



Additional Financing Appraisal Environmental and
Social Review Summary
Appraisal Stage
(AF ESRS Appraisal Stage)

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BASIC INFORMATION

A. Basic Project Data

Country	Region	Borrower(s)	Implementing Agency(ies)
Jordan	MIDDLE EAST AND NORTH AFRICA	Hashemite Kingdom of Jordan	National Aid Fund (NAF), Ministry of Planning and International Cooperation
Project ID	Project Name		
P177815	Jordan Emergency Cash Transfer COVID-19 Response Second Additional Financing		
Parent Project ID (if any)	Parent Project Name		
P173974	Jordan Emergency Cash Transfer COVID-19 Response Project		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Social Protection & Jobs	Investment Project Financing	1/16/2022	3/21/2022

Proposed Development Objective

The project development objective is to provide cash support to poor and vulnerable households affected by the COVID-19 pandemic in Jordan.

Financing (in USD Million)	Amount
Current Financing	664.17
Proposed Additional Financing	350.00
Total Proposed Financing	1014.17

B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?

No

C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]

Public Disclosure



The proposed additional financing (AF) in the amount of US\$322 million and a restructuring of the parent project is in response to a request from the Government of Jordan (GOJ). The proposed AF and restructuring will not include any changes to the PDO. The AF and restructuring will entail the following changes: (i) increase the allocation of subcomponent 1.2 (Takaful-1 cash transfer program) by \$293 million while revising the PBCs linked to this subcomponent to reflect the expansion of program beneficiaries starting in 2022; (ii) increase the allocation for Component 4 (Support to workers in firms affected by COVID-19) by US\$28 million; and (iii) extension of the original loan closing date by 12 months (from December 31, 2023, to December 31, 2024) to align it with that of the AF.

The proposed AF contributes to the new Pillar 3 of the World Bank Group (WBG) Country Partnership Framework (CPF) for Jordan (FY17-22), which was introduced in the 2021 Performance and Learning Review, namely, supporting an effective COVID-19 crisis response and resilient recovery. The proposed AF will contribute to the first objective under Pillar 3 to mitigate the immediate health and socioeconomic impacts of the crisis by providing cash support to poor and vulnerable households and formal workers who were affected by the pandemic. The project complements other Bank-funded operations in support of the GOJ crisis response approach, including the COVID-19 Emergency Health Project, the Inclusive and Transparent Business Regulatory Environment for Investment Program-for-Results (PforR), and the Economic Opportunities for Jordanian and Syrian Refugees PforR.

The project is also aligned with the strategic objectives of the WBG including the response to the COVID-19 pandemic. The project provides cash support to poor and near-poor households in response to the COVID-19 pandemic, thus contributing to the WBG's twin goals of eliminating extreme poverty by 2030 and boosting shared prosperity in a sustainable manner. The project also contributes to the implementation of the WBG MENA enlarged strategy, particularly its pillars on renewing the social contract and strengthening resilience to shocks through modernizing social protection systems, digitizing payments, and human capital. It is also in line with the WBG Gender Strategy (FY16-23) and contributes to its pillar of improving human endowments. The project activities are aligned with two of the four pillars of the WBG COVID-19 Crisis Approach Paper (June 2020), namely: Pillar 2, focusing on the immediate and emergency needs, through the provision of cash transfers to mitigate the continuing impact of the COVID-19 crisis and supporting CTs that protect the human capital of children; and Pillar 4, strengthening the national SP system to respond to future crises. It is also aligned with the MENA-wide COVID-19 response platform. The Bank is using the MENA country platform to mobilize and coordinate support to vulnerable Jordanian and non-Jordanian households through the Takaful-1 Taskforce and the Humanitarian Development Partners Group (HDPG).

The proposed AF 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 support the government to secure financing for Takaful-1 over the medium-term and to facilitate the consolidation of all CT programs for the poor under Takaful-1 while phasing out other programs. The AF will also finance the extension of Istadama program for six months in 2022. Istadama reflects the protracted negative effects of the COVID-19 crisis on firms and the difficulties they continue to face with paying wages and remaining operational, as well as the need to mobilize substantial government resources to finance wage subsidies. The two programs cover a substantial portion of households and workers in need who have become even poorer as a result of the pandemic (Takaful-1) and formal workers and their families, many of whom are low income, in firms most affected by the impact of the pandemic (Istadama).

D. Environmental and Social Overview



D.1. Detailed project location(s) and salient physical characteristics relevant to the E&S assessment [geographic, environmental, social]

This is a Second Additional Financing (AF) to the existing Jordan Emergency Cash Transfer COVID-19 Response Project (P173974) (Parent Project) and First Additional Financing (P176807). The Project Development Objective remains unchanged to provide cash support to poor and vulnerable households and workers affected by the COVID-19 pandemic through budget support to Government of Jordan's existing cash transfer programs. The project is nationwide.

The proposed AF responds to the evolving needs arising from the COVID-19 crisis. The COVID-19 pandemic has negatively impacted Jordan's economy and the labor market. Jordan's real Gross Domestic Product (GDP) contracted by 1.6 percent in 2020, compared to 2.0 percent growth in 2019. The contraction of economic activity has negatively affected household living conditions through the labor market. The unemployment rate continued to increase, and in Q4-2020, reached 24.7 percent- 5.7 percentage points higher than the rate in Q4-2019. Women and youth, who already have structurally high unemployment rates, have been hit the hardest by the crisis. Female unemployment rose to 32.8 percent (Q4-2020) from 24.1 percent (Q4-2019), while youth unemployment rose to 50 percent (Q4-2020) from 40.6 percent (Q4-2019).

Poverty and vulnerability were relatively high in Jordan and increased significantly during the COVID-19 pandemic. Before the pandemic, the official poverty rate in Jordan was 15.7 percent. Early simulations conducted by the World Bank suggest that the possible short-term increase in national poverty could be as high as 11 percentage points for Jordanians, because of the lost labor and remittance incomes for households (Refaqat et al, 2020). At the same time, many non-poor households are close to the poverty line with high vulnerability and are at-risk of falling into poverty with household shocks. Households relying on informal work have been particularly affected by the pandemic, pushing many further into poverty. Informal workers were disproportionately concentrated in poor and near-poor households before the pandemic—accounting for about half of the workers among the poorest 20 percent.

Before 2019, government spending on cash transfers for the poor was too low to make a substantial difference on poverty and inequality. In 2018, the government spent about JOD 104m on the National Aid Fund's Regular Monthly Cash Transfer program (NAF CT), representing about 0.3 percent of GDP, and covering about 100,000 households. The program is estimated to have reduced poverty and inequality by 0.9 and 0.4 percentage points, respectively (Rodriguez and Wai-Poi, 2021). Excluding spending on temporary emergency programs in response to the COVID-19 pandemic, social safety net spending has declined since 2018, driven by the reduced spending on CIP for the poor, as well as the discontinuation of the bread subsidy in 2021.

In 2019, the Government of Jordan initiated reforms to increase the cost-effectiveness of social safety nets (SSNs), starting with the expansion and improvement of cash transfers. A new National Social Protection Strategy (NSPS) was launched in 2019. As part of that, a new flagship cash transfer program, Takaful (later called Takaful 1), was introduced to expand coverage and improve the cost-effectiveness of cash transfers for the poor. Takaful introduced an improved targeting method to identify poor households, digital payments to beneficiaries, and a state-of-the-art delivery platform which allowed Jordan to respond quickly and effectively to COVID-19. The platform enabled the government to deliver two emergency cash transfer programs to households relying on informal income that had become poor as a result of the pandemic. The two programs are Takaful 2 in the first half of 2020, providing 3-months cash transfers to over 240,000 households and Takaful 3, providing cash transfers to 160,000 households over 12 months. World Bank estimates show that the emergency cash transfers have mitigated approximately 4.5 percentage



points of the initial poverty increase due to the pandemic, and over one-third of the increase in the poverty gap. Both programs are supported by the Parent and the first Additional Financing of the ECT Project.

After introducing multiple emergency measures in response to the COVID-19 pandemic, the GOJ is currently focused on recovery. As COVID-19 infection rates have stabilized, in August 2021, the GOJ has announced a new set of priorities and programs to support economic growth and boost Jordan's recovery from the pandemic.

To support poor and vulnerable households post-pandemic, the GOJ envisions consolidating all cash transfers under the Takaful umbrella, for improved efficiency and poverty impact. With the aim of consolidating all CT programs under one umbrella, the government decided to discontinue emergency programs in 2022 while increasing the budget and number of beneficiaries under the Takaful program (regular cash transfer) by 30,000 households. This will increase the coverage of social assistance programs in Jordan with significant impact on poverty. World Bank estimates show that Takaful is the most redistributive and cost-effective program currently active in Jordan; it is estimated to reduce inequality and poverty by 0.7 and 1.4 percentage points, respectively. In addition, the government will begin in 2022 the migration process of beneficiaries of NAF's old monthly cash transfer program (currently about 101,000 households) to the Takaful program (provided that they are eligible). Estimates show that this would increase program expenditure reaching the bottom three income deciles by 36 percentage points at no additional cost, reducing inequality and poverty by 0.4 percentage points respectively. It is expected that half of NAF's monthly cash transfer program recipients will be transferred to Takaful during 2022. The proposed second Additional Financing project will finance, subject to achieving the PBCs, eligible beneficiaries under the Takaful cash transfer program including those who will be transferred from the regular monthly cash transfer program.

The GOJ has also introduced various programs and initiatives to support formal-sector workers who were affected by the COVID-19 pandemic. Defense Orders No.6 and No.1 prevented private firms from laying off formal sector workers and temporarily lowering social security contribution rates. However, many workers have experienced significant wage cuts as their companies struggled with reduced activity, while others stopped receiving payment altogether as their companies ceased operations. In response to that, the Social Security Corporation (SSC) introduced temporary wage subsidies through a six-month long program called Istadama, launched in December 2020, and supported by the Parent and the first Additional Financing of the ECT project. The program partially covers wages and social security contributions of formal workers employed in firms that are not authorized to work. It also partially covers wages of formal workers employed in firms that are still operational but severely affected by the pandemic crisis. Altogether, about 111,000 workers benefited from various schemes under Istadama. In August 2021, the government revised categories and corresponding wage subsidy amounts under Istadama program to account for the economic recovery of some sectors, including a new category 'Ta'afi' ('Recovery') where the program subsidizes wages in firms that are recovering from the crisis to a lesser extent. Workers will now either receive 85 percent or a 100 percent of their pre-covid wage instead of the 50 and 75 percent determined under previous Istadama categories, from which the share covered by the Istadama program will depend on how severely the sector remains impacted by the COVID-19 crisis. The Istadama program will be further extended for six months, till June 2022. Number of beneficiaries from the extension is about 44,000 formal workers. The extension is budgeted at JOD 30 million (US\$ 42 million), of which US\$ 28 million is planned to be financed through the proposed second Additional Financing project, representing the contribution of the Government in the program.

D. 2. Borrower's Institutional Capacity



The project is progressively moving toward meeting its key development objective. The number of households receiving cash support through the project has exceeded the targets under Component 1 and Component 4. The number of CT beneficiaries reached a total of 352,192 households exceeding the target of 247,000 under Component 1, while the number of workers benefiting from wage subsidies under Component 4 has reached 109,327 against the target of 100,000. Similarly, the project has achieved key results against intermediate results indicators, including (under Component 1) - the number of households who received temporary CTs for three months in 2020 under Takaful-2 has reached 241,329 against a target of 132,000; the number of households receiving temporary 12-months CTs in 2021 under the Takaful-3 program has reached 155,376; the total number of beneficiaries receiving temporary CTs under Takaful-2 and Takaful-3 has reached 262,653 which exceeds the end target of 132,000; and the Takaful-1 regular CT program has exceeded its target of 85,000 households by 2021 by reaching 89,084 households. Further, under Component 2, the number of new participating institutions connected to the National Unified Registry (NUR) is 23 against a target of 20; and the percentage of beneficiary households receiving payments digitally has reached 81.4 percent against a target of 100 percent. The number of workers receiving wage subsidies under Component 4 'Istidama' program has reached 109,327 workers, exceeding the target of 100,000 workers, with 47 percent being women. The number of companies benefiting from the Istidama has reached 6,727 companies. The sector that benefited the most under 'Istidama' was the education sector, at 28 percent; followed by the hospitality and tourism sector at 19 percent and the trade industry at 17 percent.

The last Implementation Status and Results (ISR) report (November 2021) rated the environmental and social performance as Moderately Satisfactory noting no significant pending corrective actions for non-compliance status of the parent project (which was related to delays in hiring the Social Officer and consulting on ESF instruments). Since then, the SEP, LMP, Rapid Social Assessment covering First AF and parent have all been approved, consulted upon, and disclosed in accordance with the ESCP. All other ESCP requirements have now been substantively met, including adoption of a Code of Conduct by the PMU and training to project workers on Sexual Exploitation and Abuse / Sexual Harassment (SEA/SH) by a qualified national NGO.

The proposed AF will not have implications on the overall implementation arrangements in NAF: the established PMU will continue to be responsible for all fiduciary aspects of the project, daily management of project activities, M&E of project interventions, ESF implementation, as well as internal coordination within NAF. MOPIC will continue to be the responsible implementing agency for Component 4, with the Social Security Corporation (SSC) as the implementing partner. The PMU, which will be the same as for the parent and first AF, consists of a Project Manager, Financial Officer, Procurement Officer, Social Officer, M&E officer, and Technical Coordinator for Istidama program. The Project now has a functional PMU: The Project Manager, M&E, FM Officer have been hired and the recruitment for a Procurement Officer is currently underway. The Project Manager has overall accountability for ensuring that the requirements of the Environmental and Social Commitment plan are met. The Social Officer for the Project has been recruited. The social focal point SSC remains in place, supporting the Social Officer.

The Ministry of Planning and International Cooperation (MOPIC) continues to be the responsible implementing agency for the new Component 4, with SSC as the implementing partner through a subsidiary agreement amended and signed between the two parties. A Project coordinator has been appointed in MOPIC to oversee the coordination of component 4 between MOPIC and SSC. SSC will continue to utilize its existing structure to manage the on-going Istidama program supported by under the project, through the newly formed committees in SSC and the automated processes. A Social Focal Point has been assigned within SSC and will be retained throughout implementation. Overall, SSC has experience in managing social risks through existing social protection projects, and has an established



grievance redress mechanism, and stakeholder engagement channels. Both NAF and SSC focal points participated in World Bank ESF Training.

II. SUMMARY OF ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC)

Substantial

Environmental Risk Rating

Low

The proposed additional financing will provide cash support to poor and vulnerable households and workers affected by the COVID-19 crisis. The AF will neither support the procurement of any materials or equipment nor rehabilitation or construction activities or civil works, therefore, none of the interventions under this project will result in any negative environmental impacts.

Social Risk Rating

Substantial

The Social Risks of the second AF are rated Substantial, the same as the parent and first additional financing. The Second AF extends budget and duration of existing government programs and their evolution; however, there are no new activities under the second AF. The main social risks are contextual in nature and relate to the large scale socio-economic impacts of the COVID-19 pandemic, although now in recovery mode. There are also risks related to potential exclusion of vulnerable and disadvantaged groups or individuals that are inherent in cash transfer projects. The targeted beneficiaries include the working poor, relatively poor, informal and formal workers, and female headed households. The working poor are individuals/heads of households who are active in the labor force but still have incomes below the set poverty thresholds, whilst relative poverty is calculated based on a cutoff point in relation to the overall distribution of income welfare status in a country. There are additional risks that beneficiaries (such as the disabled, population with low human capital or illiterate, or with limited digital literacy) may face challenges in accessing project benefits. Other potential social risks include: (i) social tensions between beneficiaries and non-beneficiaries in the same community if targeting is not transparent enough (ii) occupational and community health and safety risks for project workers and beneficiaries potentially exposed to the contagion through project operations and processes including cash-out (ii) potential risks of gender-based violence within a workplace environment as well as part of the broader context of inter-partner violence in Jordan.

B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered

B.1. General Assessment

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

Overview of the relevance of the Standard for the Project:

This standard is relevant. The interventions supported under the second AF, same as the Parent Project, provide social benefits, in the form of cash support to poor and vulnerable households affected by the COVID-19 crisis. The Second AF expands the number of beneficiaries under one consolidated GOJ cash transfer program (Takaful). The Second AF also supports the GoJ” support to formal workers who are vulnerable to economic shocks. The objective is to protect workers while keeping establishments solvent and operational. The parent project and First Additional Financing closing date will be extended by 12 months, from December 31, 2023 until December 31, 2024, to continue the financing of subcomponent 1.2 (Takaful-1 CT program),

Public Disclosure



Same as the parent and first AF, the second AF takes place within the context of large scale socio-economic impacts of the COVID-19 pandemic, but is focused now on recovery. There is also the potential exclusion of vulnerable and disadvantaged groups or individuals that are inherent in cash transfer projects. The targeted beneficiaries include the working poor, relatively poor, informal and formal workers and female headed households (working poor are individuals/heads of households who are active in the labor force but still have incomes below set poverty thresholds, whilst relative poverty is calculated based on a cutoff point in relation to the overall distribution of income welfare status in a country). The same as under the parent project, beneficiary households for Component 1 are selected from the Takaful database. This database includes up-to-date socio-economic data for about one million households. NAF will open the registration for the Takaful-1 in December 2021 to all current beneficiaries (to update their application), as well as to those who did not register before. The Takaful MIS has automated capability to update administrative information on households and individual members, including data on formal working status and wages as well as other formal income (e.g. pensions) and assets, which are obtained automatically from the SSC and other public institutions.

The current targeting mechanism for Takaful (supported under Component 1) has been reviewed by the Bank and approved by the GOJ. The Takaful targeting formula uses 57 socioeconomic indicators, including the gender of the household head, recognizing the additional vulnerabilities Female-Headed Households (FHH)face. A simulation using data from the Household Income and Expenditures Survey shows that Takaful’s targeting methodology approximates well the poverty level of households. In close collaboration with NAF, the World Bank is currently conducting a technical evaluation of Takaful’s targeting, to measure the accuracy of the current model and identify sources of error and propose improvement. The targeting evaluation will also assess the effect on females. The evaluation will be completed by January 2022 and will inform revisions of the Takaful targeting methodology to be adopted for the selection and recertification of beneficiaries under Sub-Component 1.2, as well as the recertification of the old cash transfer program beneficiaries and migrating them to Takaful.

Refugees are not eligible for Takaful program but they are supported by UNHCR and other UN agencies. The United Nations High Commissioner for Refugees (UNHCR), the World Food Programme (WFP), and the United Nations Children’s Fund (UNICEF) jointly support over 500,000 refugees out of a total 655,000 registered refugees in Jordan. There are efforts to increase support in response to the pandemic. Humanitarian CT programs are becoming increasingly harmonized with Takaful; a result of Takaful adapting some systems and lessons learned for humanitarian aid programs and vice versa.

GoJ has been ramping up efforts to continuously improve the design parameters of its CT program by enhancing its delivery system, through the digitization of payments to beneficiaries, through bank accounts and e-wallets, and by automating all CT processes to reduce human intervention; including automating the targeting process recertifying beneficiaries migrating from ‘old’ NAF cash transfer into the new program. These systems have already been piloted and used for two years and offer discrete and secure ways to access benefits. Beneficiaries who are illiterate, those without internet connection, or without needed technical capacity to enroll in e-wallets, or where there is an absence of head of household or geographic challenges, will be assisted by call centers and 74 registration centers in all governorates.



World Bank is also providing assistance to GoJ to conduct a High frequency crisis monitoring phone survey to monitor the socioeconomic impacts of COVID-19 and the mitigating effects of project interventions on beneficiary households. The findings of the first wave became available in Aug 2021, the second round is ongoing. Results from the survey reveal that a year after the start of the pandemic many heads of household had stopped working (50 percent were working before the pandemic and in March 2021 only 32% of them still did). This large drop in employment is also seen among recipients of cash transfers: among households who were beneficiaries of Takaful cash transfers, there was a 20 percentage point drop in employment, and among informal workers who had received cash transfers, the drop was even greater, 26 percentage points. In times of economic stress, households may adopt coping strategies to meet basic needs that can result in negative future consequences, for example by limiting investments in children’s education. By providing some income support through the pandemic, the parent project interventions helped to mitigate these impacts. Households needed cash to meet basic needs through the pandemic. The four most commonly reported coping strategies used by beneficiary households were purchasing food on credit or borrowing money, cutting expenses on health and education and selling assets. Additionally, wage subsidies in times of crisis can stimulate aggregate demand due to the multiplier effect as individuals spend a higher portion of this extra income.

The Parent Project prepared and disclosed a Rapid Social Assessment (RSA) to further assess potential risks and design appropriate mitigation, management and monitoring measures to ensure optimal access to project benefits for disadvantaged or vulnerable individuals or groups. The RSA was updated for the first AF to include the new activities under Component 4 and a full status update on the implementation of recommendations. The RSA was consulted and disclosed in June 2021. The RSA has been updated to reflect the extended date and duration of the second AF, and report on the progress of the various on-going assessments on social aspects (i.e. targeting evaluation, gender assessment). The RSA will be cleared and redisclosed before appraisal.

Gender and social gaps in digital access potentially hindering access to project benefits and information will continue to be bridged through the Stakeholder Engagement Plan (SEP), including project GRM systems, and the use of call centers. Within cash-transfers paid to the head of household, typically the husband, under the current design, women or other vulnerable family members (e.g. elderly, those with disabilities), may not fully benefit from the cash subsidy. As the project is focused on urgent delivery for those in need, no structural changes will be made to the current design at this time, but stakeholder engagement initiatives and GRMs included in the SEP will mitigate such risks. NAF has formed a Gender Technical Working Group (TWG), which has representation from the Jordanian National Commission for Women (JNCW), as well as NAF international institutions. Under the umbrella of the gender TWG, the World Bank hired a gender expert to review and assess the impact of NAF cash transfer processes on women, whether as female-headed households, or as members of cash transfer recipient households, as well as providing recommendations for improved gender-responsive processes. The initial findings of the assessment will be available by January 2022.

In relation to World Bank support to SSC’s Istitama program for formal workers under Component 4, firms from all categories can apply to benefit from the program. Individual firms that are not categorized as one of the affected sectors may also be considered for the program by providing financial evidence on facing a reduction in revenues, attainment, and unit price as indicated in the program instructions of SSC. Financial data related to the eligibility criteria is reviewed by a technical committee in SSC, then sent to a specialized committee (includes Director General of SSC, headed by SSC employee and may include other staff from other government entities) to endorse decision.



Firms must update their applications monthly, to reflect any changes in their fiduciary status. All Jordanian workers that work in accepted firms will be automatically covered under the program, provided that the worker has contributed for at least one month to SSC between March 2020 and October 2020. Project funds will be transferred to SSC who in turn will pay workers, provided that the establishment has deposited its contribution to workers' wages in the same account. Payments are made to beneficiaries Bank accounts that they use for salary receipt.

The AF will neither procure materials or equipment, nor support rehabilitation or construction activities or civil works, and therefore, will not result in any negative environmental risks or impacts. As there are no activities with a physical footprint identified, nor are there activities that could lead to specific actions that could have associated environmental impacts, no environmental assessment is required.

ESS10 Stakeholder Engagement and Information Disclosure

This standard is relevant. The project recognizes the need for an effective and inclusive engagement with all relevant stakeholders and the population at large. The SEP identifies the beneficiaries of the cash transfers and wage subsidies, as the primary Affected stakeholders of the project such as working poor, relatively poor, informal and formal workers and female headed households, and the private sector firms under Component 4. Other interested parties include (i) other government agencies and coordinating parties (ii) the central bank of Jordan (iii) other donors and development partners (iv) employee and employee representatives (v) civil society and (vi) press and media.

The SEP supports clear communication and consultation processes, considering the needs of various stakeholders and adapted to the current social distancing requirements by the national government now in effect. NAF uses a variety of methods and tools to disclose information and gather feedback from CT beneficiaries including its website, phone calls, social media and virtual information sessions, and access to the the call centre. A third-party moderator is used to contact beneficiaries that are irresponsive to interactive text messaging (illiterate or with limited tech-capacity). Similarly SSC uses a variety of electronic and traditional media channels to outreach to eligible firms and individuals.

In May 2021, the ESF documents for the first Additional Financing (SEP, LMP and RSA) were consulted with stakeholders including Civil Society, business associations, international donors, government partners, and beneficiaries. Additional consultation has been conducted with a prominent women's organization to specifically focus on the experience of vulnerable women in poor households, as part of the Social Safety Net. The results of the consultations were incorporated into revised versions of these documents and disclosed prior to first disbursement of the second Additional Financing (June 2021). As described in the Social Assessment, various other dedicated stakeholder engagement sessions have been conducted by NAF in 2020 and 2021 on the government's Social Safety Net programs. This includes two focus group discussions with sampled NAF beneficiaries (supported under Project Component 1) on aspects of program implementation such as communication, outreach, registration, enrollment, payment and GRM,

The SEP has been updated to reflect the second additional financing and updates on implementation, and will be disclosed before appraisal of second additional financing. The Project GM is described in the SEP, and will also be used for the Second AF. Grievances are being received through multiple channels that include an online GM form, NAF's call center and National Call Center. Complaints and grievances are documented on NAF's MIS which allows for



case tracking, documentation of changes made by each staff member, and resolution of cases (including feedback) based on a pre-set timeframe. The GM system was used for Takaful expansion and the emergency cash transfer in 2020.

The GM system is fully operational. NAF’s GM was assessed as part of the parent Rapid Social Assessment including a survey of beneficiaries. The majority of surveyed beneficiaries expressed their confidence in the GM, and their satisfaction with the clarity of answers and ease of use. Recommended areas for improvement include a) better communication of the availability of GRM services for the target population and b) publicly advertised grievance procedures, setting out the length of time users can expect to wait for acknowledgement, response and resolution. A report on functionality, analysis and areas for improvement is now provided to the bank semi- annually (as recommended in the RSA). According to the first report received covering November 2020 to April 2021, a total of 74,509 cases were received in this period, including queries, of which 98.7% have been resolved. The majority of complaints are related to program eligibility (70%), with peaks in March 2021, following merit results announcement in February 2021.

SSC has a GM system in place to respond to grievances related to Component 4 of the AF: Support to workers in firms affected by COVID-19 . Grievances can be received through an outsourced call center and an online form. The call center was established in response to the pandemic, to provide support to contributors and the general population, in addition to providing a text messaging number to receive inquiries. The call center is outsourced to a private sector firm and operates seven days a week. Complaints and grievances can also be submitted through the SSC e-service platform - the platform utilizes a user-friendly form that includes two categories: one for firms that fall under the “unauthorized category” and another for “the most affected firms”. Each applicant firm can review the status of their application (accepted or rejected), then choose to submit a grievance if they have been rejected. Grievances are categorized on the GM form, so that each firm can check the grievance category applicable to them. Received grievances are handled through various committees, depending on the type of grievance: i) grievances related to the eligibility variables and revised through a technical committee; ii) a classification committee reviews complaints related to the ISEC classification, in which the company can request amending its classification; iii) a higher committee “Defense Order Committee” is responsible for approving the decisions of the Technical and Classification Committee, in addition to reviewing and amending the regulatory instructions. An escalation policy is available from either of the mentioned committees to the Director General, in case the technical and classification committees disagree with the Defense Committee’s final decision. Feedback around the status of the grievance is provided to each firm. SSC’s GM was assessed against ESS10 as part of the update of the Rapid Social Assessment for the first AF, when Component 4 was introduced. Through the various platforms, in 2020 and 2021, SSC received 4,274 complaints from firms requesting inclusion in the Estidama program, of which 76% were accepted upon review through the GM. Reporting on functionality and performance of SSC will be provided to the bank through semi-annual progress reports throughout implementation.

B.2. Specific Risks and Impacts

A brief description of the potential environmental and social risks and impacts relevant to the Project.

ESS2 Labor and Working Conditions



ESS2 is relevant to the project. The project workforce includes: (i) direct workers, including PMU staff (ii) contracted workers including some social workers and call center operators to support the capacity of NAF to deliver the project (these contracts are not procured through the project and some are pre-existing). The project will also rely on a number of civil servants such as NAF social workers and government call center employees. The Second Additional Financing will not hire any additional direct or contracted workers. SSC is utilizing its existing structure to manage the program, through the newly formed committees in SSC and the automated processes.

The parent project and first AF prepared, adopted and disclosed Labor Management Procedures to establish and maintain a safe working environment; covering terms and condition of employment; non-discrimination and equal opportunities; prohibition of child labor; and workers' rights for project workers and contracted workers (e.g. call center operators) in a manner consistent with national law and ESS2. A separate grievance mechanism system was established to set up for all direct workers and contracted workers to raise and resolve workplace-related concerns.

The Labor Management Procedures for the first additional financing (P176807) were updated, consulted and disclosed in July 2021. The activities of the second additional financing do not introduce any material changes in labor risks and impacts under the project, and no changes in project workers, and therefore the current LMP remains relevant and applicable to the activities of the second additional financing. The LMP with minor updates to refer to Second AF will be redisclosed by appraisal.

ESS3 Resource Efficiency and Pollution Prevention and Management

The project will be using existing financial services for transfer the cash to beneficiaries. It is anticipated that the increase of energy use and waste generation as result of the project will be negligible. Therefore, ESS3 is not relevant.

ESS4 Community Health and Safety

Same as the Parent Project and first AF, NAF uses digital services for beneficiary cash transfer payments that are critical to mitigate contagion prevention during cash-out. Digital services will comply with national public health and social distancing requirements, while speeding up delivery of transfers, minimize chances of bounced transactions, and increase financial inclusion. Under Component 4, payments are made to beneficiaries (workers) Bank accounts that they use for regular salary receipt, thus no new contagion risks are introduced. Community Health and Safety Risks due to COVID-19 contagion and other health and safety risks are mitigated by the OHS measures outlined in the parent Labor Management Plan and in the Community Health and Safety Plan in the RSA of the parent project (more detail provided under ESS2 and ESS4). The RSA and LMP parent LMP and RSA are also applicable to the Second Additional Financing and will be updated prior to appraisal. A Community Health and Safety Plan has been prepared by NAF, as part of the Rapid Social Assessment, to keep beneficiaries updated on specific protocols for cash-out, and minimizing risks of in-person interactions planned during the project implementation, including stakeholder engagement activities.

The Community Health and Safety Plan in the RSA also assesses the GBV risks associated with the project including the second additional financing. The assessment acknowledges that GBV cases worldwide have increased during COVID-19 lockdowns and provides possible recommendations to strengthen its approach to GBV. Working towards achieving these recommendations, in 2020, NAF established a gender working group with UN and donor partners.



Using the World Bank GBV Risk Assessment Tool for Social Protection Projects, the risks associated with the second AF are considered Moderate. The project key risk relates to the large scope of activities at all cash out points, workplaces and interactions nation-wide. Key mitigating factors are the strong oversight and established digitized systems of both NAF and SSC for selection of beneficiaries and transfer of benefits. The project does not involve military or paid security forces who come in direct contact with beneficiaries. The project has had a number of previous and regular engagements with women’s organizations throughout implementation to identify issues as they arise.

In addition, the project is implementing the following agreed mitigation measures as set out in the ESCP: GBV training on survivors’ centered approaches and referral pathways for GBV survivors for Social workers and call center operators has been rolled out by a Jordanian women’s organization with GBV expertise (completed); Codes of Conduct covering sexual harassment has been signed by the PMU and messages contained therein disseminated to project workers through training (completed); enhancements to GBV referral pathways to be completed by December 2021 (rescheduled to March 2022, as the borrower decided to prepare the referral pathway update after the training conclusion); established and maintain a Gender Working Group including experts on GBV (completed, in place).

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

There is no land acquisition associated with the project.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

No construction activities are expected in this project that could affect protected areas, flora or fauna. ESS6 is not relevant.

ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

ESS7 is not currently relevant. No population meeting the definition of ESS7 will be affected under this project

ESS8 Cultural Heritage

ESS8 is not currently relevant. No tangible or intangible cultural heritage will be impacted by the project activities.

ESS9 Financial Intermediaries

Not currently relevant. There are no financial intermediaries that are part of the project

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways

No

Public Disclosure



OP 7.60 Projects in Disputed Areas

No

B.3. Reliance on Borrower’s policy, legal and institutional framework, relevant to the Project risks and impacts

Is this project being prepared for use of Borrower Framework?

No

Areas where “Use of Borrower Framework” is being considered:

Borrower Frameworks not being used

IV. CONTACT POINTS

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Borrower/Client/Recipient

Borrower: Hashemite Kingdom of Jordan

Implementing Agency(ies)

Implementing Agency: National Aid Fund (NAF)

Implementing Agency: Ministry of Planning and International Cooperation

V. FOR MORE INFORMATION CONTACT

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VI. APPROVAL

Task Team Leader(s): Cristobal Ridao-Cano, Khalid Ahmed Ali Moheyddeen

Public Disclosure



Practice Manager (ENR/Social)

Lia Carol Sieghart Cleared on 27-Jan-2022 at 10:14:10 GMT-05:00

Safeguards Advisor ESSA

Gael Gregoire (SAESSA) Concurred on 27-Jan-2022 at 18:43:34 GMT-05:00