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Program Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 19-Feb-2024 | Report No: PIDA0020



BASIC INFORMATION

A. Basic Program Data

Project Beneficiary(ies)	Region	Operation ID	Operation Name
Jordan	MIDDLE EAST AND NORTH AFRICA	P180291	Jordan People-Centric Digital Government Program for Results
Financing Instrument	Estimated Appraisal Date	Estimated Approval Date	Practice Area (Lead)
Program-for-Results Financing (PforR)	15-Feb-2024	26-Mar-2024	Governance
Borrower(s)	Implementing Agency		
Hashemite Kingdom of Jordan	ΜΟΡΙϹ		

Proposed Program Development Objective(s)

To improve people-centric service delivery, government effectiveness, and transparency and accountability through digitalization.

COST & FINANCING (US\$, Millions)

Maximizing Finance for Development

Is this an MFD-Enabling Project (MFD-EP)?	No
Is this project Private Capital Enabling (PCE)?	No

SUMMARY

Government program Cost	549.58
Total Operation Cost	549.58
Total Program Cost	548.78
Other Costs (Front-end fee, IBRD)	0.80
Total Financing	549.58
Financing Gap	0.00

FINANCING



Total World Bank Group Financing	321.00
World Bank Lending	321.00
Total Government Contribution	145.24
Total Non-World Bank Group Financing	83.34
Multilateral and Bilateral Financing (concessional)	54.34
Trust Funds	29.00

Decision

The review did authorize the team to appraise and negotiate

B. Introduction and Context

Country Context

1. In the past two years, the Government of Jordan has adopted a wide-ranging program of reforms, political, economic and administrative with the explicit purpose of strengthening the social contract between the government and the citizens, under the initiative of His Majesty King Abdullah II. The three reforms dimensions are officially deemed closely linked and are articulated in the Economic Modernization Vision and its Executive Program (2023-2025), the Public Sector Modernization Roadmap and the Digital Transformation Strategy & Implementation Plan.

2. The Economic Modernization Vision aims at doubling Jordan's growth rate and improving welfare and environmental sustainability over the next ten years, and its implementation rests on government digital transformation, enhanced service delivery and a robust M&E framework. Over the next ten years, the Vision goal is to double the annual growth rate to 5.6 per cent to be able to absorb a million Jordanian youth in the labor market, through mobilizing domestic and foreign investments. It also aims specifically at upgrading critical government services such as public transport, , health services, education, and at "accelerating the pace of government digital transformation by establishing partnerships with the private sector" including by leveraging e-services to improve access and quality of government services, as in the health sector where it expects "an integrated digitally-enabled system" to "ensure a strong and well-knit continuum of care" and improve prevention, and quality and access to health services. In support of the digital transformation, the Vision also plans to "empower a public data agency responsible for data availability, access, and decision-making support" and to bridge the gap between demand and supply of digital skills.

Sectoral and Institutional Context

3. The Public Sector Modernization Roadmap for 2022-2025, approved by government in August 2022, also aims to strengthen digital government by mainstreaming government-to-government digitalized procedures, leveraging IT systems for policy making (e.g. crowdsourcing and AI-based modelling and simulation), by digitalizing government



interaction with both business and citizens (based on "no-touch government", "once-only government" processes), including by granting a digital identity to half of the citizens, and by building digital skills in the civil service. Its purpose is to address the following identified weaknesses: "deterioration in the provision of government services and decreasing levels of satisfaction among service users, weak documentation and coordination in government procedures, complexity and overlap, slow development of digital infrastructure, weak implementation of plans and strategies and linkage with human resources budget and plans, weak evaluation, performance oversight and impact assessment processes, low level of efficiency and productivity of the civil service, weak workforce planning, performance management, leadership and middle management and limited ability to attract and retain competencies". Its implementation is overseen from the Prime Minister's Office (PMO) by a unit established for that purpose under the Deputy Prime minister for Economic Affairs and Minister of State for Public Sector Modernization (the unit is called the Project Management and Implementation Unit, PMIO). Ahead of the Public Sector Modernization roadmap, a range of related governance reforms were adopted in the recent past, but they have yet to be fully operationalized.

4. The National Digital Transformation Strategy & Implementation Plan for 2021 to 2025 also drives the digitalization of government. It aims to develop digital public infrastructure such as digital identity and e-payments, to strengthen open government data and government resources management, to expand government digital services (with the objective of automating them fully by 2025), to institutionalize e-participation and to promote change management. The government is also adopting a legal and regulatory institutional framework for the protection of personal data (with a cybersecurity strategy adopted in 2018 and a Personal Data Protection law about to be enacted). Although the Ministry for Digital Economy and Entrepreneurship (MODEE) is responsible for the implementation of digital transformation, the Prime Minister's Office (PMO) exercises its oversight through the Project Management and Implementation Office (PMIO), under the authority of the Deputy Prime Minister and Minister of State for Public Sector Modernization, to the extent that digital transformation pertains to public sector modernization.

5. Jordan ranks consistently above average among middle-income countries on government effectiveness, rule of law, regulatory quality, and control of corruption, while ranking below average on voice and accountability, according to the World Governance Indicators. Significant progress on GovTech, according to the UN E-government index and World Bank (WB) GovTech Maturity index¹, provides an opportunity for improvements to voice and accountability and access and quality of services. Internet and mobile connectivity and the use of internet social media is widespread, with close to 10 million internet users in 2023 (an 88 percent penetration rate), in increase by close to 7 percent in only one year), over 8.5 million active cellular mobile connections, and over 6.5 million social media users (i.e., 58 percent of the population), with 45 percent of users being women².

6. Jordan has put in place the building blocks of digital public infrastructure (DPI)³ and has been actively working on the digitalization of public services, but user adoption remains limited and a trusted, people-centric DPI ecosystem approach is needed to enable the digitalization of services at scale and align Jordan with international best practice. Digital identification is available for Jordanian citizens through the Sanad application implemented by MODEE, which also includes features such as digital identity, electronic signature, and a personal document store, in addition to functioning as a unified online portal for accessing digitalized public services. More than 800,000 users (i.e., around 7 percent of the population) have activated their digital IDs as of January 30, 2024, and the Government aims to increase

¹ 2022 World Bank GovTech Maturity index.

² Source <u>Datareportal</u>.

³ Digital Public Infrastructure (DPI) refers to digital ID, payment and data exchange capabilities that are fundamental to enabling service delivery and supporting innovation in the digital economy. DPI provides re- usable and foundational digital platforms that allow public and private sector service providers to build and innovate their products and services on top



the number of active digital IDs to 3.5 million by 2025, by facilitating user account activation in bank branches, companies, kiosks, and Government Service Centers. However, progress has been slow, with low perceived relevance for many individuals and service providers. Sanad is so far restricted to citizens. MODEE plans to expand eligibility while also introducing new features to enhance trust, interoperability, security, and people centricity, such as adding a mechanism to collect user consent for data sharing. Coupled with expanded outreach to enroll additional users on Sanad, the addition of these user-empowering and trust-enhancing features to Jordan's DPI stack, as well as their effective integration into digitalized service delivery workflows, are key prerequisites to a sustainable and scalable digitalized service delivery. Taking a trusted, people-centric DPI ecosystem approach offers the opportunity to embrace international standards and open internet technologies by using trusted data for eligibility purposes, access control, and efficient service provision, and to create a trusted data sharing capability as part of the implementation of the Digital Transformation Strategy. As part of its mandate to implement this strategy, MODEE will be responsible for setting the DPI ecosystem's rules, such as for identification, authentication, and interoperability, and ensuring all participants are aware of their responsibilities and compliant with DPI ecosystem requirements.

PforR Program Scope

7. The Program supports the implementation of the Public Sector Modernization Roadmap and the Digital transformation strategy and contributes to the achievement of the relevant objectives of the Economic Modernization Vision. It focuses on the governance reforms which leverage digital government and impact the interaction of government with the people by enhancing both service delivery, government effectiveness and transparency and accountability.

8. It consists of three Result areas; 1) Service delivery; 2) Government effectiveness; 3) Transparency and accountability and of 4 DLIs in the first results area and 3 DLIs in each of the next ones. In each result area, it targets both cross cutting objectives and also focus on sector specific ones in education and health, and it also aims at benefitting Syrian refugees and host communities.

- In Result area 1 on service delivery, the Program supports: 1) expanding trusted and inclusive access to peoplecentric digitalized services; 2) increasing the inclusive adoption of people-centric digital identity; 3) improving trusted, people-centric data sharing; and 4) digital transformation in health service delivery.
- In Result area 2 on government effectiveness, the Program supports: 1) the professionalization of the civil service; 2) establishing a national Health Information Exchange (HIE); 3) the digitization of student assessment.
- In Result area 3 on transparency and accountability, the Program supports: 1) enhancing e-information; 2) statistical data accessibility; 3) the institutionalization of effective health data use.
- **Regarding Syrian refugees,** the Program supports the facilitation of their access to education and health e- services through e-identification.

9. The proposed timeline of the operation is four years. The timeline of the Economic Vision Modernization extends until 2033. Accordingly, it is proposed that the operation be implemented from calendar year 2024 to 2028, i.e., closing on June 30, 2028.



C. Proposed Program Development Objective(s)

Program Development Objective(s)

To improve people-centric service delivery, government effectiveness, and transparency and accountability through digitalization.

PDO-level indicators focus on the outcome of DLIs across Result Areas, including for refugees. In RA 1, the PDO-level indicators focus on the uptake of digital services, including health services. In RA 2, the PDO-level indicators focus on the outcome of the digitalization of student assessment and of the professionalization of the civil service in terms of gender equity; and in RA 3, the PDO-level indicator focuses on e-participation as an outcome of e-information.

D. Environmental and Social Effects

10. The country environmental and social institutions and regulatory framework are in place. However, the country's capacity to enforce and implement its regulatory framework in the acceptable manner remains in need for improvement. The country e-waste management capacity in environmentally responsible manner can be further enhanced. The different implementing agencies under the project lack clear citizen engagement policies and procedures. Grievance Mechanism to be used for the project need to be improved, to manage grievances from different stakeholders. Therefore, the Program environmental and social risks is rated moderate at this stage. Overall, the proposed program activities are expected to have positive impact on environmental systems, including reducing emissions from unnecessary transportation, and resources efficiency by reducing demand on paper.

E. Financing

11. The Program is financed through an IBRD loan and concessional financing from the Global Concessional Financing Facility (GCFF) will also be sought. Jordan is eligible to the GCFF and its financing will be firmed up based on the quantification of benefits from the Program for refugees. The GoJ will send an application for financing to the GCFF Steering Committee following appraisal and, upon approval, the GCFF financing will be reflected in the WB loan agreement during negotiations. A bilateral donor, the Italian Agency for Development Cooperation (AICS), is considering co-financing the Program.

Source	Amount (US\$, millions)	Percentage of Total
International Bank for Reconstruction and Development (IBRD)	321	79.39%
Global Concessional Financing Facility	29	7.17%
Co-financing (TBC)	54.34	13.44%
Total external Program Financing	404.34	100%



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APPROVAL

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Approved By

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