



LN 9898-50
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 TFO A8043

MINISTRY OF PLANNING AND INTERNATIONAL COOPERATION

Ref.No S19/115834

Date 30/5/2018

Dr. Jim Yong Kim
President of the World Bank Group
The World Bank
Washington D.C., USA

**Subject: Letter of Development Policy for the First Equitable Growth and Job Creation
 Programmatic Development Policy Financing**

Dear Dr. Kim,

Jordan, despite an extremely challenging external environment in the recent years, has shown tremendous resilience. Not only is Jordan hosting about 1.3 million Syrians (about half of which are registered refugees) within its borders, it is also pioneering a progressive and resilience-based refugee response model for the rest of the world. In the past few years, Jordan has undertaken several bold policy reforms to make its private sector more competitive, attract additional investment, address labour market rigidities, increase exports, and create more and better jobs for both its citizens and the Syrian refugees. These reform initiatives have been highly appreciated by our development partners and put Jordan on the right development track, in spite of the multiple external challenges it continues to face. Building on the achievements to date and the strong partnership between the Government of Jordan (GoJ) and the World Bank Group (WBG), GoJ would like to engage in a more ambitious and comprehensive reform agenda that can assist Jordan in fulfilling its vision of higher economic growth and enhanced economic opportunities for its citizens while continuing with fiscal consolidation as part of Jordan's program with the IMF 'Extended Fund Facility'.

During the period 2000-2007, Jordan's economy grew at 6.7 percent on average generating a net employment growth of 2.9 percent annually. Unfortunately, since 2009, Jordan's growth performance has been rather subdued. Following the global financial crisis, loss of gas supplies from Egypt and ensuing energy crisis and several violent conflicts that broke out in the region, Jordan lost two of its key export markets in Iraq and Syria. In 2014, the slowdown in the GCC economies following the drop in oil prices also had a direct impact on Jordan's economy, through the subsequent reduction of trade, tourism, remittances and financial inflows, on which Jordan depended heavily in the past. These adverse external shocks, loss of key export markets, and a dissipating fiscal stimulus have combined to hold back economic growth, which averaged just 2.5 percent per annum in 2010-17. Unemployment increased by more than 50 percent, reaching 18.3 percent overall in 2017 while youth unemployment rose to an alarming 35 percent. With regards to poverty, the last estimate in 2010 had shown a decline in both poverty and inequality. However, since real per capita GDP growth has been negative while unemployment has been increasing, these are likely to have impeded further poverty reduction.



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As per the 2015 Population and Household Census conducted end of 2015, Jordan is hosting around 1.3 million Syrians, of which 666,217 are registered refugees with UNHCR (as of 26 May 2018). About 90 percent of the refugees are living in Jordan's cities, towns and villages exhausting existing social and physical infrastructure and impacting delivery of basic services. There has been a noticeable deterioration in the quality of services provided across numerous critical sectors, including health, education, municipal services, and others.

It is estimated by Government that the total direct costs of the Syria crisis on Jordan since 2012 have reached over US\$10 billion, including the costs of education, health, water and sanitation, electricity subsidies, infrastructure depreciation, municipal services, among others, thus an average cost of US\$1.5 billion annually estimated at 4 percent of annual GDP and about 16 percent of government annual revenues. This is of course in addition to the increased security and military pressures. At the same time, we have taken serious fiscal and austerity measures (as part of two successive programs with the IMF including the removal of all subsidies, the last of which was the bread subsidy) cumulatively close to US\$5 billion (fiscal measures are about 10 percent of GDP) at a time the economy has been growing for the past 7 years at one third of the pre-crisis levels.

While on one hand, the large number of refugee population poses numerous economic and social challenges, their presence may have enabled dynamism in some sectors such as construction. In line with its commitment under the Jordan Compact, the Government has issued close to 103,000 work permits free of charge allowing the Syrian refugees to work formally in professions opened for foreign labour, alongside many initiatives supporting the labour market, trade and business environment reforms. However, more investment is needed in growth-enhancing and job-creating activities to realize the prospect of the Jordan Compact and ensure enhanced economic opportunities for both Syrian refugees and Jordanians, especially to unlock the potential from simplification of rules of origin with EU market.

Against this backdrop of large external shocks and the presence of 1.3 million Syrian refugees, Jordan is facing a very challenging fiscal situation. Public debt has risen sharply since 2009, reaching 95 percent of GDP in 2017. Based on IMF projections, Jordan is still faced with a financing gap estimated at US\$2 billion on average annually for the period 2018-2022. Since 2010, the current account deficit has averaged about 10 percent of GDP. Remittances, mainly from the GCC, are down from 20 percent of GDP to 10 percent of GDP, the services balance has varied around 3-4 percent of GDP, and the trade balance has been about -30 percent of GDP but improving due to the contraction in imports.

While the challenges are daunting, GoJ responded with courage and strong determination. Our own assessment is that only through economic growth that creates jobs can the economy deliver on the expectations of Jordanians, mitigate the challenges posed by hosting 1.3 million Syrian refugees and overcome its debt challenge.



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In May 2015, the Government adopted a 10-year economic blueprint, Jordan 2025, based on a comprehensive consultative process with the goal of re-launching growth and investment while deepening reform and inclusion. Jordan 2025 enables the country to move fast to increase self-reliance, diversify resources, develop infrastructure and capitalize on strengths. As an offshoot of the Jordan 2025, the Jordan Economic Growth Plan (JEGP) 2018-2022 was adopted in 2017 with the aim of doubling economic growth over the period 2018-2022, reducing the debt burden, creating jobs and increasing incomes, notwithstanding the challenging regional situation. The JEGP is comprised of economic, fiscal and sectoral strategies that outline the vision and policies pertaining to each sector. It further identifies the required policy interventions, public projects and private investments that must be undertaken to realize these sectoral visions.

Jordan has also embarked on a three-year Extended Fund Facility (EFF) with the IMF in August 2016 (building on the successful completion of a Standby Arrangement over 2012-2015). The EFF focuses on maintaining macroeconomic stability and fiscal consolidation to reduce the debt-to-GDP ratio to a more sustainable level, broadening the tax base, addressing tax incentives, income taxation, improving tax administration and monitoring growth in spending.

In the past few years, Jordan has made a sizable dent in its fiscal imbalances. With the support of the IMF, the World Bank and other development partners, Jordan has been able to make a phased adjustment to cost-reflective electricity tariffs and cut the overall fiscal deficit (excluding grants) from 14.3 percent of GDP in 2014 to 4.8 percent of GDP in 2017 (or 2.6 percent of GDP in 2017 after grants, including transfers to the Water Authority of Jordan). The drivers behind the reduction in the deficit are both increases in domestic revenues and decreases in capital expenditures. On the revenue side, domestic revenue increased by 1.1 percent of GDP in 2017 mainly driven by non-tax revenues. In 2017, tax measures included the imposition of excises on gasoline, increases in special sales taxes (STT) on cigarettes, telecom, alcoholic beverages and soft drinks, the removal of general sales tax (GST) and customs exemptions, and amendments in the law governing work permit fees for non-Jordanians.

Structural reforms are also being implemented in several areas to enhance competitiveness, job prospects, and foster equity, fairness, and good governance. The specific measures aim at increasing labour force participation, particularly for women and youth; reducing informality; enhancing the business environment; preserving social spending, and improving public accountability and good governance. These reforms are expected to lead to increased productivity.

Moreover, a new National Strategy for Human Resource Development 2016-2025 was launched in September 2016 in response to call made by His Majesty King Abdullah II to reform the human resource development sector in line with international best practice as result of the deterioration witnessed over the past few years. This strategy also outlines a 10-year plan to reform the education, higher education, and technical education and vocational training. The Government of Jordan is



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working with the World Bank, under the Education Reform Support Program-For-Results project which was approved in 2017, and other development partners to implement the strategy.

Jordan is now prioritizing its economic reforms around a 5-year Policy Reform Matrix. We requested the World Bank work in consultation with our key development partners to develop a 5-year reform matrix that prioritizes and strengthens reforms that are critical to the course of the economy. The new 5-year reform matrix: (i) focused on achievement of priority reform goals in the Jordan 2025 and the JEGP 2018-2022, (ii) identifies the most pressing reform elements and capacity needs for implementation, (iii) mitigates implementation challenges, and (iv) ensures alignment of donor support and financing, conditional on implementation progress. Completion of the 5-year reform matrix is expected in September 2018.

Moving forward, the Government's main policy objectives include: achieving fiscal consolidation; reforming the labour market- which continues to face significant stress and suffer from severe low gender-based and youth economic participation; building the capacity of its industrial sector by continuing to improve infrastructure; and continue improving its business climate and the functioning of the financial sector to set in place a virtuous cycle of stronger investments and output growth. However, the political will for reform needs to be met with the appropriate economic tools and financing vehicles to deliver on the key goals, and to sustain the reform momentum in such testing times. An Inter-Ministerial Steering Committee consisting of Ministers from key economic and sectorial ministries, supported by a high-level Unit as a Secretariat will monitor and coordinate the reform effort.

With the support of the Equitable Growth and Job Creation Programmatic DPL series, GoJ is seeking to set the stage for a gradual, but across-the-board, cost reduction that would be brought about through (a) productivity gains realized by higher investment, reducing business costs, increasing access to finance, and supporting access to new markets especially for small and medium enterprises (Pillar I); (b) lower labour costs in the private sector owing to (i) expansion of labour supply through reducing costs to labour participation (Pillar II), and (ii) increasing flexibility and reducing segmentation in the labour market (Pillar II); and (c) fiscal consolidation (Pillar III).

Reducing Business Costs and Improving Market Accessibility

Delivery of Jordan 2025, JEGP 2018-2022 and the Jordan Compact relies heavily on private sector led growth and job creation. GoJ recognizes the central importance of business environment reform to enable this, and several initiatives have already been undertaken in areas such as investment policy and promotion. In particular, the Business Monitoring and Inspection Law was enacted to reduce the burden on businesses by improving the inspections and monitoring framework. Further efforts are needed, however, to reduce the cost-base and ease access to finance for Jordanian businesses, and to improve the ability of those businesses to access markets. An important by-product of the reforms will



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also be a positive signalling effect to both domestic and foreign investors on Government's commitment to strengthening the investment climate. Going forward, the Government is committed to:

- a) Boost healthy competition for all major economic sectors through pro-competition rules and a more balanced market. A new Competition Policy will be introduced that will strengthen the legal and institutional framework for competition law enforcement, clarify the use of price regulation in exceptional circumstances, and introduce a mechanism to integrate competition principles into the design and amendment of market regulations.
- b) Establish and implement a system of good regulatory practices, including the establishment of a robust system of private-public consultation and regulatory impact assessment to increase the efficiency, predictability, and simplification of the business environment; institute annual identification of reform targets and responsible government entities with direct progress reporting to a cross-Ministerial committee on identified high priority reforms.
- c) Building on the recent enactment of the Inspections Law, successfully implement ongoing inspections reform, including through the phasing in of a risk-based approach, and enhancing coordination and information sharing between inspectorates.
- d) Accelerate and expand implementation of the ongoing licensing and permit reform to reduce compliance costs.

These efforts will continue to build on previous ones that helped Jordan move up 15 places in World Bank's 2018 *Doing Business* rankings.

Boosting exports of goods and services and penetration of new markets are key Government objectives. Jordan enjoys wide regional and international ties and has reached free trade agreements with most Arab countries, the United States, Canada, Singapore and the European Union. A more diversified export base, if well-anchored institutionally and supported by policies favouring sector competitiveness, can generate much needed high-skilled jobs for Jordan's relatively young and educated population. To support the growth of new exporters and the penetration of new markets, GoJ has boosted access to trade credit insurance through strengthening the Jordan Loan Guarantee Corporation (JLGC) and increasing the resources available to it. In particular, the Central Bank and JLGC signed an agreement expanding the resources available for reinsurance and strengthening JLGC's financial capacity to deliver trade insurance products.

The Government will focus on the key clusters identified in the Jordan 2025: engineering & construction, tourism & events, information & communications technology, health/medical tourism/life sciences, education, transport & logistics, energy & renewable energy, professional & financial services and agribusinesses. A key objective will be to improve competitiveness and integration into global value chains by encouraging Jordanian firms to produce higher quality goods and services able to meet international standards. To this end, Jordan's National Quality Infrastructure, including the



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Jordan Standards and Metrology Organization, will be reformed and strengthened to resolve functional conflicts of interest, improve transparency, predictability and harmonization of standards setting processes in line with international partners, introduce a risk-based market surveillance mechanism, and attain global recognition for Jordan's national accreditation agency and conformity assessment body.

Focused efforts will also be needed to help Jordan's manufacturers' take advantage of improved access to European markets obtained under the Simplified Rules of Origin Joint Decision. Upgrading agriculture can also provide a big opportunity to boost exports and create jobs, not just at the farm level but in sectors that get the products to the market. Reducing export costs by modernizing customs infrastructure and streamlining import procedures will also help. GoJ will update the country's export strategy and strengthen our export promotion capacity, with a focus on promising markets and key sectors/industries (clusters) and products that Jordan is competitive in. We will also promote foreign direct investment that increases global value chain integration and complements exports, including better provisioning of modern services, such as information technology, governance and logistics.

Related to reducing business cost and accessing newer markets is also the issue of transportation. The transport and logistics sectors contribute 9 percent to GDP in Jordan, and are recognized as an important driver of competitiveness, growth, job creation and social development. To reform the sector, GoJ is planning to develop and agree with relevant stakeholders on an action plan and program to increase overall trucking and logistics sector efficiency and reduce market distortions resulting from government interventions and firm behaviour. Reforms will also aim to deliver a more balanced market structure, lower prices and higher quality of service.

Small and medium-size enterprises (SMEs), which make up about 95 percent of the corporate sector in Jordan, face many challenges, the most pressing being the limited access to credit. Banks need be encouraged to allocate more resources to the SMEs, and non-bank financial institutions should be developed further to address financing needs of micro, small, and medium enterprises. Part of GoJ's strategy aims at facilitating the resolution of insolvencies, deepening the collateral regime, and promoting new forms of financial intermediation. A new Insolvency Law and a new Secured Transactions Law were enacted in May 2018.

Over the medium-term, we plan to further develop non-bank financial institutions (such as leasing, private equity and venture capital firms) and allow micro-finance institutions to thrive in a formal prudential environment and in due course, make the credit more affordable through the ability to take deposits. We will also continue to implement our long-term development plan for capital markets. Many of these reforms will enhance the conditions for innovation. Moreover, improving the credit infrastructure, particularly by making it easier to register movable assets as collateral, will help reduce the gender gap by promoting more female entrepreneurs.



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Steady efforts over the last few years to reduce generation costs, and to align the overall consumer tariffs with the cost of service delivery, have helped achieve cost recovery in the electricity sector. The Energy and Minerals Regulatory Commission (EMRC) implemented an automatic tariff adjustment mechanism last year, which ensures that fluctuations in global fuel prices are reflected in consumer tariffs each month. However, a high level of cross-subsidy built into the overall cost-covering tariff structure is now affecting economic competitiveness of the manufacturing and service sectors. High cross-subsidy may also strain the overall electricity sector viability as an increasing number of cross-subsidizing large consumers are opting for self-generation and avail highly subsidized charges for necessary grid-support.

The Ministry of Energy and Mineral Resources (MEMR) and the EMRC are working towards a reduction in cross-subsidies through better targeting of lifeline tariffs towards the poor and vulnerable consumers, while developing mechanisms for alternate social safety-net support for affected households. The EMRC is also working towards development of a full-economic cost based regime for grid-support charges for self-generating consumers. The EMRC has adopted annual ceiling values for the 2018-21 period for the *'Tariff Subsidy Index'* (share of government subsidies or losses in the overall sector revenue requirement), *'Tariff Cross-Subsidy Index'* (share of cross-subsidy in overall tariff revenues), *'Highest Tariff Recovery Ratio'* (ratio of highest cross-subsidizing tariff rate to the average cost of service), and for *'Index of Subsidy for Self-Generation'* (share of grid-support costs not supported by charges levied).

The EMRC is now committed to identify and implement specific tariff-reform measures to achieve these ceiling values during the tariff review process each year – thus reducing tariff cross-subsidy as well as subsidy for self-generation in a time bound manner. Rationalization of electricity tariff structure is a key priority for the Government of Jordan, which would ensure continued sector viability, strengthen economic competitiveness, and also protect poor and vulnerable consumers.

Creating Flexible, and Integrated Labour Markets and Better More Efficient Social Assistance

Creating more and better jobs for Jordanians and Syrian refugees (in professions opened for foreign labour) by addressing the existing labour market rigidities is a key policy priority for GoJ. Several initiatives have already been taken in this regard. This includes, among others, issuing more close to 103,000 work permits for the Syrian refugees. Other planned measures in this area include: (a) reducing hiring costs and red tape, b) equalizing the minimum wage for Jordanians and non-Jordanian workers so as not to create entry barriers for Jordanians into the labour market, c) creating a market for part-time work and other flexible arrangements that will particularly benefit women and youth, d) improving female labour force participation, e) strengthening workplace safety, particularly for women, and f) improving employment support programs to increase the flexibility and responsiveness of



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vocational guidance and employment services to the needs of the private sector. GoJ is also attempting to promote gender equality and reform public sector hiring practices. Regulation providing for more flexible working hours was adopted in 2017. The reforms envisioned to create one, integrated and flexible labour market will require efforts on many fronts and for several years.

At present, the labour market is too segmented between nationalities, occupations, sectors and there is an expanding divide between formal and informal workers. For this purpose, GoJ is taking the first steps to review this legal framework with the aim of identifying legal and regulatory factors that contribute to labour segmentation. GoJ commits itself to carry out this review of the legal framework and include in that review a thorough investigation of how well and uniformly laws are being enforced and implemented. In addition, to the design, implementation and enforcement of the legal framework, the review will include a study of the incentives this framework provides workers to participate in the formal labour force, to pay all costs and obligations of formal work and to comply with the framework's laws and regulations.

As a next step to creating a more flexible and integrated labour market, GoJ realizes that the system of quotas in hiring also contributes to labour segmentation; and depending on detailed study to be conducted to demonstrate ways to increase Jordanian employment, the Government commits itself to reducing the number of sectors for which these quotas apply. Because the Government also has the foremost responsibility to the Jordanian worker, it commits itself to reforming the worker permit regime to better regulate the inflow of foreign workers so that unlimited supplies of labour do not lead to a 'race to the bottom' and a suppression of wage growth. Better enforcement of simpler, more transparent and predictable labour laws and regulations will help with the regulation of foreign labour ensure that all workers, irrespective of their nationality, can be protected under the nation's laws as well as protect priority for job creation to Jordanians.

In line with its commitment under the Jordan Compact, GoJ has also waived the cost of work permits; loosened restrictions on moving from one sector to another (agriculture, support services, bakeries); removed the need for a work permit sponsor in the agriculture and construction sectors; and waived the need for documents detailing technical qualifications required to obtain a work permit in the construction sector. Finally, because of the Government is concerned with the low labour participation rates of the young and our female citizens, we will continue to strive to identify and implement labour market reforms that match the flexibility in labour contracts that these two populations of workers need to be productively included in the Jordanian economy.

The Council of Ministers has also approved a plan to improve and expand the coverage of the conditional cash transfer program. This approval is backed up with the additional financial resources required to expand coverage. To expand coverage as way to cushion the impact of some necessary economic reforms, including increases in the price of electricity and water, GoJ will target and improve social safety nets extended through the National Aid Fund (NAF) to better protect the poor and to



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facilitate their transition out of poverty. The reforms include among others: improving the efficiency and impact of the cash transfer program through reforms to payments system, business processes, and graduation strategy; improving coordination between, and the impact of, social safety net programs through the development of a single gateway, known as the National United Registry, and the Case Management System to provide the poorest households with the support they need; provide employment support to 'employable' poor; and to design and implement a targeted compensation scheme for sectoral tariff increases, as needed.

Moreover, in line with the commitment made under the Jordan Partnership Paper adopted at the recent Brussels II Conference to replicate achievements in the education sector to health and social protection sectors, and in recognition of the need to phase NAF expansion carefully, the GoJ and the donors will work together on building the administrative, technical and technological capacities of NAF with a view to piloting a "Donor-Refugee Window" at the Fund aimed at aligning humanitarian and development systems for social protection.

Improving Fiscal Sustainability through Revenue Mobilization, More Efficient Investment Spending, and Tracking of Fiscal Risks

GoJ has embarked on a series of tax policy initiatives with a view to increase the domestic revenue mobilization, including improving fiscal management and oversight of tax expenditures. The 2017 Budget Law increased the preferential rates on large number of items, as well as exemptions on specific goods and services were discontinued. Additional tax policy improvements, on excise taxation and 'other taxes', were implemented on the 2017 Budget Law, bringing the total revenue impact at JDs 631 million. Tax policy reforms will be further deepened over 2018-2020, with intentions to implement further reductions in the consumption tax areas, as well as revenue improvement on income taxation, in particularly stemming from the adoption of a new Income Tax law.

The GoJ has recently submitted to Parliament a new draft Income Tax Law, including broadening the tax base on income taxation, by further inclusion of taxpayer segments currently not paying income taxes, as well as eventual adjustment of the threshold for paying income taxes. While government's fiscal adjustment effort has been anchored on revenue increases this far, we expect to also rely on expenditure decreases in the medium term.

As is currently indicted in Jordan's EFF program with the IMF, GoJ is committed to the reduction of the fiscal deficit in a way that will bring reduce debt to GDP to manageable levels as per targets in EFF. The Government will also continue with fiscal consolidation (revenue gains and / or expenditure reduction) in line with its ongoing discussions with IMF as per the EFF program. Our conservative growth assumptions foresee GDP growth reaching 3 percent of GDP in 2022.



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Continuing this robust fiscal consolidation program is crucial for ensuring macroeconomic stability in the medium term. Realizing the importance of continuing Public Financial Management (PFM) reforms and building on the our successful achievements of the past few years, the GoJ is in the process of finalizing and endorsing its new PFM Reform Strategy for the period 2018-2021.

Additional measures include beefing up the country's statistical capacity, strengthening the efficiency of public expenditure, and upgrading debt management practices, including at the municipal level. One approach to fiscal consolidation is to strengthen private sector participation in the economy, especially on the investment, through a cascade approach and an update to the approach of managing debt and contingent liabilities.

Over the past decade, Jordan was able to position itself as successful model for implementing public-private partnerships (PPPs) projects in the region including but not limited to electricity generation, water and wastewater, renewable energy and transport. In the next five years, a further US\$15 billion worth of infrastructure projects in areas of water, solid waste, energy, transport, ICT, urban development is set to be delivered through PPPs as per the JEGP 2018-2022.

Building on the successful work with PPPs, GoJ is committed to facilitate more private sector participation in the economy through a cascade approach and an update to the approach of managing debt and contingent liabilities. To this end, GoJ is implementing a Public Investment Management – Public Private Partnerships (PIM-PPP) Governance Framework to enhance the efficiency of capital spending, prioritize investments and maximize using PPPs to implement government capital expenditure. The purpose of the governance framework is to identify the processes, decision points, and outputs for identifying, approving and implementing investment projects and PPPs. To facilitate this, a Central PIM-PPP Unit has been set up the Ministry of Planning and International Cooperation, its mandate has been adjusted to be made consistent with the mandate of the PPP unit at MOF, and it will be staffed in in 2018 with three civil servants and needed consultants with international experience. The PIM-PPP process will be managed by a new Inter-Agency PIM-PPP Committee. As one of the measures to better manage public investments and PPPs, by the establishment of a National Registry of Development Projects (NRDP). The registry aims to identify and track EDP projects through identification, preparation and final evaluation. Over the next year, we plan to have the PIM-PPP framework fully operational with all new EDP projects registered in the NRDP and technically selected by the Inter-Agency PIM-PPP Committee for final approval by the Council of Ministers.

At the same time, we recognize that PPPs will bring contingent liabilities, and that it is important to track them and to ensure that they do not compound the debt challenges that the country is facing. To this end, we plan to: (a) raise our capacity to track risks associated with; and (b) to develop



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debt management strategies include policies for issuing government guarantees would support stronger governance and provide a firmer basis for borrowing decisions.

Finally, it is expected that the measures in this DPL are likely to have a significant impact both on Jordanians and on refugee communities. To ensure the equitable nature of the benefits, subject to technical support being made available from the World Bank, GoJ will look for ways to disaggregate and monitor the impact of reforms on marginalised groups such as Syrian refugees and women.

In conclusion, Jordan's commitment to the DPF and the five-year Policy Reform Matrix need to be backed by credible financing package and robust technical assistance. The financial support from donors under the Global Concessional Financing Facility (GCFF) increased concessionality. Yet, more is needed to provide financing assurances and generate renewed confidence in the growth potential of the country, particularly considering the continued negative impact of regional instabilities on the domestic economy, and to mitigate the potential social implications of the reforms. Moreover, Jordan is required to undergo fiscal consolidation at a time when social spending and capital investments will be critical and when interest costs are on the rise. As a result, Jordan would benefit from additional support in terms of concessional financing, grants and guarantees (for Eurobonds or increased IFI support) that would help Jordan set the cost of market-based financing.

In this context, GoJ requests the approval of the World Bank Group support to our program. Additionally, we hope that DPF will be provided on maximum concessionality given the burdens Jordan continues to carry due to regional crises while taking into consideration the country continued commitment to comprehensive reforms and noting that the Global Concessional Financing Facility has been a great success for fair burden sharing and came to support vulnerable middle-income countries dealing with refugee crisis and neighbouring crises.

Allow me to reiterate our sincere appreciation to the WBG continued support to Jordan and we look forward to a stronger partnership in the future.

Please accept my highest esteem and consideration.

Sincerely,

Imad Najib Fakhoury
Minister of Planning and
International Cooperation