

# Program Information Document (PID)

Concept Stage | Date Prepared/Updated: 08-May-2018 | Report No: PIDC151796



# **BASIC INFORMATION**

### A. Basic Program Data

Country Jordan	Project ID P166577	Parent Project ID (if any)	Program Name Jordan Urban and Municipal Program for Balanced and Inclusive Growth
Region MIDDLE EAST AND NORTH AFRICA	Estimated Appraisal Date 19-Nov-2018	Estimated Board Date 25-Mar-2019	Does this operation have an IPF component? No
Financing Instrument Program-for-Results Financing	Borrower(s) Ministry of Planning and International Cooperation	Implementing Agency Ministry of Planning and International Cooperation	Practice Area (Lead) Social, Urban, Rural and Resilience Global Practice

Proposed Program Development Objective(s)

The proposed Development Objective is to strengthen institutional capacity to promote more sustainable urban growth in participating urban centers, and improve access to basic services in selected 'lagging regions'.

## **COST & FINANCING**

#### **SUMMARY (USD Millions)**

Government program Cost	400.00
Total Operation Cost	220.00
Total Program Cost	220.00
Total Financing	220.00
Financing Gap	0.00

### FINANCING (USD Millions)

Total World Bank Group Financing	200.00
World Bank Lending	200.00



#### **Total Government Contribution**

20.00

#### **B. Introduction and Context**

#### **Country Context**

- 1. Jordan faces imbalanced economic development with spatial concentration of growth and poverty. Jordan's population has dramatically increased, particularly in urban centers. During the 2004-2015 period, average annual population growth in Jordan was an astounding 7.8 percent and by 2015, the population had soared to 9.5 million from 5.4 million in 2004. In addition to Jordan's natural demographic growth, the country has been accommodating a large number of displaced fleeing from conflict in the region. This rapid demographic growth affected Gross Domestic Product (GDP) per capita and had a strong impact on unemployment. Real GDP growth for 2017 has been 2.3 percent, an increase of only 0.3 percentage points over the 2016 rate. Displaced Syrians and other migrants compete with the local population for formal and informal jobs and livelihood opportunities, pushing wages down. However, poverty and unemployment rates differ across the kingdom. Economic activity is highly concentrated at 77 percent in the governorates of Amman, Zarqa, and Irbid, out of twelve governorates in total. This has resulted in large regional disparities in living standards with high poverty and unemployment rates in 'lagging regions'. However, although poverty rates are highest in the sparsely populated regions in the south, most of the poor people live in the urban centers in central Jordan and the north.
- 2. Boosting economic growth and employment generation has become the Government's most pressing priority. Armed conflict and multiple civil wars in the region, coupled with a global economic downturn, have severely affected the Jordanian economy. Real GDP growth experienced an unexpected deceleration in 2015 and the economy remains sluggish. In 2016, growth slowed down for the second year in a row, as geopolitical repercussions take a toll. According to the Government's Jordan Response Plan (JRP) 2018-2020, the influx of over 650,000 formally registered refugees<sup>1</sup> into the country has strained host communities resulting in overcrowded health centers and schools, brought key municipal services to the limits, and increased competition for housing and employment. Young people and the working poor have had to cope with increased competition for work, at a time when their situation has become increasingly precarious; youth unemployment is almost 36 percent for the 15 to 19 year, and over 30 percent for the 20 to 24 year old. Although significant international financial aid has been mobilized to support Jordanian host communities, an increasing share of the population feels excluded from the current growth model.
- 3. At the same time, Jordan's fiscal space remains constrained. While Jordan's fiscal position has improved in 2017 because of the government's consolidation efforts in line with an International Monetary Fund program, fiscal imbalances are narrowing only slowly. The overall fiscal deficit remains at 6 percent of GDP, excluding grants. Fiscal consolidation will have to continue with a focus on revenue-enhancing measures while improving expenditure efficiency in parallel. Jordan's sizable internal and external imbalances generate large financing needs, which typically have been met via international assistance and transfers from the region. However, overreliance on such transfers is not sustainable and doesn't address the underlying long-term macroeconomic vulnerability. Jordan will need to optimize public spending not to compromise financial and economic stability

<sup>&</sup>lt;sup>1</sup> UNHCR recorded 655,624 registered Syrian refugees in Jordan as of December 31, 2017.



once those sources of external finance would be reduced.

4. The Government has committed to a program that promotes economic development while bridging shortand long-term development needs across the regions. This commitment was formulated in the Jordan Economic Growth Plan (JEGP) 2018–2022 and outlined in the Jordan Vision 2025. The JEGP Objective Two aims at "Achieving developmental balance, reducing disparity and distributing development revenues fairly." This objective consolidates the Government's existing efforts to address Jordan's high unemployment rates, particularly in the country's 'lagging regions', and boost economic growth in Jordan's high potential clusters. Jordan has the unique opportunity to reap critical co-benefits for the country's long-term development generated by the momentum of the current crisis. However, the Government's success advancing this ambitious agenda will require balancing capital investments with institutional reforms; and sustainable urban growth with enhanced sub-national integration.

Sectoral (or multi-sectoral) and Institutional Context of the Program

- Rapid demographic growth in urban centers is putting enormous pressure on existing infrastructure and service 5. providers. Jordan's natural population growth has been dramatically accelerated by the influx of refugees caused by the crisis in the region. Most of the migrants that Jordan has been accommodating have moved to cities and their outskirts. This unprecedented rate of urbanization has made it impossible for capital and investment to follow. Greater Amman Municipality alone doubled in size to 4 million people. The other urban growth centers in the northern governorates have also doubled, with more than 2 million people residing in Irbid, Zarga, Ruseifa, and Mafraq. In total, 56.5 percent of Jordan's population now live in those five urban centers. Jordan's cities and municipalities are not equipped to tackle this rapid growth, leading to costly urban sprawl, expensive and insufficient basic services, and rising social exclusion. According to recent Bank analysis, the five urban centers alone would consume additional 69.4 km<sup>2</sup> of available land if they continued expanding at the current growth pattern. In comparison, under a Vision scenario of more compact urban growth, cities would have the potential to save up to 89 percent of basic infrastructure cost, equivalent to around JD360 million by 2030; and up to 26 percent of service delivery expenditure, equivalent of around JD8 million per year.<sup>2</sup> Despite those significant longterm implications for economic growth and fiscal space, Jordan's local and national-level policy makers currently lack the capacity and resources to alter urban growth patterns.
- 6. Jordan's urban centers have yet to yield the full economic benefits of spatial concertation for private sector driven growth and job creation. Greater Amman and the populous cities in the north are more attractive to private sector investment compared to the sparsely populated regions in the East and South. The urban centers in the north, along with the port city of Aqaba, offer better access to markets and proximity to skilled labor, public infrastructure, and supporting services. However, there is more room to reduce the cost to business and benefit from agglomeration economies. For example, in the five urban growth centers, proximity to jobs can be increased by 10-27 percent, while proximity to public transport can be increased by up to 35 percent. This would offer additional opportunities to mobilize private sector expertise and financing, including for structured transport solutions, urban upgrading and municipal service provision. However, it will require providing the right incentives for private sector solutions and shifting public investment priorities in urban areas, in addition to developing regulation for municipal Public Private Partnerships (PPPs) and facilitating the development of municipal-level PPP projects. <sup>3</sup>

<sup>&</sup>lt;sup>2</sup> World Bank, Jordan Urban Growth Scenarios Technical Assistance, 2017.

<sup>&</sup>lt;sup>3</sup> World Bank, Jordan Country Readiness Diagnostic for Public-Private Partnerships, 2017.



- 7. At the same time, uneven access to basic services in the 'lagging regions' adds to growing regional disparities. The Government has undertaken several attempts to support local development and boost economic growth in 'lagging regions' in the southern and eastern governorates where unemployment and poverty rates are the highest. The results of those initiatives have been mixed. The envisioned economic 'catch-up' has not materialized, since firms locate close to markets and concentrate geographically to benefit from economies of scale. With only 7.8 percent of the population living in Jordan's southern governorates of Karak, Tafileh, Ma'an, and Aqaba<sup>4</sup>, the market size is very small. Weak transport and telecommunications infrastructure limits the access of people and goods to markets, adding to the cost of economic activity. Shortages of electricity, fuel, and water, coupled with uneven access to basic social services, is further affecting living conditions. However, against the background of dwindling public resources, the Government starts acknowledging that a more affordable approach would be required to better integrate 'lagging regions' into the sub-national economy, beyond subsidies and fiscal incentives to firms to locate in distant locations.
- 8. However, Jordan's institutional framework and spatial development policies have not been catching-up with the growing demands sub-national authorities are confronted with today. Jordan has a three-tier government structure with sub-national authorities at the governorate and municipal level. Despite a recent decentralization initiative,<sup>5</sup> governorates focus mainly on public order and serve as the provincial seat through which deconcentrated units of line ministries plan and coordinate investments or provide services. Several key services are channeled directly from line ministries to users, e.g., education and health, but also water, electricity and transport. However, sectoral investments are generally planned at the central level with limited attention to optimize across sectors or applying a territorial planning framework. Municipalities are responsible for local-level public services, such as solid waste collection, local roads, street lighting and cleaning, but also slaughterhouses, markets, public parks, and libraries. Municipalities are also in charge of permitting and town planning activities, although the Ministry of Municipal Affairs (MoMA) retains the key responsibilities for urban design and master planning.
- 9. Distortions in the sub-national financing system limit investment returns and efficiency of public spending. Municipalities are largely dependent on central government transfers, which have seen a steady increase, particularly since 2014. Wages and salaries make up a high share of municipal expenditure, representing up to 70 percent of total spending. Municipalities have limited access to own-source revenues from property tax collection, capital revenues from renting out public buildings, and fees for solid waste collection, permitting and licensing. Most municipalities can only raise one third to one fifth of their revenues from own sources. Commercial financing for municipal investments has been limited largely to Greater Amman. Municipalities borrow from the state-owned Cities and Villages Development Bank (CVDB) at flat rates and with limited scrutiny on credit and investment risk. CVDB, which also has the mandate to manage municipal accounts, reserves the right to intercept fiscal transfers as a mitigation against the default risk it is exposed to. No coherent investment planning and financing system exists for regional-level, inter-municipal investments in the governorates. Those distortions cause allocative inefficiencies that drain the broader economic development potential against a background of significant sub-national investment needs, including in regional and connecting infrastructure.

Relationship to CAS/CPF

<sup>&</sup>lt;sup>4</sup> Jordan Department of Statistics, 2015 Census.

<sup>&</sup>lt;sup>5</sup> Elections for new Governorate Legal Councils took place in August 2017. However, Governorate revenue assignments, expenditure responsibilities, and functional relationship with municipalities remain unclear and have yet to be defined through pending by-laws.



- 10. The proposed Program would support both pillars of the Jordan Country Partnership Framework<sup>6</sup>, namely Pillar 1 "Fostering conditions for stronger private-sector led growth and better employment opportunities for all", and Pillar 2 "Improving equity and quality of service delivery". Under the first pillar, the proposed operation would contribute to objectives 1 and 2, related to improving economic opportunities for Jordanians and Syrians, and to improving the institutional and regulatory framework for private and public institutions. Fostering sustainable development of urban growth centers and upgrading of regional and local infrastructure would support creating economic opportunities for Jordan's population and integrating 'lagging regions' into the economy. During preparation, the proposed Program would assess different avenues to support stimulating private sector investments, including in urban infrastructure and municipal service provision, but also through enhancing efficiency of land and housing markets in rapidly growing urban centers leading to rising housing demand. The proposed operation would also build on the experience of labor-intensive public works in municipalities supported under the Jordan Municipal Services and Social Resilience Project (MSSRP, P161982), scaling-up opportunities beyond host communities through enhancing broader economic development.
- 11. The Program is in line with the Bank's approach to Maximizing Finance for Development (MFD). The proposed Program would support Jordan's urban growth centers in identifying and applying private sector participation opportunities in the delivery of public services. This may include investments in structured transport solutions in Zarqa, Irbid and Russeifa, building on the experience with the Bus Rapid Transit (BRT) system currently under development in the Greater Amman Municipality (GAM); but also, smaller-scale service and operation contracts for private sector provision of municipal services. The Program would also support better integration of 'lagging regions' into the economy, including through supporting investments and Public-Private Dialogue along the main transport corridors connecting to Amman in the North and Aqaba in the South. Finally, upstream reforms to the sub-national finance system, including a proposed restructuring of CVDB, would have the potential to provide less concessional financing to sub-national investments selected municipalities and mobilize commercial financing to develop a functioning municipal credit market.
- 12. Addressing regional inequities and improving efficiency in the allocation of resources across different regions will support the government in better targeting public investments to support private sector led growth. Capacity building both at the national and sub-national level will contribute to improving the institutional environment for private and public investments and help improving access to and quality of basic services. The proposed Program would promote an integrated approach to territorial development through creating opportunities for private sector investments in urban growth centers, improving connectivity and inclusion within, and better integrating sub-national markets.

Rationale for Bank Engagement and Choice of Financing Instrument

13. The World Bank has been supporting local and regional development in Jordan for more than a decade. Most recently, the Bank financed the Regional and Local Development Project (RLDP, P070958) which closed on December 31, 2014. RLDP provided financing for municipal investment grants and capacity building support to municipalities and national-level sector institutions. While some of the main issues related to local government financing and municipal development remain highly relevant today, the pressure of boosting economic growth and employment generation has greatly increased. In the meantime, significant donor support to the municipal sector has been mobilized in response to the Syrian refugee crisis, including through the Bank-administered Municipal Services and Social Resilience Project (MSSSRP, P161982) which provides financing to support Jordanian host communities affected by the refugee influx to deliver services and employment opportunities for residents.

<sup>&</sup>lt;sup>6</sup> World Bank, Jordan Country Partnership Framework for the Period FY17-22. Report Number 102746-JO.



- 14. However, despite donors' significant support to the sector, no coherent approach to promoting urban growth centers and inclusive territorial development has been developed yet. Jordan faces the challenge of moving quickly in responding to immediate development needs and delivering on the Government's commitment towards an inclusive growth agenda that puts citizens at the center. Achieving this goal will require formulating and implementing a longer-term institutional reform agenda to strengthen the capacity of sub-national and central level institutions, but also increasing the fiscal space to finance investments that are critical for supporting economic development. Urban centers currently do not have the capacity and tools to plan for the rapid growth they're experiencing, let alone the financial resources and skills to implement the accompanying investments needed. Reforming the sub-national finance framework would be important to provide stronger incentives for attracting private sector investments to generate economic growth and improving the overall financial sustainability of the sub-national institutional system. At the same time, those central level reforms would need to go hand-in-hand with the local and regional capacity to prioritize, plan, implement and manage public resources in a closer dialogue with both the civil society and the private sector, against a background of regional economic constraints.
- 15. The proposed operation would adopt a Program for Results (PforR) Financing Instrument. This approach would provide financial incentives to effectively link critical institutional strengthening and sector-level reforms with financing for investments in economic growth centers and basic services in 'lagging regions'. A Just-in-Time Technical Assistance (P160812) delivered in FY17 identified three key areas in which Bank support would add value in an environment of significant donor financing to the local government sector. These include (i) supporting sustainable development and compact expansion in urban growth centers; (ii) strengthening the sub-national financing framework; and (iii) developing a framework for connecting regions for more inclusive territorial development.
- 16. A PforR would finance high priority activities under the Government's program, but link disbursements to achieving specific results through Disbursement Linked Indicators. This approach would help the Government to hold sector institutions accountable to agreed reforms and link financing to progress. The proposed activities would help formulating and implementing reforms to strengthen the capacity of sub-national and central level institutions that are critical for supporting integrated territorial development, but are currently dispersed across levels of government, with mostly centralized line ministries operating in a fragmented way. At the same time, investments in infrastructure will be required to supporting compact growth in cities; and improving access and quality of public services for integrated territorial development in 'lagging regions'. The choice of Financing Instrument also reflects the Government's priority, but would require additional discussion with the key stakeholders.

#### C. Program Development Objective(s) (PDO) and PDO Level Results Indicators

Program Development Objective(s)

17. The proposed Development Objective is to strengthen institutional capacity to promote more sustainable urban growth in participating urban centers, and improve access to basic services in selected 'lagging regions'.

PDO Level Results Indicators

18. **The Program would focus on two results areas:** (i) making urban growth centers expand in a more efficient and sustainable way; and (ii) optimizing the use of public resources to better integrate 'lagging regions'.

- 19. Under *results area one*, the Program would support city-level activities to assist shaping urban spatial growth in an efficient and sustainable way to reduce the costs of infrastructure and service deliver by consuming less land for urban expansion and increasing infilling and density within the city. More compact growth would also contribute to a reduction in the consumption of natural resources and promote social inclusion. Preliminary indicators to measure outcomes in results area one would include the following:
  - i. Number of people and business benefitting from improved access and quality of municipal services in urbanized areas;
  - ii. Reduction in per capita costs of infrastructure investment per square meter of urbanized area;
  - iii. Increased share of building permits issued within existing urbanized area;
  - iv. Reduction in average per capita Green House Gas (GHG) emissions released annually from energy consumed for municipal services, public and private building, and transportation;
  - v. Reduction in average per capita water consumption in urbanized areas;
  - vi. Increase in the percentage of municipal population that lives within 1km from areas of high job density; and
  - vii. Increase in the percentage of municipal population that lives within walking distance from a public transport station.
- 20. Under *results area two*, the Program would support government institutions in providing incentives to reducing fiscal risks related to sub-national financing for capital development, crowding in the private sector, enhancing connectivity between 'lagging regions' and urban growth centers, and improving access to public services to increase the level of basic service delivery convergence across regions. Preliminary indicators to measure outcomes in results area two would include the following:
  - viii. Reduction in sub-national lending to municipalities with municipal debt exceeding 60 percent of municipal revenues;
  - ix. Increase in sub-national capital expenditure for revenue-generating or cost-reducing investments;
  - x. Reduction of sub-national lending for operational expenditure;
  - xi. Increased share of municipal budgets and audit reports disclosed to the public;
  - xii. Increase in number of municipal PPPs;
  - xiii. Number of people and business benefitting from improved access to basic services in 'lagging regions'; and
  - xiv. Increased share of roads with improved paving, lighting, and regular maintenance in 'lagging regions'.

#### **D.** Program Description

#### PforR Program Boundary

21. The Government of Jordan has formulated its vision to "achieve developmental balance, reduce disparity and distribute development revenues fairly" in Objective Two of the JEGP. The current Government program to support achieving this objective comprises a set of different activities, including (i) supporting municipal



investments in basic service improvements; (ii) providing revenue equalization grants through fiscal transfers from central government fuel tax collections; (iii) allocating development budgets to the governorates as part of the Jordan decentralization plan; (iv) establishing industrial zones at the governorate level; and (iv) providing public financing to Small and Medium Enterprises (SMEs) and business to stimulate investments across the governorates. However, the Government is looking for a more systematic approach to promote growth while reducing inequities across geographic areas.

- 22. The proposed PforR would support the Government in implementing a more coherent program for integrated territorial development, with a focus on supporting urban growth centers and developing the building blocks for balanced and inclusive growth across regions over the five-year period of the JEGP. The Program's underlying principles would assume that public sector intervention is required to support optimizing spatial growth patterns and connecting people to economic opportunities. The Program would be geographically limited to the urban growth centers of Zarqua, Irbid, Mafraq and Russeifa; and selected 'lagging regions' close to the Aqaba port area in the South and those close the Sahaba area in the North. The Program would not provide any financing to industrial zones, SMEs or private business to stimulate investments across the governorates. The proposed PforR would finance two sub-programs:
- 23. **Sub-program One: Strengthening Institutions for Sustainable Urban and Municipal Growth.** Activities financed under this sub-program would support the Government in formulating and implementing an institutional reform agenda to strengthen the capacity of sub-national and central level institutions that are critical for supporting and financing sustainable urban spatial growth.
  - a. At the sub-national level, this would include but not be limited to providing support to selected cities, municipalities and urban agglomerations to (i) strengthen their capacity in managing spatial and demographic expansion in a sustainable way to optimize economic performance and social inclusion, e.g., through supporting densification and infilling within the city, promoting transport-oriented urban development to increase proximity to urban transport solutions, and reducing land consumption through limiting spatial expansion; (ii) applying tools for evidence-based sustainable urban planning and informed decision making, e.g., through rolling-out the piloted urban growth scenario analysis across urban centers and update urban masterplans in line with policy and investment recommendations from the scenario analysis; and (iii) enhancing sub-national financing, budgeting and management capacity to reduce unsustainable municipal debt and increase return on investment, e.g., through increasing own-source revenues, enhancing revenue collection efficiency, reducing municipal arrears and improving transparency. This sub-program may also include selected activities to (iv) improving the local business and investment climate to enable private-sector led growth and crowd-in commercial finance through public-private partnerships; (v) improving enterprise services, registration, permitting and licensing to reduce the cost to business from administrative burden; and (vi) supporting Public-Private Dialogues (PPDs) for local and regional investment planning.
  - b. At the central level, this would include providing support to (i) MoMA to update and enhance implementation of sector policies and regulations that are critical to guide and provide incentives for more compact urban growth, including but not limited to urban master planning, building codes, property and land taxation, structured urban transportation, and land value capturing; (ii) CVDB to strengthen the governance, capacity and practices for sub-national lending and investment financing, including support to implementing an overdue restructuring plan; and (iii) MoPIC and selected line



ministries, such as the Ministry of Public Works and Housing (MoPWH), the Ministry of Water and Irrigation (MoWI), and the Ministry of Transport (MoT) to strengthening cross-sectoral planning and coordination to identify and oversee implementation of priority interventions for balanced and inclusive growth.

- 24. **Sub-program Two: Improving Access and Quality of Public Services for Integrated Territorial Development.** Unlocking the untapped growth potential of Jordan's cities and better integrating 'lagging regions' into the economy will require a systematic approach that combines solid cross-sectoral scenario planning with strategic investments in key public assets. Capital investments cannot be limited to the functions assigned to municipalities. Even within municipal boundaries, some of the critical capital development required to support more compact and sustainable growth would go beyond the current legal mandate of Jordan's local authorities, e.g., investments in extension and rehabilitation of water and sanitation infrastructure and urban transport networks. In addition, the Program would aim to support investments to improve basic infrastructure in regions where service provision standards lack behind the national average. Hence, this sub-program would finance capital investments across critical infrastructure sectors within a spatial development framework. Financing would comprise capital grants, and possibly loans, for multi-year investments within cities and municipalities, but also for regional level infrastructure supporting integration of 'lagging regions'.
  - a. In urban growth centers, this would include investments (i) in structured transportation solutions and upgrading of service delivery systems to support housing densification along transport lines, e.g., the BRT systems under preparation in Zarqa and Russeifa, and pilot initiatives in Irbid; (ii) integrated solid waste management systems, including transfer stations such as in Mafraq; and (iii) other urban regeneration and upgrading, such as parks, public areas and green spaces, but also other strategic public assets that can facilitate compact urban growth or attract private investments, e.g., the Zarqa river rehabilitation, Mafraq railway park, and Russeifa phosphate mountains.
  - b. *In 'lagging regions'*, this may include investments in (i) basic infrastructure and service delivery such as water supply and sanitation, solid waste disposal and recycling facilities, and electricity networks to improve access and quality of basic services; and (ii) connecting infrastructure such as roads and transportation networks to integrate 'lagging regions' into the economy and connect then with urban 'growth hubs', beyond an isolated focus on dedicated industrial zones. The recently adopted Governorate Investment Plan would provide the basis for identifying, prioritizing and selecting critical investments under a comprehensive Framework for Integrated Territorial Development. Investments to increase connectivity would be informed by the Trucking Operator Survey recently completed as part of the JIT to inform Program identification.<sup>7</sup>

## E. Initial Environmental and Social Screening

25. An Environmental and Social Management System Analysis (ESSA) of the central organizations and ministries involved with the program, such as MoMA, as well as the regional and municipal level organizations will be undertaken. The ESSA will assesses the environmental and social impacts and risks likely to be associated with the program and will examine Jordan's existing environmental and social management systems for municipal

<sup>&</sup>lt;sup>7</sup> Interdisciplinary Research Consultants, Jordan Local Development in Lagging Regions, Survey of Truck Operators. Final Report, February 2018.

infrastructure projects to ensure consistency with the core environmental and social principles and standards outlined in the directive of "Program-for-Results Financing (2015)" in order to effectively manage potential impacts and risks and promote sustainable development, and to design measures to strengthen systems. The ESSA takes into account a desk review of relevant laws, regulations and policies; will conduct field visits to included lagging regions and municipalities; coordinate with Government counterparts and Development Partners; and develop the stakeholder consultation process.

- 26. The ESSA would benefit from findings of the environmental and social system analysis done for other PforR in Jordan, including the Economic Opportunities for Jordanians and Syrian Refugees (P159522). According to that analysis, 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 systems, on paper, are in many respects consistent with the principles and attributes of a well-functioning system as defined by Bank policy. However, the institutions, processes, and procedures at the Governorate level are not supported by adequate human and/ or financial capacity to operate as designed.
- 27. The program interventions will be carefully screened to assess if any category A-type interventions are included. Such interventions will not be part of the program, as stipulated in the OP/BP 9.0. Furthermore, the team will make sure that planned interventions do not cause any significant adverse environmental impacts that are sensitive, diverse or unprecedented and that any potential impacts are site specific, mostly reversible and could be effectively mitigated with available resources. The activities supported by the Program are expected to generate socio-economic gains and have an overall positive effect including on environment, nonetheless, adverse environmental risks and impacts might result from investments in basic infrastructure such as water, sanitation, electricity and transport. Risks are anticipated to be moderate, will be fully confirmed during the ESSA process.
- 28. The ESSA Analysis will be structured to examine arrangements for managing the environmental and social effects (i.e., benefits, impacts and risks) of the Program. The analysis also will examine whether the system as written in policies, laws and regulations addresses the core environmental and social principles of PforR, as well how regions, municipalities, MoMA and other institutions will be able to implement the system in practice. The draft ESAA will be made publicly available and will be subsequently consulted on with stakeholders. Upon finalization, the ESSA will be publicly disclosed in country and on the World Bank external website.

## CONTACT POINT

#### World Bank

Name :	Bjorn Philipp		
Designation :	Program Leader	Role :	Team Leader(ADM Responsible)
Telephone No :	5366+6514 /	Email :	bphilipp@worldbank.org
•	,		1 110 0
Name :	Lina Abdallah Saeed Abdallah		
		Role :	Team Leader



## **Borrower/Client/Recipient**

Borrower :	Ministry of Planning and International Cooperation		
Contact :		Title :	
Telephone No :		Email :	

#### **Implementing Agencies**

Implementing Agency :	Ministry of Planning and International Cooperation			
Contact :	Zeina Toukan	Title :	Director	
Telephone No :	96264642247	Email :	zeina.t@mop.gov.jo	

# FOR MORE INFORMATION CONTACT

The World Bank 1818 H Street, NW Washington, D.C. 20433 Telephone: (202) 473-1000 Web: http://www.worldbank.org/projects