



RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
EXPLORING HIGH-VALUE, SOCIALLY INCLUSIVE AND WATER-EFFICIENT AGRICULTURE
APPROVED ON MAY 9, 2020
TO
HASHEMITE KINGDOM OF JORDAN

AGRICULTURE AND FOOD
MIDDLE EAST AND NORTH AFRICA

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ABBREVIATIONS AND ACRONYMS

ADM	Accountable Decision Maker
CPF	Country Partnership Framework
DA	Designated Account
ESCP	Environmental and Social Commitment Plan
ESF	Environmental and Social Framework
ESIA	Environmental and Social Impact Assessment
FM	Financial Management
GDP	Gross Domestic Product
GPD	General Procurement Department
GRM	Grievance Redress Mechanism
GRS	Grievance Redress Service
GTD	Governmental Tender Directorate
IFR	Interim Unaudited Financial Reports
ILO	International Labour Organization
IPM	Integrated Pest Management
IRR	Internal Rate of Return
JOD	Jordanian Dinar
LMP	Labor Management Procedures
M&E	Monitoring and Evaluation
MENA	Middle East and North Africa
MNXTA	Middle East and North Africa Region-wide Technical Assistance Multi-Donor Trust Fund
MOA	Ministry of Agriculture
NFT	Nutrient Film Technique
NGO	Non-Governmental Organization
NLFD	Multi-Donor Trust Fund for Forced Displacement
NSAD	National Strategy for Agricultural Development
PDO	Project Development Objective
SEP	Stakeholder Engagement Plan
STEP	Systematic Tracking of Exchanges in Procurement



BASIC DATA

Product Information

Project ID P170476	Financing Instrument Investment Project Financing
Environmental and Social Risk Classification (ESRC) Moderate	
Approval Date 09-May-2020	Current Closing Date 28-Mar-2024

Organizations

Borrower HASHEMITE KINGDOM OF JORDAN	Responsible Agency Ministry of Agriculture
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Financing (in USD Million)

SUMMARY

Total Project Cost	0
Total Financing	0
Financing Gap	0

DETAILS

Project Development Objective (PDO)

Original PDO

To pilot an environmentally sustainable, commercially viable and socially-inclusive hydroponic agriculture business model.



Summary Status of Financing (US\$, Millions)

TF	Approval	Signing	Effectiveness	Closing	Net		
					Commitment	Disbursed	Undisbursed
TF-B2626	09-May-2020	02-Dec-2020	02-Dec-2020	28-Mar-2024	1.00	.69	.31
TF-B2638	09-May-2020	02-Dec-2020	02-Dec-2020	30-Jun-2021	.43	.43	0

Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No

I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

A. Project Status

1. This Restructuring Paper seeks approval to extend the closing date of the Multi-Donor Trust Fund for Forced Displacement NLFD Grant (TF-B2626) for Exploring High-Value, Socially Inclusive and Water-Efficient Agriculture Project (the Project) from March 28, 2024, to September 30, 2024.
2. A US\$600,000 Multi-Donor Trust Fund for Forced Displacement (NLFD) Grant (TF-B2626) for the Project was approved on May 9, 2020, and became effective on December 2, 2020; the closing date of the Grant was April 30, 2022. In addition, a US\$430,000 Grant from the Middle East and North Africa Regionwide Technical Assistance Multi-Donor Trust Fund Grant (TF-B2638) was approved on the same date with a closing date of June 30, 2021. The Project Development Objective (PDO) is to pilot an environmentally sustainable, commercially viable, and socially inclusive hydroponic agriculture business model.
3. **Additional Financing and Restructuring.** The closing date of the Grant was extended on April 25, 2022, to December 31, 2022, because of implementation delays caused by the impact of the COVID-19 pandemic, changes in government, and a new procurement law. The closing date was subsequently extended to March 28, 2024, to complete project activities and enhance the Grievance Redress Mechanism (GRM). On September 26, 2023, an additional US\$400,000 was allocated from the Multi-Donor Trust Fund for Forced Displacement (NLFD) Grant (TF-B2626) to improve project design, strengthen the GRM, and achieve the PDO.
4. **Status of Implementation.** Progress towards the achievement of the Project Development Objective (PDO) and Implementation Progress (IP) are rated **Moderately Satisfactory** due to delays in implementation. The Project has developed two innovative social enterprises for producing fruits and vegetables using hydroponic technology in Karak and Tafila, which are two of the poorest governorates in southern Jordan. In Tafila Governorate, repair and maintenance works are underway and are expected to be completed by the end of May 2024. In Karak Governorate,



the construction of the hydroponic greenhouses has been completed and the first planting season is underway. There have been delays in the procurement of solar energy systems, cold storage facilities and transportation at both governorates. The procurement process for these activities has been relaunched, as the financial offers of the previous bids were double the estimated cost. Delivery of two transport vehicles, two cooling trucks, and the planting trays for seed crops in Tafilah and Al-Karak is expected by the end of May 2024. The installation of the solar systems in both governorates is anticipated to be completed by the end of June 2024.

5. **Environmental and Social (E&S).** The Project is in compliance with the Environmental and Social Commitment Plan (ESCP) and the Environmental and Social Impact Assessment (ESIA). Project E&S performance is rated Satisfactory, and the E&S risk is rated Moderate.
6. **Fiduciary.** Financial management (FM) performance is rated Satisfactory. Financial reports of the Project are up-to-date and are deemed satisfactory. There are no overdue project financial audits. The audit reports are unqualified and are acceptable to the Bank. Procurement performance is rated Moderately Satisfactory.

B. Rationale for Restructuring

7. The Project requires an additional six months beyond the current closing date of March 28, 2024, to: (i) complete the procurement of critical support infrastructure (solar energy, cold storage, and transport) that was added to the Project during the September 2023 AF; and (ii) ensure that all assets are transferred to beneficiaries and are used sustainably prior to closing.
8. An action plan prepared by the Project to complete the remaining work by the proposed extended closing date has been reviewed by the Bank and is considered realistic. The proposed extension will not affect the PDO, project components, project management, and monitoring and evaluation, as well as the Project's Results Framework. No changes are required to the Project's current environmental and social instruments. The PDO remains achievable by the proposed extended closing date.

II. DESCRIPTION OF PROPOSED CHANGES

C. Description

9. The proposed restructuring would extend the closing date of the Multi-Donor Trust Fund for Forced Displacement NLF Grant (TF-B2626) from March 28, 2024, to September 30, 2024. This would be the third extension of the grant closing date. The timeline for the achievement of results in the Results Framework would be adjusted to reflect the revised closing date. In addition, the disbursement forecasts will be revised based on disbursements so far and anticipated disbursements based on the proposed revised closing date; see Section IV Detailed Changes.

Describe any E&S issues and impacts associated with the change in project design. Identify and describe any potential large scale, significant and/or irreversible impacts.



The E&S risks of the Project remain unchanged at Moderate and the risk mitigation measures included in the E&S instruments remain valid.

Describe any potential indirect and/or long-term impacts due to anticipated future activities in the project areas.

No potential indirect and/or long-term impacts are anticipated as a result of the proposed closing date extension.

Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

Not applicable

Describe measures taken by the borrower to address E&S policy issues. Provide an assessment of borrower capacity to plan and implement the measure described.

The E&S capacity building measures agreed with MoA remain applicable and will be continued during the time extension.

Identify key stakeholders and describe the mechanism for consultation and disclosure on E&S policies, with an emphasis of potentially affected people.

The restructuring does not entail any change to the key stakeholders or the affected people. The Stakeholder Engagement Plan remains applicable, and no changes are needed.

III. SUMMARY OF CHANGES

	Changed	Not Changed
Loan Closing Date(s)	✓	
Disbursement Estimates	✓	
Implementation Schedule	✓	
Implementing Agency		✓
Project's Development Objectives		✓
Results Framework		✓
Components and Cost		✓
Cancellations Proposed		✓
Additional Financing Proposed		✓
Reallocation between Disbursement Categories		✓
Disbursements Arrangements		✓
Change in Overall Risk Rating		✓
Legal Covenants		✓
Institutional Arrangements		✓



Financial Management		✓
Procurement		✓
Other Change(s)		✓
Economic and Financial Analysis		✓
Technical Analysis		✓
Social Analysis		✓
Environmental Analysis		✓

IV. DETAILED CHANGE(S)

LOAN CLOSING DATE(S)

TF	Status	Original Closing	Revised Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
TF-B2626	Effective	30-Apr-2022	31-Dec-2022, 28-Mar-2024	30-Sep-2024	30-Jan-2025
TF-B2638	Closed	30-Jun-2021	01-Apr-2022		

DISBURSEMENT ESTIMATES

Change in Disbursement Estimates
Yes

Expected Disbursements (In US\$)

Fiscal Year	Annual	Cumulative
2019	0.00	0.00
2020	2,564.70	2,564.70
2021	79,223.48	81,788.18
2022	140,501.27	222,289.45
2023	293,545.88	515,835.33
2024	449,715.51	965,550.84
2025	464,449.16	1,430,000.00



The World Bank

Exploring High-Value, Socially Inclusive and Water-Efficient Agriculture (P170476)
