

**COMBINED PROJECT INFORMATION DOCUMENTS / INTEGRATED
SAFEGUARDS DATA SHEET (PID/ISDS)**

Additional Financing

Report No.: PIDISDSA2247

Date Prepared/Updated: 13-Jun-2017

I. BASIC INFORMATION

A. Basic Project Data

Country:	Jordan	Project ID:	P160103
		Parent Project ID :	P127702
Project Name:	Jordan Ozone Depleting Substances HCFC Phase-Out (ODS3) Phase 2 (P160103)		
Parent Project Name:	Jordan Ozone Depleting Substances HCFC Phase-Out Project (ODS3) (P127702)		
Region:	MIDDLE EAST AND NORTH AFRICA		
Estimated Appraisal Date:	26-May-2017	Estimated Board Date:	29-Jun-2017
Practice Area (Lead):	Environment & Natural Resources	Financing Instrument:	Investment Project Financing
Borrower(s)			
Implementing Agency			
Financing (in USD Million)			
Financing Source			Amount
Borrower			0.00
Montreal Protocol Investment Fund			2.49
Financing Gap			0.00
Total Project Cost			2.49
Environmental Category	B-Partial Assessment		
Decision	The review did authorize the team to appraise and negotiate		
Other Decision (as needed)			
Is this a Repeater project?	No		
Is this a Transferred project? (Will not be disclosed)	No		

B. Introduction and Context

Country Context

Jordan is an upper middle income country which has proven remarkably resilient despite decades of turmoil in its neighborhood. The economy has absorbed recurrent population influx, high vulnerability to energy and food import prices, and a lack of natural resources. It has generated sustained growth and low headcount poverty coupled with generally low inflation and a credible exchange rate regime. Jordan has managed a unique balancing act in the MENA region in terms of maintaining domestic stability despite the persistence of conflict on its doorstep.

Even with economic stability in the face of massive shocks, the Jordanian government – reflecting the views of the population – has made clear the need for improvement in the current growth trajectory. There is considerable public dissatisfaction with the risk of poverty, the lack of job market dynamism, and the cost of living. More generally there is a popular sense that Jordan should be doing better in terms of attracting foreign investment and exploiting its human capital, location, and history. Even the vulnerability to shocks has brought with it a substantial grant inflow from the Gulf Cooperation Council (GCC) countries, Europe, and the USA and with it a perception of unexploited opportunities from those funds to transform the economy.

Public dissatisfaction coalesced around a perception, which the government acknowledges, that previous reform efforts had struggled with implementation, while discretionary decisions and unequal opportunities remain entrenched. Government, stakeholders and partners alike are quick to note that Jordan has an overload of previous diagnostics and strategies which have not proceeded to effective implementation. Just over the last decade, the country has had a National Agenda, a poverty reduction strategy, and National Employment Strategy, and numerous reviews and country strategies undertaken by external partners. These strategies have in turn spawned varied project-level interventions across many sectors of the economy.

In response, the government is moving to the implementation phase of its Jordan 2025 strategic blueprint, a new ten-year strategy formally launched in May 2015. During the design phase of the Blueprint, the government undertook significant consultative exercises which drew consistent feedback from the private sector and citizens about fatigue with another strategic exercise given the poor track record of implementation of previous ones. As a result, Jordan 2025 – which is frank about implementation failures – has placed particular emphasis on strengthening implementation mechanisms, especially at the center of government. Implementation of the Vision will unfold through three executive development plans over the next ten years, the first of which is already being finalized.

Recent policy adjustments within the framework of the IMF Standby Arrangement (SBA) and the Bank's programmatic Development Policy Loans (DPLs) have already achieved a significant reconfiguration of fiscal and sector policies towards energy sector structural reforms, a shift from universal price subsidies to targeted transfer programs, improvements in the business climate, and a broadening of the revenue base.

Given existing reform momentum around the energy sector and investment, the substantive engagement of the Bank Group and other development partners, the World Bank Group will continue to seek added value by providing an integrative and concise perspective on what Jordan can do to better meet the expectations of its citizens. The ODS3 project and its Additional Financing buoys the momentum around the energy sector and investment by improving the global and regional competitiveness of its domestic air conditioning, refrigeration, refrigerated transport, and other similar industries through the transfer of the most current, zero ODP alternative technology.

The project will also indirectly provide net benefits to the global climate given the replacement of high

global warming potential (GWP) HCFCs, not only with a smaller amount of replacement refrigerant, but more significantly, the introduction of more energy efficient appliances that result in lower net CO2 emissions annually and contribute to demand-side drawdown in Jordan's energy sector.

Sectoral and Institutional Context

As a Party to the Montreal Protocol since 1989, the Government of Jordan has continuously put measures into place to implement Protocol provisions and has ratified all amendments, including the Copenhagen Amendment in June 1995. The National Ozone Unit (NOU) was appointed in 1993 as the focal point for overall coordination of the Ozone Depleting Substances (ODS) phase-out program in Jordan and to ensure that Jordan's obligations to the Protocol are respected. It continues to be responsible for coordinating and informing all relevant Government agencies and of regulating the private sector.

A National Ozone Committee headed by Ministry of Environment (MoEnv) and consisting of representatives from Ministry of Trade and Industry, Ministry of Planning and International Cooperation (MOPIC), the Customs Department in Ministry of Finance, the Chamber of Industry, Chamber of Commerce, Ministry of Energy and Mineral Resources, Ministry of Agriculture and the Jordan Institute of Standard and Metrology was set up at the beginning of the ODS phase-out program in Jordan. A cooperative relationship between these ministries and agencies with the NOU has ensued and is a major factor in Jordan's track record of Montreal Protocol compliance. The Committee is convened on an ongoing and need basis to develop regulations and agree on the annual ODS quota for the subsequent year, in order to control the import and re-export of ODS and products containing Hydrochlorofluorocarbons (HCFCs).

In 2000, Jordan revamped its policies by disseminating a series of instructions for controlling and monitoring ODS which included: prohibition of licensing of new installations based on Chlorofluorocarbons (CFCs); assigning MoEnv as the focal point for granting import license to ODS importers; mandatory labeling of products containing ODS and ozone friendly materials; prohibiting ODS use at converted enterprises; and the possibility to increase taxes on use of ODS.

In 2013, the Government adopted new regulations to license and control the import and export of HCFCs. A quota system is applied to registered importers for HCFC imports and exports. The regulation states that quota is to be established annually by December in accordance with Jordan's Montreal Protocol obligations. Importers and exporters of HCFC pre-blended polyol are also required to have licenses.

In late 2015, the NOU began drafting in cooperation with other ministry focal points and stakeholders (in an October workshop), an amendment to the ODS regulation which will include the ban in manufacturing and importing HCFC-based AC and will require import/export licenses for ODS alternatives as well as ODS-containing products. The amendment will seal the ban in trade in second-hand compressors and related equipment and components. On 17 July 2016, the new regulation was signed into law.

C. Proposed Development Objective(s)

Original Project Development Objective(s) - Parent

Proposed Project Development Objective(s) - Additional Financing

The project development objective is to support Jordan in its overall efforts to meet its Montreal

Protocol HCFC phase-out obligations, and to strengthen the capacity of responsible government entities to continue to effectively implement and comply with the Montreal Protocol.

Key Results

The Government of Jordan will introduce policies to, along with the conversions and technical support by the MLF, ensure 35% HCFC consumption reductions take place by 2020. While the key policy instrument for HCFCs phase-out will continue to be by controlling and monitoring the import of HCFCs, supporting policies to discourage the demand of HCFCs are considered critical. The main policy measures will consequently be bans in manufacturing with HCFCs in all sectors by end 2021.

D. Project Description

Jordan's Stage II HCFC Phase-out Management Plan (HPMP) aims to completely eliminate the use of hydrochlorofluorocarbons (HCFCs) in manufacturing, not only reducing consumption to a maximum of 65% of the baseline by 2020 in accordance with Montreal Protocol requirements, but targeting additional phase-out. The plan sets out the Government of Jordan's priorities for phase-out interventions in the foam and commercial refrigeration sectors with some reductions stemming from the growing servicing sector – all in sustainable manner which minimizes future impact on the climate as much as possible, and the ozone layer.

Component Name:

Investment in HCFC Consumption Reductions

Comments (optional)

Component Name:

Technical Assistance, Policy and Sector Plan Management

Comments (optional)

Component Name:

Institutional Strengthening

Comments (optional)

E. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)

Project investments under Component 1 will take place in industrial enterprises manufacturing polyurethane (PU) foam. Technical assistance and training under Component 2 will also benefit such enterprises. All potential beneficiary sites have been identified and most of them have been visited by Bank consultants. during the preparation phase of the project. Project locations are for the most part clustered in industrial zones on the outskirts of Amman.

F. Environmental and Social Safeguards Specialists on the Team

Amal Hijazi(GSU05)

Mariana T. Felicio(GSU05)

II. IMPLEMENTATION

A project management unit (PMU) located within the NOU at the Ministry of Environment is to manage the implementation of the Stage II HPMP and associated sector plans in accordance

with the overall HPMP Agreement between Jordan and the Executive Committee, and with the World Bank as the Lead Agency and UNIDO as the Cooperating Agency. The NOU within the Ministry of Environment will be in charge of day- to-day MP operations and oversight of the implementation of all HCFC phase-out activities. The Project PMU will manage activities related to the implementation of investments and technical assistance (TA) activities, ensuring that MLF and World Bank policies regarding financial management, use of funds and procurement are followed when implementing subproject and other activities. The World Bank will monitor the implementation of overarching HCFC Phase-Out Management Plan (HPMP) activities as well as the commercial refrigeration and foam sector plan and will report to the Multilateral Fund in accordance with policies established for the implementation of the HCFC phase-out. UNIDO (United Nations Industrial Development Organization) will monitor the implementation of the spray foam sub-sector plan and the servicing sector activities and report to the Fund through the Bank. As in the past, the Bank will work closely with the NOU, supervise implementation and provide management and technical support to the NOU.

III. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	<p>As the proposed AF includes phasing-out HCFC-141b and introducing two alternative substances hydrofluoro-olefins (HFOs) and notably, flammable hydrocarbons (HC), environmental management risks are different from the original project, which managed risks associated in moving from R-22 to R-410A technology. Most enterprises have opted for conversion to HFO technology, with the exception of one firm which will convert to cyclo-pentane technology. As cyclo-pentane is highly flammable, with vapor/air mixtures with the potential to explode, the site-specific EMP for the use of cyclo-pentane will be subject to additional technical clearances and on-site supervision throughout the conversion process.</p> <p>The project also presents potential negative environmental and social risks, especially with respect to the health and safety of workers in the project-supported plants, technicians servicing equipment produced in those plants, and possibly to the surrounding populations. These risks include: transporting heavy pieces of equipment; installing and testing such equipment; and, charging equipment with highly compressed gases. These risks would occur at both the manufacturing and servicing levels.</p>

		<p>Jordan has a relatively good environmental protection framework with regulation on ozone depleting substances, including HCFCs, and other health and worker safety rules governing industry but additional mitigation measures may be necessary to ensure that enterprises are employing good practice in handling and manufacturing. The Recipient (through NOU staff) has an Environmental Management Framework (EMF). The EMF will be disclosed through the external World Bank website as well as the Ministry of Environment websites prior to project appraisal.</p> <p>It is expected that sub-project EMPs will address the general standards of environmental management and worker health and safety at the plants to be supported by the project, as well as specific provisions for the safe transportation, storage and handling of the gases and other materials related to the project investments. In addition, capacity building and training of worker for the safe handling of equipment and materials would be an integral part of the project. Jordan has an established grievance mechanism process through the Ministry of Labor, the details of which are contained in Section IV.A.4 of this ISDS as well as in the EMF.</p> <p>It is anticipated that each sub-project EMP would be modified as needed for the specific conditions in each recipient industrial plant and incorporated in the Sub-Grant Agreement for that enterprise.</p>
Natural Habitats OP/BP 4.04	No	There are no natural habitats within or near these industrial sites, which are situated within larger industrial zones.
Forests OP/BP 4.36	No	For the same reason, no impact on forests is expected.
Pest Management OP 4.09	No	The project does not include the procurement or use of pesticides.
Physical Cultural Resources OP/BP 4.11	No	Project activities will take place within industrial facilities, and thus will have no impact on cultural resources.
Indigenous Peoples OP/BP 4.10	No	The project is not located in an area with

		indigenous peoples.
Involuntary Resettlement OP/BP 4.12	No	The involuntary resettlement policy is not triggered as the project is not expected to entail any land acquisition. Some limited minor physical works might incur within the footprint of existing industrial facilities.
Safety of Dams OP/BP 4.37	No	The project does not depend on the safe functioning of dams and does not invest in dams.
Projects on International Waterways OP/BP 7.50	No	Project activities will have no impact on international waterways.
Projects in Disputed Areas OP/BP 7.60	No	The project is not located in known areas of territorial dispute.

IV. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

The project will have a positive impact on the global environment by reducing the use of HCFCs, which are ozone-depleting substances and greenhouse gases with a global warming potential (GWP) ranging from several hundred to several thousand times that of CO₂. While HCFCs have an impact on the global environment, they have limited local impact as these chemicals are stable and not considered toxic or otherwise dangerous for the environment.

More specifically, the investment in the foam sector supports the conversion from HCFC-141b to HFOs and cyclo-pentane (in one case). Phasing out HCFCs usually provides two benefits to the climate: (i) a reduction of global warming gases consumption; and (ii) improved energy efficiency. These types of activities generally have minor to moderate adverse environmental impacts that are specific to each site. Potential impacts and risks include occupational health and safety and fire hazards due to flammability of hydrocarbon. In order to identify and mitigate such impacts, an Environmental Management Framework (EMF) has been prepared and publicly disclosed. The EMF will guide the preparation of enterprise-specific EMPs, which will consist of company baseline information; a due diligence review on occupational health and safety measures, fire and exposure risk; mitigation measures introduced at the company related to storage and use of reduced formulation HFO technology in the manufacturing, transport and shipping of foam manufactured products; emergency response plan, monitoring plan and training needed; estimated budget for the mitigation measures and monitoring; responsibility, time and schedule etc.

Since not all the foam beneficiaries have been identified at the time of project appraisal, an Environmental Management Framework (EMF) has been prepared to provide guidance to all stakeholders including the NOU and beneficiary enterprises to effectively identify and address environmental safeguard issues that may arise from the proposed sub-project investment. This document outlines a summary of the applicable national regulations regarding transport, use

and storage of hydrocarbons and polyols in the foam production and the World Bank Safeguard Policies. It also describes typical baseline information for PU foam companies in the various PU foam sub-sectors and lay-out of their foam manufacturing process, assessment of potential risk and mitigation measures associated with each of the chemical to be used, evaluation of the need for EMPs for companies converting to hydrocarbons and water based technologies, role and responsibilities regarding preparation and submission of EMPs for individual foam company, role and responsibilities regarding review and approval of EMPs, certifications and documentation from relevant authorities, and simple EMP template. Each participating foam enterprise that will convert to hydrocarbon technology will prepare a site-specific EMP and obtain, through the NOU, an approval from the Bank prior to the sub-project approval.

The EMF has been prepared and publicly disclosed, in line with the World Bank's Operational Policy (OP)/Bank Procedure (BP) 4.01 - Environmental Assessment (EA) and in accordance with Jordanian National Laws and Regulations. To the extent relevant, the applicable World Bank Group Environmental Health and Safety Guidelines have been considered in preparing the EMF.

UNIDO, as a Cooperating Agency in the HPMP Phase-out Plan Stage 2, is assisting NOU separately to monitor the implementation of the spray foam subsector plan and the servicing sector activities. As the World Bank is the Lead Agency in the HPMP Phase-out Plan Stage 2, the Bank is responsible for reporting on the progress of both projects to the Multilateral Fund of the Montreal Protocol. The UNIDO activities are not within the scope of the World Bank implemented project.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

The activities under the Project may have minor to moderate environmental impacts that are specific to each site, including potential risks to occupational health and safety as well as fire hazards due to flammability of hydrocarbon and polyol blends.

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

The following factors have been considered in the selection of alternative technology: technical factors (thermo-physical characteristics, functionality in end product, proven and mature technology, and energy efficiency); commercial factors (cost-effectiveness and reliable availability); health and safety factors (low risk for occupational health and low risk for physical safety (flammability, etc.)); and environmental factors (zero ozone impact or low direct and indirect climate impacts).

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

Environmental management in Jordan is the responsibility of the Ministry of Environment (MoE), established under the Environmental Protection Law, No. 1 of 2003. Article 13 of that law stipulates that any organization, company, establishment or authority has to prepare an environmental impact assessment, in accordance with the Environmental Impact Assessment By-Law, no. 37 of 2005, which must be approved by MoE prior to establishment,

for any project that falls within Annex 2 or 3 of the by-law. Industrial enterprises require an environmental license from MOE prior to starting operations. Another by-law, from 2003, regulates ozone depleting substances. MoE is in the process of supplying the Bank with all relevant laws and regulations.

Worker health and safety in Jordan are regulated by the Ministry of Labor under the Labor Law (No. 8 of 1996), especially Chapters 9 (safety and vocational health) and 10 (Work related injuries and sickness). Under Chapter 9, the owner of a project, plant, etc. must take the appropriate preventive actions and provide his/her workers with the necessary protective equipment to ensure their safety and avoid work-related accidents. The owner must also provide first aid facilities and adequate medical services.

In the parent project, Jordan ODS3 (P127702), the NOU conducted site visits to each of the participating entities in order to provide OSH-specific technical assistance to enterprises. This was supplemented by EMP supervision site visits by the World Bank environmental specialist. The NOU has expanded its staff to include a new engineer who has significant chemical engineering experience specific to the use and management of ozone depleting substances and will support the participating enterprises in the field full-time.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

Because there are no likely impacts of the production enterprises that extend beyond the plant itself, the stakeholders from an environmental perspective are the enterprises themselves and their labor force.

Stakeholders have been consulted on the content and approach of the environmental management plan during a series of technical meetings, workshops, and site visits in May-June 2016, and February-March 2017. Participants included MOE/NOU representatives, the enterprises themselves, representatives from local governments, and environmental and social experts from the Bank, both staff and consultants. The feedback from stakeholders was only on very technical points and has been incorporated in the final EMF.

Workers in ODS3 participating firms are able to access the Hotline / Complaints Department of the Ministry of Labor. The Hotline / Complaints Department is the official channel for receiving an array of complaints associated with workers being abused and mistreated as well as illegality of workers. In order to be responsive to non-Jordanian workers, the Department has translators who can register complaints; however they have no ability to provide legal advice on the issues raised. There are multiple informal and/or less structured channels through which complaints are sometimes transferred to the Hotline. These channels include walk-ins; letters, faxes, complaints made to the Minister and to other Ministries. Additionally, the Ministry of Labor Inspectorate Unit will carry out inspections relating to compliance with international and Jordanian labor standards, especially if there is a complaint relating to occupational health and safety of workers.

The project would not result in any reduction of employment or wages; in fact, there is a growing market in Jordan for producing foam and foam-panel equipment for domestic sale as

well as for export to other countries in the Middle East. Other countries in the Middle East are also tightening their ODS protocols, including on imports. There is no retraining needed in this change in protocol and no change in the type or ratio of labor used in the manufacturing. No adverse social impacts are expected. For a more thorough macroeconomic analysis of effects of technology switching, see the economic and financial section of the parent project Project Appraisal Document

B. Disclosure Requirements (N.B. The sections below appear only if corresponding safeguard policy is triggered)

Environmental Assessment/Audit/Management Plan/Other	
Date of receipt by the Bank	05-May-2017
Date of submission to InfoShop	23-May-2017
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	
"In country" Disclosure	
Jordan	21-May-2017
<i>Comments:</i> disclosed on Ministry of Environment website	
Jordan	
<i>Comments:</i>	
Jordan	
<i>Comments:</i>	
Jordan	
<i>Comments:</i>	
If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.	
If in-country disclosure of any of the above documents is not expected, please explain why::	

C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting) (N.B. The sections below appear only if corresponding safeguard policy is triggered)

OP/BP/GP 4.01 - Environment Assessment						
Does the project require a stand-alone EA (including EMP) report?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>

Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
The World Bank Policy on Disclosure of Information						
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
All Safeguard Policies						
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Have costs related to safeguard policy measures been included in the project cost?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>

V. Contact point

World Bank

Contact: Tracy Hart
Title: Senior Environmental Specialist

Borrower/Client/Recipient

Implementing Agencies

VI. For more information contact:

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VII. Approval

Task Team Leader(s):	Name: Tracy Hart	
<i>Approved By:</i>		
Safeguards Advisor:	Name: Nina Chee (SA)	Date: 13-Jun-2017
Practice Manager:	Name: Maria Sarraf (PMGR)	Date: 14-Jun-2017
Country Director:	Name: Kanthan Shankar (CD)	Date: 14-Jun-2017