



**LOAN NUMBER 9699-JO**

# **Loan Agreement**

**(Jordan Human Capital Program Development Policy Loan)**

**between**

**HASHEMITE KINGDOM OF JORDAN**

**and**

**INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT**



**LOAN AGREEMENT**

AGREEMENT dated as of the Signature Date between HASHEMITE KINGDOM OF JORDAN (“Borrower”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”) for the purpose of providing financing in support of the Program (as defined in the Appendix to this Agreement). The Bank has decided to provide this financing on the basis, inter alia, of: (i) the actions which the Borrower has already taken under the Program and which are described in Section I of Schedule 1 to this Agreement; and (ii) the Borrower’s maintenance of an adequate macroeconomic policy framework. The Borrower and the Bank therefore hereby agree as follows:

**ARTICLE I — GENERAL CONDITIONS; DEFINITIONS**

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

**ARTICLE II — LOAN**

- 2.01. The Bank agrees to lend to the Borrower the amount of three hundred million Dollars (USD 300,000,000), as such amount may be converted from time to time through a Currency Conversion (“Loan”).
- 2.02. The Front-end Fee is one quarter of one percent (0.25%) of the Loan amount.
- 2.03. The Commitment Charge is one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
- 2.04. The interest rate is the Reference Rate plus the Variable Spread or such rate as may apply following a Conversion; subject to Section 3.02(e) of the General Conditions.
- 2.05. The Payment Dates are April 15 and October 15 in each year.
- 2.06. The principal amount of the Loan shall be repaid in accordance with Schedule 2 to this Agreement.
- 2.07. Without limitation upon the provisions of Section 5.05 of the General Conditions, the Borrower shall promptly furnish to the Bank such information relating to the provisions of this Article II as the Bank may, from time to time, reasonably request.

### **ARTICLE III — PROGRAM**

- 3.01. The Borrower declares its commitment to the Program and its implementation. To this end, and further to Section 5.05 of the General Conditions:
- (a) the Borrower and the Bank shall from time to time, at the request of either party, exchange views on the Borrower's macroeconomic policy framework and the progress achieved in carrying out the Program;
  - (b) prior to each such exchange of views, the Borrower shall furnish to the Bank for its review and comment a report on the progress achieved in carrying out the Program, in such detail as the Bank shall reasonably request; and
  - (c) without limitation upon paragraph (a) and (b) of this Section, the Borrower shall promptly inform the Bank of any situation that would have the effect of materially reversing the objectives of the Program or any action taken under the Program including any action specified in Section I of Schedule 1 to this Agreement.

### **ARTICLE IV — REMEDIES OF THE BANK**

- 4.01. The Additional Event of Suspension consists of the following; namely a situation has arisen which shall make it improbable that the Program, or a significant part of it, will be carried out.
- 4.02. The Additional Event of Acceleration consists of the following; namely the event specified in Section 4.01 of this Agreement occurs and is continuing for a period of thirty (30) days after notice of the event has been given by the Bank to the Borrower.

### **ARTICLE V — EFFECTIVENESS; TERMINATION**

- 5.01. The Additional Condition of Effectiveness consists of the following; namely the Bank is satisfied with the progress achieved by the Borrower in carrying out the Program and with the adequacy of the Borrower's macroeconomic policy framework.
- 5.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

### **ARTICLE VI — REPRESENTATIVE; ADDRESSES**

- 6.01. The Borrower's Representative is its Minister responsible for planning and international cooperation.
- 6.02. For purposes of Section 10.01 of the General Conditions:
- (a) the Borrower's address is:

Ministry of Planning and International Cooperation  
Post office Box 555  
Amman, 11118  
The Hashemite Kingdom of Jordan; and

(b) the Borrower's Electronic Address is:

Facsimile:	E-mail:
+962-6-464 9341	<a href="mailto:mop@mop.gov.jo">mop@mop.gov.jo</a>

6.03. For purposes of Section 10.01 of the General Conditions:

(a) the Bank's address is:

International Bank for Reconstruction and Development  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America; and

(b) the Bank's Electronic Address is:

Telex:	Facsimile:	E-mail:
248423(MCI) or 64145(MCI)	1-202-477-6391	<a href="mailto:jcarret@worldbank.org">jcarret@worldbank.org</a>

AGREED as of the Signature Date.

**HASHEMITE KINGDOM OF JORDAN**

**By**

*Zeina Toukan*

**Authorized Representative**

**Name:** Zeina Toukan

**Title:** Minister of Planning & International Cooperat

**Date:** 24-Jul-2024

**INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT**

**By**

*Jean-Christophe Carret*

**Authorized Representative**

**Name:** Jean-Christophe Carret

**Title:** Country Director

**Date:** 24-Jul-2024

## SCHEDULE 1

### Program Actions; Availability of Loan Proceeds

**Section I. Actions under the Program:** The actions taken by the Borrower under the Program include the following:

#### **Pillar 1: To Improve the Governance and Effectiveness of Social Sectors**

1. To enhance the effectiveness of public sector workers, including in the human development sectors, the Borrower's Council of Ministers has approved the new competency-based recruitment and promotion policy to be processed as a bylaw, as evidenced by the Decision of the Council of Ministers No. 16412.
2. To improve the effectiveness of social services, the Borrower has formalized the conditions of practice and licensing requirements for caregivers and social workers, as evidenced by the Social Development Law.
3. To improve the management of the Civil Health Insurance Fund (CHIF), the Borrower has issued a policy mandating the digital track and trace of referrals to ensure compliance with referral criteria set out in the CHIF Bylaw, as evidenced by Ministerial Decision No. MT/DPL/1383.
4. To expand the participation of the private sector in education provision, the Borrower has simplified the licensing requirements for private and foreign educational institutions, as evidenced by Bylaw N° 87 of 2023.
5. To improve the management of tobacco-related diseases, the Borrower has adopted a comprehensive policy to provide tobacco prevention and cessation services in its primary care clinics, as evidenced by the National Tobacco Control Strategy and Action Plan, as evidenced by the Decision of the Council of Ministers No 15794.

#### **Pillar 2: To Promote Resilience, including Safeguarding Households against Climate Shocks**

6. To improve access to healthcare in remote areas and in emergency situations, the Borrower has established the legal framework allowing public and private sectors to provide medical consultations and protect patient data via telemedicine as evidenced by Regulation N° 51 of 2023.
7. To enhance the resilience to shocks of the education system by ensuring teaching and learning continuity, the Borrower has mandated the use of e-learning in emergency situations, as evidenced by Regulation N° 19 of 2024.
8. To increase the number of young workers contributing to SSC, the Board of the SSC has approved reducing contributions for youth under 30 years old for old age, disability, and death contributions in private sector small and medium enterprises, as evidenced by the Board of SSC Decision No. 48 of 2024.

9. To strengthen the responsiveness of the social safety system to natural disasters, primarily climate shocks, the Borrower has adopted provisions for cash and in-kind assistance to affected households, as evidenced by the Instructions for Urgent Financial Aid for Relief and Assistance to Poor and Needy Households exposed to Natural Disasters for the Year 2024.

**Section II. Availability of Loan Proceeds**

- A. General.** The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of this Section and such additional instructions as the Bank may specify by notice to the Borrower.
- B. Allocation of Loan Amounts.** The Loan is allocated in a single withdrawal tranche, from which the Borrower may make withdrawals of the Loan proceeds. The allocation of the amounts of the Loan to this end is set out in the table below:

<b>Allocations</b>	<b>Amount of the Loan Allocated (expressed in USD)</b>
(1) Single Withdrawal Tranche	299,250,000
(2) Front-end Fee	750,000
(3) Amount due pursuant to Section 4.05 (c) of the General Conditions	
<b>TOTAL AMOUNT</b>	<b>300,000,000</b>

**C. Withdrawal Tranche Release Conditions.**

No withdrawal shall be made of the Single Withdrawal Tranche unless the Bank is satisfied: (a) with the Program being carried out by the Borrower; and (b) with the adequacy of the Borrower’s macroeconomic policy framework.

**D. Closing Date.** The Closing Date is December 31, 2025.

**E. Deposit of Loan Amounts.**

The Borrower, within thirty (30) days after the withdrawal of the Single Withdrawal Tranche from the Loan Account, shall report to the Bank: (a) the exact sum received into the account referred to in Section 2.03 (a) of the General Conditions; (b) the details of the account to which the (local currency) equivalent of the Loan proceeds will be credited; (c) the record that an equivalent amount has been accounted for in the Borrower’s budget management systems; and (d) the statement of receipts and disbursement of the account referred to in Section 2.03 (a) of the General Conditions.

## SCHEDULE 2

### Commitment-Linked Amortization Repayment Schedule

The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date (“Installment Share”).

#### Level Principal Repayments<sup>1</sup>

<b>Principal Payment Date</b>	<b>Installment Share</b>
On each April 15 and October 15 Beginning October 15, 2028 through October 15, 2042	3.33%
On April 15, 2043	3.43%

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<sup>1</sup> The determination of the principal amounts of the Loan repayable on each Principal Payment Date is made in accordance with Section 3.03 of the General Conditions.



## APPENDIX

### Definitions

1. “Board of SSC Decision No. 48 of 2024” means the decision of the Board of SSC no. 48 dated April 1, 2024, with respect to the approval of the draft Bylaw for reducing old age, disability, and death contributions for workers in private sector establishments, to be issued pursuant to Article 59(C) of the Borrower’s Social Security Law No. 1 of 2014, and submitting the same to the Borrower’s Council of Ministers for approval.
2. “Bylaw N° 87 of 2023” means the Borrower’s Bylaw 87/2023 on the licensing of private and foreign education institutions, published in the Official Gazette dated December 17, 2023 and issued pursuant to Article 32(a) of the Borrower’s Education Law No. 3 of 1994.
3. “CHIF Bylaw” means the Borrower’s Bylaw No. 83 dated May 4, 2004.
4. “Civil Health Insurance Fund” or “CHIF” means the Borrower’s institution aiming to provide and finance the health insurance services to real persons in the Borrower’s territory, established and operating pursuant to Borrower’s Law No. 54, or its legal successor acceptable to the Bank.
5. “Decision of the Council of Ministers no 15794” means the Borrower’s Council of Minister (Cabinet) Decision No. 15794 dated March 27, 2024.
6. “Decision of the Council of Ministers no 16412” means the Borrower’s Council of Minister (Cabinet) Decision No. 15794 dated May 22, 2024.
7. “Instructions for Urgent Financial Aid for Relief and Assistance to Poor and Needy Households exposed to Natural Disasters for the Year 2024” means the Borrower’s instructions of the same title published in the Official Gazette dated May 1, 2024, and issued pursuant to paragraph (g) of Article 8 of the Borrower’s National Aid Fund Law No. 36 of 1986.
8. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for IBRD Financing, Development Policy Financing”, dated December 14, 2018 (Last revised on July 15, 2023).
9. “Ministerial Decision No. MT/DPL/1383” means the Decision No. MT/DPL/1383 of the Borrower’s Minister of Health dated May 5, 2024.
10. “National Tobacco Control Strategy and Action Plan” means the Borrower’s action plan providing for tobacco prevention and cessation services in its primary care clinics, approved by the Council of Ministers on March 27, 2024.

11. “Program” means: the program of objectives, policies, and actions set forth or referred to in the letter dated May 26, 2024 from the Borrower to the Bank declaring the Borrower’s commitment to the execution of the Program, and requesting assistance from the Bank in support of the Program during its execution and comprising actions taken, including those set forth in Section I of Schedule 1 to this Agreement, and actions to be taken consistent with the program’s objectives.
12. “Regulation N° 19 of 2024” means the Borrower’s Regulation 19/2024 on E-learning in Scholastic Educational Institutions, published in the Official Gazette dated April 18, 2023 and issued pursuant to Article 45 of the Borrower’s Education Law No. 3 of 1994.
13. “Regulation N° 51 of 2023” means the Borrower’s Regulation 51/2023 for Telehealth and Medical Care, published in the Official Gazette dated August 31, 2023 and issued pursuant to Articles 3, 5, 6 and 72 of the Borrower’s Public Health Law No. 47 of 2008.
14. “Signature Date” means the later of the two dates on which the Borrower and the Bank signed this Agreement and such definition applies to all references to “the date of the Loan Agreement” in the General Conditions.
15. “Single Withdrawal Tranche” means the amount of the Loan allocated to the category entitled “Single Withdrawal Tranche” in the table set forth in Part B of Section II of Schedule 1 to this Agreement.
16. “Social Development Law” means the Borrower’s Law No. 4 of 2024, as published in the Official Gazette No. 1651.
17. “Social Security Corporation” or “SSC” means the Borrower’s autonomous institution, established under the Temporary Law No. 30 (1978) and Law No. 19 (2001), with the mandate to protect and support the workforce socially and economically, or its legal successor acceptable to the Bank.