

**LOAN NUMBER 9061-JO  
GCFF TF NUMBER TF0B2559**

# **Loan Agreement**

**(Youth, Technology and Jobs Project)**

**between**

**THE HASHEMITE KINGDOM OF JORDAN**

**and**

**INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT**

**LOAN NUMBER 9061-JO  
GCGF TF NUMBER TF0B2559**

**LOAN AGREEMENT**

AGREEMENT dated \_\_\_\_\_, 2020, between THE HASHEMITE KINGDOM OF JORDAN (“Borrower”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”).

WHEREAS, (A) following an international effort to provide development support to countries most affected by refugees in the Middle East region; and having satisfied itself as to the feasibility and priority of the Project aimed at providing training and creating income opportunities in digital economy for Jordanians and Syrian refugees, as further described in Schedule 1 to this Agreement, the Borrower has requested the Bank to extend a loan to assist in the financing of the Program;

(B) funding from the Global Concessional Financing Facility was received by the Bank for purposes of providing concessionality under this Agreement; and

(C) under the terms of a Financial Procedures Arrangement with the Trustee of the Global Concessional Financing Facility dated August 10, 2016, the Bank has agreed to provide additional funds to the Borrower (the Concessional Portion of the Loan, as hereinafter defined) as part of an integrated lending operation under the terms of this Agreement.

NOW THEREFORE, 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) constitute an integral 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 extend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, a Loan in the amount of two hundred million United States Dollars (USD 200,000,000) to assist in financing the project described in Schedule 1 to this Agreement (“Project”), consisting of the following:

- (a) a non-concessional portion of the Loan in an amount of one hundred sixty-three million one hundred thousand United States Dollars (USD 163,100,000) as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.08 of this Agreement (“Non-Concessional Portion of the Loan”); and
  - (b) a concessional portion of the Loan in an amount of thirty six million nine hundred thousand United States Dollars (USD 36,900,000) (“Concessional Portion of the Loan”).
- 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.
- 2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Non-Concessional Portion of the Loan.
- 2.04.
  - (a) The Commitment Charge payable by the Borrower shall be equal to one quarter of one percent (0.25%) per annum on the Unwithdrawn Balance of the Non-Concessional Portion of the Loan.
  - (b) The Commitment Charge shall not be applied to the Concessional Portion of the Loan.
- 2.05.
  - (a) The interest payable by the Borrower on the Non-Concessional Portion of the Loan for each Interest Period shall be at a rate equal to the Reference Rate for the Loan Currency plus the Fixed Spread.
  - (b) The Concessional Portion of the Loan shall be made available on a non-reimbursable basis.
- 2.06. The Payment Dates are May 15 and November 15 in each year.
- 2.07. The principal amount of the Non-Concessional Portion of the Loan shall be repaid in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.

### **ARTICLE III — PROJECT**

- 3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall carry out the Project through MoDEE in accordance with the provisions of Article V of the General Conditions.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

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

- 4.01. The Additional Event of Suspension is that the Borrower's refugee protection framework is no longer adequate, in the opinion of the Bank.

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

The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

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

- 6.01. The Borrower's Representative is its Minister responsible for planning and international cooperation.
- 6.02. 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. The Bank's Address is:

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

Telex: 248423(MCI) or 64145(MCI)  
Facsimile: 1-202-477-6391

AGREED at \_\_\_\_\_, \_\_\_\_\_, as of the day and year first above written.

THE HASHEMITE KINGDOM OF JORDAN

By

*Wissam A. Rabadi*

\_\_\_\_\_  
Authorized Representative

Name: wissam A. Rabadi

Title: Minister of Planning and International Cooperation

Date: 07-Apr-2020

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

*Saroj Kumar Jha*

\_\_\_\_\_  
Authorized Representative

Name: Saroj Kumar Jha

Title: Country Director

Date: 06-Apr-2020

## SCHEDULE 1

### Project Description

The objectives of the Project are to improve digitally-enabled income opportunities and expand digitized government services in Jordan.

The Project consists of the following Project Parts:

#### 1. **Increasing the Supply of Digitally Skilled Youth in Jordan**

##### 1.1 Establishing a Digital Skills Training Ecosystem with Private Sector Involvement

Establishing the National Skills Council for ICT (“NSC-ICT”) to carry out a program of activities aimed at (a) providing digital skills training; (b) assessing the demand for specific professions in the market and the supply of talent; (c) reviewing national occupational standards; (d) developing, accrediting, and providing online training courses and materials; (e) raising national awareness; and (f) monitoring and evaluation.

##### 1.2 Enhancing Digital Skills Competencies for Public School Students

Carrying out a program of activities to develop and implement a digital skills curriculum in public schools.

##### 1.3 Providing Working Spaces in Underserved Communities through Tech Hubs

Upgrading, equipping and managing technology hubs within the existing vocational training centers, or other appropriate premises, to provide venues for a variety of activities, including, *inter alia*, skilling programs, co-working spaces, ITO/BPO space and networking space.

#### 2. **Expanding the Digital Sector and Digital Government Services in Jordan**

##### 2.1 Expanding Access to Market for Digital Firms

- (a) Developing growth plans of Digital Firms in underserved communities through payment of *employment subsidies* for Eligible Employees of Digital Firms;
- (b) Providing *Matching Grants* to support implementation of business development plans of Digital Firms aiming to secure new contracts in outside markets;
- (c) Procuring services of professional intermediaries in key markets to support, *inter alia*, global scaling, attracting foreign investment

- opportunities, developing exit pathways and establishing commercial partnerships; and
- (d) Providing *Matching Grants* to support growth and expansion of nonprofit companies and civil society organizations that adopt technology means to support vulnerable youth and poor areas.

## 2.2 Supporting Digital Transformation of Service Delivery to Citizens and Businesses.

- (a) Provision of technical assistance to:
  - i. MoDEE for conducting public value assessments of digital services provided through the Borrower's government portal and an assessment of shared services necessary for digital payment systems;
  - ii. (a) re-engineer, simplify and digitize the services; (b) establish necessary quality assurance instruments, including data privacy; and (c) develop a unified mobile application for online service delivery; and
  - iii. train government employees on new technologies and design of a new citizen feedback mechanism or leveraging an existing citizen feedback mechanism, communication strategy and outreach campaigns.
- (b) Upgrade the functionality and capacity of the e-service infrastructure, including, *inter alia*, development of the Borrower's document archiving and communication system, expansion of the interoperability platform for data exchange, upgrades to the government cloud, database security and public key infrastructure upgrades;
- (c) Provision of technical assistance to develop government digital transformation plan, design of a change management strategy and related activities to implement Borrower's e- Government agenda, including capacity development of MoDEE; and
- (d) Strengthening of institutional capacity of MoDEE through establishment of a digital transformation task team of consultants responsible for overseeing the implementation of the e-Gov activities including liaising with relevant ministries of the Borrower.

## 2.3 Digitization of Government Payments

Carrying out a program of activities aimed at facilitating digitization of government payments focused on front-end solutions providing end users with diverse options/tools to make digital payments, through technical assistance for (a) developing an overarching government payment architecture and roadmap; (b) supporting and growing capacity of an intergovernmental task force established for the digitization of government payments and revenues; (c) developing relevant

policies and procedures that ensure satisfactory completion of digitization projects; (d) establishing and implementing a change management program for digital payment system; (e) developing and implementing required digital government-to-government payment enablers, including necessary regulatory changes; and (f) implementing IT enhancements in the ID systems to meet needs of the financial sector.

**3. Project Management and Implementation Support**

Provision of technical advisory services and goods to manage, coordinate, monitor and evaluate the Project, including Operating Costs, independent verification of the achievement of the DLIs and independent verification of completion of employment objectives for employment subsidies and relevant result milestones for Matching Grants.



## SCHEDULE 2

### Project Execution

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements

##### 1. Steering Committee

The Borrower shall establish, and thereafter maintain, throughout the Project implementation period, a Steering Committee chaired by the Minister of MoDEE, and comprised of ministers of MOL, MOE and MOPIC, or their designated representatives, government institutions and private sector organizations, all in composition satisfactory to the Bank. The Steering Committee shall be responsible for macro-level coordination for the Project and policy guidance.

##### 2. Project Management Unit

- (a) The Borrower shall establish, and thereafter maintain, throughout the Project implementation period, a PMU within MoDEE.
- (b) No later than sixty (60) days of the Effective Date, the Borrower shall appoint the project director of the PMU and managers for (i) program management team; (ii) digital skills training team; (iii) digital business sector team; and (iv) digital transformation team.
- (c) No later than hundred and twenty (120) days of the Effective Date, the Borrower shall ensure that the PMU is adequately staffed, with qualified and experienced staff, adequate resources and terms of reference acceptable to the Bank. The PMU shall employ, *inter alia*, a Financial Officer, Procurement Officer, Stakeholder Outreach and Communications Officer, an Environmental Officer, and a women empowerment specialist. The PMU shall include representatives from the MoL and MoE.
- (d) The PMU shall be responsible for, *inter alia*, overseeing overall Project implementation, inter-ministerial coordination of activities, monitoring and evaluation, financial and fiduciary management, procurement, reporting, consultations with public and private sector stakeholders and communications.

##### 3. National Skills Council for ICT

The Borrower, by no later than ten months of the Effective Date, shall establish and maintain, throughout the life of the Project, NSC-ICT, the management board which shall include a majority of private sector representation and representatives of MoDEE, MoL, MoE, and other stakeholders, and which will have legal capacity to perform its functions

under Part 1 of the Project, all consistent with the provisions of the POM and the Subsidiary Agreement.

**B. Subsidiary Agreement**

1. To facilitate the carrying out of the Project, the Borrower shall cause MoDEE, through the PMU, to enter into a subsidiary agreement with the NSC-ICT (“Subsidiary Agreement”), under terms and conditions approved by the Bank, which shall be consistent with the requirements of the ESCP and shall include the following:
  - (a) MoDEE shall provide, on a grant basis, financing in an amount equivalent to five million U.S. dollars (\$5,000,000), on terms and conditions acceptable to the Bank, to cover (i) the startup and initial operation costs of the NSC-ICT, as specified in the Subsidiary Agreement; and (ii) capacity building for VTSDC, in an amount not to exceed \$1,000,000, as provided in the MOU signed under Section I(C) below;
  - (b) NSC-ICT shall recruit and manage qualified training service providers to carry out trainings on digital skills under Part 1.1 of the Project to support employment and freelancing opportunities in Jordan, all in accordance with the specifications in the POM;
  - (c) NSC-ICT shall carry out its activities in accordance with the requirements of the POM and Environmental and Social Standards, in a manner acceptable to the Bank; and
  - (d) except as the Bank shall otherwise agree, NSC-ICT or the Borrower shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions;
2. The Borrower shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan. Except as the Bank shall otherwise agree, the Borrower shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

**C. Memorandum of Understanding**

To facilitate the carrying out of the Project, the Borrower shall cause MoDEE, through the PMU, to enter into a memorandum of understanding with the VTSDC (“MOU”), under terms and conditions approved by the Bank, which shall be consistent with the requirements of the ESCP and shall set forth the procedures and areas of cooperation between the parties with respect to: (a) issuing national occupational standards in accordance with VTSDC Law and Regulations; (b)

accrediting training service providers in accordance with VTSDC Law and Regulations; (c) advising on plans for digital skills developing; (d) exchanging relevant market information; and (e) financing to be provided by the PMU to VTSDC to support capacity building, in an amount not to exceed \$1,000,000. The procedures and areas of cooperation between the parties will align with the requirements of the VTSDC law and regulations.

**D. Project Operations Manual**

1. The Borrower shall adopt the POM, in a manner satisfactory to the Bank, and shall ensure that the Project is carried out in accordance with the POM, setting forth rules, methods, guidelines, and procedures for the carrying out of the Project, including, *inter alia*:
  - (a) detailed description of Project and institutional arrangements for implementing the Project;
  - (b) eligibility criteria and procedures to be applied by the PMU in selecting, in collaboration with the Vocational and Technical Skills Development Commission, eligible vocational training centers under whose auspices the technology hubs will be upgraded and equipped under Part 1.3 of the Project.
  - (c) an operations manual for the employment subsidy scheme under Part 2.1(a) of the Project;
  - (d) eligibility criteria and procedures to be applied by the PMU for selecting intermediaries to carry out Part 2.1(c) of the Project, and CSOs and nonprofit companies under Part 2.1(d) of the Project;
  - (e) detailed procedures for disbursing Matching Grants under Parts 2.1(b) and (d) of the Project, including, *inter alia*, disbursement milestones, mechanisms for verifying the achievement of disbursement milestones, disbursement approval process, and related monitoring, reporting and auditing requirements;
  - (f) the Matching Grant operating procedures governing the activities to be financed by Matching Grants, including, *inter alia*, specific criteria for activities to be eligible for financing under the Matching Grants, guidelines for approval, implementation, monitoring and evaluation of said activities;
  - (g) terms and conditions for the Sub- Grant Agreements;
  - (h) detailed arrangements for verification of achievement of the DLIs (including the Verification Protocol);

- (i) operations manual for the NSC -IT;
  - (j) monitoring, evaluation, reporting, and governance procedures for the Project; and
  - (k) overall disbursement, financial management, auditing and procurement procedures for the Project.
2. In the event that any provision of the Project Operations Manual shall conflict with any provision of this Agreement, the provisions of this Agreement shall prevail.
  3. The Borrower shall ensure that the Project Operations Manual is not amended without the prior written agreement of the Bank.

**E. Employment Subsidy Program for Digital Firms**

1. For purposes of carrying out Part 2.1(a) of the Project, the Borrower shall cause the PMU to pay employment subsidies to Eligible Employees of Digital Firms, using procedures and a transfer and verification mechanism acceptable to the Bank and further detailed in the POM and the Payment Agreement.
2. The Borrower shall cause the PMU to:
  - (a) Form a selection committee, consisting of representatives of the public and private sector to assess applications from Digital Firms for employment subsidies;
  - (b) Conduct a competitive selection process, in accordance with the POM, to select eligible Digital Firms based on the eligibility criteria, including, *inter alia*:
    - i. Proven record of operating a digital business for at least one year;
    - ii. Evidence that the Digital Firm has a pipeline of contracted work and sales opportunities for at least a three months period;
    - iii. Existence of an inhouse or outsourced training and capacity development program in place to train newly hired employees.
    - iv. Commercial soundness of the proposed expansion plan; and
    - v. Expansion of services delivered by the Digital Firm must be in an underserved community.
  - (c) Ensure that the employment subsidy does not exceed 50 percent of the first six months of salaries of Eligible Employees;
  - (d) Pay the employment subsidy to eligible Digital Firms, on a reimbursement basis against the employment level objectives achieved and verified, in accordance with the schedule of payments set forth in the Payment Agreement and in accordance with the provisions and procedures set forth in the POM;

- (e) Enter into a Payment Agreement with each eligible Digital Firm on terms and conditions approved by the Bank, which shall be consistent with the requirements of the ESCP, and which shall include the following:
  - i. the employment subsidy is paid to the Digital Firm as a grant, on a reimbursement basis against the employment level objectives achieved, in accordance with the schedule of payments set forth in the Payment Agreement;
  - ii. The duration of the Payment Agreement shall be 12 months from the date of signing. No employment subsidy shall be paid beyond the 12 months period;
  - iii. Eligible Digital Firms shall be eligible to draw the subsidy upon producing evidence, satisfactory to the Bank, that the Eligible Employee has been continuously employed for a period of at least four months. Under no circumstances shall the employment subsidy exceed the period of six continuous months of employment.
  - iv. The eligible Digital Firm shall:
    - (A) keep records of employment subsidy payments made;
    - (B) (1) carry out its respective activities with due diligence and efficiency and in accordance with sound technical, financial and managerial standards and practices, including in accordance with the provisions of the Anti-Corruption Guidelines; (2) provide, promptly as needed the resources required for these purposes; and (3) maintain adequate records to enable it to monitor and evaluate, in accordance with indicators acceptable to the Bank, the progress of its activities and the achievement of its objectives;
    - (C) promptly inform the PMU of any condition which interferes or threatens to interfere with the payments to Eligible Employees and the achievement of the objective of the Project;
    - (D) permit the Borrower and the Bank to inspect its operations, including the payments made, social security records of Eligible Employees, and any relevant records and documents; and
    - (E) prepare and furnish to the Borrower and the Bank, all such information as the Bank shall reasonably request, relating to the implementation of the activities, and the performance of its obligations under the Payment Agreement;

- v. the PMU may suspend or terminate the right of the Digital Firm to use or administer the proceeds of employment subsidy, or obtain a refund of all or any part of the subsidy payment already made, upon failure by the Digital Firm to perform its obligations under the Payment Agreement;
3. The Borrower shall obtain the Bank's prior review and approval of the first three Payment Agreements signed under Subcomponent 2.1(a) of the Project.
4. The PMU shall exercise its rights under each Payment Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan.
5. Except as the Bank shall otherwise agree, the PMU shall not assign, amend, abrogate or waive any Payment Agreement or any of its provisions.

**F. Matching Grants to Digital Firms**

For purposes of carrying out Part 2.1(b) of the Project, the Borrower shall cause the PMU to:

1. Form a selection committee, consisting of representatives of public and private sector to assess applications from Digital Firms for Matching Grants to cover costs of implementing business development plans;
2. Conduct a competitive selection process, in accordance with the POM, to select eligible Digital Firms, based on eligibility criteria including, *inter alia*:
  - (a) Proven record of operating a digital business for at least one year;
  - (b) Proven record of generating new business;
  - (c) Evidence that the Digital Firm has a pipeline of contracted work and sales opportunities for at least a three months period;
  - (d) Existence of an inhouse or outsourced training and capacity development program in place to train newly hired employees; and
  - (e) Commercial soundness of the proposed business development plan.
3. Ensure that the Matching Grant does not exceed USD \$100,000 to cover up to 50% of the eligible costs associated with implementing the business development plans of the eligible Digital Firms, as specified in the Annual Work Plan and Budget;
4. Ensure that the Matching Grant is paid only upon achievement and verification of specific result milestones agreed upon with each eligible Digital Firm and reflected in the Sub-Grant Agreement; and
5. Enter into a Sub-Grant Agreement with each selected eligible Digital Firm on terms and conditions approved by the Bank, and as further provided in Section (H) below.

**G. Matching Grants for Nonprofit Companies and CSOs**

For purposes of carrying out Part 2.1(d) of the Project, the Borrower shall cause the PMU to:

1. Conduct a competitive selection process, in accordance with the POM, to select eligible nonprofit companies and CSOs to provide financial assistance associated with expansion of nonprofit companies' and CSOs' activities adopting technology means to support vulnerable youth and poor areas;
2. Select eligible nonprofit companies and CSOs in accordance with criteria including, *inter alia*:
  - (a) Proven record of successfully operating an ITO/BPO impact business for at least one year;
  - (b) Declared social mission and successful track record in making social impact in its community;
  - (c) Employment of a dedicated social mission or impact staff with a defined job description focusing on working in disadvantaged communities;
  - (d) Evidence that the eligible nonprofit company or CSO has a pipeline of contracted work and sales opportunities for at least a three months period;
  - (e) Existence of an inhouse or outsourced training and capacity development program in place to train newly hired employees; and
  - (f) Commercial soundness of the proposed business expansion plan.
3. Ensure that the Matching Grant does not exceed USD \$200,000 to cover up to 80% of eligible costs, as specified in the Annual Work Plan and Budget;
4. Ensure that the Matching Grant is paid only upon achievement and verification of specific result milestones agreed upon with each eligible nonprofit company and CSO and reflected in the Sub-Grant Agreement; and
5. Enter into a Sub-grant Agreement with each eligible nonprofit company and CSO on terms and conditions approved by the Bank, and as further provided in Section (H) below.

**H. Common Terms and Conditions of Matching Grants under Parts 2.1(b) and (d) of the Project: Sub-Grant Agreements**

1. Prior to the PMU providing a Matching Grant under Parts 2.1(b), or (d) of the Project to a Benefitting Entity, the Borrower shall cause the PMU to enter into a Sub-Grant Agreement with each Benefitting Entity under terms and conditions approved by the Bank, which shall be consistent with the requirements of the ESCP, and which shall include, *inter alia*, the following:

- (a) Except for as provided under sub-section 1(j) below, Benefitting Entity shall not be required to repay the Matching Grant to the Borrower;
- (b) specific result milestones against which the relevant Matching Grant is to be paid and means of verification of the achievement of said milestones;
- (c) the maximum amount of the Matching Grant payable against the result milestones specified in the Sub-Grant Agreement, the conditions of payments and the methodology for determining the amount of payments to be made during the payment period;
- (d) the Benefitting Entity shall undertake to: (i) carry out its respective activities with due diligence and efficiency and in accordance with sound technical, financial and managerial standards and practices, including in accordance with the provisions of the Anti-Corruption Guidelines; (ii) provide, promptly as needed the resources required for these purposes; and (iii) maintain adequate records;
- (e) the Benefitting Entity shall ensure that the goods and/or services to be financed out of the proceeds of the grant shall be procured in accordance with the provisions of Section III of this Schedule 2 and used exclusively in carrying out the activities to be financed by the grant;
- (f) the Benefitting Entity shall maintain policies and procedures adequate to enable it to monitor and evaluate, in accordance with indicators acceptable to the Bank, the progress of its activities and the achievement of its objectives;
- (g) the Borrower shall have the right to inspect by itself, or jointly with the Bank, if the Bank so requests, the goods, sites, and plants included in the activities, the operations thereof, and any relevant records and documents;
- (h) the Benefitting Entity shall maintain an appropriate financial management system and prepare simplified financial statements acceptable to the Bank, both in a manner adequate to reflect its operations, resources and expenditures and, upon request, shall make such statements available to the Borrower and the Bank;
- (i) the Benefitting Entity shall prepare and furnish to the Borrower and the Bank, all such information as the Bank shall reasonably request, relating to the implementation of the activities, and the performance of its obligations under the Sub-Grant Agreement;
- (j) the PMU may suspend or terminate the right of the Benefitting Entity to use or administer the proceeds of the grant, or to obtain a refund of all or any part of the amount of the Matching Grant then withdrawn, upon failure by the Benefitting Entity to perform its obligations under the Sub-Grant Agreement; and
- (k) the Benefitting Entity shall promptly inform the PMU and the Bank of any condition which interferes or threatens to interfere with the progress of its activities, or the performance by it of its obligations under the Sub-Grant Agreement.



2. The Borrower shall obtain the Bank's prior review and approval of the first three (3) Sub-Grant Agreements for each of the types of the Matching Grants made under Subcomponent 2.1(b), and 2.1(c) of the Project;
3. The Borrower shall cause the PMU to:
  - (a) carry out its obligations and exercise its rights under each Sub-Grant Agreement, in such a manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Matching Grant;
  - (b) administer the Matching Grants in accordance with the POM, in form and substance satisfactory to the Bank, consisting of different schedules, setting forth rules, methods, guidelines, standard documents and procedures for the carrying out of Part 2.1 of the Project; and
  - (c) not to assign, amend, abrogate or waive the POM or any provision thereof.

**I. Expenditure Verification, Utilization Verification for the Project**

By no later than five (5) months after the Effective Date, the Borrower shall engage, and thereafter maintain, throughout the period of Project implementation, Independent Verification Agent(s) with qualifications and experience and under terms of reference acceptable to the Bank, to:

1. With respect to the achievement of DLIs:
  - (a) verify the data and other evidence supporting the achievement of one or more of DLIs as set forth in the table of Schedule 4 to this Agreement;
  - (b) furnish a report to the Bank on the results of said verification of such scope and detail as the Bank shall request; and
  - (c) recommend corresponding payments to be made, as applicable, under Category 1 of the Disbursement Table set forth in Section III.A. of this Agreement.
2. With respect to the achievement of the employment level objectives for employment subsidies under Part 2.1(a) of the Project and achievement of the specific result milestones for Matching Grants under Part 2.1(b) and 2.1(d) of the Project:
  - (a) supervise the implementation of the verification scheme for the purpose of verifying the achievement of the results agreed upon in the Payment Agreements and the Sub-Grant Agreements;
  - (b) furnish a report to the PMU on the results of said verification of such scope and detail as the Bank shall request.

**J. Financing under Parts 1.1, 1.2, and 2.3 of the Project based on Disbursement-Linked Indicators**

1. The Borrower through MoDEE shall:
  - (a) implement Parts 1.1, 1.2, and 2.3 of the Project in accordance with the institutional, financial management and procurement arrangements set out in this Schedule 2 to this Agreement;
  - (b) monitor and furnish sufficient documentation to the Bank to enable the Bank to verify the data and other evidence supporting the achievement of one or more DLIs as set forth in the table in Schedule 4 to this Agreement;
2.
  - (a) The amount of payments which the Borrower may request for DLI- based financing under Parts 1 and 2 of the Project shall be determined on the basis of the maximum amount allocated by the Bank to each DLI, subject to the provisions of Schedule 2 Section III, provided that such amount shall not exceed the total amount of payment for Eligible Expenditures incurred during the year covered by the DLI-based financing payment requested, excluding any amount of eligible expenditures financed from other sources of financing.
  - (b) Notwithstanding the provision of sub-paragraph (a) of this sub-section 2, all payments under the DLI-based financing shall be subject to the Bank's prior written approval and shall only be eligible for financing out of the proceeds of the Loan if and to the extent approved by the Bank in accordance with the provisions of Schedule 2 Section III.

**K. Annual Work Plan and Budget**

1. The Borrower, through the PMU, shall prepare and furnish to the Bank, not later than January 31 of each year, starting January 1, 2021, an Annual Work Plan and Budget containing all activities proposed to be included in the Project and a proposed financing plan for expenditures required for such activities, setting forth the proposed amounts, sources of financing and eligible costs.
2. The Borrower, through the PMU, shall afford the Bank a reasonable opportunity to exchange views with the PMU on such proposed Annual Work Plan and Budget and thereafter ensure that the Project is implemented in accordance with such Annual Work Plan and Budget as shall have been approved by the Bank.

**L. Environmental and Social Standards**

1. The Borrower shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.

2. Without limitation upon paragraph 1 above, the Borrower shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Bank. To this end, the Borrower shall ensure that:
  - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and as further specified in the ESCP;
  - (b) sufficient funds are available to cover the costs of implementing the ESCP;
  - (c) policies, procedures and qualified staff are maintained to enable it to implement the ESCP, as further specified in the ESCP; and
  - (d) the ESCP or any provision thereof, is not amended, revised or waived, except as the Bank shall otherwise agree in writing and the Borrower has, thereafter, disclosed the revised ESCP.
3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. The Borrower shall:
  - (a) take all measures necessary on its part to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Bank, information on the status of compliance with the ESCP, all such reports in form and substance acceptable to the Bank, setting out, inter alia: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
  - (b) promptly notify the Bank of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, the instruments referenced therein and the Environmental and Social Standards.
5. The Borrower shall maintain and publicize the availability of a grievance mechanism, in form and substance satisfactory to the Bank, to hear and determine fairly and in good faith all complaints raised in relation to the Project, and take all measures necessary to implement the determinations made by such mechanism in a manner satisfactory to the Bank.

**Section II. Project Monitoring Reporting and Evaluation**

**A. Project Reports**

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

**Section III. Withdrawal of Loan Proceeds**

**A. General**

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Bank shall specify by notice to the Borrower (including the “Disbursement Guidelines for Investment Project Financing” dated February 2017, as revised from time to time by the Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures and pay the Front-end Fee, as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Loan (“Category”), the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category.

<b>Category</b>	<b>Amount of the Non-Concessional Portion of the Loan Allocated (expressed in USD)</b>	<b>Amount of the Concessional Portion of the Loan Allocated (expressed in USD)</b>	<b>Percentage of Expenditures to be financed (inclusive of Taxes)</b>
(1) Eligible Expenditures Program under Parts 1.1, 1.2 and 2.3 of the Project	137,755,801	31,244,199	100% of each DLI Amount set out in Schedule 4 (or such lesser percentage as represents the total Eligible Expenditures paid by the Borrower under the Eligible Expenditure Program
(2) Employment Subsidies under Part 2.1(a) of the Project	4,890,738	1,109,262	100%, on a <i>pari passu</i> basis reflected in Section III.B.1(a) below
(3) Matching Grants under Component 2.1(b), and 2.1(d) of the Project	3,252,341	737,659	100% on a <i>pari passu</i> basis reflected in Section III.B.1(a) below
(4) Goods, non-consulting services, and consulting services and Training	16,793,370	3,808,880	100% on a <i>pari passu</i> basis reflected in Section III.B.1(a) below
(5) Front-end Fee	407,750	N/A	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07(b) of the General Conditions
(6) Interest Rate Cap or Interest Rate Collar premium			Amount due pursuant to Section 4.05 (c) of the General Conditions
<b>TOTAL AMOUNT</b>	<b>163,100,000</b>	<b>36,900,000</b>	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
  - (a) from the Loan Account unless each withdrawal is made on a *pari passu* basis and at a 81.51/18.49% ratio between the amount of the Non-

Concessional Portion of the Loan allocated and the amount of the Concessional Portion of the Loan allocated.

- (b) for payments made prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed \$16,300,000 from the Non-Concessional Portion of the Loan and \$3,700,000 from the Concessional Portion of the Loan may be made for Eligible Expenditures under Category (1) incurred prior to this date but on or after January 1, 2020;
  - (c) under Category (1) unless the Bank has received satisfactory evidence, to be verified by (i) the Audit Bureau that payments for Eligible Expenditures Program have been made in accordance and in compliance with the procedures set forth in the POM; and (ii) by either the IVA, or by furnishing to the Bank all required documents and information acceptable to the Bank sufficient for the Bank to certify the achievement of the DLIs, the DLIs set forth in Schedule 4 to this Agreement for which payment is requested have been met and verified in accordance with the Verification Protocol and the POM.
  - (d) Under Category (2) unless the Bank has received satisfactory evidence, to be confirmed by the IVA, that the employment level objectives for employment subsidies have been verified in accordance with the verification protocol outlined in the Payment Agreement.
  - (e) Under Category (3) unless the Bank has received satisfactory evidence, to be confirmed by the IVA, that the specific result milestones for Matching Grants have been verified in accordance with the verification protocol outlined in the Sub-Grant Agreement.
2. Notwithstanding the provisions of Part A of this Section, payments under Category (1) shall not exceed the maximum amounts allocated to the respective DLI(s) as provided in Schedule 4 to this Agreement.
3. Notwithstanding the provisions of paragraphs 1 and 2 of this Part B, if the Bank shall determine, based on the evidence provided by the Borrower under paragraph 2 of this Part B, that any DLI(s) have not been achieved or have been partially achieved by the end of the year during which such DLI(s) were scheduled to be met in accordance with Schedule 4 to this Agreement, the Bank may in its sole discretion, by notice to the Borrower:
- (a) disburse in whole or in part the amount of the Loan allocated to such DLI(s) at any later time when such DLI(s) are met; and/or
  - (b) reallocate in whole or in part any amount of the Loan allocated to such DLI(s) to other DLI(s) under Category (2) or to other Categories.

4. Notwithstanding the foregoing, if the Bank determines, at any time, that any portion of the amounts disbursed by the Borrower under Category (1) was made for payment of expenditures that are not eligible, the Borrower shall promptly refund any such amount to the Bank as the Bank shall specify by notice to the Borrower.
5. The Closing Date is March 31, 2025.

**SCHEDULE 3**

**Amortization Schedule**

The following table sets forth the Principal Payment Dates of the Non-Concessional Portion of the Loan and the percentage of the total principal amount of the Non-Concessional Portion 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 May 15 and November 15  Beginning November 15, 2024 through May 15, 2054	1.64%
On November 15, 2054	1.6%



**SCHEDULE 4**

**Disbursement-linked Indicators under the Project**

The following table specifies the Disbursement Linked Indicators (DLI) and the allocation of the amounts of the Loan to each DLI under Category 2:

<b>Results Area</b>	<b>Description of achievement</b>	<b>Amount of the Non-Concessional Portion of the Loan Allocated (expressed in USD)</b>	<b>Amount of the Concessional Portion of the Loan Allocated (expressed in USD)</b>	<b>Disbursement Calculation Formula (Amounts allocated proportionately between the Non-Concessional Portion of the Loan and the Concessional Portion of the Loan)</b>
DLI 1: Digital skills developed through private sector collaboration	DLI 1.1. NSC- IT has been established as a separate legal entity, with a majority-private sector board membership and representation from key public sector stakeholders, and its Charter has been adopted with the mandate to: (a) conduct demand and supply side assessments; (b) establish national occupational standards to be adopted by VTSDC; (c) qualify training service providers; (d) select and contract training service providers accredited by VTSDC; (d) accredit training curriculum; (e) create and disseminate on-line training materials; (f) conduct national awareness activities; (g) engage in monitoring and evaluation; and (h) establish comprehensive CRM system for the beneficiaries.	4,075,615	924,385	DLI 1.1: \$5,000,000 by the end of CY 1

	DLI 1.2 On an annual basis, between CY 2 and CY 5, NSC-ICT performs the following core functions as specified in the NSC- IT's Charter: (a) conduct a gap analysis for digital skills; (b) maintain a comprehensive customer relationship management system for the trainees benefitting from the training programs; (c) publish an annual performance report; and (d) publish an annual list of certified training service providers	11,411,723	2,588,277	DLI 1.2: \$14,000,000 by Closing Date  Formula: \$3,500,000 by the end of each CY, between CY 2 and CY 5, up to a total of \$14,000,000
	DLI 1.3 Number of performance-based contracts signed with training service providers (TSPs)	17,117,585	3,882,415	DLI 1.3: \$21,000,000 by Closing Date  Formula: from the baseline of 0, \$1,000,000 for every five performance-based contracts signed with TSPs, up to \$21,000,000
DLI 2: Number of graduates trained and hired	DLI 2.1 Number of graduates from the training programs established to provide digital skills development activities	13,857,092	3,142,908	DLI 2.1: \$17,000,000 by Closing Date  Formula: from the baseline of 0, \$1,000,000 for every 1000 graduates from the training programs, up to \$10,000,000  Out of the graduates counted under DLI 2.1, from the baseline of 0, \$1,000,000 additional for every 1000 females graduating from the the training programs, up to \$4,000,000

				Out of the graduates counted under DLI 2.1, from the baseline of 0, additional \$1,000,000 for every 500 Syrian refugees graduating from the the training, up to \$3,000,000
	DLI 2.2 Number of graduates from the training programs established to provide digital skills development activities who obtained full time employment			DLI 2.2: \$7,000,000 by Closing Date  Formula: from the baseline of 0, \$1,000,000 for every 1000 graduates from the training programs who are employed full time for more than four months, up to \$6,000,000  Out of the graduates counted under DLI 2.2, from the baseline of 0, \$500,000 additional for 2500 female graduates employed full time for more than four months  Out of the graduates counted under DLI 2.2, from the baseline of 0, \$500,000 additional for 1,000 Syrian refugees employed full time for more than four months
		5,705,862	1,294,138	
DLI 3: Enhancing digital skills competencies for	DLI 3.1 Ministry of Education carries out readiness assessment for grades 7-12 to assess classrooms' readiness for a new digital skills curriculum	4,075,615	924,385	DLI 3.1: \$5,000,000 by the end of CY 1

public school students	DLI 3.2 Ministry of Education develops and adopts, through a ministerial decree, an action plan for designing and rolling out digital curriculum for grades 7-12.	3,260,492	739,508	DLI 3.2: \$4,000,000 by the end of CY 2
	DLI 3.3 Ministry of Education develops and adopts a digital skills learning curriculum content for grades 7-12	7,336,108	1,663,892	DLI 3.3: \$9,000,000 by the end of CY 4  Formula: \$1,500,000 for the successful development of the curriculum content and digital skills learning assets for each grade between Grade 7 and 12, up to \$9,000,000
	DLI 3.4 Ministry of Education completes teacher training on new digital skills courses for 70% of ICT grade 7-12 teachers	4,890,739	1,109,261	DLI 3.4: \$6,000,000 by Closing Date  Formula: from the baseline of 0, \$1,500,000 for every additional 25% point increase in ICT grade 7-12 teachers trained to deliver digital courses, up to \$6,000,000
	DLI 3.5 Number of public schools enrolled into digital skills classes for grades 7-12	4,890,739	1,109,261	DLI 3.5: \$6,000,000 by Closing Date  Formula: from the baseline of 0, \$1,000,000 for every 10% point increase in public schools receiving digital skills classes, up to \$6,000,000
	DLI 3.6 At least 60% of students enrolled in digital skills classes in public	2,445,369	554,631	DLI 3.6: \$3,000,000 by Closing Date

	schools pass assessment in CY 5			
DLI 4: Support digital transformation of service delivery to citizens and businesses	DLI 4.1 MoDEE issues a ministerial decree for the adoption of the Government Digital Transformation Strategy and change management action plan	4,075,615	924,385	DLI 4.3: \$5,000,000 by the end of CY 1
	DLI 4.2 Number of new transactional e-services being made available to citizens and businesses through respective government agencies' e-portals	40,756,154	9,243,846	DLI 4.4: \$50,000,000 by Closing Date  Formula: from the baseline of 0, \$500,000 for each new transactional e-service being made available to citizens and businesses, up to \$50,000,000
	DLI 4.3 Responsible government agencies adopt recommendations of the public value assessment for at least 20 transactional e-services	11,411,723	2,588,277	DLI 4.5: \$14,000,000 by Closing Date  Formula: from the baseline of 0, \$700,000 for each adopted recommendation of the public value assessment, up to \$14,000,000
	DLI 4.4 MoDEE launches a new citizen feedback system for transactional e-services	1,222,685	277,315	DLI 4.6: \$1,500,000 by Closing Date
	DLI 4.5 MoDEE launches e-service performance dashboard for e-services	1,222,685	277,315	DLI 4.7: \$1,500,000 by Closing Date
	<b>Total</b>		<b>137,755,801</b>	<b>31,244,199</b>

**SCHEDULE 5**

**A list of budget codes used for the Eligible Expenditures incurred by the Borrower**

<b>DLI 1</b>	Budget line: 2901 MOL 4810 Training and Employment 017 Country Service Program
<b>DLI 2</b>	Budget Line: 3201 MODEE 2111 Salaries, Wages and Allowances under Capital and current expenditures
<b>DLI 3</b>	Budget Line: 2501 MOE (a) 2111 Salaries, Wages and Allowances under current expenditures (for ICT, Math, and Science teachers (b) 2821 training and certification
<b>DLI 4</b>	Budget Line: 3201 MODEE 5520 e-government program

## APPENDIX

### Section I. Definitions

1. “Annual Work Plan and Budget” means the work plan and budget approved by the World Bank and adopted by the Recipient in accordance with the provisions of Section J of Schedule 2 of this Agreement, as said work plan and budget may be modified from time to time with the written agreement of the World Bank.
2. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006, and revised in January 2011 and as of July 1, 2016.
3. “Audit Bureau” means the Borrower’s national audit agency established pursuant to Law No. 28 of 1952.
4. “Benefitting Entity” means either a Digital Firm, a nonprofit company, or a civil society organization, organized or incorporated in Jordan, that has met the eligibility and selection criteria set out in Section I.D., I.E, or I.F of Schedule 2 to this Agreement and the specific criteria set forth in the POM, and as a result has entered into a Sub-grant Agreement under Section I.H of Schedule 2.
5. “BPO” means Business Process Outsourcing.
6. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
7. “Concessional Portion of the Loan” means the amount of the Loan referred to in Section 2.01(b) of this Agreement; which has been contributed for the Project from the GCFF on grant basis.
8. “CSO” means civil society organization.
9. “CY” means the period starting January 1 and ending December 31 of a each given year.
10. “Digital Firms” means technology or technology-enabled companies and digital marketplace platforms incorporated or organized in Jordan that work on the (a) development of information technology products or services, and/or (b) provision of IT or IT-enabled business processes for third parties – also known as IT outsourcing and business process outsourcing.

11. “Disbursement Linked Indicator” or “DLI” means in respect of Category (1), each of the indicators related to said Category as set forth in the table in Schedule 4 to this Agreement.
12. “Eligible Employee” means a new employee hired by a Digital Firm on a full time basis, as documented by social security records, and verified by the IVA, in order to expand its operations in an underserved community, pursuant to the employment subsidy program under Part 2.1(a) of the Project.
13. “Eligible Expenditures Program” means Eligible Expenditures incurred by the Borrower for the implementation of Part 1.1, 1.2 and 2 of the Project, financed through the budget code listed on Schedule 5 to this Agreement.
14. “Environmental and Social Commitment Plan” or the acronym “ESCP” means the Borrower’s environmental and social commitment plan, acceptable to the Bank, dated February 13, 2020, which sets out a summary of the material measures and actions to address the potential environmental and social risks and impacts of the Project, including the timing of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any instruments to be prepared thereunder; as the ESCP may be revised from time to time, with prior written agreement of the Bank.
15. “Environmental and Social Standards” means, collectively: (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Bank at <https://www.worldbank.org/en/projects-operations/environmental-and-social-framework>.
16. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for Loans”, dated December 14, 2018, with the modifications set forth in Section II of this Appendix.
17. “Global Concessional Financing Facility” and “GCFF” each means the financing facility established with a focus on providing concessional financing to middle



income countries most affected by the presence of large numbers of refugees, with an initial focus on the Syrian refugee crisis as it impacts Jordan and Lebanon, and referred to in the *Preamble* to this Agreement.

18. “ITO” means Information Technology Outsourcing.
19. “IVA” or “Independent Verification Agent” means the Audit Bureau, or an independent verification agency or agencies, satisfactory to the Bank, hired under the Project to certify the achievement of the DLIs as referred to in Section I.G of Schedule 2 to this Agreement and the achievement of the employment level objectives for employment subsidies under Part 2.1(a) of the Project and the achievement of the result milestones for Matching Grants under Parts 2.1(b) and (d) of the Project
20. “Loan” means the aggregate of the Concessional Portion of the Loan and the Non-Concessional Portion of the Loan as set forth in Section 2.01 of this Agreement.
21. “Matching Grant” means a grant to be made out of the proceeds of the Loan to finance activities under Part 2.1(b) and (d) of the Project.
22. “MoDEE” means the Borrower’s ministry of digital economy and entrepreneurship, or its legal successor.
23. “MOE” means the Borrower’s ministry of education, or its legal successor.
24. “MOL” means the Borrower’s ministry of labor, or its legal successor.
25. “MOPIC” means the Borrower’s ministry in charge of planning and international cooperation, or its legal successor
26. “NSC-ICT” means the National Skills Council for ICT to be established by the Borrower to be responsible for the oversight and monitoring of the establishment of the digital skills training ecosystem, or any successor thereto.
27. “Operating Costs” means reasonable incremental expenses incurred by the Borrower (including the PMU and the NSC-IT) and approved by the Bank attributable to the Project implementation, management and monitoring, and establishment of the PMU and a grievance redress mechanism, including costs related to: office supplies and consumables, stationary and sundries, maintenance of office equipment, communication, advertising, office rentals, utility costs, operation and maintenance of office vehicles, per diem and travel costs for Project staff, reasonable bank charges, allowances and salaries of Project staff (excluding the salaries of Borrower’s civil servants).

28. “Payment Agreement” means an agreement to be entered between the eligible Digital Firm and the PMU for provision of the employment subsidy under Section I.D of Schedule 2 to this Agreement.
29. “POM” means the project operations manual for the Project, to be adopted by the Borrower and satisfactory to the Bank, and referred to in Section I.C. of Schedule 2 to this Agreement, describing and setting forth procedures for implementation of the Project and institutional arrangements, consistent with the provisions of this Agreement and including, among other things, the fiduciary, technical and operational aspects and procedures for implementation of the Project, including the financial management procedures, procurement procedures, monitoring and evaluation arrangements, verification arrangements, other fiduciary and administrative arrangements, as the same may be amended from time to time by agreement with the Bank.
30. “Procurement Plan” means the Borrower’s procurement plan for the Project, dated May 21, 2018, and provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the Bank.
31. “Procurement Regulations” means the “World Bank Procurement Regulations for Borrowers under Investment Project Financing”, dated July 1, 2016, revised August and November 2018.
32. “Sub-grant Agreement” means an agreement entered with each Benefitting Entity eligible to receive a Matching Grant containing the terms specified in Section G to Schedule 2 of this Agreement.
33. “Training” means costs incurred by the Borrower on account of approved workshops, and training of Borrower personnel involved in implementation of the Project, including study tours, travel and subsistence costs for training participants, costs associated with securing the services of trainers, rental of training facilities, preparation and reproduction of training materials, and other costs directly related to course preparation and implementation, all on the basis of budgets acceptable to the Bank.
34. “VTSDC” or “Vocational and Technical Skills Development Commission” means a legal entity established under the temporary law No. (35) of 1976 and under Law No. (11) of 1985 Act Vocational Training Corporation, as amended, operating vocational training centers in Jordan.
35. “VTSDC Law and Regulations” means Temporary Law No. 35 of 1976 and Law No. 11 of 1985 establishing VTSDC and relevant regulations.

## Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. Wherever used throughout the General Conditions, the term “Loan Payment” is modified to read “Payment of the Non-Concessional Portion of the Loan”. Furthermore, wherever used in Sections 3.02 to 3.08; Section 3.10; Section 4.01; Section 4.02 to 4.05 (including the Title); and Section 9.05, the term “*the Loan*” is modified to read “*the Non-Concessional Portion of the Loan*”; the term “*Unwithdrawn Loan Balance*” is modified to read “*Unwithdrawn Balance of the Non-Concessional Portion of the Loan*”; and the term “*Withdrawn Loan Balance*” is modified to read “*Withdrawn Balance of the Non-Concessional Portion of the Loan*”.
2. In Section 2.07, *Refinancing Preparation Advance; Capitalizing Front-end Fee and Interest*, the term “the Loan” in paragraph (a) and the term “the Loan” after “other charges on” in paragraph (c) of, is deleted and replaced with “the Non-Concessional Portion of the Loan”.
3. In the **Table of Contents**, the references to Sections, Section names and Section numbers are modified to reflect the modifications set forth in the paragraphs below.
4. Section 3.01. (*Front-end Fee*) is modified to read as follows:  
“Section 3.01. *Front-end Fee; Commitment Charge*
  - (a) The Borrower shall pay the Bank a front-end fee on the Non-Concessional Portion of the Loan at the rate specified in the Loan Agreement (the “Front-end Fee”).
  - (b) The Borrower shall pay the Bank a commitment charge on the Unwithdrawn Balance of the Non-Concessional Portion of the Loan at the rate specified in the Loan Agreement (the “Commitment Charge”). The Commitment Charge shall accrue from a date sixty days after the date of the Loan Agreement to the respective dates on which amounts are withdrawn by the Borrower from the Loan Account or cancelled. The Commitment Charge shall be payable semi-annually in arrears on each Payment Date.”
5. In the Appendix, **Definitions**, all relevant references to Section numbers and paragraphs are modified, as necessary, to reflect the modification set forth above.
6. Wherever used in the following definitions of the terms “Conversion”; “Currency Conversion”; “Default Interest Period”; “Default Interest Rate”; “Default Variable Rate”; “Fixed Rate”; “Fixed Reference Rate”; “Fixed Spread”; “Interest Rate Cap”; “Interest Rate Conversion”; “Principal Payment Date”; “Reference Rate

Reset Date”; “Screen Rate”; “Variable Rate”; “Variable Spread”; “Variable Spread Fixing Charge”; the term “the Loan” is modified to read “the Non-Concessional Portion of the Loan”; the term “Unwithdrawn Loan Balance” is modified to read “the Unwithdrawn Balance of the Non-Concessional Portion of the Loan”; and the term “Withdrawn Loan Balance” is modified to read “Withdrawn Balance of the Non-Concessional Portion of the Loan”.

7. The Appendix is modified by inserting a new paragraph 19 with the following definition of “Commitment Charge”, and renumbering the subsequent paragraphs accordingly:

“19. “Commitment Charge” means the commitment charge specified in the Loan Agreement for the purpose of Section 3.01(b).”

8. In the renumbered paragraph 49 (originally paragraph 48) of the Appendix, the definition of “Front-end Fee” is modified by replacing the reference to Section 3.01 with Section 3.01 (a).

9. In the renumbered paragraph 68 (originally paragraph 67) of the Appendix, the definition of the term “Loan Payment” is modified to read as follows:

“68. “Loan Payment” means any amount payable by the Loan Parties to the Bank pursuant to the Legal Agreements or these General Conditions, including (but not limited to) any amount of the Withdrawn Loan Balance, interest, the Front-end Fee, the Commitment Charge, interest at the Default Interest Rate (if any), any prepayment premium, any transaction fee for a Conversion or early termination of a Conversion, the Variable Spread Fixing Charge (if any), any premium payable upon the establishment of an Interest Rate Cap or Interest Rate Collar, and any Unwinding Amount payable by the Borrower.”

10. A new paragraph 73 with the following definition of “Non-Concessional Portion of the Loan” is added to the Appendix, and the remaining paragraphs are renumbered accordingly:

“73. “Non-Concessional Portion of the Loan” means portion of the Loan provided to the Borrower on non-concessional terms in the Loan Agreement.”

11. In the renumbered paragraph 73 (originally paragraph 72) of the Appendix, the definition of “Payment Date” is modified by deleting the word “is” and inserting the words “and Commitment Charge are” after the word “interest”.

12. In the renumbered paragraph 94 (originally paragraph 92) of the Appendix, the definition of “Unwithdrawn Loan Balance” is modified to read as follows:

“94. “Unwithdrawn Balance of the Non-Concessional Portion of the Loan” means the amount of the Non-Concessional Portion of the Loan remaining unwithdrawn from the Loan Account from time to time.”

13. In the renumbered paragraph 98 (originally paragraph 96) of the Appendix, the definition of “Withdrawn Loan Balance” is modified to read as follows:

“98. “Withdrawn Loan Balance” means the amounts of the: (i) Non-Concessional Portion of the Loan withdrawn from the Loan Account and outstanding from time to time; plus (ii) Concessional Portion of the Loan withdrawn from the Loan Account from time to time.”

14. A new paragraph 99 with the following definition of “Withdrawn Balance of the Non-Concessional Portion of the Loan” is added to the Appendix, and the remaining paragraphs are renumbered accordingly:

“99. “Withdrawn Balance of the Non-Concessional Portion of the Loan” means the amounts of the Non-Concessional Portion of the Loan withdrawn from the Loan Account and outstanding from time to time.”