



Appraisal Environmental and Social Review Summary

Appraisal Stage

(ESRS Appraisal Stage)

Date Prepared/Updated: 05/28/2020 | Report No: ESRSA00864



BASIC INFORMATION

A. Basic Project Data

Country	Region	Project ID	Parent Project ID (if any)
Jordan	MIDDLE EAST AND NORTH AFRICA	P173974	
Project Name	Jordan Emergency Cash Transfer COVID-19 Response Project		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Social Protection & Jobs	Investment Project Financing	4/17/2020	6/30/2020
Borrower(s)	Implementing Agency(ies)		
Ministry of Planning and International Cooperation (MOPIC)	National Aid Fund (NAF)		

Proposed Development Objective(s)

The project development objective is to provide cash support to poor and vulnerable households affected by the COVID-19 pandemic in Jordan.

Financing (in USD Million)	Amount
Total Project Cost	373.16

B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?

Yes

C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]

The proposed Project will support the GOJ’s COVID-19 response cash support program as well as the regular Takaful CT program. The Government's Program will provide cash support to about 293,000 poor and vulnerable households affected by COVID-19 and includes two parts: (i) temporary (six month) CTs to 200,000 additional vulnerable households; and (ii) temporary (six month) benefit top-ups for 93,000 NAF beneficiaries. The overall Program will cost around US\$277 million equivalent. The proposed Project will finance around US\$245 million of this overall amount to support about 190,000 households out of the total 200,000 households under part (i) of the Program, and will provide



top-up benefits for Takaful beneficiaries under part (ii). The remaining amount of the Program will be financed by other donors (the United States Agency for International Development (USAID), DFID, and the Swiss government) through a Joint Financing Arrangement (JFA), which will cover 10,000 households under part (i) and top-up benefits to beneficiaries of NAF monthly CT programs under part (ii).

The Project will also finance regular Takaful CTs for a total amount of US\$128 million for all beneficiaries in 2020 (55,000) and 25,000 (out of 85,000) beneficiaries in 2021. The Project will be financed by an IBRD loan (US\$350 million) with co-financing from a DFID grant for a total of approximately US\$23.16 million equivalent out of the Jordan Inclusive Growth and Economic Opportunities Multi-Donor Trust Fund (MDTF) (TF073270) . The lending instrument for the Project will be an Investment Project Financing (IPF) with Performance Based Conditions (PBCs).

The Project will include three components as follows:

Component 1: Cash support to poor and vulnerable households affected by COVID-19:

- Subcomponent 1.1: Temporary CTs to vulnerable households
- Subcomponent 1.2: Regular Takaful CTs
- Subcomponent 1.3: Temporary benefit top-up for NAF beneficiaries

Component 2: Project management, monitoring and evaluation

Component 3: Contingent emergency response component (CERC)

The proposed Project is aligned with Jordan’s Country Partnership Framework (CPF) for FY17-FY22 and builds on a strong engagement in social safety nets. The Project contributes to Pillar 2 of Jordan’s CPF for FY17-FY22 (Report No. 102746-JO)—improving the equity and quality of service deliver—by using the data exchange platform of NUR to improve the targeting of beneficiaries from the cash assistance. The Project builds on the delivery platform for the Takaful CT program. The Takaful program and platform have been supported by the World Bank for over two years, including through the First and Second Equitable Growth and Job Creation DPF operations.

D. Environmental and Social Overview

D.1. Detailed project location(s) and salient physical characteristics relevant to the E&S assessment [geographic, environmental, social]

The project will be implemented country-wide and provide cash support to about 270,000 poor and vulnerable households affected by the COVID-19 crisis. The estimated number of individuals benefiting from the Project is approximately 1.35 million (at least 50% females). The project builds on NAF's existing Takaful program that provides cash transfers to 146,000 households.

Takaful is a modern cash transfer program for the poor launched in May 2019 alongside Jordan’s National Social Protection Strategy (NSPS) for 2019-2025. The Takaful platform introduced significant improvements in the systems to deliver cash transfers in Jordan, including: online registration, automatic data verification against administrative databases, selection of beneficiaries based on an improved targeting methodology, beneficiary enrollment sessions to support the opening of digital accounts, payments through basic bank accounts or e-wallets, and a Grievance and Redress Mechanism (GRM).



The Project will finance a large portion of the government's overall program to provide: (i) temporary (6 month) cash transfers to 293,000 new vulnerable households that are not currently benefitting from any NAF programs (the project will finance 190,000 of those households; (ii) benefit top-up for about 55,000 Takaful beneficiary households in 2020, and (iii) regular Takaful CTs for a total amount of US\$128 million for all beneficiaries in 2020 (55,000) and 25,000 (out of 85,000) beneficiaries in 2021

The government's program focuses on vulnerable households that derive their labor income from informal sources, making them vulnerable to labor income shocks. Other elements of the government's program include top-ups to other NAF cash assistance programs and will be funded by other donors.

Beneficiary households will be selected from the Takaful database. This database includes up-to-date socio-economic data for about one million households that applied to Takaful and, more recently, to the Bread Subsidy Compensation (BSC). NAF will re-open the registration for the temporary cash transfer program for ten days, allowing new households to register and households already registered in the Takaful database to update their information. The temporary cash transfer program will be open to Jordanian families, households with Jordanian women married to non-Jordanian men and Gazan families. Also, WFP, UNHCR and UNICEF are jointly supporting about 500,000 refugees out of a total of 655,000 registered refugees in Jordan. In response to COVID-19, UN agencies have established a taskforce to extend benefits to 120,000 additional refugees and to top up benefits of existing beneficiaries with lower benefits.

The Takaful MIS has the automated capability to update the administrative information on households and individual members, including data on formal working status and wages as well as other formal income (e.g. pensions) and assets, which are obtained automatically from the SSC and other public institutions.

D. 2. Borrower's Institutional Capacity

The National Aid Fund (NAF) is the implementing agency for this project. NAF is Jordan's lead agency for cash transfers to the poor. NAF will be responsible for the implementation of the key functions of the cash support provided through the Project, including data verification, selection of beneficiaries, enrollment, payment, M&E and GRM. NAF will utilize its established systems and tools and will enhance them as needed to implement the project. NAF branch offices at the governorates and districts level will monitor and facilitate the delivery of the cash transfers to the beneficiaries. A project management unit (PMU) will be established in NAF, which will be responsible for all aspects of project execution including all fiduciary aspects, daily management of project activities to ensure they are implemented in accordance with project appraisal document (PAD) and ensure compliance with the legal documents, M&E of project interventions against PDO-level and intermediate level indicators, and overall internal coordination within NAF. The PMU will submit regular project progress reports to the Bank and will support NAF management to liaise with other international partners supporting the Program. The disbursement procedures of the Bank for IPFs will be applied.

Although NAF has not yet prepared a project to the ESF requirements, as per above, NAF already has established functions and competencies for key social aspects such as communications and grievance redress.

The project PMU will be headed by a Project Manager and will consist of a technical coordinator, and five technical officers, including one Communications Officer and one GRM Officer with responsibilities related to social risk management. The Project Manager will have overall responsibility for ensuring that the requirements of the Environmental and Social Commitment plan are met. The Communication Officer and the GRM Officers will have detailed technical and historical knowledge of NAF work, and may be appointed from within NAF or hired externally.



An external social consultant will also be hired to support the Officers. Additional capacity building measures for Project Workers and non-NAF staff (civil servants) that support the project are identified in the Environmental and Social Commitment Plan and will be carried out under Component 2 of the project.

II. SUMMARY OF ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC)

Substantial

Environmental Risk Rating

Low

The proposed project will provide cash support to about 270,000 poor and vulnerable households affected by the COVID-19 crisis. The project will neither support the procurement of any materials or equipment nor rehabilitation or construction activities or civil works, therefore, none of the interventions under this project will result in any negative environmental impacts.

Social Risk Rating

Substantial

The project will finance a large portion of the Government's program of cash transfers and relief to about 293,000 households among the poorest and most vulnerable Jordanian households, who have been affected by the COVID-19 pandemic (project will support 270,000 of those households). Social risks are considered to be substantial given the context of large scale socio-economic impacts of the COVID-19 pandemic, and the potential exclusion of vulnerable and disadvantaged groups or individuals that are inherent in cash transfer projects.

Under the project, the targeted beneficiaries include the working poor, relatively poor, informal workers and female-headed households. New beneficiary households will be selected from various existing governmental assistance programs' data bases; after applying a selection criterion that targets poor households that are most vulnerable to the COVID-19 crisis. In addition, the GoJ will allow any informal worker without a record in the governmental assistance program's data base to submit an application for support. In addition, NAF will target 55,000 of its existing beneficiaries; through benefit top-ups to mitigate the impact of COVID-19 on these households. The project could potentially create social tension between project beneficiaries and non-project beneficiaries within the same community if the targeting mechanism is not transparent enough. There are additional risks that beneficiaries (such as the disabled, population with low human capital or illiterate, or with limited digital literacy) may face challenges in accessing project benefits. The Project specifically address such concerns through stakeholder engagement processes.

Other social risks include: (ii) Occupational and Community Health and Safety risks for project workers and beneficiaries potentially exposed to the contagion through project operations and processes including cash-out (ii) potential risks of gender-based violence as part of the broader context of inter-partner violence in Jordan.

There are a number of mitigants to social risks incorporated into the project design namely: the short duration of the cash support (bulk of payments within six months); the client's capacity and experience in managing similar programs; the use of existing national systems and databases that will be further updated before the temporary cash transfer;



existing payment delivery mechanisms (including e-wallets and digital payments that minimize the need for human interactions); an existing database; and the use of NAF's existing grievances redress mechanisms (GRMs). A Rapid Social Assessment will also be carried out by the Project Effective Date to further evaluate national systems and design appropriate mitigation measures and plans.

B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered

B.1. General Assessment

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

Overview of the relevance of the Standard for the Project:

The interventions supported under this project will provide cash support to poor and vulnerable households affected by the COVID-19 crisis. The project will neither procure materials or equipment, nor support rehabilitation or construction activities or civil works, and therefore, will not result in any negative environmental risks or impacts. As there are no activities with a physical footprint identified, nor are there activities that could lead to specific actions that could have associated environmental impacts, no environmental assessment is required.

The project will assist with temporary cash transfers the poorest and most vulnerable Jordanian households affected by the COVID-19 pandemic, by expanding coverage of the National Aid Fund (NAF)'s existing cash transfers and providing top-ups for existing NAF beneficiaries. The project targets near poor households that derive their labor income from informal sources. Consistent with that principle, only households that meet the following criteria will qualify for temporary CTs: (i) household head not working in the formal sector and not receiving pensions or formal income per capita (from other household members) larger than JOD 100 per person per month, and no household member's formal income is larger than JOD 350 per month; and (ii) the monetary value or number of assets (properties, financial assets, livestock, vehicles) owned by the household is below set thresholds. Households that pass these criteria will be ranked according to the Takaful formula score for the purpose of selecting beneficiaries. According to the Project Appraisal Document, this targeting mechanism has been reviewed by the Bank and approved by the GOJ. It is the same mechanism used for Takaful, but adapted to use focus on households mainly reliant on informal income sources. The Takaful targeting formula uses 57 socioeconomic indicators, including the gender of the household head, recognizing the additional vulnerabilities FHHs face. A simulation using data from the Household Income and Expenditures Survey (HIES) shows that Takaful's targeting methodology approximates well the poverty level of households. After three months of payments, NAF may recertify beneficiaries of temporary CTs, in coordination with the bank. An evaluation of Takaful's targeting will be conducted in 2020, which will be used to inform improvements. The World Bank is also providing technical assistance to conduct a High frequency crisis monitoring phone survey to monitor the socioeconomic impacts of COVID-19 and the mitigating effects of project interventions on beneficiary households.

GoJ has been ramping up efforts to continuously improve the design parameters of its Cash Transfer program by enhancing its delivery system, through the digitization of payments to beneficiaries, through bank accounts and e-wallets which offers discrete and secure ways to access benefits, and by automating all CT processes to reduce human intervention; including automating the targeting process recertifying beneficiaries migrating from 'old' NAF cash transfer into the new program. These systems have already been piloted and used for a year and offer discrete and secure ways to access benefits. Beneficiaries who are illiterate, those without internet connection, or without



needed technical capacity to enroll in e-wallets, or where there is an absence of head of household or geographic challenges, will be assisted by call centers; while unbanked households will be referred to mobile payment providers and supported in the opening e-wallets accounts.

Gender and social gaps in digital access potentially hindering access to project benefits and information will be bridged through the Stakeholder Engagement Plan (SEP), including project GRM systems, and the use of call centers. The project will also prepare, disclose and implement a Rapid Social Assessment (defined as a Social Assessment in the ESCP) to further assess potential risks and design appropriate mitigation, management and monitoring measures to ensure disadvantaged or vulnerable individuals or groups, have access to the development benefits resulting from the Project. The Rapid Social Assessment will be conducted in accordance with the Terms of Reference prepared and disclosed as part of the Preliminary Stakeholder Engagement Plan.

Within cash-transfers paid to the head of household, typically the husband, under the current design, women or other vulnerable family members such as elderly or those with disabilities, may not fully benefit from the cash subsidy. As the project is focused on urgent delivery for those in need, no structural changes will be made to the current design but stakeholder engagement initiatives and GRMs included in the SEP will mitigate such risks.

Community Health and Safety Risks due to COVID-19 contagion and other health and safety risks will be mitigated by the integration of OHS measures in a Labor Management Plan and preparation of a Community Health and Safety Plan. The use of digital services will also be critical to mitigate contagion prevention. Digital services will comply with national public health and social distancing requirements, while speeding up delivery of transfers, minimize chances of bounced transactions, and increase financial inclusion.

The ESRS has been prepared based on a review of the Project Appraisal Document and discussions with the implementing agency.

ESS10 Stakeholder Engagement and Information Disclosure

The project recognizes the need for an effective and inclusive engagement with all relevant stakeholders and the population at large. Due to the emergency nature of the situation related to COVID19, no dedicated consultations with stakeholders have taken place during project preparation. However, during the Takaful program design (September 2018 – March 2019), NAF engaged stakeholders; including beneficiaries, target beneficiaries and development partners. NAF has engaged in technical collaboration with partners on the project cycle, design, and implementation tools and undertaken Pilots and Focus-Group Discussions with poor groups to test tools for registration and payments. An process evaluation was carried out in 2019, which included consultations with field-level staff, NAF branch managers, third-party contractors and beneficiaries and resulting in enhancements on the project design.

The preliminary SEP that was prepared for this project supports clear communication and meaningful consultation processes, considering the needs of various stakeholders and adapted to the current social distancing requirements by the national government now in effect. The preliminary SEP has been disclosed on the World Bank and NAF websites. Given that the project has been prepared under emergency procedures, an updated SEP will be prepared



by NAF. In line with the provisions of the ESCP, the borrower will apply the preliminary SEP prepared for the emergency project to engage stakeholders as needed and for public information disclosure purposes. Within two month of project effectiveness, the Borrower will update and disclose the SEP.

NAF operates an existing GRM systems through multiple channels to log cases, feedback and complainants producing monthly case reporting. Currently, such mechanisms are being operated through a central government call center, while the NAF call center is closed under COVID 19 restrictions. The National Call Center will be granted access and training on NAF GRM system; to log cases.

Third party technical assistance will also be available under the project to guide beneficiaries on cashing out. . The PMU GRM officer, to be assigned to project, will closely monitor the GRM systems and identify any constraints during project implementation and mitigation measures will be taken as needed. The overall functionality and capacity of the GRM systems to handle the potentially increased caseload from the project will be reassessed as part of the Social Assessment.

B.2. Specific Risks and Impacts

A brief description of the potential environmental and social risks and impacts relevant to the Project.

ESS2 Labor and Working Conditions

The project will develop and implement procedures to establish and maintain a safe working environment; a project-related LMP will be prepared covering terms and condition of employment; non-discrimination and equal opportunities; prohibition of child labor; and workers’ rights for project workers and contracted workers (e.g. call center operators) in a manner consistent with national law and ESS2. A separate grievance mechanism system will be set up for all direct workers and contracted workers to raise and resolve workplace-related concerns.

The project workforce includes: (i) direct workers, including PMU staff (ii) contracted workers including some social workers and call center operators to support the capacity of NAF to deliver the project (these contracts are not procured through the project and some may be pre-existing). The project will also rely on a number of civil servants such as NAF social workers and government call centre employees, who will be not under ESS2.

The NAF will collaborate and consult with project workers in promoting understanding, and methods for, implementation of OHS requirements, especially in relation to COVID risks, as well as in providing information to project workers, training on occupational safety and health, and provision of personal protective equipment without expense to the project workers.

ESS3 Resource Efficiency and Pollution Prevention and Management

No activities are expected under this project that could consume natural resources or generate wastes or pollutants.

ESS4 Community Health and Safety



The borrower will take precautions in anticipating and avoiding adverse impacts on the health and safety of communities. Such risks are estimated to be reduced due to the use of digital services for beneficiary enrollment and payments. A Community Health and Safety Plan Management Plan will be prepared by NAF, in coordination with MOH, as part of the Social Assessment, to keep beneficiaries updated on specific protocols for cash-out, and minimizing risks of in-person interactions planned during the project implementation, including stakeholder engagement activities.

Evidence suggests that gender based violence may be associated with cash transfer programs, also noting that the project operates within the context of Jordan which has a rate of inter-partner violence that is above regional averages. The GBV risks associated with the project will be further assessed as part of the Social Assessment and appropriate mitigation measures recommended and implemented. For example, a GBV referral protocol will be reviewed and formalized and . Social workers and call centers operators will receive training on survivors’ centered approaches and referral pathways for GBV survivors.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

ESS5 is not currently relevant. There is no land acquisition required under the project.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

No construction activities are expected in this project that could affect protected areas, flora or fauna.

ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

ESS7 is not currently relevant. No population meeting the definition of ESS7 will be affected under this project

ESS8 Cultural Heritage

ESS8 is not currently relevant. No tangible or intangible cultural heritage will be impacted by the project activities.

ESS9 Financial Intermediaries

Not currently relevant. There are no financial intermediaries that are part of the project.

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways	No
OP 7.60 Projects in Disputed Areas	No

Public Disclosure



III. BORROWER’S ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN (ESCP)

DELIVERABLES against MEASURES AND ACTIONs IDENTIFIED	TIMELINE
ESS 1 Assessment and Management of Environmental and Social Risks and Impacts	
Prepare and disclose and implement a Rapid Social Assessment (defined as a Social Assessment in the ESCP) by June 2020.	06/2020
ESS 10 Stakeholder Engagement and Information Disclosure	
Update, disclose, adopt, and implement the Preliminary Stakeholder Engagement Plan by August 2020 and throughout the project implementation	08/2020
ESS 2 Labor and Working Conditions	
Prepare, disclose and implement Labor management procedures by June 2020.	06/2020
ESS 3 Resource Efficiency and Pollution Prevention and Management	
ESS 4 Community Health and Safety	
Prepare, adopt and implement Community Health and Safety Management Plan as part of Social Assessment by June 2020	06/2020
ESS 5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	
ESS 6 Biodiversity Conservation and Sustainable Management of Living Natural Resources	
ESS 7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	
ESS 8 Cultural Heritage	
ESS 9 Financial Intermediaries	

Public Disclosure

B.3. Reliance on Borrower’s policy, legal and institutional framework, relevant to the Project risks and impacts

Is this project being prepared for use of Borrower Framework?

No

Areas where “Use of Borrower Framework” is being considered:

Not applicable

IV. CONTACT POINTS

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Borrower/Client/Recipient

Borrower: Ministry of Planning and International Cooperation (MOPIC)

Implementing Agency(ies)

Implementing Agency: National Aid Fund (NAF)

V. FOR MORE INFORMATION CONTACT

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VI. APPROVAL

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Practice Manager (ENR/Social)	Kevin Tomlinson Cleared on 27-May-2020 at 15:04:34 EDT
Safeguards Advisor ESSA	Nina Chee (SAESSA) Concurred on 28-May-2020 at 11:04:34 EDT

Public Disclosure