



Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 28-Mar-2023 | Report No: PIDA33431

**BASIC INFORMATION****A. Basic Project Data**

Country Jordan	Project ID P178480	Project Name Strengthening Reform Management in Jordan: Additional Financing	Parent Project ID (if any) P171965
Parent Project Name Strengthening Reform Management in Jordan	Region MIDDLE EAST AND NORTH AFRICA	Estimated Appraisal Date 03-Apr-2023	Estimated Board Date 20-Apr-2023
Practice Area (Lead) Governance	Financing Instrument Investment Project Financing	Borrower(s) Ministry of Planning and International Cooperation	Implementing Agency Ministry of Planning and International Cooperation

Proposed Development Objective(s) Parent

Strengthen coordination and delivery of policy reforms in Jordan with a focus on the Five-Year Reform Agenda

Proposed Development Objective(s) Additional Financing

To strengthen coordination and delivery of policy reforms in Jordan with a focus on the updated Reform Matrix

Components

1. Enhancing Reform Management by the Reform Secretariat
2. Supporting reform implementing MDAs through the Reform Support Fund
3. Strengthening the PIM & PPP and Public Procurement Framework and Function

PROJECT FINANCING DATA (US\$, Millions)**SUMMARY**

Total Project Cost	9.30
Total Financing	9.30
of which IBRD/IDA	0.00
Financing Gap	0.00

DETAILS**Non-World Bank Group Financing**



Trust Funds	9.30
Free-standing TFs for Bank	9.30
Environmental and Social Risk Classification	
Moderate	

Other Decision (as needed)

B. Introduction and Context

Country Context

- 1. Following the COVID-19 crisis and despite a challenging global environment, Jordan’s economic recovery has been solid, supported by the reopening of the economy, a rebound of travel and tourism and a recovery in domestic demand and key services sectors.** Jordan’s growth rate in the first nine months of 2022 reached 2.7 percent, exceeding expectations. However, the rebound in economic activity was only modestly reflected on labor market indicators with unemployment rates declining only gradually and continued high rates of youth unemployment (at nearly 50 percent) and low female labor participation (at 14 percent). In the four years prior to the COVID-19 crisis, the economy was growing at a low trajectory of around 2.0 percent—hampered by the impacts of the Syrian crisis as well as domestic inefficiencies and high costs.
- 2. In the face of a series of external shocks over the past decade and recent global economic turbulence, the Government of Jordan (GoJ) remains committed to its economic reform agenda with the strategic objective of promoting investment-led growth and job creation.** The GoJ’s Five Year Reform Matrix was launched in 2018, with the aim of stimulating growth, investment and exports, reducing business costs, and countering labor market segmentation, and was updated in 2021 as the Reform Matrix to expand and deepen reforms as part of COVID-19 recovery. In October 2022, the Cabinet of Ministers approved another update to the Reform Matrix—extending its end date to 2024 and broadening its scope. The Reform Matrix also bolsters climate action and gender across sectors. The Matrix is designed as a rolling policy document which will be regularly updated and extended in the coming years to promote reform action and results.
- 3. In June 2022, the GoJ also adopted the Economic Modernization Vision 2033, an economic reform strategy for the next ten years which aims at doubling Jordan’s growth rate and increasing quality of life, and which calls for a significant increase in both public and private investment.** The Vision bolsters the achievement of reform action under the Reform Matrix, not only regarding investment, public and private, but also on data and evidence-based policy making, service delivery and climate response. The Vision targets the acceleration of the annual growth rate to 5.6 percent, the creation of over one million jobs for men and women, doubling female labor force participation, an increase of per capita income by 3 percent per year on average, the improvement of economic competitiveness, and the



strengthening of environmental sustainability. Overall estimated investment needs for achieving the Vision's objectives amount to a net increase of capital investments between 2023 and 2033 by JOD 41.4 bn (i.e., US\$ 58.4 bn), most of which (73 percent) being private investments. The Vision comprises eight key implementation drivers: (a) high value industries; (b) future services; (c) destination Jordan; (d) smart Jordan; (e) sustainable resources; (f) invest Jordan; (g) green Jordan; and (h) vibrant Jordan.

Sectoral and Institutional Context

4. The original Project supported the implementation of the Five-Year Reform Matrix for 2018-2022 focused on promoting inclusive growth and job creation and launched by the GoJ in February 2019.

The Reform Matrix comprised of a set of policy and structural sector specific reforms over a period of five years that pertain to the most critical economic policy issues facing Jordan. The original project has been implemented by the Reform Secretariat in the Ministry of Planning and International Cooperation (MOPIC), and the Government Procurement Department in by the Ministry of Finance. The Reform Secretariat has been providing technical assistance and coordination to ministries, departments, and agencies (MDAs) to help implement various reforms outlined in the Reform Matrix for 2018-2022, which includes Public Investment Management (PIM), Public Private Partnerships (PPP), and public procurement reforms. The original project supports the implementation of the Reform Support Fund (RSF), a financial vehicle that facilitates the Reform Secretariat to extend coordination support and technical assistance to MDAs implementing the list of reform activities in the Reform Matrix.

5. On October 19, 2022, the Cabinet of Ministers approved the updated Reform Matrix which expanded the scope of reforms and extended its timeline from the end of 2022 to the end of 2024. The updated Reform Matrix added three pillars, including: (a) public sector efficiency and governance; (b) agriculture; and (c) tourism. The Reform Matrix was updated through intensive stakeholder consultations internally within the government and externally, with the private sector, civil society and international partners.

6. The Reform Secretariat plays a critical role in ensuring that the updated Reform Matrix 2018-2024 is fully aligned with the Economic Modernization Vision 2033 and other government reform initiatives. The updated Reform Matrix is aligned with the Vision¹, the overarching economic strategy for Jordan for the next ten years, both the reform areas and implementation arrangements. The GoJ approved the first phase of executive plan for the Vision in December 2022². MOPIC is vested with the responsibility to coordinate the preparation of these plans and the Reform Secretariat supports the working groups tasked with drafting them. To coordinate and harmonize the reforms in the updated Reform Matrix with other government reform initiatives, the Reform Secretariat will liaise with the Delivery Unit and the Public Sector Modernization unit in the Prime Minister's Office (PMO), which has the mandate to oversee the implementation of the Vision and other economic and governance reforms.

C. Proposed Development Objective(s)

¹ GoJ, 2022, Economic Modernization Vision.

² The first phase is from 2023 to 2025.



Original PDO

Strengthen coordination and delivery of policy reforms in Jordan with a focus on the Five-Year Reform Agenda

Current PDO

Proposed PDO: To strengthen coordination and delivery of policy reforms in Jordan with a focus on the updated Reform Matrix

Key Results

Proposed PDO indicators include:

- Number of policy reforms in 12 Pillars of the updated Reform Matrix initiated
- Number of policy reforms that integrated stakeholders including citizens, businesses and academia's feedback through stakeholder consultations organized by MDAs in partnership with the Reform Secretariat
- Adoption of sustainable procurement policy on green procurement and/or SME including women-led SME
- Percentage of new PIM investment projects registered in NRIP that were included in the budget as described in PIM legal and policy framework.

D. Project Description

7. As part of the restructuring of the project, three project components are proposed. Component 1 would improve reform management by the Reform Secretariat; Component 2 would support reform implementation through the Reform Support Fund; and Component 3 would support PIM-PPP and Public Procurement framework and functions through the management of PIM and PPP reforms and public procurement reforms.

8. Component 1. Enhancing Reform Management by the Reform Secretariat. As a Project Management Unit (PMU) for this project, the Reform Secretariat manages both day-to-day reform coordination with MDAs and management of project activities. This component is proposed to finance the operating costs of the Reform Secretariat, both on reform coordination with MDAs and the operating cost required for managing the project.

9. Component 2. Supporting reform implementing MDAs through the Reform Support Fund. Component 2 is proposed to support the operationalization of the Reform Support Fund (RSF) that was established within the Reform Secretariat. The RSF facilitates the Reform Secretariat to extend reform activities to MDAs implementing specific reforms under the 12 pillars of the updated Reform Matrix. The Reform Secretariat will use the resources in the RSF to provide technical assistance to reform implementing MDAs, with specific focus on the identified priority areas.

10. Component 3. Strengthening the PIM & PPP and Public Procurement Framework and Function. This Component is proposed to support the implementation of PIM & PPP and public procurement reforms under Pillar 2 by operationalizing PIM and PPP and public procurement process that were developed under the original project.



Legal Operational Policies

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

Summary of Assessment of Environmental and Social Risks and Impacts

E. Implementation

Institutional and Implementation Arrangements

11. This AF proposes restructuring to introduce changes to the existing implementation arrangement to strengthen project effectiveness. The Reform Secretariat in the MOPIC will be the single PMU responsible for the management of this project. The Reform Secretariat will coordinate with relevant MDAs and other stakeholders and manage the implementation of activities under three components. The Secretariat will also be responsible for financial management, procurement, environment and social safeguards, and monitoring and evaluation of the project.

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APPROVAL

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