

**LOAN NUMBER 9268-JO**

# **Loan Agreement**

**(Inclusive, Transparent and Climate Responsive Investments Program for Results)**

**between**

**THE HASHEMITE KINGDOM OF JORDAN**

**and**

**INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT**

**LOAN AGREEMENT**

AGREEMENT dated as of the Signature Date between THE HASHEMITE KINGDOM OF JORDAN (“Borrower”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”).

- (A) WHEREAS, the Co-financier intends to provide a Co-financing in the amount of Two Hundred Fifty Million United States Dollars (US\$250,000,000) to the Borrower through a Co-financing Agreement to assist in the financing the expenditures associated with the activities related to the Program, measured against specific Disbursement-Linked Indicators 1 through 8 under Parts 1 and 2 of the Program described in Schedule 1 to this Agreement and further elaborated in the table in Section IV.A2 of Schedule 2 to this Loan Agreement;
- (B) WHEREAS, the Borrower has requested the Bank to extend a Loan to assist in the financing of the Program; and
- (C) WHEREAS, the Bank has agreed, on the basis, *inter alia*, of the foregoing to extend a Loan to the Borrower upon the terms and conditions set forth in this Agreement.

The Borrower and the Bank 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 Five Hundred Million Dollars (\$500,000,000), as such amount may be converted from time to time through a Currency Conversion (“Loan”), to assist in financing the program described in Schedule 1 to this Agreement (“Program”).
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement. All withdrawals from the Loan Account shall be deposited by the Bank into an account specified by the Borrower and acceptable to the Bank. The Borrower’s Representative for purposes of taking any action required or permitted to be taken pursuant to this Section is the Minister of Planning and International Cooperation.
- 2.03. The Front-end Fee is one quarter of one percent (0.25%) of the Loan amount.

- 2.04. The Commitment Charge is one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
- 2.05. 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.
- 2.06. The Payment Dates are April 15 and October 15 in each year.
- 2.07. The principal amount of the Loan shall be repaid in accordance with Schedule 3 to this Agreement.

### **ARTICLE III — PROGRAM**

- 3.01. The Borrower declares its commitment to the objectives of the Program. To this end, the Borrower shall carry out the Program in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

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

- 4.01. The Co-financing Deadline for the effectiveness of the Co-financing Agreement is three (3) months from the Effective Date.

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

- 5.01. The Additional Conditions of Effectiveness consist of the following:
  - (a) The Borrower has engaged the essential staff for the PMU, namely: (i) a sectoral reform lead; (ii) economic and business environment lead; (iii) program coordinator; and (iv) a monitoring and evaluation officer, all in accordance with the terms of reference, qualifications and resources satisfactory to the Bank; and
  - (b) The Borrower has established a Technical Steering Committee, composed of representatives of the entities and institutions participating in the implementation, monitoring and evaluation of the Program, responsible for strategic oversight and guidance under the Program, all under terms and conditions acceptable to the Bank.
- 5.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

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

- 6.01. Except as provided in Section 2.02 of this Agreement, the Borrower's Representative 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  
Facsimile: +962-6-464 9341

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: 248423 (MCI) Facsimile: 1-202-477-6391

**THE HASHEMITE KINGDOM OF JORDAN**

**By**

*Nasser Shraideh*

**Authorized Representative**

Nasser Shraideh

**Name:** \_\_\_\_\_

**Title:** Minister of Planning and International Cooperation

**Date:** 13-Jul-2021

**INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT**

**By**

*Saroj Kumar Jha*

**Authorized Representative**

**Name:** Saroj Kumar Jha

**Title:** Country Director

**Date:** 12-Jul-2021

## SCHEDULE 1

### Program Description

The objective of the Program is to improve accountability to foster climate responsive investments and growth.

The Program is part of the Borrower's program, namely the Jordan Reform Matrix, and consists of the following activities:

#### **Part 1: Improving the accountability and fiscal space for public investment, including towards national climate goals**

- A. Carry out a program of activities designed to broaden the fiscal space for and quality of public investment through: (a) incentivizing the enforcement of project preparation requirements by mainstreaming appraisal of large projects prior to their budgeting; (b) adopting an appraisal methodology informed by public consultation, environmental and social impact assessment and evaluation of climate responsiveness of the proposed projects; (c) completing a review of capital projects; and (d) adopting a Medium Term Fiscal Framework.
- B. Carry out a program of activities designed to increase Capital Expenditures vis-à-vis recurrent expenditures over the duration of the Program, consistent with the Medium Term Fiscal Framework.
- C. Carry out a program of activities designed to mainstream Capital Expenditures for climate responsive investments towards Jordan's Nationally Determined Contributions ("NDC") under the Paris Agreement by: (a) introducing eligibility criteria and definition of government Capital Expenditure; (b) using the monitoring, reporting, and verification protocol and climate registry systems to monitor progress towards the NDC goal; and (c) signing contracts for climate-responsive PPP projects.

#### **Part 2: Improving business enabling environment and the capacity of key institutions to attract private investment and climate finance, including for tourism sector**

- A. Carry out a program of activities aimed at: (a) strengthening the investment promotion and incentives framework with a focus on strengthening JIC's capacity, management, instruments and systems; (b) implementing targeted investment promotion activities and operationalizing the monitoring and evaluation framework and customer relationship management system.
- B. Adopt and implement a National Tourism Strategy and Gender and Inclusion Project Plan, including the revision of sector-specific bylaws to improve tourism private sector enabling environment and the adoption and implementation of improvement plans to improve the quality and services in tourist sites plan.
- C. Carry out a program of activities aimed at implementing an integrated business registry system and streamlining sectoral licenses.

- D. Carry out a program of activities to develop: (a) climate responsive project pipeline towards Jordan's NDC under the Paris Agreement; (b) green/climate bonds guidelines to mobilize private investment and climate finance; and (c) the MRV System to record all private and non-government financing towards Jordan's NDC goals.

**Part 3: Generating evidence and data for policy making, implementation and stakeholder dialogue**

- A. Carry out a program of activities aimed at supporting: (a) policy tools to improve government service delivery through enhancing service standards in response to social demand for better business and infrastructure services; (b) strengthening capacity of the Department of Statistics to improve Jordan's Overall Open Data Score and facilitating open data policy through making statistical and administrative datasets more accessible; and (c) policy predictability, accountability and regulatory governance through improving regulatory impact assessment and ex-post evaluation to inform legal and policy reforms.
- B. Carry out a program of activities aimed at operationalizing Climate Finance Governance System to fulfill Jordan's NDC under the Paris Agreement.

## SCHEDULE 2

### Program Execution

#### Section I. Implementation Arrangements

##### A. Program Institutions

The Borrower shall vest the overall responsibility for the coordination, monitoring and evaluation of the Program in MOPIC, and to this end, shall, through MOPIC:

- (a) maintain at all times during Program implementation, with terms of reference, mandate, composition and resources satisfactory to the Bank, the Program Management Unit, to be responsible for: (i) the overall management, coordination, reporting, monitoring, and evaluation of Program implementation; (ii) hiring, and interfacing with independent verification agencies, as needed; (iii) carrying out assessments of ministries' and agencies' implementation of Program activities; (iv) carrying out the technical audits; and (v) facilitating financial audits for the Program, all in accordance with the provisions of this Agreement and the Program Operational Manual.
- (b) cause Ministry of Environment ("MoEnv"), in coordination with PMU, to be responsible for (i) coordination of the achievement of the Jordan's NDC under the Paris Agreement, (ii) establishment of relevant inter-ministerial groups; and (iii) utilization of the National Climate Change Committee.

##### B. Additional Program Implementation Arrangements

Without limitation on the generality of Part A of this Section I, the Borrower shall carry out the Program Action Plan, or cause the Program Action Plan to be carried out, in accordance with the schedule set out in the said Program Action Plan in a manner acceptable to the Bank. The Borrower shall ensure that the Program Action Plan is not amended, waived, suspended, terminated or revoked, except for as agreed with the Bank.

##### C. Program Fiduciary, Environmental and Social Systems

Without limitation upon the generality of Part A of this Section I, the Borrower shall carry out the Program, or cause the Program to be carried out, in accordance with financial management, procurement and environmental and social management systems acceptable to the Bank ("Program Fiduciary, Environmental and Social Systems") which are designed to ensure that:

1. The Loan proceeds are used for their intended purposes, with due attention to the principles of economy, efficiency, effectiveness, transparency, and accountability; and
2. The actual and potential adverse environmental and social impacts of the Program are identified, avoided, minimized, or mitigated, as the case may be, all through an informed decision-making process.



#### **D. Program Operational Manual**

1. The Borrower shall, not later than three (3) months after the Effective Date, prepare an operational manual for the Program, in form and substance acceptable to the Bank, containing detailed (i) administrative, procurement, financial management and monitoring and evaluation procedures, (ii) environmental and social management systems and complaints and grievance redress mechanism, (iii) Program Action Plan; (iv) detailed arrangements for verification of achievement of the DLR (including the Verification Protocol); and (v) coordination and oversight arrangements for the Program.
2. The Borrower shall: (i) furnish said manual to the Bank for its review; (ii) afford the Bank a reasonable opportunity to exchange views with the Borrower on said manual; and (iii) thereafter adopt such Program operational manual as shall have been approved by the Bank (“Program Operational Manual”).
3. The Borrower: (i) shall ensure that the Program is carried out in accordance with the Program Operational Manual; and (ii) shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, any of its provisions without the prior written agreement of the Bank.

#### **Section II. Excluded Activities**

The Borrower shall ensure that the Program excludes any activities which:

- A. in the opinion of the Bank, are likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and/or affected people; or
- B. involve the procurement of: (1) works, estimated to cost USD 115,000,000 equivalent or more per contract; (2) goods, estimated to cost USD 75,000,000 equivalent or more per contract; (3) non-consulting services, estimated to cost USD 75,000,000 equivalent or more per contract; or (4) consultants’ services, estimated to cost USD 30,000,000 equivalent or more per contract.

#### **Section III. Program Monitoring, Reporting and Evaluation**

##### **A. Program Reports**

The Borrower shall furnish to the Bank each Program Report not later than one month after the end of each calendar semester, covering the calendar semester.

##### **B. Verification Protocol**

1. The Borrower shall: (a) ensure that the Audit Bureau prepares and provides verification reports certifying the achievement of DLRs (which are set forth in Section IV.A.2 of this Schedule); (b) validate findings of the independent verification agents conducting verification of achievement of DLRs, if such hiring is determined as necessary by the Bank; (c) prepare the consolidated implementation report after the verification of compliance of said DLRs; and (d) furnish a report on the results of said verification of compliance process of such scope and in such details as the Bank shall request.

2. Said verification reports shall be based on on-desk review of the documentation available and on-site verification in a representative sample of areas targeted by the Program.

**Section IV. Withdrawal of Loan Proceeds**

**A. General**

1. Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Borrower may withdraw the proceeds of the Loan to:(a) finance Program Expenditures (inclusive of Taxes), on the basis of the results (“Disbursement Linked Results” or “DLRs”) achieved by the Borrower, as measured against specific indicators (“Disbursement Linked Indicators” or “DLIs”); (c) pay: (i) the Front-end Fee; and (ii) pay each Interest Rate Cap or Interest Rate Collar premium; all as set forth in the table in paragraph 2 of this Part A.
2. The following table specifies each category of withdrawal of the proceeds of the Loan (including the Disbursement Linked Indicators as applicable) (“Category”), the Disbursement Linked Results for each Category (as applicable), and the allocation of the amounts of the Loan to each Category:

<b>Category (including Disbursement Linked Indicator as applicable)</b>	<b>Disbursement Linked Result (as applicable)</b>	<b>Amount of the Loan Allocated (expressed in USD)</b>	<b>Disbursement Formula</b>	<b>Calculation</b>
(1) DLI #1: Improving the preparation and implementation of public investment	DLR 1.1 MOPIC adopts a Project appraisal methodology to apply to all large PIP and PPP (over JD 10M) and publishes an updated Project concept note template to apply to all PIPs and PPPs, with detailed guidance on (a) public consultation and citizen engagement, (b) social and environmental assessment (disaggregated by social groups, including gender), (c) disclosure of information, and (d) assessment for climate responsive projects.	<b>37,500,000</b>	DLR 1.1: \$1,000,000 by the end of CY21.	
	DLR 1.2: The Office of the Prime Minister publishes in the Gazette Law No. 13 (2021) on Regulating the General Budget and Budgets of Government Units.		DLR 1.2: \$1,000,000 by the end of CY21.	
	DLR 1.3 The PIM Unit within MOPIC completes a review of the pipeline of budgeted capital projects, informed by stakeholder consultations, and submits recommendations for efficiency		DLR 1.3: \$1,500,000 by the end of CY22.	

	gains to the inter-ministerial committee on government investment projects for approval.		
	DLR 1.4: The Ministry of Finance adopts and discloses a Medium-Term Fiscal Framework to be appended to the budget bill which is submitted to the Parliament for approval, in compliance with the 2021 Law on Regulating the General Budget and Budgets of Government Units.		DLR 1.4: \$4,000,000  Formula: \$1,000,000 for each published MTFE appended to the budget bill for CY 22, 23, 24 and 25, up to the maximum of \$4,000,000
	DLR 1.5: PIM Unit, in consultation with the General Budget Department, validates the total cost of completion of appraisal reports for projects with size exceeding JD 10,000,000 per project as consistent with regulatory requirements.		DLR 1.5: \$30,000,000  Formula: \$550,000 for each \$1,000,000 spent for the completion of an appraisal report for a project with size exceeding JD10,000,000, as validated by PIM and/or PPP units, in CY21;  \$500,000 for each \$1,000,000 spent for the completion of an appraisal report for a project with size exceeding JD10,000,000, as validated by PIM and/or PPP units, in CY22;  \$450,000 for each \$1,000,000 spent for the completion of an appraisal report for a project with size exceeding JD10,000,000, as validated by PIM and/or PPP units, in CY23;  \$400,000 for each \$1,000,000 spent for the completion of an appraisal report for a project with size exceeding JD10,000,000, as validated by PIM and/or PPP units, in CY24; and  \$350,000 for each \$1,000,000 spent for the completion of an appraisal report for a project with size exceeding JD10,000,000, as validated by PIM and/or PPP units, in CY25;

			up to the total maximum of \$30,000,000.
(2) DLI #2: Increasing the fiscal space for public investment	DLR 2.1: Increase in the GoJ's actual capital expenditures in (a) goods and services, and (b) non-financial assets.	<b>168,750,000</b>	DLR 2.1: \$168,750,000  Formula: For the capital expenditures in (a) goods and services and (b) non-financial assets, from the baseline of \$641,043,723.55 in 2020, <ul style="list-style-type: none"> <li>(a) \$5,500,000 for each \$10,000,000 increase in actual capital expenditures in CY21, up the maximum of \$82,500,000;</li> <li>(b) \$5,000,000 for each \$10,000,000 increase in actual capital expenditures in CY22 over the previous year, up the maximum of \$75,000,000;</li> <li>(c) \$4,500,000 for each \$10,000,000 increase in actual capital expenditures in CY23 over the previous year, up the maximum of \$67,500,000;</li> <li>(d) \$4,000,000 for each \$10,000,000 increase in actual capital expenditures in CY24 over the previous year, up to the maximum of \$60,000,000; and</li> <li>(e) \$3,500,000 for each \$10,000,000 increase in actual capital expenditures in CY25 over the previous year, up the maximum of \$43,750,000.</li> </ul> Up to the total maximum of \$168,750,000.
(3) DLI #3: Mainstreaming climate responsive public investments towards Jordan's NDC 2030 Goals	DLR 3.1: MoEnv issues an instruction under the Climate Change Bylaw of 2019 to include a definition and eligibility criteria for government capital expenditure for climate responsive projects, consistent with Jordan's NDC under the Paris Agreement of 2015.	<b>62,500,000</b>	DLR 3.1: \$3,500,000 by the end of CY2021.

	DLR 3.2: MoEnv demonstrates achievement of a cumulative increase in government capital expenditures in 2022-2025 budget towards NDC goals using the eligibility criteria for climate responsive projects published under DLR 3.1.		DLR 3.2: \$44,000,000  Formula: From the baseline of zero, (a) \$11,000,000 for the cumulative achievement of 5% increase in verifiable government capital expenditures towards NDC goals in CY22; (b) \$11,000,000 for the cumulative achievement of 10% increase in verifiable government capital expenditures towards NDC goals in CY23; (c) \$11,000,000 for the cumulative achievement of 20% increase in verifiable government capital expenditures towards NDC goals in CY24; and (d) \$11,000,000 for the cumulative achievement of 25% increase in verifiable government capital expenditures towards NDC goals in CY25. Up to the maximum of \$44,000,000
	DLR 3.3: Based on the recommendation of the PPP Unit of PMO, the relevant contracting authorities sign contracts for three climate responsive Public-Private-Partnership (PPP) projects registered in the National Registry of Investment Projects (NRIP).		DLR 3.3: \$15,000,000 by the Closing Date  Formula: \$5,000,000 per each NRIP-registered PPP for which procurement contract has been signed, up to the maximum of \$15,000,000.
(4) DLI #4: Strengthening JIC's institutional focus on investment promotion and related investor services to attract quality investment	DLR 4.1: To implement the new investment framework: (a) the Council of Ministers adopts a bylaw addressing the investment window under the new Investment Law to be enacted; and (b) JIC adopts and publishes the Investment Promotion Strategy for CY21-24, including investment-specific KPIs.	<b>23,000,000</b>	DLR 4.1: \$5,000,000 by the end of CY22.
	DLR 4.2: JIC publishes on its public website, on an annual basis, achievement levels for selected KPIs contained in the Investment		DLR 4.2: \$4,000,000 by the Closing Date.

	Promotion Strategy for CY21-24 which address targeted investment promotion activities, operationalizing the monitoring and evaluation (M&E) framework, and customer relationship management (CRM) system.		
	DLR 4.3: New Investment Decisions announced to locate in Jordan per year, based on a published JIC annual report containing information about investments facilitated.		<p>DLR 4.3: \$14,000,000</p> <p>Formula: From the baseline of 252 announced investment decisions in CY21, starting CY22, and for each year thereafter through the Closing Date:</p> <p>a) annual payment of \$2,000,000 for “New Investment Decisions” maintaining the baseline;</p> <p>b) \$2,000,000 for a 5% increase above the baseline; and</p> <p>c) \$2,000,000 for a 10% increase above the baseline, up to the annual maximum of \$6,000,000, up to the overall maximum of \$14,000,000.</p>
(5) DLI #5: Implementing new policies for investment incentives based on objective criteria, including value for money, to attract quality investment and achieve national investment objectives	DLR 5.1: To implement the new investment incentives policy: (a) the Council of Ministers approves a bylaw on non-fiscal investment incentives; and (b) JIC establishes institutional arrangements for (i) granting of incentives and (ii) subsequent compliance monitoring with the conditions on which incentives were granted, including separate staffing and separate reporting / management lines.	<b>14,000,000</b>	DLR 5.1: \$8,000,000 by the end of CY22.
	DLR 5.2: JIC publishes an annual report on the implementation of the Bylaw enacted under DLR 5.1(a), including the number of investment incentives approved and disclosing how each investment met the eligibility criteria for the investment incentives.		<p>DLR 5.2: \$6,000,000 by the Closing Date</p> <p>Formula: Starting CY23, annual payment of \$2,000,000 for each annual report produced, up to the maximum of \$6,000,000.</p>
(6) DLI #6: Strengthening the	DLR 6.1: Ministry of Tourism and Antiquities adopts and publishes a	<b>44,500,000</b>	DLR 6.1: \$6,000,000 by the end of CY21.

<p>strategic direction and enhancing the regulatory environment of the tourism sector to foster high-quality private and public investment</p>	<p>National Tourism Strategy, and Gender and Inclusion Project Plan, both developed in consultation with sector associations.</p>		
	<p>DLR 6.2: MoTA revises and adopts three (3) bylaws identified in the Verification Protocol, including the Travel Agents and Tour Operators Bylaw No. 114, to streamline and improve the tourism private sector enabling environment.</p>		<p>DLR 6.2: \$12,000,000 by the Closing Date</p> <p>Formula: \$4,000,000 per bylaw, up to the maximum of \$12,000,000.</p>
	<p>DLR 6.3: MoTA strengthens its strategic and operational planning activities by operating a new comprehensive management information system, which includes data on tourism establishments, sites, projects, visitors and income.</p>		<p>DLR 6.3: \$6,000,000 by the Closing Date.</p>
	<p>DLR 6.4: MoTA increases expenditures going to tourism sites that have adopted an improved management plan, which includes protection of environment and restoration of cultural heritage sites.</p>		<p>DLR 6.4: \$20,500,000 by the Closing Date</p> <p>Formula: From the baseline of zero, the value of actual expenditures on the tourism sites by MoTA that have adopted improved management plans, multiplied by 2, up to the maximum of \$8,000,000 per year starting in CY22, up to the total maximum of \$20,500,000.</p>
<p>(7) DLI #7: Implementing Investor Journey program to streamline and digitize business registration and licensing, reducing the compliance time and costs for businesses</p>	<p>DLR 7.1: Registration of 100 percent of new businesses is fully integrated, digital, paperless and contactless using the Integrated Business Registry System (“IBRS”).</p>	<p><b>38,500,000</b></p>	<p>DLR 7.1: \$8,500,000 by the Closing Date.</p>
	<p>DLR 7.2: MoITS reduces compliance time and costs for businesses by (a) abolishing 16 licenses; (b) simplifying 5 licenses</p>		<p>DLR 7.2: \$30,000,000</p> <p>Formula: \$1,250,000 per each license abolished, simplified or</p>

	and (c) digitizing 3 licenses through IBRS.		digitized through IBRS, up to the maximum of \$30,000,000 by the Closing Date.
(8) DLI #8: Identifying climate responsive private and non-government financing towards Jordan's NDC 2030 goals	DLR 8.1: MoEnv issues an instruction under the Climate Change Bylaw of 2019 to include a definition of private and non-government financing for climate responsive projects towards with Jordan's NDC under the Paris Agreement of 2015.	<b>32,500,000</b>	DLR 8.1: \$2,500,000 by end of CY21.
	DLR 8.2: MoEnv issues Green Bonds Guidelines.		DLR 8.2: \$5,000,000 by the end of CY21.
	DLR 8.3: MoEnv, jointly with MoPIC and MoF, publishes a COM-approved 2030 climate investment pipeline and mobilization plan.		DLR 8.3: \$5,000,000 by the end of CY22.
	DLR 8.4: MoEnv confirms increase in verifiable reporting of private and non-government financing towards NDC goals.		DLR 8.4: \$20,000,000  Formula: From the baseline of zero, (a) \$10,000,000 for the cumulative achievement of 5% increase in verifiable reporting of non-government capital expenditures towards NDC goals in CY23; (b) \$5,000,000 for the cumulative achievement of 15% increase in verifiable reporting of non-government capital expenditures towards NDC goals in CY24; and (c) \$5,000,000 for the cumulative achievement of 25% increase in verifiable reporting of non-government capital expenditures towards NDC goals in CY25. Up the maximum of \$20,000,000.
(9) DLI #9: Improving access, quality, continuity of business and infrastructure services in response to social demand	DLR 9.1: The Office of the Prime Minister: (a) deploys the National Registry of Government Services (NRGS) with technical support from the Ministry of Digital Economy and Entrepreneurship; and (b) discloses service cards,	<b>15,000,000</b>	DLR 9.1: \$3,000,000 by the Closing Date  Formula:  a) \$1,000,000 upon deployment of the registry



	standards and indicators (in accordance with the 2019 Manual on Developing Service criteria and indicators approved by the Office of the Prime Minister) for selected investment and infrastructure services.		as an IT platform across government entities; and b) \$100,000 upon public disclosure of the service card of each selected ministry, department or agency providing investment and infrastructure services. Up to the maximum of \$3,000,000.
	DLR 9.2: Enhancement of service standards and indicators for selected investment and infrastructure services as a result of the implementation of service improvement plans approved by the Office of the Prime Minister.		DLR 9.2: \$12,000,000 by the Closing Date  Formula: from the baseline of zero, \$1,000,000 for each increase by 5% in service standards under each service improvement plan adopted and implemented by selected government entity, up to the maximum of \$12,000,000.
(10) DLI #10: Increasing accessibility and usability of statistical and administrative data	DLR 10.1: Council of Ministers approves National Statistics Roadmap with components on (i) more transparent, efficient and effective GoJ regulatory role; (ii) DOS capacity building for methodologies, processes and internal organizational structure; and (iii) assessment of methodologies and datasets.	<b>22,500,000</b>	DLR 10.1: \$2,500,000 by the end of CY22.
	DLR 10.2: Jordan's Overall Open Data Score within ODIN improves to at least 73.		DLR 10.2: \$20,000,000 by the Closing Date  Formula: From the baseline to 53 in 2020, \$1,000,000 for each point of improvement in Jordan's Overall Open Data Score, as reflected in ODIN. Up to the maximum of \$20,000,000.
(11) DLI #11: Implementing and strengthening good regulatory practices for evidence-based and predictable rulemaking	DLR 11.1: Office of the Prime Minister issues a Memorandum on Legislative Data (November 22, 2020).	<b>15,000,000</b>	DLR 11.1: \$500,000 by the end of CY21.
	DLR 11.2: Office of the Prime Minister amends the Regulatory		DLR 11.2: \$1,000,000

	Impact Assessment Guidelines to ensure they include guidance for: (a) ex-post evaluation of legislation; and (b) the targeting and proportionality of Regulatory Impact Assessments to ensure appropriate targeting and proportionality of the assessments, and consideration of potential gender differentiated impacts.		Formula: \$500,000 for each guideline issued, by June 30, 2022. Up to the maximum of \$1,000,000.
	DLR 11.3: GoJ publishes at least 8 ex-ante impact assessments and at least 5 ex-post evaluations of legislative instruments in compliance with the guidelines issued under DLR 11.2.		DLR 11.3: \$4,550,000  Formula: \$350,000 for each ex-ante impact assessment and ex-post evaluation issued, up to the maximum of \$4,550,000, by the end of CY24.
	DLR 11.4: GoJ issues a legislative instrument at the level of a bylaw or above formalizing Good Regulatory Practices (GRP) across Government agencies based on lessons learned from ex-ante impact assessments and ex-post evaluations conducted under DLR 11.3, and consistent with international good practices.		DLR 11.4: \$4,050,000 by the end of CY24.
	DLR 11.5: GoJ publishes at least 9 ex-ante impact assessments and at least 5 ex post evaluations of legislative instruments in compliance with new GRP legislative instrument enacted under DLR 11.4		DLR 11.5: \$4,900,000  Formula: \$350,000 for each ex-ante impact assessment and ex post evaluation issued in compliance with the new GPR legislative instrument enacted under DLR 11.4, up to the maximum of \$4,900,000, by the end of CY25
(12) DLI #12: Establishing and operationalizing a climate finance governance system for achieving Jordan's NDC 2030 goals	DLR 12.1: Council of Ministers approves the updated National Climate Change Policy.	<b>25,000,000</b>	DLR 12.1: \$1,000,000 by the end of CY21.
	DLR 12.2: MoEnv deploys MRV system in target government agencies and adopts a roadmap for		DLR 12.2: \$6,000,000 by the end of CY21.

	operationalizing Climate Finance Governance System.		
	DLR 12.3: MoEnv operationalizes National GHG Registry and launches one carbon market transaction.		DLR 12.3: \$5,000,000 by the end of CY22.
	DLR 12.4: MoEnv establishes and operationalizes Climate Change Center of Excellence.		DLR 12.4: \$5,000,000 by the end of CY23.
	DLR 12.5: MoEnv adopts and operationalizes Climate Finance Governance System including a citizen engagement action plan and a Gender and Climate Change Strategy 2030.		DLR 12.5: \$5,000,000 by the end of CY24.
	DLR 12.6: MoEnv publishes a progress report including the 2030 Climate Financing Plan and 2050 Long-Term LED Strategy.		DLR 12.6: \$3,000,000 by the Closing Date.
(13) Front-end Fee to be paid pursuant to Section 2.03 of this Agreement in accordance with Section 2.05 (b) of the General Conditions		<b>1,250,000</b>	
(14) Interest Rate Cap or Interest Rate Collar premium to be paid pursuant to Section 4.05 (c) of the General Conditions			
<b>TOTAL AMOUNT</b>		<b>500,000,000</b>	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
  - (a) on the basis of DLRs achieved prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed \$2,500,000 may be made on the basis of DLRs 1.1, 1.2 and 11.1 achieved prior to this date but on or after November 20, 2020; or/and
  - (b) for any DLR under Categories (1) through (12), until and unless the Borrower has furnished evidence satisfactory to the Bank that said DLR has been achieved.
2. Notwithstanding the provisions of Part B.1(b) of this Section, the Borrower may withdraw:
  - (i) an amount not to exceed \$125,000,000 as an advance; provided, however, that if the

DLRs in the opinion of the Bank, are not achieved (or only partially achieved) by the Closing Date, the Borrower shall refund such advance (or portion of such advance as determined by the Bank in accordance with the provisions of paragraph (3) of this Part B) to the Bank promptly upon notice thereof by the Bank. Except as otherwise agreed with the Borrower, the Bank shall cancel the amount so refunded. Any further withdrawals requested as an advance under any Category shall be permitted only on such terms and conditions as the Bank shall specify by notice to the Borrower.

3. Notwithstanding the provisions of Part B.1(b) of this Section, if any of the DLRs under Categories (1) through (12) have not been achieved by the date by which the said DLR is set to be achieved, the Bank may, by notice to the Borrower: (a) authorize the withdrawal of such lesser amount of the unwithdrawn proceeds of the Loan then allocated to said Category which, in the opinion of the Bank, corresponds to the extent of achievement of said DLR, said lesser amount to be calculated in accordance with the formula corresponding to the allocated amounts set out in the table under Section IV.A(2) of Schedule 2 of this Agreement; (b) reallocate all or a portion of the proceeds of the Loan then allocated to said DLR to any other DLR; and/or (c) cancel all or a portion of the proceeds of the Loan then allocated to said DLR.
4. The Closing Date is June 30, 2026.

### SCHEDULE 3

#### 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

<b>Principal Payment Date</b>	<b>Installment Share</b>
On each April 15 and October 15 Beginning April 15, 2026 through October 15, 2055	1.64%
On April 15, 2056	1.60%

## APPENDIX

### Section I. Definitions

1. “Anti-corruption Guidelines” means, for purposes of paragraph 6 of the Appendix to the General Conditions, the Bank’s “Guidelines on Preventing and Combating Fraud and Corruption in Program-for-Results Financing,” dated February 1, 2012, and revised July 10, 2015.
2. “Audit Bureau” means the Borrower’s national audit agency established pursuant to Law no. 28 of 1952, as the same may be amended from time to time.
3. “Capital Expenditures” or CAPEX, means the expenditures spent by the GoJ on fixed assets, as opposed to recurrent expenditures, according to the rules established by the international accounting standards.
4. “Category” means a category set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement.
5. “Climate Finance Governance System” means Jordan’s national framework to be adopted under the Climate Change By-Law to facilitate institutional coordination for policies and strategies, operate relevant IT-enabled systems and ensure stakeholder and citizen engagement.
6. “Co-financier” means Asian Investment Development Bank.
7. “Co-financing” means, for purposes of paragraph 17 of the Appendix to the General Conditions, an amount of Two Hundred Fifty Million U.S. Dollars (USD \$250,000,000) to be provided by the Co-financier to assist in financing the expenditures associated with the activities related to the Program, measured against specific Disbursement-Linked Indicators 1 through 8 under Parts 1 and 2 of the Program.
8. “Co-financing Agreement” means the agreement to be entered into between the Borrower and the Co-financier providing for the Co-financing.
9. “Council of Ministers” means the Borrower’s council of ministers.
10. “CY” means the period starting January 1 and ending December 31 of each given year.
11. “Department of Statistics” means the Borrower’s department of statistics established pursuant to the Statistics Law No. 24 (1950).
12. “Disbursement Linked Indicator” or “DLI” means in respect of a given Category, the indicator related to said Category as set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement.
13. “Disbursement Linked Result” or “DLR” means in respect of a given Category, the result under said Category as set forth in the table in Section IV.A.2 of Schedule 2 to this

- Agreement, on the basis of the achievement of which, the amount of the Loan allocated to said result may be withdrawn in accordance with the provisions of said Section IV.
14. “Gazette” means the Official Gazette of the Hashemite Kingdom of Jordan published by the Prime Ministry, Directorate of the Official Gazette.
  15. “Gender and Climate Change Strategy” means the strategy to be adopted by the GOJ for identifying gender responsive measures and actions for informing design and implementation of climate change strategies and plans in Jordan.
  16. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for IBRD Financing, Program-for-Results Financing”, dated December 14, 2018 (revised on August 1, 2020, and on December 21, 2020).
  17. “GOJ” means the Government of Jordan.
  18. “Green Bonds Guidelines” means guidelines to be issued by MoEnv under DLR 8.2 and meeting the requirements contained in the Verification Protocol.
  19. “Integrated Business Registry System” or “IBRS” means GOJ’s unified business registry.
  20. “Inter-ministerial Committee on Government Investment Projects” means a committee referenced in the PIM Bylaws which is headed by the Minister of Planning and International Cooperation and includes the Minister of Finance and an additional minister nominated by the Prime Minister, and has the final authority on public investment project approvals.
  21. “Investment Promotion Strategy” means a strategic document adopted by JIC pursuant to DLR 4.1 and meeting the requirements contained in the Verification Protocol.
  22. “JIC” means Jordan Investment Commission, established by Law 30 (2014) to promote investment into Jordan.
  23. “KPI” means key performance indicators.
  24. “Medium Term Fiscal Framework” means GOJ’s medium-term fiscal framework (MTFF) which encompasses the top-down specification of the aggregate resource envelope and the allocation of resources across spending agencies of the GOJ.
  25. “MOITS” means the Borrower’s ministry of industry, trade and supply, or its legal successor.
  26. “Legislative Opinion Bureau” means a legislation and opinion bureau established by Law No. 1 (1993) and situated at the Office of the Prime Minister.
  27. “Monitoring, Reporting and Verification System” or “MRV” means the software, database and related hardware for Greenhouse Gas (GHG) Emissions, Emission Reductions, Climate financing and Co-benefits at project, program, sectoral and national levels. The MRV System is operated by the Ministry of Environment.

28. “MOPIC” means the Borrower’s ministry of planning and international cooperation, or its legal successor.
29. “MoTA” means the Borrower’s ministry of tourism and antiquities, or its legal successor.
30. “National Climate Change Committee” means the committee established and mandated within specific powers and duties under the Climate Change Bylaw (Regulation No. 79 (2019)).
31. “National Registry of Investment Projects” means a registry established by the PIM Unit within MOPIC charged with managing follow up, preparation, planning and implementation of public projects.
32. “National Tourism Strategy and Gender and Inclusion Project Plan” means the strategy to be adopted by the Ministry of Tourism and Antiquities for identifying a vision and direction for the tourism sector in Jordan and setting the pillars and priorities for implementing sustainable tourism development; and respectively, a plan for identifying gender and inclusion responsive measures and actions to inform the implementation of the tourism strategy and tourism policies in Jordan.
33. “Nationally Determined Contributions” or “NDC”, in the context of the Paris Agreement’s obligations, means each participant country’s communication of actions that they will take to reduce their greenhouse gas emissions in order to reach the goals of the Paris Agreement.
34. “New Investment Decisions” under DLR 4.3 means decisions to commit to investing into the Kingdom of Jordan made by foreign or domestic investors, as documented by: (a) an annual report published on the JIC website containing the relevant key performance indicators on announced investment decisions; and (b) Customer Relationship Management (CRM) system containing relevant documentation originating from the investment window on such relevant key performance indicators
35. “ODIN” means an Open Data Inventory, a database located at <https://odin.opendatawatch.com/>, designed to assess the coverage and openness of official statistics globally.
36. “Overall Open Data Score” means a combination of data coverage sub-score and a data openness sub-score, as reflected in the ODIN.
37. “Paris Agreement” is the legally binding international treaty on climate change under the United Nations Framework Convention on Climate Change, adopted by 196 Parties at 21<sup>st</sup> Conference of the Parties in Paris, on 12 December 2015 and entered into force on 4 November 2016.
38. “PIM” means Public Investment Management.
39. “PIP” means Borrower’s Public Investment Program.
40. “PPP” means Public Private Partnership.



41. “PPP Law” means Public Private Sector Partnership Law No. 17 (2020).
42. “Program Action Plan” means the Borrower’s plan dated May 9, 2021 and referred to in Section I.B of Schedule 2 to this Agreement, as may be amended from time to time with the agreement of the Bank.
43. “Program management Unit” or “PMU” means the Reform Secretariat tasked with Program implementation and referred to in Section I.A.1 of Schedule 2 to this Agreement.
44. “Reform Matrix” means Borrower’s set of policy and structural reforms prioritized over a period 2018-2024, as amended from time to time.
45. “Reform Secretariat” means a coordinating body situated in MOPIC, and established under Bylaw No. 105 (2020), tasked with implementing the Reform Matrix.
46. “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.
47. “Technical Steering Committee” means the committee established by the Borrower composed of representatives of the entities and institutions participating in the implementation, monitoring and evaluation of the Program, responsible for strategic oversight and guidance under the Program.
48. “Verification Protocol” means the Borrower’s protocol, acceptable to the Bank, setting forth the means by which the achievement of DLRs will be verified under the Program, as such Verification Protocol may be amended from time to time with the prior written agreement of the Bank.