HL	Serious lung damage, particularly in sulphate form
		Respiratory diseases such as chronic bronchitis
Oxides of	E	Formation of photochemical oxidants

Parameter		Impact
Nitrogen		Damage to materials and property, by acid rains, resulting from oxidation of oxides of nitrogen to nitric acid, after reacting with water vapors
		Retardation of growth in plants
	HL	Reduction in oxygen-carrying capacity of blood
		Impairment of olfactory sense and night vision
		Dryness and roughness of throat
Volatile Organic Compound		Formation of photochemical oxidants
Photo Chemical Oxidants	E	Leaf discoloration and cell collapse in plants
		Damage to rubber, textiles, paints, and other materials
Oxidants	HL	Severe eye, nose, and throat irritations
		Severe coughing and shortness of breath

Note: E = Environment; HL = Human health and life.

Mitigation Measures

- Process control of combustion chambers. The parameters to control are the uniform supply of fuel, control on air supply, and fine tuning of the combustion equipment and burners.
- Air emissions monitoring and reporting (both indoor and outdoor)
- Usage of personal protective equipment, especially in enclosed working environments.

4. Noise and vibration

Sources include: point and non-point sources of machinery operations and vehicular movements, respectively, indoor or outdoor, generated by motorized equipment in general.

Potential impacts: depend on the type of industry, though, excessive and prolonged exposure to noise could result in hearing impairment. Contact to vibration can result in various health issues including stress.

Mitigation measures

- Using personal protective equipment (hearing protection) and suitable gloves and clothing to protect against vibration,
- Considering isolation materials and structures,
- Applying corrective and preventive measures, including greasing of noise producing devices, enclosure, and plantation at the boundaries.
- Providing health care to workers,
- Monitoring noise and vibration levels periodically and safeguard against allowable limits.

5. Occupational Safety and Health (OSH)

Aerosols around manufacturing lines and mixing plants. Aerosols refer to suspension of tiny particles or droplets in the air, such as dusts, mists, or fumes. These particles may be inhaled or absorbed by the skin and can sometimes cause adverse health effects for workers.

Impacts. Health impacts of aerosol consist of both short-term acute symptoms such as asthma, bronchitis and so on, and long-term chronic irritation and inflammation of the respiratory track, development of lung cancer, and overall quality of life.

Mitigations measures may include:

- Using suitable personal protective equipment to protect skin, eyes, and respiratory system,
- Maintaining a barrier where necessary, to reduce dispersion of the air pollutants.
- Monitoring gaseous levels and providing medical checks.

Annex 5: Jordanian Environmental Assessment Laws and Regulations

The current environmental and social legal system of Jordan supports environmental and social assessments of projects under the mandatory requirement of conducting the ESSA of the proposed compact. This Annex support the Core Principles Environmental and Social Risk Matrix in Section 5.

In accordance with Article (23) of the Jordanian Environmental Law # 52 FY 2006, and the EIA Regulation number (37) for 2005 – Regulation on Environmental Impact Assessment. The Regulation provides direction for conducting environmental impact assessments for all types of projects including the main issues to be covered by an EIA, reporting procedures, and the approval process. “Every institution, company, plant or any party that, after the enforcement of the provisions of this law, exercising an activity which has a negative impact on the environment, shall be obliged to prepare a study of the environmental impact assessment for its projects, and refer same to the Ministry in order to make the necessary resolution in this effect”.

In Jordan, environmental approval for projects is provided by the Ministry of Environment’s EIA Regulation no. 37/2005 which categorizes projects according to impact as follows: Category —CI projects are subject to EIA, with social safeguards embedded in the EIA. The screening and review procedures must be carried out before sub-projects are financed in order to prevent funding of economic activities with negative impacts on human development and the environment. Jordanian policies are modeled after the World Bank operational guidelines and polices. Operational Policies (OP) and Bank Procedures (BP), are designed to protect the environment and populations from potential negative impacts of projects, plans, programs and policies.

The Ministry of Environment under the obligation of providing an opinion on the EIA within 14 days of receiving the EIA; Category—CII projects require an initial environmental assessment and are subject to standard mitigation procedures while Category III projects require no environmental analysis. After screening and approval of the impact assessment by the Ministry of Environment, the sub-project is cleared for financing under the Facility.

Mitigation actions would be specified as an Annex to the impact assessment, which would include: impact; mitigation; party responsible for mitigation; monitoring indicator; indicator; timing; cost. Independent annual supervision may monitor indicators such as waste management, verify if mitigation actions are being taken and indicators monitored, and cumulative impacts.

The Environmental Law is thus a fairly comprehensive legislation which provides a legislative Frame work, however, the capability of regulatory institutions for environmental and social monitoring is considered to be moderate to low which results in low integration of environmental and social assessment during implementation of projects.

The ESIA provides that, at the national level, an annual evaluation is made to assess the cumulative impacts that were considered negligible at the level of individual projects, and to modify mitigation measures if needed accordingly. The EIA would provide guidance on the needed training to execution stakeholders to allow examining environmental conditions preceding the activities. This methodology is almost universal and is commonly reproduced in similar forms in the countries concerned. In Jordan, for example, the national EIA Regulation defines a list of projects that must do a comprehensive Environmental and Social Impact Assessment (ESIA) in addition through the Screening processes unlisted projects could be asked to conduct an ESIA if they prove to have significant negative environmental impacts. In addition, the national Jordanian regulations divide the projects into three categories that correspond roughly to the three categories of the World Bank.

An Environmental and Social Management Plan (ESMP) would be developed to comply with the Environmental and Social Policies of the bank in order to identify, minimize, avoid, screen out, mitigate and monitor potential social and environmental impacts in compliance with WB Policies, and the Jordanian applicable environmental laws and regulations. The ESMP will be applied by the Ministry of Environment (MOE) in the supervision of project activities to be financed by the compact.

The ESMP will consist broadly of: (i) a screening mechanism to determine the environmental category of the sub-project; and (ii) impact assessment and mitigation. For its application to Jordan, assessment and mitigation measures would be done according to the Jordanian environment law.

For subprojects with negative impacts, in most cases, the preparation and implementation of subproject-specific Environmental and Social Management Plans (ESMPs) would be sufficient. If an emerging subproject is categorized according to Jordan's EIA regulation no. 37/2005—as C I or C II then an environmental action plan would be required but if categorized as C III, no environmental action would be required.

Core Principle 1: Environmental and Social Management Procedures and Processes

1.2. Incorporate recognized elements of environmental and social assessment good practice, including the following:

1.2a Early screening of potential effects

Projects are screened to determine the extent to which the projects require environmental and social assessment (ESSA), and the extent to which they require mitigation, and management plans and the extent to which they comply with the WB environmental and social operational plans and safeguards as well as the applicable national social and environmental Laws.

Environmental and Social Assessment:

The guidelines for preparation and review of the EIA report specify the scoping of important issues at an early stage.

For greater efficiency, the implementation of an ESIA in Jordan is usually integrated with the process of the (EIA), which is supposed to ensure that the project activities have no significant negative or long-term social or environmental impacts. By following the methodology of the ESIA the executing entities ensure that they avoid, reduce or mitigate the negative impacts to an acceptable level. As part of the EIA a "negative list" excludes certain activities such as: those universally excluded by donors (weapons, illegal activities, Casinos, etc...), in addition to those affecting natural habitats, forests, endangered species, forced relocation of populations, dams, watercourses, and activities in the disputed areas.

The EIA is based on a two-step approach:

- Make an environmental ("screening") to determine the environmental category of the activity to be financed;
- Implement the appropriate procedure relative to the determined category. This is could be described in three categories and three modes of operation:
 - Important impact (Category "A" according to the WB and the ADB) or excluded activity under the negative list: project is excluded;
 - Average impact (Category "B" according to the WB and the ADB) ESMP is completed and the tender documents signed in accordance with the Jordanian regulations;
 - Negligible or absent impact (Category "C" according to the WB): no impact assessment is required.

For the projects being proposed the implementing entity being MOPIC will have to ensure that the environmental and social assessment identifies any environmental or social risks, including any potential risks associated with the WB's environmental and social principles set forth above. The assessment (i) considered all potential direct, indirect, trans-boundary, and cumulative impacts and risks that could result from the proposed project(s); (ii) assessed alternatives to the project(s) including the No-Go option; and (iii) assessed possible measures to avoid, minimize, or mitigate environmental and social risks of the proposed project(s). These environmental and social assessments have been completed before the project proposal submission to the World Bank.

Impact minimization and mitigation measures would therefore be prepared by the sub projects execution entities. In most cases, the negative environmental impacts that may be generated by the subprojects would be easily mitigated by complying with national laws and through the implementation of the ESMP, which includes a screening mechanism against common social and environmental impacts such as the potential loss of income or habitat, impact on native people, marginalized groups, relocation or resettlement potential, generation of waste, wastewater, dust, noise, disturbance to traffic, potential injury to personnel, negative impacts on flora and Fauna, habitat endangering, negative impacts on archaeological sites, and land degradation, according to applicable WB and national safeguards.

Summary of Jordanian Environmental Impact Assessment Procedures

Jordanian EIA Procedures and Steps	
Stage	Activity
Initial Filing and Screening	<ul style="list-style-type: none"> • The Project Proponent completes a Project Information Form (PIF) for the intended project and submits it to the Ministry of Environment for screening; • An Inter-ministerial Central Licensing Committee reviews the PIF, and after conducting site surveys determines if the project is classified as: <ul style="list-style-type: none"> • A Category I project; for which a full EIA/EMP report is required • A Category II project, for which an initial EIA/EMP is required • Category III for which no environment analysis is required • The decision is publicly displayed for 2 weeks.
Scoping	<ul style="list-style-type: none"> • The Ministry issues legally binding guidance on the Scope of the Assessment • Proponent prepares a TOR for the EIA/EMP, after a mandatory public consultation. • An Inter-Ministerial Technical Review Committee (TRC) reviews and approves the TOR.

1.2b Consideration of strategic, technical, and site alternatives (including the ‘no action’ alternative)

The guidelines for preparation and review of environmental and social reports under the National Environmental Law and EIA Regulation mandates the analysis of different alternatives including the ‘no go’ option.

Executing Entities will be required to submit detailed quarterly reports that include risk forecasting to the PMU at MOPIC that are built up from anticipated project activities.

In an effort to strengthen risk screening, and to ensure that no unintended negative impacts are caused or not mitigated, all sub-projects team leaders will be trained and required to submit a basic environmental and social risk table with their forecasts. These tables will need to be submitted to the MOPIC PMU as part of the forecast approval process. In the lead up to project inception, the National Implementing Entity (NIZ) being here MOPIC will modify the ESMP table for this purpose. All risks will be included, but the table will be elaborated upon to create a set of clear and easy to understand activities that will need to be cross checked.

This risk screening process will ensure compliance with the core principles of the WB and National legislation. Project activities that pose social or environmental risks that are not easily mitigated will not be approved until they have completed the ESIA mitigation measures and approvals process.

There is often a high degree of reluctance to critically evaluate alternatives from an environmental and social point of view or to carry out any significant modifications to project location or design however the EIA regulation ensures that project proponents do that where site and activities alternatives are required to be assessed before finalizing site selection

1.2c Explicit assessment of potential induced, cumulative, and transboundary impacts

Environmental and Social Assessment The guidelines for the preparation and review of environmental reports include the assessment of environment, social, health, economic, and fiscal impacts. Similarly, the sectoral guidelines for IZs issued by the EPA also specify the mitigation of environmental and social impacts, including compliance with the National Environmental Quality Standards (NEQS) and addressing social inequities. Procedures for assessment of environment and social impacts are in place for development projects, however, actual implementation usually needs closer monitoring. Recommendations are provided in the reports but their actual thorough implementation is limited to projects financed by multilateral and bilateral institutions only.

Most IZEs/EIAs are conducted for site-specific spot analyses. Determination of cumulative environmental impacts is not covered by the scope of IZE/EIA. Data on ambient conditions such as status of air pollution and pollution levels of receiving water bodies are collected by the pertinent responsible entity and field measurements are conducted as part of the ESIA, and impacts are determined for immediate surroundings. However, occurrence of cumulative impacts using air and water pollution dispersion modeling is conducted through modeling and determined under projects that normally require a detailed ESIA. Cumulative impacts determination is important for IZs.

1.2d Identification of measures to mitigate adverse environmental or social impacts that cannot be otherwise avoided or minimized

The Environmental and Social Management Plan For projects which may have the potential to cause environmental or social harm (i.e. all an environmental and social assessment that identifies any environmental or social risks, including any potential risks associated with the WB's core environmental and social principles. The assessment must be accompanied by an environmental and social monitoring and management plan (ESMP) that identifies those measures necessary to avoid, minimize, or mitigate the potential environmental and social risks. These ESMPs also identify the responsible executing entity. A commitment by the MOPIC PMU as implementing entity to oversee and ensure that executing entities implement the management plan will be reflected in the monitoring and reporting plan for these projects.

The ESSAs should have (i) considered all potential direct, indirect, trans-boundary, and cumulative impacts and risks that could result from the proposed project; (ii) assessed alternatives to the project; and (iii) assess possible measures to avoid, minimize, or mitigate environmental and social risks of the proposed project

Responsibilities for ESMP implementation:

NIZ – lead capacity building for risk screening and identification.

EE - Executing Entities and partners.

Ministry of Environment – Participates in and develop competencies to give effect to risk screening and mitigation measures implementation

1.2e Clear articulation of institutional responsibilities and resources to support implementation of plans

Institutional responsibilities and resources for preparation, implementation monitoring, and inspection are clearly spelled out by the EIA regulation no 37/2005, The mandate for monitoring implementation of IZE/EIAs lies with Ministry of Environment. The mandates for land acquisition are with the Ministry of Municipal and Rural Affairs and the lands Directorate . The mandate for implementation of labor laws is delegated to the Ministry of Labor.

MOPIC, however will have the responsibility to ensure compliance with the provisions of this Environmental and Social Assessment (ESSA). It will manage this by coordinating with the relevant parties of the GOJ to ensure timely delivery of relevant materials and reports to the WB and ensuring that activities are screened and that implementing entities provide relevant baseline training at project inception, and during implementation and by ensuring that all project monitoring, evaluation, reporting, gender, stakeholder integration and governance processes are able to detect such risks in a timely manner so that they are managed accordingly.

Summary of responsibilities of some relevant regulatory authorities

Authority	Responsibility
Ministry of Environment	<p>Ministry of Environment (MoEnv) was established in 2003 to replace administratively the General Corporation for Environment Protection. MoEnv has an authority to prepare the environmental by-laws, regulations, directives and guidelines. MoEnv in coordination with other concerned authorities establishes a policy for environmental protection and elucidates the strategy for its implementation.</p> <p>MoEnv has issued EIA by-law (No. 37, 2005) which includes the procedures for conducting EIA in Jordan and also gives MoEnv the responsibility to provide/review/approve terms of reference and review EIA study reports. Article 13 of the Environmental Protection Law for</p>

	<p>2006, empowers the Ministry of Environment to ask any new establishment that has potential impacts on environment to prepare an EIA study.</p> <p>The EIA Directorate in the Ministry is responsible for licensing of the projects. The projects are referred to the EIA Directorate, and submitted to a Central Licensing Committee that consists of representatives of the relevant governmental authorities such as Ministries of Environment, Health, Water and Agriculture. An approval from the committee is required for licensing, which may have conditions attached to it, before the relevant authorities can grant permission.</p> <p>Permitting prior to operation (EIA report is required). Inspection during operation.</p>
Ministry of Labor	<p>Permitting prior to operation (after the occupational health and safety measures are considered). Inspection during operation.</p>
Ministry of Health	<p>The Ministry is represented by Health Directorates in the governorates, which have the responsibility to follow up health matters in industries as well as among the public.</p> <p>The Environmental Health Directorate has also the responsibility to check on the compliance of all industries with the health protection requirements. Disease Prevention and Safety Directorate, Occupational Health Division conduct periodical inspection programs on all industries in Jordan.</p> <p>Inspection during operation.</p>
Water Authority	<p>According to the Water Authority Law No. 18, 1988, WAJ is responsible for water distribution network in the Kingdom and supplying projects with the required quantity of water needed. Additionally, WAJ is responsible for monitoring water quality (surface and ground water and industrial discharges).</p> <p>Permitting prior to construction (identification of intersection with water piping distribution system). Supplying water needs for the project.</p>
Department of Antiquities	<p>The Law of Antiquities (No. 21, 1988) calls for immediate reporting of any found remains. The Department then has the right to assess the significance of any discovered remains/antiquities and puts its recommendations accordingly.</p> <p>Permitting in case of existence of Archaeological remains (EIA report would be needed).</p>
Ministry of Energy and Mineral Resources	<p>Permitting of the exploration and mining activities. Supplying electricity needs for the project.</p>
Natural Resources Authority	<p>Natural Resources Authority (NRA) was established in 1965 under Law No. 12 of Regulating of the Natural Resources, which belongs administratively to the Ministry of Energy and Mineral Resources. The major responsibility of NRA is to issue the permits and licenses for</p>

	prospecting explorations, mining and quarrying and mineral rights certificates.
Civil Defense	Civil Defense Directorate grants approval on safety measures for industries and projects including emergency plan, occupational health and safety plans, and storage and handling of hazardous materials. The Directorate issues its final approval after an inspection visit has taken place to the project facilities to ensure conformity with the set requirements. Approval for construction plans. Permitting prior to operation.
Ministry of Housing and Public Works	Permitting prior to construction.
Ministry of Industry and Trade	Permitting prior to construction.
Public Security Directorate	Permitting prior to construction.
Department of Land and Survey	Permitting prior to construction.

1.2f Responsiveness and accountability through stakeholder consultation, timely dissemination of program information, and through responsive grievance redress measures

Public consultation with relevant stakeholders, local authorities, representatives of refugee and local host communities and organizations directly affected by projects such as local municipalities is required as per the WB's (Guidelines for Public Consultation). Grievance, Redress Mechanisms (GRMs) are normally absent at program and policy level, where the only recourse available is through the Diwan al Mazalem (**or Bureau of Injustice**) or courts.

Although the timing and techniques for consultations are clearly stated in the guidelines, generally public consultation is carried out at two stages—during the socioeconomic and inventory surveys at the baseline data collection stage of the EIA and at the public hearing for the scoping session of EIA reports. GRMs need to be established at the institutional and program levels.

Public Disclosure and Consultation is a powerful tool to ensure the involvement of potentially affected groups and national capacities in the decision-making process with regard to the environmental and social aspects of their concern. Such consultation will positively limit accidental or on purpose ignorance of environmental and social concerns relevant to the effect of the proposed development. Also it is considered as an important tool for informing and educating the public in order to enhance their understanding and appreciation to the following:

- The need and nature of the proposed development;
- The need to protect and properly manage our environment;

- The potential impacts of the project on the environmental, socio-economical and archaeological settings; and
- The public role in protecting their local environment

MOPIC

MOPIC as implementing entity and WB have identified stakeholders and involved them at early stages of project design in feedback needed for planning project activities supported by the Compact. The resultant ESSA and its relevant screening and management plans were made available for public feedback in a timely, effective, inclusive manner, and were held free of coercion and in an appropriate way for communities that are directly affected by the proposed project. The WB will ensure that the ESSA will be publicly disclosed by MOPIC and that the final environmental and social assessment through the WB's website as soon as it is received. The implementing entity is responsible for disclosing the final environmental and social assessment to project-affected people and other stakeholders. Project/program performance reports including the status on implementation of environmental and social measures shall be publicly disclosed. Any significant proposed changes in the project/program during implementation shall be made available for effective and timely public consultation with directly affected communities.

Governance and Oversight

The EEs will report any unintended social and environmental risks that are detected through the project monitoring, evaluation and reporting processes to the NIZ via the Project Steering Committee (PSC), together with a proposed risk management plan that shows how these risks will be mitigated. In response to this, the NIZ and PSC may propose the redirection of project funds to risk management activities, or the withholding of the next tranche of payment until satisfactory risk management actions are determined and agreed.

Grievance Procedures

MOPIC PMU will need to have a process that is clear and transparent for receiving grievance and redress, with a clear process of how they will receive and handle complaints. The process should include a clear way of informing the public where to send their concerns (how they advertise this-i.e. website, newspaper, application form, banners, etc.), how long it will take the PMU to respond (in a timely manner) and how they plan on responding to complaints (i.e. face-to face, meetings, etc.).

During project inception workshops and the compact launch workshops, stakeholders will be informed that any concerns relating to the design or management of the project, including social and environmental risks, should be raised with the EE. Where these are not adequately addressed, these may be escalated to the project PSC and if necessary the NIZ Steering Committee. The implementing entities shall identify a grievance mechanism that provides people affected by projects that are supported by the Fund with an accessible, transparent, fair and effective process for receiving and addressing their complaints about environmental or social harms caused by any such project.

This grievance mechanism will be project-specific and guided by a pre-existing national one under the Diwan Al Mazalem (or Bureau of Injustice) at Tel +9626-5802630 care of Mohammad Daoud Sleiman Str, Bldg #15 (behind Macca Mall), Amman, Jordan.

The project secretariat will respond promptly to all such complaints. Where appropriate, the secretariat will refer complainants to a grievance mechanism identified by the implementing entity as the primary place for addressing complaints.

Core Principle 2: Natural Habitats and Physical Cultural Resources

The protection of biodiversity and natural habitat is covered through the **National Biodiversity Strategy and Action Plan 2015-2020** is one of the key obligations for parties that have ratified the Convention of Biodiversity is to prepare a national strategy. The Jordanian Biodiversity Strategy is a response to this obligation and has been developed as a guide to the implementation of the Biodiversity Convention in Jordan. All of the strategic directions contained in the Strategy are relevant from a national perspective, but some elements of the Strategy may not be relevant in some areas of the country or for some sectoral agencies. It recognizes existing constitutional and legislative responsibilities for biodiversity in Jordan. It also emphasizes the importance of inter-ministerial co-operation to create the policy, management and research conditions necessary to advance ecological management. Regional and sectoral agencies, in cooperation with stakeholders and members of the public, will pursue implementation of the directions contained in the Strategy according to their policies, plans, priorities and fiscal capabilities. In its Fifth National Report on the Implementation of the Convention on Biological Diversity FY 2014, Jordan's National Biodiversity Committee reported the status of biodiversity in Jordan as remaining unsatisfactory and facing numerous challenges and constraints.

Terrestrial ecology & antiquities: Terrestrial ecological resources are afforded protection under the Agriculture Law (1973) and the Hunting and Protection of Wild Animals and Birds regulations No 113 (1973). Agriculture Laws No. 20 and No. 113 (1973) contain chapters on plant and forestry protection, registration of crops and pesticides, orchard and nursery regulations, fertilizer use, soil conservation, and range-land administration. Under Article 9 of the Law of Antiquities, it is unlawful to destroy, disfigure, or cause any harm to antiquities, including causing changes in features, disconnecting any part thereof, altering it, sticking advertisements or attaching any plates to them.

The protection of natural habitats and sensitive biodiversity areas is covered under the EIA regulation's guidelines which are in line with the national regulation for Protection of Birds and Wildlife and Rules Governing their Hunting (Regulation No. 113, 1973).

Habitat Protection Laws

The Interim Agricultural Law No. 44 of the year 2002 gives the Ministry of Agriculture the mandate to protect, conserve and manage the wildlife in Jordan from manmade hazards. Articles 27 to 42 of this Law outline the conditions regarding forestry and grazing land. Article 28 states that it is prohibited to designate or sell or exchange of forests or grazing land to any person or authority regardless of the reasoning behind it, and even of other legislations allows it.

In addition, the Environment Protection Law No. (1) of 2003, gives the MOE the mandate to protect all environmental elements including wildlife (flora and fauna), to issue by-laws, etc. as seen necessary in coordination with concerned parties.

Two national strategies on biodiversity have been already prepared in Jordan (1998 and 2002). However, a legal framework for wildlife protection from development projects does not exist.

Environmental Legislation of relevance to Maritime Environment

Laws: Environment Law no 1 of 2003 and Agriculture Law no 20 of 1973

Regulations (Bylaws): Ship bylaw no 1 of 1961 and its amendments and Quarantine in Aqaba Port bylaw no 32 of 1973

Jordan is also a signatory to the best international agreement/practices and protocols as per the table below:

INTERNATIONAL ENVIRONMENTAL AGREEMENTS

Title	Signature Date
International Plant Protection Convention	24/4/70
Protocol to amend the convention on wetlands of international importance especially as waterfowl habitat (RAMSAR)	15/3/84
Convention concerning the protection of the world culture on natural heritage.	5/5/75
Convention on International Trade in Endangered Species (CITES)	8/1/81
Convention on Biological Diversity	11/6/96
Convention on Combating Desertification	1996
Kyoto Protocol on Climate Change	2003

Core Principle 3: Public and Worker Safety Against Potential Risks

The above issues are addressed in the EMP, which is an essential part of an IZE/EIA where it covers safe design, construction, and O&M for a given project, including infrastructure, layout, land acquisition, community safety, and so on. Independent assessments for each SEZ are required for each IZ or SEZ. Industry- and building-specific IZEs/EIAs cover community, individual, and worker safety in detail at each stage of project implementation. That being said, implementation of the EMPs for individual industry units and buildings in a given SEZ is generally limited after the EIA is approved i.e. weaker at post construction phase (during

operation and decommissioning stages). Several laws and regulations including but not less than those listed below address these issues to ensure these elements are taken care of:

The Public Health Interim Law No. 54 FY 2002 contains a number of articles related to drinking water, sewerage and repugnant sites. It gives the Ministry of Health (MOH) the responsibility for:

- Testing drinking water provided by Water Authority of Jordan (WAJ) or private sector to ensure its compliance with the national standard JS No. 286/2002 for drinking water. In the case of failure to comply with the standard, the MOH has the authority to stop the distribution or sale of water. The MOH has the right to delegate the testing responsibility to other Governmental bodies, but the MOH will still be responsible for the final output of these tests.

Furthermore, Article 49 of this law considers the release of dust and the dumping or throwing of wastes, whether solid, liquid, and other on the streets or public land as a nuisance and must be controlled and removed in the case of waste.

The Public Health Act (1971) also serves as the basis for the regulation of wastewater discharges and water quality in Jordan. Pursuant to the Public Health Act, standards for the discharge of wastewater have been established. These are discussed in Section 3.2. Article 4 of the Control of Spoiled Sites Regulations (1978) reiterates some of the above Public Health Act provisions and further establishes the right of the president of the municipality, based on the health inspector's recommendation, to take such actions as may be deemed appropriate against the violator. The Town and Country Regulations Act (1966) allows Local or Regional Councils to take action against the operator of any wastewater system that is found to be a nuisance and order that the nuisance be corrected within a specified period of time.

Air quality, noise & waste management: Air quality is regulated under the Public Health Act (1971), The Control of Spoiled Sites Regulations (1978) and The Traffic and Transportation Law (1984). Noise is regulated under the Town and Country Planning Act (1966), the Control of Spoiled Sites Regulations (1978), the Local Authorities Act (1955), the Monitoring and Organization of Public Markets Regulations (1961), the Traffic and Transportation Act (1984), the Public Health Act (1971), and the Environment Law. Solid waste management is regulated under several statutes, including the Public Health Law, Control of Spoiled Sites Regulations, the Town and Country Planning Act, and the Environment Law.

Labor & Safety: The construction and operation of the wastewater treatment plants will be affected by Labor Law No. 8 for 1996 including all of its subsequent amendments. Article (12) of Chapter 3 of the Labor Law pertains to nationalities and work permits. Articles under Chapters 4 and 7 relate to contracts and wages. Articles under Chapter 8 specify, among other things, working hours, leave and juvenile employment. Articles under Chapter 9 (titled "**Safety and Occupational Health**") cover the obligations of the employer to provide a safe working environment for his workers, increased risks on the job and for the public, precautions and measures to be followed in the workplace, and protective and therapeutic medical care. Articles under Chapter 10 (titled "**Work Injuries and Occupational Diseases**") provide for issues

related to work injuries and occupational diseases for those employees who are not covered under the provisions of the Social Security Law of Jordan.

The Jordan National Building Council also establish design principles and minimum requirements needed to ensure public safety of structures, provide sound and efficient electro-mechanical services and to safeguard against earthquake risks.

Environmental Legislation of relevance to Pesticides and Fertilizers

Jordan has laws and regulations that control use of pesticides, herbicides and fertilizers all of which aim at safe use and control of the potential excessive use of these chemicals.

Laws: Interim Agricultural Law no 44 of 2002 and its amendments

Standards and Specification:

- 1- Jordanian Specification JS 917/1992; Pesticides-Sulphur dusting powder
- 2- Jordanian Specification JS 962/1993; Fertilizers - Organic fertilizer
- 3- Jordanian Specification JS 778/1991; Fertilizer - Solid compound chemical fertilizer
- 4- Jordanian Specification JS 769/1991; Pesticides - Winter agriculture spraying oils
- 5- Jordanian Specification JS 767/1991; Pesticides - Summer agriculture spraying oils
- 6- Jordanian Specification JS 527/1987; Aerosol
- 7- Jordanian Specification JS 336/1984; Fertilizers - Potassium nitrate fertilizer
- 8- Jordanian Specification JS 334/1983; Fertilizers - Basic slag (iron Slag) fertilizer
- 9- Jordanian Specification JS 332/1983; Fertilizers - Calcium nitrate fertilizer
- 10- Jordanian Specification JS 249/1982; Ammonium Sulphate Fertilizer
- 11- Jordanian Specification JS 290/1982; Diamonium Phosphate Fertilizer
- 12- Jordanian Specification JS 39/1977; Fertilizers- Normal super phosphate fertilizer
- 13- Jordanian Specification JS 344/1984; Triple super phosphate fertilizer
- 14- Jordanian Specification JS 339/1984; Fertilizers - Determination of the water soluble magnesium content
- 15- Jordanian Specification JS 337/1983; Fertilizers - Determination of the water soluble potassium content in the potassium fertilizers
- 16- Jordanian Specification JS 338/1983; Fertilizers - Determination of chlorides in the absence of organic material
- 17- Jordanian Specification JS 330/1983; Calcium Ammonium nitrate fertilizer
- 18- Jordanian Specification JS 484/1986; labeling information on pesticides' container

19-Jordanian Specification JS 432/1985; Methods of sampling for fresh fruits and vegetables intended for analysis of pesticide residue

20- Jordanian Specification JS 328/1983; Ammonium nitrate fertilizer

As for the **management and handling of hazardous waste** this is under Regulations No. (24) of 2005 Management, Transportation and Handling of Harmful and Hazardous Substances Regulations Issued by Virtue of Sub-paragraph 7 of Paragraph A of Article 23 of the Environmental Protection Law No. (1) of 2003.

This regulation instructs the proponent of a project to adopt good production practices, management, storage, transport, and disposal of hazardous materials generated through program construction or operations and provide training for workers involved in the production, procurement, storage, transport, use, and disposal of hazardous chemicals in accordance with international guidelines and conventions. The rules instruct for the adoption of good management practices (production, management, storage, transport, and disposal) of hazardous materials generated through program construction or operations and provide training for workers involved in the production, procurement, storage, transport, use, and disposal of hazardous chemicals in accordance with international guidelines and conventions and ensures proper labeling. In this regard, the Department of Civil Defense works closely with the Ministry of Environment to ensure enforcement and Implementation is adequate as the regulation is modeled after EPA HazMat regulations.

