



GLOBAL CONCESSIONAL FINANCING FACILITY

PROGRESS REPORT

as of December 31, 2016



Abbreviations and Acronyms

CA	Contribution Agreement
CFF	Concessional Financing Facility
CY	Calendar Year
DLI	Disbursement Linked Indicators
DFID	UK Department for Development Cooperation
DO	Development Objective
DPL	Development Policy Loan
EBRD	European Bank for Reconstruction and Development
EIB	European Investment Bank
FPA	Financial Procedures Agreement or Financial Procedures Arrangement
FY	Fiscal Year
GCFF	Global Concessional Financing Facility
IsDBG	Islamic Development Bank Group
IMF	International Monetary Fund
IP	Implementation Progress
ISA	Implementation Support Agency
ISR	Implementation Status Report
MDBs	Multilateral Development Banks
MICs	Middle Income Countries
NEPCO	Jordan National Electricity and Power Company
O&M	Operations and Maintenance
PDO	Project Development Objective
WBG	World Bank Group
UN	United Nations

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This Progress Report consolidates data provided by the Governments of Lebanon and Jordan, as well as the European Bank for Reconstruction and Development and the World Bank.

Cover photo: Syrian refugee child by Dorte Verner.

GCOFF Timeline

Oct 2015, Lima	MENA Financing Initiative idea at UN/WB/IDB stakeholder mtg
Nov 20, 2015, Paris	First Working Group Meeting
Jan 28, 2015, Amman	Second Working Group Meeting
Mar 14, 2016, Jeddah	Third Working Group Meeting
Apr 15, 2016, Wash DC	First Pledging Session for CFF at IMF-WBG Spring Meetings
Jun 2016, Wash DC	CFF participation approved by World Bank
Jul 28, 2016, Beirut	First Steering Committee Meeting Operationalizing the CFF
	Approval establishment documents
	Approval Trustee and Coordination Unit budgets
	Approval concessionality Jordan Economic Opportunities
	Approval concessionality Jordan Ain Ghazal Wastewater
Sep 7, 2016	Finalization Global CFF Value Proposition Note
	Approval Amendments of Operations Manual for Global CFF
Sep 20, 2016, New York	Announcement Global Concessional Financing Facility
<i>Sep 27, 2016</i>	<i>Jordan Economic Opportunities Approved by WB</i>
Oct 29, 2016	Approval concessionality Lebanon Roads and Employment
Nov 3, 2016	Approval concessionality Jordan Energy and Water
<i>Nov 22, 2016</i>	<i>Jordan Ain Ghazal Wastewater Approved by EBRD</i>
<i>Dec 1, 2016</i>	<i>Jordan Energy and Water Approved by WB</i>

Background

1. ***Nearly five million refugees¹ have fled Syria since 2011 as a result of the country's ongoing conflict.*** The vast majority of Syrian refugees have sought safety in the neighboring countries, with Lebanon and Jordan having the highest number as a share of host country population. These host countries have performed a vital global public good in opening their borders to those fleeing violence and persecution. However, the influx of Syrian refugees has also caused considerable fiscal and financial stress on these neighboring host countries, and the large number of new arrivals has strained infrastructure and public services, such as water, education, and housing. Host countries have struggled to afford these additional costs, in part because their status as middle-income countries (MICs) prevents them from borrowing from multilateral development banks (MDBs) on concessional terms traditionally reserved for the poorest nations. In light of the pressures faced in providing a global public good to the world by taking in Syrian refugees, Jordan and Lebanon appealed to the international community for access to concessional assistance.

2. ***Global partners responded to this call with strong support.*** In October 2015, at the International Monetary Fund (IMF)-World Bank Group (WBG) Annual Meetings in Lima, United Nations (UN) Secretary-General Ban Ki-Moon, Islamic Development Bank Group (IsDBG) President Mohamed Ali, and WBG President Jim Yong Kim convened representatives from more than 20 countries and international partners to discuss how best to help Jordan and Lebanon address the influx of Syrian refugees. Over the next six months, stakeholders conducted an intensive consultation process, including three working group meetings and dozens of additional bilateral and multilateral discussions, to shape the value proposition and governance structure of a new facility for providing support. On April 15, at the 2016 IMF-WBG Spring Meetings in Washington, D.C., the Concessional Financing Facility (CFF, GCFF, or Facility) was launched with US\$140 million in contributions from seven donor countries and the European Union (Supporting Countries), as well as pledges to provide approx. US\$1 billion in loans to IBRD, that could be used by IBRD's Treasury to generate additional grant contributions.

3. ***The GCFF supports Middle Income Countries (MICs), currently Jordan and Lebanon, by using contributions from Supporting Countries to soften the terms of MDB development loans that address the impact of Syrian refugees and benefit both refugees and host communities.*** In doing so, it aims to fill a gap in the architecture of foreign aid whereby MICs lack access to concessional financing even as they perform a valued service for the global community by hosting refugees. By closing this gap, GCFF support intends to help Jordan and Lebanon better absorb the costs of Syrian refugees so they can continue to pursue their own development agendas, while improving the conditions for refugees. The Facility also has a number of key features, including:

¹ Registered by UNHCR. The number of registered and unregistered is higher.

- **Leverage.** Each US\$1 in GCFF contribution from Supporting Countries can leverage US\$3-4 in concessional loans to Benefitting Countries.
- **Bridging the humanitarian-development divide.** Roughly half of the world’s refugee situations today are protracted affairs lasting more than four years.² By providing concessional support for development projects, the GCFF complements short-term humanitarian assistance with finance for longer-term development needs.
- **Enhanced coordination.** The Facility’s inclusive governance structure and consensus-based decision-making process provide an open platform that enhances coordination between Benefitting Countries, Supporting Countries, the UN, including its Resident Coordinators and many of its specialized agencies, and participating MDBs, which include the World Bank,³ European Bank for Reconstruction and Development (EBRD), European Investment Bank (EIB)⁴, and IsDBG.
- **Supports programs and policy reforms** aligned with global normative frameworks and linked to national development plans to create sustainable development outcomes. Finance allocated by the GCFF provides concessional support to operations that have a clearly specified objective and structure for supporting both refugees and host communities.

4. ***The announcement of the Global Concessional Financing Facility (GCFF)⁵ at the Leaders’ Summit on Refugees at the UN General Assembly in New York in September 2016 expanded the CFF to the global level by allowing it to support eligible countries anywhere in the world.*** Even as the Facility remains focused on helping Jordan and Lebanon address the impact of the Syrian crisis, CFF Steering Committee members recognized the need to quickly respond to future refugee crises that may emerge in other MICs. The global expansion of the CFF was rooted in the experience of Jordan and Lebanon, which had to wait years after the outbreak of the Syrian civil war to receive concessional support to better afford the costs of hosting Syria’s refugees. To avoid other countries facing the same delay, CFF partners amended the CFF’s governing rules to allow it to quickly provide needed concessional support to MICs facing refugee crises around the world. The establishment of the GCFF marked a turning point in the world’s approach to the refugee issue. By catalyzing collective action in the face of this shared global challenge, the Facility provides a coordinated international platform available and ready to swiftly help MICs address refugee crises wherever they occur.

5. ***The GCFF has set fundraising goals to underpin its support for Benefitting Countries and expanded global mandate.*** Initially, CFF partners set a financing objective to raise US\$1 billion in contributions for Jordan and Lebanon over five years, which could unlock US\$3-4 billion

² Devictor, Xavier. 2016. Forcibly Displaced: Toward a Development Approach Supporting Refugees, the Internally Displaced, and Their Hosts.

³ The International Bank for Reconstruction and Development and the International Development Association.

⁴ As of December 31, 2016, EIB’s signature of its Financial Partnership Agreement, to formally join the CFF as an Implementation Support Agency was still pending.

⁵ The legal name of the Facility remains the Concessional Financing Facility, but both CFF and GCFF are being used interchangeably in anticipation of a formal amendment to the CFF Operations Manual.

in concessional financing during that period. While that goal remains in place, the expansion of the CFF to the global level gave rise to a new objective to raise US\$500 million in additional contributions for a “global window” that could provide concessional support to any eligible MIC refugee-hosting country.⁶ If met, the financing objective to raise US\$1.5 billion in contributions over five years would allow the GCFF to unlock US\$4.5-6 billion in concessional financing for Benefiting Countries.

6. ***The global community hopes for a quick cessation of conflict in Syria. Yet, ongoing violence and the remnants of war will likely prevent a large number of Syrian refugees from returning home in the coming years.*** This means the GCFF will remain a key source of support for Jordan and Lebanon in the years ahead, and illustrates the importance of ensuring projects supported by the Facility make a strong, positive impact on the lives of Syrian refugees and those in communities that host them.

Summary of Progress Made Under the GCFF

7. ***The GCFF was designed and established quickly and has been implementing well.*** It presents an international coordination platform and concessional financing instrument, which is helping Jordan and Lebanon respond to the urgent situation created by the Syrian conflict.

8. ***Supporting Countries have provided generous support that has helped to solidify the GCFF’s financial footing.*** Nine months after its launch, the Facility is on-track to meet its financing objectives. Two pledging sessions were held in 2016. The first was held on April 15, during the IMF-WBG Spring Meetings, which raised US\$140 million in contributions and pledges to provide approx. US\$1 billion in loans to IBRD that could be used by IBRD’s Treasury to generate additional grant contributions. On September 20, 2016 at the UN General Assembly Leaders’ Summit on Refugees, the United States, Japan,⁷ Sweden, and Denmark made additional pledges, helping to bolster the launch of the Global CFF, which was announced that same day. The GCFF has now received US\$362 million in pledges, of which US\$246 million have been converted into signed contribution agreements, and of which US\$149 million has been received as paid-in contributions. The nine Supporting Countries that have signed Contribution Agreements/Arrangements to date are Canada, Denmark, Germany, Japan, Netherlands, Norway, Sweden, United Kingdom, and the United States. Continuing to provide host countries with concessional finance going forward will hinge on sustained generosity and consistent support from Supporting Countries.

9. ***The Facility’s governance structure is laid out in the GCFF Operations Manual approved on July 28, 2016, and amended on September 7, 2016, with the principles, features, and objectives that underpin the Facility also articulated in the GCFF Value Proposition Note.*** The GCFF Steering Committee consists of Jordan and Lebanon, Canada, Denmark, the European Commission, Germany, Japan, Norway, Sweden, the United Kingdom, the United States as

⁶ Jordan and Lebanon are also eligible to benefit from the global window.

⁷ Japan pledged to provide JPY 100 billion in loans to the International Bank for Reconstruction and Development to be used to generate additional contribution amounts.

members, as well as the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), the Islamic Development Bank (IDB), the UN, the World Bank, and the IMF as observers. The co-chairs of the GCFE Steering Committee from July 2016 to June 2017 are government representatives from Jordan and the United States.

10. ***Financial Procedures Agreements (FPAs) (required to be recognized as an ISA and for the Trustee to transfer funds to the respective ISA) have been signed to date*** by the World Bank (as Trustee) with: the European Bank for Reconstruction and Development, the Islamic Development Bank, the UN⁸, and the World Bank (in its ISA role). The EIB has yet to sign its FPA. As the GCFE is now a global facility, other MDBs may become eligible in the years to come.

11. ***In line with IMF and country compacts⁹, recommendations on debt sustainability for Jordan and Lebanon, the GCFE has made strong progress toward its objective of providing concessional financing since the pledging session at the IMF-WBG Spring Meetings in April 2016.*** Three months after receiving initial pledges, the Facility became fully operational on July 28, 2016, when the Supporting Countries approved concessional funding for two projects (Underlying Operations) at its first meeting in Beirut. Two more funding requests were approved virtually in October and November 2016. Overall, the Supporting Countries have approved funding of US\$123 million as concessional financing for these four Underlying Operations, which, together, total US\$675 million.¹⁰ Including support from other sources, these projects have provided Jordan and Lebanon with almost US\$800 million in concessional financial assistance.¹¹

12. ***The four Underlying Operations support Syrian refugees and host communities in Jordan and Lebanon, and help these countries address the increased costs of the influx of refugees.*** The *Economic Opportunities for Jordanians and Syrian Refugees Program-for-Results*, with the World Bank as Implementation Support Agency (ISA), will strengthen economic opportunities for host communities and provide 130,000 working permits to Syrian refugees in Jordan. The *Ain Ghazal Wastewater Project*, with the EBRD as ISA, will upgrade and increase the resilience of wastewater infrastructure in certain Jordanian refugee host communities. Beyond these initial projects, the CFF has approved concessional financing for two additional operations on a virtual “No Objection” basis, namely the *Roads and Employment Project* in Lebanon on October 29, 2016, and an *Energy and Water Development Policy Loan* for Jordan on November 3, 2016, for both of which the World Bank serves as ISA.

⁸ The UN signed a framework agreement for its FPA through its Multi-Partner Trust Fund Office in the UNDP. Accession is available to the designated list of UN agencies that can become ISAs by becoming signatory parties, namely the FAO, the ILO, the UN Human Settlement Programme, the UNDP, UNEP, UNESCO, UNFPA, UNHCR, UN Children’s Fund, UNIDO, UN Women, UNOPS, WFP and WHO.

⁹ The Jordan Compact sets out a goal of mobilizing concessional financing to support the macroeconomic framework and address Jordan’s financing needs over the next three years, as part of Jordan entering into a new Extended Fund Facility program with the IMF.

¹⁰ Since funds may be allocated on the basis of only available and uncommitted cash in the CFF Trust Fund, the Jordan Energy and Water DPL did not receive the full Concessional Amount from the GCFE due to the temporary unavailability of funds and the urgency in processing the operation by the end of the 2016 calendar year.

¹¹ Amount includes US\$100 million IDA credit to the Economic Opportunities for Jordanians and Syrian Refugees Program and about US\$17 million from DFID and US\$4.8 million EBRD Shareholder Special Fund to Ain Ghazal Project.

13. ***The GCFF has successfully provided a platform for coordination and engagement between the Benefitting Countries, MDBs, UN, and Supporting Countries on the refugee issue.*** In one year, there have been three international conferences featuring the CFF (Lima, Washington, and New York); three CFF Working Group Meetings (Paris, Amman, and Jeddah); the first CFF Steering Committee meeting (Beirut July 2016); and virtual communications and decisions among the GCFF Steering Committee. In addition to the coordination by capitals, local donor coordination mechanisms have been a strong emphasis of the GCFF. Each of the Underlying Operations underwent local consultation and communication, and is being implemented together or in parallel with other donors. The EBRD Ain Ghazal Wastewater Project is also supported by DFID. The Jordan Development Policy Loan, which provided urgently needed budget support, is being complemented by a budget support operation from the Japan International Cooperation Agency. The Lebanon Roads and Employment project may also be co-financed with another donor. The GCFF will continue to strive for crowding in parallel co-financing with its projects thereby leveraging additional financing for Lebanon and Jordan. As per the CFF Results Framework, the next progress report as of end June 2017, will include percent of respondents indicating that the GCFF is making a useful contribution to improving Supporting Country, ISA, UN, and Benefitting Country coordination around the refugee issue. To date, the GCFF has received strong buy-in from Benefitting Country and Supporting Country governments, as indicated by the Facility's robust financial support and rapid operationalization.

14. ***Virtual, no objection approvals on a rolling basis have enabled projects to move forward on their own schedule.*** This has provided needed flexibility and facilitated approval of time-sensitive funding, such as in the case of the Jordan Energy and Water DPL. However, some Supporting Countries have indicated their interest in having physical meetings when possible to discuss funding requests in greater detail than can be achieved by way of virtual exchanges. The next physical GCFF Steering Committee meeting is expected to take place in April 2017 on the margins of the IMF-WBG Spring Meetings.

15. ***While the GCFF has achieved strong, early progress, some areas may merit continued attention of the Steering Committee.*** One is that the Facility remains an open platform, with robust participation from all eligible ISAs. To date, three projects have been put forward for concessional financing with the World Bank as ISA, and one with the EBRD. Going forward, Lebanon and Jordan have proposed projects for CFF support with the IsDB, EBRD, EIB, and World Bank. Another concerns the predictability of available funding. Despite the generosity of Supporting Countries, high demand for concessionalism has required difficult, ad hoc efforts to translate pledges into paid-in contributions to fulfill funding requests in a timely manner. Funding availability challenges resulted in a one to two-month delay in the processing of the Lebanon Roads and Employment project, and in Jordan opting to receive only US\$25 million instead of the full Concessional Amount for the Energy and Water DPL, given the Government's urgent timing need for budget support.

Highlights of the GCFF Financial Status

The full Trustee Report can be found in Annex 1.

Table 1: GCFF Financial Status

	US\$ millions
Pledges and Contributions	362
Signed Contributions	246
Cash Receipts	149
Cumulative Funding Decisions	124
Funds Available for GCFF Funding Decisions	25

Pledges and Contributions:

16. Supporting Countries have provided generous support, with pledges and contributions for the GCFF amounting to US\$362 million.

17. As of December 31, 2016, Contributions - the amounts that have a countersigned Contribution Agreement/Arrangement -- total around US\$eq. 246 million.

18. Of the Contributions, US\$149 million has been deposited into the CFF Trust Fund.

Funding Approvals:

19. As of December 31, 2016, Supporting Countries have approved funding from the CFF Trust Fund totaling US\$124 million to cover Concessionality Amounts and Implementation Support Agency (ISA) Costs approved on the basis of Funding Requests, as well as administrative costs of the CFF Coordination Unit and Trustee approved on the basis of proposed budgets.

Transfers:

20. Transfers from the Trustee to ISAs, the Coordination Unit and Trustee as of December 31, 2016 amounted to US\$eq. 77 million, representing concessionality financing totaling US\$76 million for the Economic Opportunities for Jordanians and Syrian Refugees and the Jordan Energy and Water Underlying Operations and administrative budgets of the Trustee and Secretariat (US\$395,000 and US\$380,000 respectively).

Funds Available for GCFF Funding Decisions:

23. Funds available to support GCFF funding decisions amounted to US\$25 million as of December 31, 2016.

Portfolio and Performance of GCFF supported Projects

A. Portfolio of Underlying Operations

21. From its operationalization on July 28, 2016 to December 31, 2016, concessionality support for four projects have received CFF approval (See Table 2).

Table 2: Portfolio of CFF supported Underlying Operations

CFF Portfolio Monitoring (as of 12/31/2016)											
ISA	Project Name	Date concessionality approved by CFF	Date, ISA Board App *	Closing	Project Comm Amt (\$m)	Of which Total ISA Loan for CFF (concessional portion)	of which concessional portion	Transferred to ISA	Disb Underlying Operation (\$m)	% Disb	
Jordan											
World Bank	Economic Opportunities for Jordanians & Syrians	7/31/2016	09/27/2016	01/31/2021	300.0	200.0	51.0	51.0	145.0	48.3%	
EBRD	Ain Ghazal Wastewater Project	7/31/2016	11/22/2016	01/31/2021	47.2	25.3	2.0	0.0	0.0	0.0%	
World Bank	Second Programmatic Energy and Water DPL	11/3/2016	12/01/2016	12/31/2017	250.0	250.0	25.0	25.0	250.0	100.0%	
Jordan					597.2	475.3	78.0	76.0	395.0	66.1%	
Lebanon											
World Bank	LB-Roads and Employment Project	10/29/2016	02/06/2017	06/30/2022	200.0	200.0	45.4	0.0	0.0	0.0%	
Lebanon					200.0	200.0	45.4	0.0	0.0	0.0%	
Grand Total:					797.2	675.3	123.4	76.0	395.0	49.5%	

Jordan Economic Opportunities for Jordanians and Syrian refugees include US\$100 million IDA credit as part of integrated financing package for a total project amount of US\$300 million.

EBRD Ain Ghazal Wastewater project total amount based on FX rate of submission to the CFF and includes funding from DFID and EBRD Shareholder Special Fund.

Jordan Energy and Water DPL complemented by separate budget support funding from Japan--not included in total project commitment amount.

22. The Economic Opportunities for Jordanians and Syrian Refugees Program for Results seeks to provide economic opportunities for Jordanians and Syrians by: (i) reforming Jordan's labor market regulations to grant access to Syrian refugee workers to the formal labor market and allow them to legally contribute to Jordan's economic activity; (ii) improving Jordan's investment climate through improving predictability of regulation, and reducing red tape, supporting small businesses and trade facilitation; and (iii) attracting and retaining investments especially in manufacturing in the special Economic Zones that will benefit from preferential access to the EU. The foreign investments will most likely come from: (i) the Syrian business diaspora; (ii) regional investors; and (iii) investors targeting the EU market.

23. The Ain Ghazal project tackles the extreme strain placed on the existing infrastructure due to an unprecedented population growth, primarily caused by the rapid Syrian refugee influx. In addition, wastewater generation has increased as a result of the increased water supply from the Disi Water Conveyor to Amman. The project will reduce the risk of an environmental disaster.

24. The Lebanon Roads and Employment project objectives are to: (i) improve transport connectivity along select paved road sections; and (ii) create short term jobs for Lebanese and Syrians. The project is expected to create about 1.5 million labor days of direct short term jobs in the construction industry, most of it for the low skilled Lebanese and Syrian communities. Substantial additional jobs will also be created in the supply chain industries as well as the engineering and consultancy services in Lebanon. The project will also benefit local industries supporting the construction sector as well as local economies from improved connectivity and increased demand on local goods and services.

25. The Jordan Energy and Water DPL supports reform that aim at improving the financial viability and increasing efficiency gains in the electricity and water sectors. Jordan's economic growth has been subdued as spillovers from the Syrian conflict and hosting of Syrian refugees weigh on the economy and public finances. Jordan is one of the most water-stressed countries in the world. Its record of water reforms is under pressure because of extreme external shocks that have resulted in rapidly increasing costs of service delivery. The rapid population growth is also putting additional pressure on the electricity sector. In total, residential electricity consumption has grown by 26 percent since 2010, and even faster in northern governorates (those mainly affected by the Syria crisis). Expansion of medium term reforms in the electricity and water sectors are expected to address public finance weaknesses, helping to improve Jordan's macroeconomic framework structurally.

B. Performance Ratings

26. The two projects that are underway: Economic Opportunities for Jordanians and Syrian Refugees Program for Results and the Second Programmatic Energy and Water DPL are under implementation and performing satisfactorily both on progress toward reaching the Development Objective (DO) and Implementation Progress (IP). The EBRD Ain Ghazal project was approved and signed at the end of 2016 and is on track to begin implementation in Q1 FY17.

C. Disbursements of Underlying Operations

27. *Disbursements of the Underlying Operations are high, with 50 percent disbursed from the first ISA approval starting in September 2016 to end December 2016.* This is due in part to the fact that one of the underlying operations, the Jordan DPL, is by its nature a fast disbursing financing instrument. The DPL fully disbursed the US\$250 million in record time given the urgency of the need for the funding by end December 2016.¹² The high percentage of overall disbursement is also due to the fact that Jordan made sufficient progress on the Economic Opportunities Program for Results disbursement linked indicators (DLI). In particular, the DLI target related to the issuance of 25,000 work permits to Syrian refugees has been exceeded, with 36,000 permits issued as of end December 2016.

¹² The project was approved by the World Bank's Board of Executive Directors on December 1, 2016, became effective on December 13, 2016, and disbursed fully on December 15, 2016.

D. Pipeline

28. Lebanon and Jordan have provided information on their pipelines for 2017.
29. **Jordan** envisions submitting Funding Requests for three projects: (i) an Emergency Program with the IsDBG and World Bank with a potential focus on health (about US\$150 million); (ii) an Education Program for Results with the World Bank (about US\$200 million; and (iii) a West Irbid Wastewater Network with the EBRD (about US\$40 million).
30. **Lebanon** has identified several projects for which it envisions submitting Funding Requests: (i) an Emergency Operation with the World Bank with a potential focus on health (about US\$150 million); (ii) Completion of Waste Water Systems with EIB (Phase I); (iii) Industrial Upgrading Program (Phase 1) with EIB; and (iv) Bus Rapid Transit - Phase 1 with the World Bank (about US\$250 million).
31. The pipeline is under discussion and further concretization and will be updated and circulated to the GCFE Steering Committee during the next GCFE Steering Committee meeting.

Results

A. Results of CFF in Providing Concessional Financing and Coordination

32. The CFF identified four targets to track results in achieving provision of concessionality and improved coordination. As of the first six months of operation, by December 31, 2016, all indicators are on track or exceeded.

Table 3. Providing Concessional Financing and Improving Coordination Status Matrix

Indicator	Baseline	Target	Status as of Dec 2016 (six months after operationalization of the CFF)	Comments
Indicator 1: Amount of contributions raised	0 (2016)	US\$1 billion in contributions (2021) (yearly milestone of: US\$200m)	Status as of Dec 2016: US\$362m pledges and contributions <i>(includes funding for global window)</i>	Exceeded
Indicator 2: Amount allocated by the CFF per year	0 (2016)	US\$150-200 million (yearly)	US\$123.5m	On track
Indicator 3: Amount of total MDB financing made on concessional terms from the CFF	0 (2016)	US\$3 billion in concessional MDB financing (2021) (\$600m per year)	US\$675m (loan including concessional and non concessional portions. Total project amounts US\$797m)	Exceeded
Indicator 4: Share of respondents from Benefitting Countries, ISAs, and Supporting Countries who indicate that CFF implementation is making a useful contribution to coordination efforts		Percent of respondents indicating that the CFF is making a useful contribution to coordination efforts: (a) of the MDBs involved; and (b) between the MDBs and UN around country level interventions to address the impact of refugees	Survey to be undertaken end of FY17 (June 30)	Although the survey will be done after the first year of implementation, the CFF held three international conferences; three Working Group Meetings; the first Steering Committee meeting; and virtual communications among the Steering Committee. In addition to the coordination by capitals, local donor coordination mechanisms have been a strong emphasis of the CFF. Each Underlying Operations underwent local consultation and communication, and is being implemented together or in parallel with other donors.

B. CFF-related Results of the Underlying Operations

33. ***Despite the fact that GCFF-supported projects are just beginning implementation, good progress can already be reported:***

34. ***The Jordan Economic Opportunities Program for Results is progressing on track, with close monitoring of the Program Action Plan.*** Required measures have either been completed or are under active implementation by the Authorities. 36,000 work permits have been issued to Syrians, exceeding the initial target of 25,000. Policies consisting in granting free work permits to Syrian refugees, relaxing labor inspections, and granting self-employment permits in agriculture have led to a rapid increase in the number of Syrian refugees having the right to work. The Government is also designing a strategy for home-based businesses, and a decree authorizing home-based businesses outside of Greater Amman (where they are already allowed) was issued in September 2016. The WB is working with the Government to streamline the legal framework for such businesses and on a communication campaign. Implementation of the other measures of investment climate reforms have not started yet. The prior result on “Improving Investment Promotion”, which consists of issuing an investment decree removing the minimum capital requirement for foreign investors, has been issued. The Jordan Investment Commission has recruited 26 high-caliber staff and has reorganized and strengthened its investment promotion team. Trade shows and investor visits have taken place and others are planned. In particular, a conference gathering business members of the Syrian diaspora will be held in February 2017 with the aim of identifying the role that Syrian diaspora businesses can play in countries hosting refugees, in terms of investment and job creation.

35. ***The Jordan DPL was approved by the World Bank after 11 prior actions were either approved or implemented.*** These 11 actions were focused on increasing revenues and efficiency (with the subsequent effect of reducing costs) in the energy and water sectors. These sectors have been put under pressure because of the influx of refugees resulting in rapidly increasing costs of service delivery. These prior actions included adoption of an electricity tariff adjustment mechanism, to sustain cost recovery taking into consideration consumer affordability and the approval of a multi-year Debt Management Plan for the National Electricity and Power Company (NEPCO). In the water sector, it included the adoption of a set of tariff and fee increases to enhance operation and maintenance cost recovery in accordance with the “Structural Benchmark - Action Plan to Reduce Water Sector Losses”. The Ministry of Water and Irrigation has also adopted a Water Substitution and Reuse Policy. Implementation of the electricity sector reform program supported by the DPL has already resulted in a marked reduction in NEPCO’s deficit in 2016.

36. ***Project preparation and implementation of the Ain Ghazal project are progressing in accordance with the envisaged schedule.*** Approval of the EBRD Board of Directors was obtained on November 22, 2016, and a Completion Notification was submitted to the Trustee on November 24, 2016. The project was signed on December 28, 2016, for EUR 45 million, which includes an EBRD loan coupled with a Concessionality Amount from the CFF, and grants from UK’s Department for International Development and EBRD’s Shareholder Special Fund. Project implementation is set to start in Q1 CY2017.

37. ***The Lebanon Roads and Employment project is scheduled for World Bank approval on February 6, 2017.*** Transfer of CFF funds to the World Bank as ISA and implementation is expected shortly thereafter.



Annex 1: Trustee Report

Concessional Financing Facility Trust Fund

Financial Report

Prepared by the Trustee

As of December 31, 2016



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Introduction

The Concessional Financing Facility (CFF) was established in July 2016 as part of the *New Financing Initiative to Support the Middle East and North Africa (MENA) Region* which aims to provide additional financing on more favorable terms to countries in the MENA region impacted by forced displacement, conflict and economic instability. In September 2016, the CFF was expanded to a global facility in order to provide middle income countries the development support needed to address refugee crises across the globe.

This report covers the financial status of the CFF Trust Fund, and is produced by the Trustee (World Bank) in accordance with the Trustee's role in the CFF Operations Manual and Standard Provisions for the Contribution Agreements/Arrangements (Section 6):

"The Trustee will maintain separate records and ledger accounts with respect to the funds deposited in the Trust Fund and transfers made therefrom. The Trustee will report to the Steering Committee semi-annually on the financial status of the Trust Fund, including information on the status of Contributions, investment income, Allocations, Commitments, transfers and funds available for approval by the Steering Committee."



CFF Trust Fund Financial Summary as of December 31, 2016

Pledges and Contributions:

A pledge represents a Supporting Country's expression of intent to make a contribution. Pledges are converted to Contributions by way of a countersigned Contribution Agreement/Arrangement.

As of December 31, 2016, pledges and contributions to the CFF Trust Fund totaled USDeq. 361.55 million.¹³ Of this amount, USD 149.02 million has been deposited into the CFF Trust Fund.

Investment Income:

As of December 31, 2016, the CFF Trust Fund earned investment income of approximately USD 0.24 million on the liquid balances in the Trust Fund. The CFF Trust Fund portfolio has returned 0.49% from inception (July 2016) through December 31, 2016. The CFF Trust Fund balance is allocated to a short term fixed income portfolio.

Funding Approvals:

As of December 31, 2016, the CFF Steering Committee had approved funding from the CFF Trust Fund totaling USD 124.29 million to cover administrative costs of the CFF Coordination Unit and Trustee, as well as Concessionality Amounts and Implementation Support Agency (ISA) Costs.

Funds Held in Trust:

Funds Held in Trust¹⁴ reflect contributions paid-in from Supporting Countries, plus investment income, less cash transfers. Funds Held in Trust as of December 31, 2016 amounted to USDeq. 72.44 million.

Funds Available for CFF Steering Committee Funding Decisions:

Funds available to support CFF funding decisions amounted to USD 24.98 million as of December 31, 2016.

¹³ In addition, Japan pledged to provide JPY 100 billion in loans that may be used by IBRD to generate additional grant contribution amounts.

¹⁴ Funds Held in Trust represents balance of cash, investments and unencashed promissory notes (if any) as of the reporting date.



1. CFF Trust Fund Summary – Inception through December 31, 2016

In USD millions

	Total	% of Total
<u>Supporting Country Pledges Outstanding and Contributions</u>		
Contributions	246.27	68.1%
Pledges outstanding	115.28	31.9%
Total Pledges Outstanding and Contributions	361.55	100.0%
<u>Cumulative Resources</u>		
<u>Resources received</u>		
Cash Receipts	149.02	41.2%
Investment Income earned	0.24	0.1%
Total Resources Received	149.27	41.3%
<u>Resources not yet received</u>		
Contributions not yet received	97.25	26.9%
Pledges Outstanding	115.28	31.9%
Total Resources not yet received	212.53	58.7%
Total Potential Resources (A) (in USD millions)	361.80	100.0%
<u>Cumulative Funding Decisions</u>		
Concessionality	123.35	99.2%
ISA Costs	0.17	0.1%
Administrative Budget	0.77	0.6%
Total Funding Decisions Net of Cancellations (B)	124.29	100.0%
Total Potential Resources Net of Funding Decisions (A) - (B)	237.51	
<u>Funds Available</u>		
Funds Held in Trust with no restrictions	72.44	
Approved Amounts Pending Cash Transfers	47.46	
Total Funds Available to Support Steering Committee Decisions	24.98	

Note: Sub-totals may not add up to due to rounding

2. Pledges and Contributions as of December 31, 2016

In millions

Pledges and Contributions													
Updated as of December 31, 2016													
Supporting Country	Curr	Pledge in Currency of Contribution	USDeq. a/	Effective (or signed) Contribution					Receipts in Currency of Contribution				Receipts in USDeq. b/
				Global	Lebanon / Jordan	Jordan	Lebanon	Total	Global	Lebanon / Jordan	Jordan	Lebanon	
Canada	CAD	20.00	14.85	-	20.00	-	-	20.00	-	6.50	-	-	4.83
Denmark	DKK	100.00	14.20	100.00	-	-	-	100.00	-	-	-	-	-
European Commission	EUR	5.00	5.28	-	-	-	-	-	-	-	-	-	-
Germany	EUR	20.00	21.44	-	20.00	-	-	20.00	-	5.50	-	-	6.13
Japan	USD	110.00	110.00	-	50.00	-	-	50.00	-	10.00	-	-	10.00
Japan	c/ JPY	-	-	-	-	-	-	-	-	-	-	-	-
Netherlands	EUR	25.00	27.28	-	10.00	-	15.00	25.00	-	5.00	-	15.00	22.00
Norway	NOK	115.20	13.46	-	115.20	-	-	115.20	-	103.20	-	-	12.06
Sweden	SEK	180.00	19.75	-	180.00	-	-	180.00	-	80.00	-	-	8.71
Sweden	USD	20.00	20.00	-	20.00	-	-	20.00	-	20.00	-	-	20.00
United Kingdom	d/ USD	40.30	40.30	-	-	40.30	-	40.30	-	-	40.30	-	40.30
United States	USD	75.00	75.00	-	-	25.00	-	25.00	-	-	25.00	-	25.00
Total			361.55										149.02

a/ Represents (1) the actual US dollar value of paid-in cash contributions and (2) December 31, 2016 value of pledges outstanding, contribution amounts pending FX, and unpaid amounts.
b/ Represents actual USD receipts
c/ Japan pledged to provide JPY 100bn in additional loans that may be used by IBRD to generate additional grant contribution amounts
d/ Represents grant amount only

Note: totals may not add up to due to rounding



3. Asset Mix and Investment Income

ASSET MIX

Funds held in trust by the World Bank (as the Trustee) are maintained in a commingled investment portfolio (the “Pool”) for all trust funds administered by the World Bank. On July 1, 2015, the World Bank formally adopted the Conditional Value-at-Risk (CVaR) measure as the risk constraint in the management of trust funds. Funds are managed such that the expected maximum loss, as measured by the CVaR, at the portfolio’s investment horizon, is not to exceed 1% with 99% confidence.

The portfolio allocation by asset class has the largest allocations to government securities, agency, corporates, and asset backed securities.

INVESTMENT RETURNS

The CFF funds are invested in accordance with the investment strategy established for all of the trust funds administered by the World Bank. The CFF funds are invested in a short term fixed income portfolio with an investment horizon of one year. The CFF Trust Fund portfolio earned approximately USD 0.24 million in investment income since inception.



4. Cumulative Funding Decisions

In USD millions

<u>Concessionality</u>	<u>ISA</u>	<u>Lebanon / Jordan</u>	<u>Jordan</u>	<u>Lebanon</u>	<u>Total</u>
Jordan - Ain Ghazal Wastewater	EBRD	1.95	-	-	1.95
Jordan - Economic Opportunities	WB	11.24	39.76	-	51.00
Jordan - Energy and Water Development Policy Loan	WB	-	25.00	-	25.00
Lebanon - Roads and Employment	WB	28.91	-	16.49	45.40
		42.11	64.76	16.49	123.35
<u>ISA Costs</u>					
EBRD		0.08	-	-	0.08
WB		0.03	0.05	0.01	0.08
		0.11	0.05	0.01	0.17
<u>Administrative Budget</u>					
Coordination Unit		0.12	0.26	-	0.38
Trustee		0.12	0.27	-	0.40
		0.24	0.53	-	0.77
Total Funding Decisions		42.45	65.34	16.50	124.29

Note: totals may not add up due to rounding



5. Funds Available as of December 31, 2016

In USD millions

	<u>Lebanon / Jordan</u>	<u>Jordan</u>	<u>Lebanon</u>
1. Cumulative Receipts	67.33	65.42	16.52
a. Cash receipts from Supporting Countries	67.22	65.30	16.50
b. Investment Income earned	0.10	0.12	0.02
2. Cumulative Cash Transfers	11.49	65.34	-
a. Concessionality	11.24	64.76	-
b. ISA Costs	0.00	0.05	-
c. Administrative Budget	0.24	0.53	-
3. Funds Held in Trust (3 = 1 - 2)	55.84	0.09	16.52
4. Funding Decisions Pending Cash Transfer	30.97	-	16.50
5. Funds available to support Steering Committee decisions (5 = 3 - 4)	<u>24.87</u>	<u>0.09</u>	<u>0.02</u>

Note: totals may not add up due to rounding

Annex 2: Progress Reports of the Underlying Operations

Underlying Operation Information

Project Name: Economic Opportunities for Jordanians and Syrian Refugees P4R (P159522)		
Benefitting Country: The Hashemite Kingdom of Jordan	Name of Implementation Support Agency (ISA): The World Bank	
Name of ISA Project Leader: John Speakman Meriem Ait Ali Slimane	Email of ISA Project Leader: jspeakman@worldbank.org maitalislimane@worldbank.org	
Recipient Entity: Ministry of Planning and international Cooperation	Name and Email of Recipient Entity Contact: Dr. Saleh Al Kharabsheh Saleh.kharabsheh@mop.gov.jo	
Concessionality Amount Approved (US\$): \$51,000,000.00	Total Project Amount (US\$): \$300,000,000.00	Total Amount Disbursed (US\$): \$145,000,000.00
CFF Approval Date: 7/27/2016	Project Implementation Start Date: 10/24/2016	Project Closing Date: 1/21/2021

A. Summary of Underlying Project Implementation Progress and Key Issues

Project Development Objective:	
Rating for progress towards achievement of objective: <ul style="list-style-type: none"> • Satisfactory: The project is <u>likely to achieve almost all or exceed its major objectives efficiently without any significant shortcomings.</u> • Moderately Satisfactory: The project is <u>likely to achieve the majority of its major objectives efficiently with moderate shortcomings.</u> • Moderately Unsatisfactory: The project is <u>not likely to achieve at least half of its major objectives efficiently with moderate shortcomings.</u> • Unsatisfactory: The project is <u>not likely to achieve most or any of its major objectives efficiently.</u> • Not applicable: The project is not yet effective. 	<i>Choose an item.</i> Satisfactory
Rating for overall implementation progress: <ul style="list-style-type: none"> • Satisfactory: Implementation of <u>most components is in substantial compliance with the original/formally revised plan except for only a few that are subject to remedial action.</u> • Moderately Satisfactory: Implementation of <u>some components is in substantial compliance with the original/formally revised plan with some components requiring remedial action.</u> • Moderately Unsatisfactory: Implementation of <u>some components is not in substantial compliance with the original/formally revised plan with most components requiring remedial action.</u> • Unsatisfactory: Implementation of <u>most components is not in substantial compliance with the original/formally revised plan.</u> • Not applicable: Implementation has not yet started 	<i>Choose an item.</i> Satisfactory

Brief Summary of Underlying Project Implementation Status:

The progress of project implementation is satisfactory. Prior results have been achieved and Disbursement Linked Indicators are on track. The following results have been achieved:

Improving Labor Market : The Prior Result of 20,000 work permits issued to Syrian refugees and the end of year Disbursement Linked Result of 25,000 work permits issued to Syrian refugees have been achieved. Policies consisting in granting free work permits to Syrian refugees, relaxing labor inspections, granting self-employment permits in agriculture have led to a rapid increase in the number of Syrian refugees having the right to work.

Improving Investment Climate: The Government is designing a strategy for Home based businesses. A decree authorizing home based businesses outside of Greater Amman (where they are already allowed) has been issued in September 2016. The team is working with the Government on streamlining the legal framework for such businesses and on a communication campaign. The implementation of the other measures of investment climate reforms have not started yet.

Improving Investment Promotion: the prior result consisting in issuing the investment decree removing the minimum capital requirement for foreign investors has been issued. The Jordan Investment Commission has recruited 26 high caliber staff and has reorganized and strengthened its investment promotion team. Trade shows and investors' visits have taken place and others are planned. In particular, a conference gathering business members of the Syrian diaspora will be organized in February 2017 with the aim of identifying the role that Syrian businesses can play in countries hosting refugees, in terms of investment and job creation. The team is closely monitoring the Program Action Plan. Required measures have either been completed or are under active implementation by the Authorities.

In this first ISR – no changes to risk ratings have been identified and all other reporting areas (achievement of PDO, fiduciary and safeguards) are rated satisfactory.

Actions to be Taken	Responsible Party	Expected Date of Delivery
Support the Government of the Hashemite Kingdom of Jordan in implementing reforms through technical assistance in place.	The World Bank	Click here to enter a date.
Conduct relevant studies to inform policy design and project implementation	The World Bank	Click here to enter a date.

B. Disbursements for Underlying Operation

Underlying Operation Amount	Total (US\$) Disbursed to Benefitting Country	% Disbursed to Benefitting Country
\$300,000,000.00	\$145,000,000.00	48.3%

C. Disbursement Forecast of Funds for Underlying Operation by Calendar Year (US\$)

Year	Total by Year End
2016	145
2017	51.7
2018	55.1
2019	48.2
2020	0

D. Supplemental Information: Results Framework and Monitoring

Please update the cumulative target values section of the results framework as appropriate

Project Development Objective (PDO): To improve economic opportunities for Jordanians and Syrian refugees in Jordan								
PDO LEVEL RESULTS INDICATORS								
Indicators specific to CFF Scope and Objective	Unit of Measure	Baseline	Cumulative Target Values					
			Prior Result	2016	2017	2018	2019	2020
Indicator One: Number of work permits issued to Syrian Refugees	Number	5,300	20,000	25,000 (target) 36,000 (actual. Dec 31, 2016) Target exceeded	55,000 (target)	90,000 (target)	130,000 (target)	
Indicator Two Annual public disclosure by Better Work Jordan of report on factory level compliance with a list of at least 29 social and environmental related items	Yes/No	-	No-	No N/A (actual Dec 31, 2016) No target for 2016	Yes	Yes	Yes	Yes
Indicator Three: Number of officially established household enterprises	Number	50		N/A			1000* Syrian refugees owned: 100 Female owned: 100	

*This target can be achieved anytime during the lifetime of the project. Disbursement will be made proportionally to the number of officially established household enterprises achieved every year.

Progress Report for Underlying Operation

Date of Submission to Coordination Unit:

1/17/2017

Underlying Operation Information

Project Name: Ain Ghazal Wastewater Project		
Benefitting Country: Hashemite Kingdom of Jordan	Name of Implementation Support Agency (ISA): EBRD	
Name of ISA Project Leader: Hamza Al-Assad	Email of ISA Project Leader: AlAssadH@ebrd.com	
Recipient Entity: Water Authority Jordan	Name and Email of Recipient Entity Contact: Iyad Dahiyat, iyad_dahiyat@mwi.gov.jo	
Concessionality Amount Approved (US\$): 1,948,614	Total Project Amount (US\$): 47,180,000 ¹⁵	Total Amount Disbursed (US\$): 0,00
CFF Approval Date: 7/28/2016	Project Implementation Start Date: 1/1/2017	Project Closing Date: 1/1/2021

E. Summary of Underlying Project Implementation Progress and Key Issues

Project Development Objective:	
<p>Rating for progress towards achievement of objective:</p> <ul style="list-style-type: none"> • Satisfactory: <i>The project is <u>likely to achieve almost all or exceed its major objectives efficiently without any significant shortcomings.</u></i> • Moderately Satisfactory: <i>The project is <u>likely to achieve the majority of its major objectives efficiently with moderate shortcomings.</u></i> • Moderately Unsatisfactory: <i>The project is <u>not likely to achieve at least half of its major objectives efficiently with moderate shortcomings.</u></i> • Unsatisfactory: <i>The project is <u>not likely to achieve most or any of its major objectives efficiently.</u></i> • Not applicable: <i>The project is not yet effective.</i> 	Satisfactory
<p>Rating for overall implementation progress:</p> <ul style="list-style-type: none"> • Satisfactory: <i>Implementation of <u>most components is in substantial compliance with the original/formally revised plan except for only a few that are subject to remedial action.</u></i> • Moderately Satisfactory: <i>Implementation of <u>some components is in substantial compliance with the original/formally revised plan with some components requiring remedial action.</u></i> • Moderately Unsatisfactory: <i>Implementation of <u>some components is not in substantial compliance with the original/formally revised plan with most components requiring remedial action.</u></i> • Unsatisfactory: <i>Implementation of <u>most components is not in substantial compliance with the original/formally revised plan.</u></i> • Not applicable: <i>Implementation has not yet started</i> 	Satisfactory

¹⁵ FX rate as of 28 December 2016

Brief Summary of Underlying Project Implementation Status: *Enter overall implementation status and any key issues (i.e. reasons for implementation delays, implementation challenges, funding status, and other relevant information as applicable) to raise to the Steering Committee's attention. Please note, this section is meant to provide a summary.*

Project preparation and implementation are progressing in accordance with the envisaged schedule. Approval of the EBRD Board of Directors was obtained in November and a Completion Notification was submitted to the Trustee on 24 November 2016.

The project was subsequently signed on 28 December 2016 for EUR 45.4 million, which includes an EBRD loan, concessionality amount from the CFF and grants from UK's Department for International Development and EBRD Shareholder Special Fund.

Project implementation is set to start in Q1 2017.

Actions to be Taken	Responsible Party	Expected Date of Delivery
<i>Add specific actions, as appropriate, that need to be taken over the next six-months to advance project implementation.</i>		
Submit cash transfer request to the Trustee	EBRD	1/31/2017
Start Detailed Design Assignment (TA)	EBRD	6/15/2017
Start Procurement and Tender Support Assignment (TA)	EBRD	6/15/2017

F. Disbursements for Underlying Operation

Underlying Operation Amount	Total (US\$) Disbursed to Benefitting Country	% Disbursed to Benefitting Country
US\$ 47,180,000 ¹⁶	0,00	0,00

G. Disbursement Forecast of Funds for Underlying Operation by Calendar Year (US\$)

Year	Total by Year End
2016	0
2017	7,863,334
2018	15,726,666
2019	15,726,666
2020	7,863,334

¹⁶ FX rate as of 28 December 2016

H. Supplemental Information: Results Framework and Monitoring

Please update the cumulative target values section of the results framework as appropriate

Project Development Objective (PDO): The Project aims to support the strengthening of Jordan’s resilience to the Syrian refugee crisis by addressing urgently needed municipal infrastructure rehabilitation. The Project will offer practical, timely and effective solutions that are in line with the Government’s priorities to allow the delivery of efficient and safe municipal services, create employment opportunities and complement humanitarian assistance. Capital grant co-financing is needed to mitigate affordability constraints among the population, which are exacerbated by the refugees.

The Project supports Jordan to increase its resilience in the context of the Syrian refugee crisis by providing urgently needed infrastructure in a region severely impacted on by the influx of refugees for the benefit of the host communities and refugees alike. The Project will create jobs throughout the construction phase, will involve the private sector and is financed in such a way to support Jordan’s fiscal budget by utilising a sovereign loan and providing a high proportion of grants.

More specifically, the Project aims to urgently improve the operational capacity of the wastewater system that links with the As-Samra WWTP, the largest wastewater treatment plant in Jordan which is situated in north-central Jordan. The construction of a new wastewater conveyor (redundancy pipe) would serve to accommodate the increase in the wastewater flows triggered by the refugee influx and would mitigate potential serious pollution to the environment.

PDO LEVEL RESULTS INDICATORS

	Unit of Measure	Baseline	Cumulative Target Values					Comments
			2017	2018	2019	2020	2021	
Overall objective impact: Strengthening the resilience of Jordan to the Syrian refugee crisis by addressing urgently required infrastructure needs	Total number of people benefitting from improved wastewater services, of which female (percentage).	Currently the available wastewater services capacity is below the actual required capacity.					2,388,967 inhabitants shall benefit from improved wastewater services as a result of the Project.	Percentage of female beneficiaries will be calculated by the consultant working on the Project once mobilized, subject to the availability of data at the municipal level.
Indicator One: Direct project refugee beneficiaries (number)	Population (number) disaggregated by gender (percentage)	Currently the available wastewater services capacity is					269,600 refugees shall benefit from improved wastewater services as a result of the Project.	Percentage of female beneficiaries will be calculated by the consultant working on the Project once

		below the actual required capacity.)							mobilized, subject to the availability of data at the municipal level.
Indicator Two: Direct project host community population beneficiaries (number)	Population (number) disaggregated by gender (percentage)							2,119,366 inhabitants shall benefit from improved wastewater services as a result of the Project	Percentage of female beneficiaries will be calculated by the consultant working on the Project once mobilized, subject to the availability of data at the municipal level.
Indicator Three: Jobs created during the construction phase for refugee and Host Community populations (number)	Cumulative jobs created (number)	0 - Current level of employment, 2016	Total Construction Jobs on-site: 250	Total Construction Jobs on-site: 250	Total Construction Jobs on-site: 250	Total Construction Jobs on-site: 250	0 - Construction Complete		150 construction jobs for the host community and 100 construction jobs for refugees.
Indicator Four: Reduced risk of environmental disaster and public health improved	Termination of improper practices associated with inadequate infrastructure	Practices in the sectors partially outside of H&S standards, 2016						Full compliance with applicable H&S standards as required by EBRD	EBRD consultants will provide semi-annual reporting on environmental and social matters.
Indicator Five: Sustainable operations of wastewater management	Creation of an operational unit to manage operation and maintenance of wastewater pipeline	Existing transmission lines are operated by a private operator (SPC). The new transmission line should be operated by the same private						Award an O&M contract for operation of the new transmission line and related facilities at AGTP to a private operator or alternatively create an operational unit at MWI.	

		operator as it will form with the existing system a joint technical system.					
Milestones/Output							
Construction of wastewater pipeline	Construction completed on time and in line with relevant procurement policies and rules	Inadequate pipeline capacity and serviceability currently in place					Complete construction in 2021 latest. Scheduled commissioning date in 2021.
Consultancy Services assignments to support implementation and client operational support	Consultants mobilised and complete assignments in due time and delivering relevant outputs.	Inefficient operations, technical capacity lacking, 2016			Complete required institutional strengthening latest in 2019 to achieve implementation of all needed measures for O&M of new facilities (both to engage a private operator or to form a O&M team by the Client) in due time.		

Progress Report for Underlying Operation

Date of Submission to Coordination Unit:

Underlying Operation Information

Project Name: Second Programmatic Energy and Water Sector Reforms Development Policy Lending		
Benefitting Country: Jordan		Name of Implementation Support Agency (ISA):
Name of ISA Project Leader: Caroline van den Berg		Email of ISA Project Leader: cvandenberg@worldbank.org
Recipient Entity: Government of Bolivia, Ministry of Planning and International Cooperation		Name and Email of Recipient Entity Contact: Hazar.badran@mowi.gov.jo
Concessional Amount Approved (US\$): USD 25 million	Total Project Amount (US\$): USD 250 million	Total Amount Disbursed (US\$): USD 250 million
CFF Approval Date: 12/13/2016	Project Implementation Start Date: 12/13/2016	Project Closing Date: 12/31/2017

I. Summary of Underlying Project Implementation Progress and Key Issues

Project Development Objective:	
Rating for progress towards achievement of objective: <ul style="list-style-type: none"> • Satisfactory: <i>The project is <u>likely to achieve almost all or exceed</u> its major objectives efficiently without any significant shortcomings.</i> • Moderately Satisfactory: <i>The project is <u>likely to achieve the majority</u> of its major objectives efficiently with moderate shortcomings.</i> • Moderately Unsatisfactory: <i>The project is <u>not likely to achieve at least half</u> of its major objectives efficiently with moderate shortcomings.</i> • Unsatisfactory: <i>The project is <u>not likely to achieve most or any</u> of its major objectives efficiently.</i> • Not applicable: <i>The project is not yet effective.</i> 	Satisfactory
Rating for overall implementation progress: <ul style="list-style-type: none"> • Satisfactory: <i>Implementation of <u>most components</u> is in <u>substantial compliance</u> with the original/formally revised plan except for only a few that are subject to remedial action.</i> • Moderately Satisfactory: <i>Implementation of <u>some components</u> is in <u>substantial compliance</u> with the original/formally revised plan with some components requiring remedial action.</i> • Moderately Unsatisfactory: <i>Implementation of <u>some components</u> is <u>not in substantial compliance</u> with the original/formally revised plan with <u>most components</u> requiring remedial action.</i> • Unsatisfactory: <i>Implementation of <u>most components</u> is <u>not in substantial compliance</u> with the original/formally revised plan.</i> • Not applicable: <i>Implementation has not yet started</i> 	Satisfactory

Brief Summary of Underlying Project Implementation Status: *Enter overall implementation status and any key issues (i.e. reasons for implementation delays, implementation challenges, funding status, and other relevant information as applicable) to raise to the Steering Committee’s attention. Please note, this section is meant to provide a summary. This operation is a Development Policy Loan. Disbursement of funds takes place after specific measures (so called “prior actions” have been taken). Under this DPL, the Government agreed and/or implemented 11 prior actions. These included but are not limited to (a detailed schedule of prior actions can be found in the Results Framework):*

- *The Borrower’s Energy and Minerals Regulatory Commission has adopted an electricity tariff adjustment mechanism, to sustain cost recovery¹⁷ taking into consideration consumer affordability;*
- *The Borrower’s Council of Ministers has approved a multi-year Debt Management Plan for NEPCO.*
- *The Borrower’s Council of Ministers has approved the measures to increase water sector revenues to enhance O&M cost recovery¹⁸ in accordance with the “Structural Benchmark - Action Plan to Reduce Water Sector Losses” dated August 2013*
- *The Borrower’s Ministry of Water and Irrigation has adopted a Water Substitution and Reuse Policy*

The DPL was able to leverage budget support of JPY 30 billion from the Japanese funding agency JICA. The agreement with JICA was signed on December 21, 2016.

Actions to be Taken	Responsible Party	Expected Date of Delivery
<i>Add specific actions, as appropriate, that need to be taken over the next six-months to advance project implementation.</i>		
<i>The major action to be undertaken is to determine at the end of the DPL period whether the proposed prior actions have generated the forecasted results, for the different groups of consumers, including Syrian refugees</i>	Government of Jordan, World Bank	6/30/2018
		Click here to enter a date.

J. Disbursements for Underlying Operation

Underlying Operation Amount	Total (US\$) Disbursed to Benefitting Country	% Disbursed to Benefitting Country
USD 250 million	USD 250 million	100%

K. Disbursement Forecast of Funds for Underlying Operation by Calendar Year (US\$)

Year	Total by Year End
2016	USD 250 million

¹⁷ Cost recovery is defined here as wholesale cost recovery and as including operating and maintenance costs, fuel costs, depreciation costs of the sector, as well as interest on NEPCO’s debt.

¹⁸ Cost recovery is defined here as operational and maintenance cost recovery as measured by MOWI covering WAJ and Water Companies.

L. Supplemental Information: Results Framework and Monitoring

Hashemite Kingdom of Jordan - Energy and Water Sector Reforms DPL - Policy Matrix

Prior Actions and Triggers: DPL1 (Original)		Prior Actions: DPL2 (Revised)	Results
Prior Actions for DPL1	Triggers for DPL2		
<i>Pillar A: Improving the Financial Viability of the Electricity and Water Sectors</i>			
<i>Prior Action #1:</i> The Cabinet of Ministers approves implementing the annual electricity tariff adjustment planned for 2015 in accordance with the 2013-2017 Electricity Tariff Adjustment Plan.	<i>Trigger #1:</i> The Cabinet of Ministers approves implementing the annual electricity tariff adjustments planned for 2016 and 2017 to reach cost recovery in accordance with the 2013-2017 Electricity Tariff Adjustment Plan.	<i>Prior Action #2.1:</i> The Borrower's Energy and Minerals Regulatory Commission has adopted an electricity tariff adjustment mechanism, to sustain cost recovery ¹⁹ taking into consideration consumer affordability.	<i>Result Indicator A1:</i> Cost recovery of the end user electricity tariffs <ul style="list-style-type: none"> ▪ <i>Baseline (2014):</i> 56 percent ▪ <i>Target (2017):</i> 100 percent
	<i>Trigger #2:</i> The Energy and Minerals Regulatory Commission (EMRC) approves new tariff regulations to sustain cost recovery while taking into consideration consumer's affordability.		
<i>Prior Action #2:</i> The Cabinet of Ministers issues a circular tasking the inter-ministerial debt committee with developing a Debt Management Plan for the National Electric Power Company (NEPCO).	<i>Trigger #3:</i> The Cabinet of Ministers approves and implements a multi-year Debt Management Plan for NEPCO.	<i>Prior Action #2.2:</i> The Borrower's Council of Ministers has approved a multi-year Debt Management Plan for NEPCO.	<i>Result Indicator A2:</i> NEPCO's Debt Management Plan is under implementation and fuel-related commercial debt is reduced <ul style="list-style-type: none"> ▪ <i>Baseline (2014):</i> No specific NEPCO's Debt Management Plan in place and fuel-related commercial debt at JD 1,884 million. ▪ <i>Target (2017):</i> NEPCO's Debt Management Plan is approved and fuel-related commercial debt is reduced by JD 84 million by 2017.
<i>Prior Action #3:</i> The Cabinet of Ministers approves	<i>Trigger #4:</i> The Minister of Water and Irrigation approves the	<i>Prior Action #2.3:</i> The Borrower's Council of	<i>Result Indicator A3:</i> O&M cost recovery level in the water sector

¹⁹ Cost recovery is defined here as wholesale cost recovery and as including operating and maintenance costs, fuel costs, depreciation costs of the sector, as well as interest on NEPCO's debt.

Prior Actions and Triggers: DPL1 (Original)		Prior Actions: DPL2 (Revised)	Results
Prior Actions for DPL1	Triggers for DPL2		
adjustments to the tariffs for Production Wells in accordance with the “Structural Benchmark - Government Action Plan to Reduce Water Sector Losses” dated August 2013.	measures to increase sector revenues to enhance cost recovery in accordance with the “Structural Benchmark - Action Plan to Reduce Water Sector Losses” dated August 2013.	Ministers has approved the measures to increase water sector revenues to enhance O&M cost recovery ²⁰ in accordance with the “Structural Benchmark - Action Plan to Reduce Water Sector Losses” dated August 2013.	<ul style="list-style-type: none"> ▪ <i>Baseline (2014)</i>: 70 percent ▪ <i>Target (2017)</i>: 85 percent
<i>Pillar B: Increasing Efficiency Gains in the Energy and Water Sectors</i>			
<i>Prior Action #4:</i> NEPCO assigns adequate number of staff and implements capacity building program for assigned staff to manage LNG supply for power generation.	<i>Trigger #5:</i> NEPCO develops and implements fuel supply strategy to scale up share of gas supply for power generation.	<i>Prior Action #2.4:</i> NEPCO has adopted a strategy for diversification of fuel sources for power generation with increased reliance on cleaner energy sources.	<i>Result Indicator B1:</i> Number of natural gas import contracts. <i>Baseline (2014)</i> : One contract. <i>Target (2017)</i> : At least three contracts. <i>Result Indicator B2:</i> Share of renewable energy capacity in the capacity mix (in MW). <ul style="list-style-type: none"> ▪ <i>Baseline (2014)</i>: 0 percent ▪ <i>Target (2017)</i>: At least 10 percent
<i>Prior Action #5:</i> The Cabinet of Ministers approves bylaws for Renewable Energy Direct Proposals.	<i>Trigger #6:</i> The Ministry of Energy and Mineral Resources (MEMR) issues required regulations for implementation of Direct Proposal-bylaws and establishes a Public Data Room for Renewable Energy Development to improve transparency.	<i>Prior Action #2.5:</i> The MEMR has issued ‘Instructions and Requirements for Proposal Preparation and Submission’ to implement the direct proposal bylaws No. 50 of 2015 and has established a public data room for renewable energy development to improve transparency.	
	<i>Trigger #7:</i> NEPCO implements in its Control and Dispatch Center operating procedures for integrating renewable power resources into the transmission grid according to the Control and Dispatch Center Operations Manual.	<i>Prior Action #2.6:</i> NEPCO has adopted standardized operating protocols for intermittent renewable energy to be integrated into agreements with new renewable power producers.	

²⁰ Cost recovery is defined here as operational and maintenance cost recovery as measured by MOWI covering WAJ and Water Companies.

Prior Actions and Triggers: DPL1 (Original)		Prior Actions: DPL2 (Revised)	Results
Prior Actions for DPL1	Triggers for DPL2		
Prior Action #6: The Cabinet of Ministers approves the Jordan Renewable Energy and Energy Efficiency Fund (JREEEF) bylaws, JREEEF Board of Directors approves the Business Plan for JREEEF and financing is secured for JREEEF startup operation.	Trigger #8: At least two of JREEEF's Financing Windows are operating with Window Managers in place, and JREEEF annual reports are issued.	Prior Action #2.7: JREEEF has operationalized two of its financing programs to ensure better access to renewable energy and energy efficiency.	
	Trigger #9: A multi-year Network Loss Reduction Program agreed upon between EMRC, and the distribution companies is finalized with yearly loss reduction targets and is under implementation.	Prior Action #2.8: The Borrower's Energy and Minerals Regulatory Commission and selected distribution companies have agreed on a multi-year Network Loss Reduction Plan which includes specific yearly loss reduction targets for 2016 and 2017.	Result Indicator B3: Reduction in electricity distribution network losses <ul style="list-style-type: none"> ▪ <i>Baseline (2015):</i> The distribution sector has losses of 14.04 percent and lacks multi-year loss reduction targets. ▪ <i>Target (2017):</i> Network Loss Reduction Program is under implementation, and 2017 loss reduction target of 13.25 percent is achieved.
Prior Action #7: The Minister of Water and Irrigation approves an energy efficiency and renewable energy policy for the water sector.	Trigger #10: The Ministry of Water and Irrigation has a dedicated budget line provision sufficient to implement its planned energy efficiency activities as laid out in the energy efficiency and renewable energy policy for the water sector.	Prior Action #2.9: The Borrower's Ministry of Water and Irrigation has piloted the use of performance-based operations for the implementation of energy efficiency and renewable energy measures.	Result Indicator B4: Increase in energy savings in the water sector as per the implementation of the Action Plan accompanying the Energy Efficiency and Renewable Energy Policy <ul style="list-style-type: none"> ▪ <i>Baseline (2013):</i> Annual energy savings are 0 GWh per year ▪ <i>Target (2017):</i> Annual energy savings are 50 GWh per year
Prior Action #8: The Minister of Water and Irrigation approves a Surface Water Utilization Policy.	Trigger #11: The Minister of Water and Irrigation approves a Water Substitution and Reuse Policy.	Prior Action #2.10: The Borrower's Ministry of Water and Irrigation has adopted a Water Substitution and Reuse Policy.	Result Indicator B5: Water is more optimally allocated <ul style="list-style-type: none"> ▪ <i>Baseline (2013):</i> 123 MCM of surface water used for municipal water use

Prior Actions and Triggers: DPL1 (Original)		Prior Actions: DPL2 (Revised)	Results
Prior Actions for DPL1	Triggers for DPL2		
	<p>Trigger #12: The Ministry of Water and Irrigation has a dedicated budget line provision sufficient to implement its planned actions to optimize its water resources as laid out in the surface water utilization and water substitution policies for the water sector.</p>	<p>Prior Action #2.11: The Borrower's Ministry of Water and Irrigation has adopted a Wastewater Treatment Plant National Plan for Operation and Maintenance, which includes the use of performance-based operation of wastewater treatment plants.</p>	<ul style="list-style-type: none"> ▪ <i>Target (2017):</i> 128 MCM of surface water used for municipal water use <p>Result Indicator B6: Volume of treated wastewater used for non-domestic uses</p> <ul style="list-style-type: none"> ▪ <i>Baseline (2013):</i> 110 MCM of treated wastewater used for non-domestic uses ▪ <i>Target (2017):</i> 135 MCM of treated wastewater used for non-domestic uses