



### Project Summary Information

Date of Document Preparation: February 17, 2023	
<b>Project Name</b>	Additional Financing for Inclusive, Transparent and Climate Responsive Investments Program
<b>Project Number</b>	P000746
<b>AIIB member</b>	Hashemite Kingdom of Jordan
<b>Sector/Subsector</b>	CRF-Economic Resilience
<b>Status of Financing</b>	Under preparation
<b>Project Description</b>	<p>The original Program of USD250 million, co-financed with the World Bank, was approved by AIIB's Board of Directors on August 26, 2021, and became effective on November 15, 2021, with an objective to improve accountability to foster climate responsive investments and growth during and after the COVID-19 pandemic. The Program implementation has been satisfactory, and significant progress has been made towards the achievement of the Program's outcomes and disbursements-linked results. Aligned with achieved results, the disbursement rate has reached 49 percent (including 20 percent advance), ahead of schedule.</p> <p>In October 2022, the Government of Jordan approached AIIB to request for USD200 million from the Bank to scale up the operation and the restructuring of the operation "in light of the recent institutional developments that included key implementing agencies". In parallel, the Government requested for USD 400 million from World Bank, the lead co-financier of the original Program. Following the discussion with World Bank, the total additional financing of USD 450 million is being planned to accommodate the Government's financing requests, of which World bank plans to proceed with USD 300 million and AIIB considers to co-finance USD150 million, in the same proportion as before.</p> <p>In June 2022, the Government adopted an economic modernization strategy (Economic Modernization Vision 2033), which aims at accelerating Jordan's growth rate, creating over one million jobs, enhancing living conditions by increasing per capita income, improving competitiveness, and strengthening environmental sustainability. The proposed Additional Financing is highly aligned with the Government's strategy and will call for a significant increase in both public and private investment, especially in green and climate friendly areas, making the economy more resilient.</p>
<b>Objective</b>	To further improve accountability to foster climate responsive investments and growth during and after the COVID-19 pandemic.
<b>Expected Results</b>	Proposed changes include refinements to the original Program in the following aspects. First, it is proposed that the Program's objective should refer to the newly issued Economic Modernization Vision 2033, which is the overarching

	<p>economic strategy for the next ten years and to which government initiatives and programs are expected to align. Second, to reflect the lessons learned and progress made during the implementation of the original Program, relevant disbursement-linked indicators will be improved and scaled up across the result framework.</p> <p>Within the three Results Areas (RAs) supported by the original Program, following revisions will be made:</p> <p>In RA1, revisions aim to strengthen support for increasing public investment, as called for by the Economic Modernization Vision 2033, with a greater focus on public private partnerships and climate responsive investment.</p> <p>In RA2, revisions aim to adjust to policy shifts in investment promotion and incentives and those related to business registration and licensing, and to scale up support to investment in tourism and to green private sector investment in alignment with the Government's climate agenda.</p> <p>In RA3, revisions aim to 1) support further the Government's ambitions regarding improvements to service delivery; 2) accompany the transition of the Department of Statistics into a National Data center targeted by the Economic Modernization Vision 2033; 3) operationalize the e-participation policy for public consultation in decision making processes; and 4) the climate finance governance system.</p> <p>The proposed Additional Financing is aligned with the Bank's thematic priorities in terms of green infrastructure. The refined RAs will strengthen support for increasing public and private investments, promoting job creation and climate responsive investment. This will help Jordan achieve its increased greenhouse gas emission reduction target from 14% to 31% as stated in the updated Nationally Determined Contribution (NDC) under the Paris Agreement.</p>
<b>Environmental and Social Category</b>	World Bank's Category Substantial Risk (similar to Category B if AIIB's ESP were applicable).
<b>Environmental and Social Information</b>	<p>This Additional Financing will be co-financed with the World Bank as lead co-financier, and its environmental and social (ES) risks and impacts have been assessed in accordance with the World Bank's Policy on Program for Results (PforR Policy).</p> <p>To provide for a harmonized approach to addressing the ES risks and impacts of the Program, and as permitted under AIIB's Environmental and Social Policy (ESP), the World Bank's PforR Policy has been applied to the original Program and will also be applicable to this Additional Financing operation in lieu of AIIB's ESP. The World Bank has categorized the ES risks of the original Program as Substantial (which is similar to Category B if AIIB's ESP were applicable) and the ES risk ratings of the original Program and the Additional Financing are expected to be maintained as Substantial. As required under the World Bank's PforR Policy, the Program excludes activities that are likely to have significant</p>

	<p>adverse ES impacts that are sensitive, irreversible, or unprecedented (similar to Category A if AIIB's ESP were applicable).</p> <p>An Environmental and Social Systems Assessment (ESSA), which involves assessing the country's systems for managing ES risks and impacts of the PforR, has been conducted by the World Bank in accordance with its PforR Policy for the original Program, and remains pertinent to the Additional Financing. The ESSA is complemented by a Program Action Plan (PAP) at the operational level. The ESSA has been disclosed on the World Bank's website in <a href="#">English</a> and an <a href="#">Arabic</a> translation of the ESSA's Executive Summary has been also disclosed. AIIB has also disclosed ESSA through its website by a link to the World Bank's website.</p> <p>The original Program is expected to have several positive environmental and social effects in the areas of government accountability. The Additional Financing will further enhance program management capacity for public-private partnership (PPP) investment and scale up capital expenditures of public and climate responsive investments. The main social and environmental effects remain the potential adverse social and environmental effects of downstream PPP and public and climate responsive investment projects. These PPP and public investments may also cause environmental risks related to dust, air emissions, noise, discharge of wastewater and disposal of solid/hazardous waste, as well as biodiversity risks. During Program preparation, it will be confirmed that the typology of investments is the same as under the original Program, and the exclusion criteria and screening methodology in the ESSA remains valid, or will be revised as needed.</p> <p>The Government's centralized grievance redress platform serves as the operational Grievance Redress Mechanism (GRM) of the Program. To further enhance existing GRM capacity, an independent technical assessment of the centralized GRM was completed in July 2022, and related recommendations for strengthening it have been included and are to be followed in the GRM upgrade. The information of upgraded GRM of the Program will be timely disclosed by the client in an appropriate manner.</p> <p>The Addenda to the ESSA will be completed during Program preparation and disclosed on the World Bank's website in English, and AIIB's website will include a link to the updated ES documentation on the World Bank's website. The PAP will be revisited to focus on ensuring that implementing agencies are capacitated enough to meet targeted results falling under their respective responsibility and updated.</p>
<b>Cost and Financing Plan</b>	USD1,450 million, of which USD300 million will be provided by World Bank, and USD150 million by AIIB.
<b>Borrower</b>	The Hashemite Kingdom of Jordan

<b>Implementing Entity</b>	Ministry of Planning and International Cooperation (MoPIC)			
<b>Estimated date of loan closing (SBF)</b>	June 2026			
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<b>Estimated Date of Concept Decision</b>	June 2023			
<b>Estimated Date of Appraisal Decision</b>	June 2023			
<b>Estimated Date of Financing Approval</b>	Q3 2023			

<b>Independent Accountability Mechanism</b>	As noted above, the World Bank's PforR Policy will apply to this program instead of AIIB's ESP. The World Bank's Independent Accountability Mechanism, the Inspection Panel, which review the World Bank's compliance with its policies and procedures, will handle complaints relating to the World Bank's compliance with its ESF with respect to the program. In accordance with AIIB's Policy on the Project affected People's Mechanism (PPM), submissions made to the PPM regarding such complaints under this program will not be eligible for consideration by the PPM. Information on the World Bank's Inspection Panel is available at <a href="#">Home   Inspection Panel</a> .
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