

 Early Warning System

WB-P177815

Jordan Emergency Cash Transfer COVID-19 Response Second
Additional Financing



Quick Facts

Countries	Jordan
Financial Institutions	World Bank (WB)
Status	Approved
Bank Risk Rating	A
Voting Date	2022-03-17
Borrower	Hashemite Kingdom of Jordan
Sectors	Education and Health, Law and Government
Investment Type(s)	Loan
Investment Amount (USD)	\$ 350.00 million
Project Cost (USD)	\$ 350.00 million



Project Description

According to bank documents, the project objective is to provide cash support to poor and vulnerable households and workers affected by the COVID-19 pandemic in Jordan.

The proposed AF2 responds to the evolving needs arising from the COVID-19 crisis. The GOJ's decision to expand Takaful-1 in 2022 despite the challenging fiscal situation reflects the GOJ commitment to protect the poor. The AF will help the GOJ to secure the financing for Takaful-1 over the medium term. It will also support the reform and consolidation of all CT programs for the poor around Takaful-1, as well as other key reforms to further improve the cost-effectiveness of safety net programs. The AF will also finance the extension of the Istidama program for six months in 2022. This extension responds to the protracted negative effects of the COVID-19 crisis on the ability of firms to pay wages, while supporting their transition out of the crisis. Under the proposed AF, an additional amount of US\$320.880 million will be added to subcomponent 1.2 and US\$28.245 million will be added to Component 4. Other components will remain unchanged.

1. Revisions to Component 1 (Cash support to poor and vulnerable households affected by COVID-19) (US\$815.45 million). Under the AF2, the amount for Component 1 will be increased from the original allocated amount of US\$494.57 million to US\$815.45 million.
 1. Subcomponent 1.1: Temporary CTs to vulnerable households (US\$106.965 million). As the emergency situation is improving, the GOJ is discontinuing emergency programs in 2022, while reaffirming its commitment to expanding, further reforming and consolidating CTs around Takaful-1 (subcomponent 1.2). Current Takaful-3 beneficiaries will be considered for coverage under Takaful-1 in 2022, which will be facilitated by the expansion of Takaful-1.
 2. Subcomponent 1.2: Takaful-1 Cash Transfer Program (PBCs) (US\$708.485 million). This subcomponent will be increased from the original allocation of US\$ 387.605 million to US\$708.485 million. The additional funds will be used to finance the expansion of Takaful-1, closing the resulting financing gap in Takaful-1 for 2022 (relative to the remaining amount under the AF) and extending financing of the program through the end of 2023. With the additional funds, the project will increase the number of Takaful-1 beneficiaries from 85,000 households (in 2021) to about 170,000 households (by 2024), including about 50,000 households that are expected to migrate from the NAF monthly CT program into Takaful-1.
2. Component 2: Project management, monitoring, and evaluation (US\$3 million). No changes will be made to the activities financed under this component.
3. Component 3: Contingent Emergency Response Component (CERC) (US\$0 million). No changes will be made under this component.
4. Component 4: Support to workers in firms affected by COVID-19 (US\$193.245 million). Under AF2, the amount for this component will be increased from the original allocation of US\$165 million to US\$193.245 million to finance the extension of the Istidama program for six months (until June 2022) for about 110,000 workers. The extension will cost JOD 30 million (US\$42 million), of which US\$28.245 million will be financed under AF2, while the remaining amount will be covered by the SSC.



Investment Description

- World Bank (WB)



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Bank Documents

- [Project Information Document](#) [\[Original Source\]](#)



Other Related Projects

- WB-P173974 Jordan Emergency Cash Transfer COVID-19 Response Project
- WB-P176807 Jordan Emergency Cash Transfer COVID-19 Response Additional Financing