PPIAF COUNTRY IMPACT ASSESSMENT: Jordan

February 2022
PPIAF Country Impact Assessment – Jordan
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Executive Summary

PPIAF and SNTA Support in Jordan

Since 2000, PPIAF has supported ten activities in Jordan, with total expenditures of $2.4 million. Of the ten activities, five were completed between 2005 and 2012, and five were completed between 2013 and 2020. The PPIAF activities focused on (a) improving and supporting the enabling environment, and (b) supporting the transportation, energy and water and sanitation sectors. Almost half the funding were for non-multisector activities ($1.0 m) and four of the activities to date were focused on improving the enabling environment. The transportation sector is the area that received the least PPIAF support, with only 4 percent of disbursements ($86,300). The single SNTA activity, titled “Greater Amman Municipality: Public Expenditure and Financial Accountability (PEFA) Assessment and Design of Technical Assistance for Strengthening Municipal Finance” was completed in 2017, with a disbursement of $220,000.

Since October 2020, there have been no ongoing PPIAF or SNTA activities in Jordan.

Approach to Assessment

The key dimensions of the TAP Jordan Country Impact Assessment are the relevance, execution, and effectiveness of individual PPIAF-supported activities, plus the overall impact of PPIAF support on the Government’s private sector participation (PSP) initiative to deliver new infrastructure, as assessed by Indicators of Markers of Progress. SNTA activities are also assessed in terms of relevance, efficiency and effectiveness, and overall impact using Indicators of Markers of Progress specifically designed with relevance to the objectives of SNTA activities.

The Jordan Country Impact Assessment was based upon document review and interviews with a wide range of representatives of the World Bank, IFC, and the Government of Jordan. The major factor limiting the assessment was the inability to conduct a TAP/PPIAF mission to Jordan, or to arrange interviews with SOEs or private sector representatives, due to the COVID-19 pandemic.

Key Findings

**Relevance:** At the multi-sector level, PPIAF support was fundamental in the development of a best practise PPP enabling framework, although the development pace was very slow and in fact is not completely in place as the addition of regulations and capacity is still in process. The support was very much in line with the WBG’s programmatic approach to developing a PPP initiative in Jordan and, in the transportation sector, with the WBG’s priority to provide direct assistance and policy loans to implement a pilot project under the Maximizing Finance for Development initiative. PPIAF support in the water sector was consistent with GoJ priorities and, in the energy sector, support was very relevant as it coincided with a major GoJ initiative to restructure, privatize and regulate the energy sector, and was a key component of a more general EU and USAID initiative to build regulatory capacity in Jordan.

**Efficiency:** In terms of Efficiency, Output Reports were typically of high quality, although only two of the 10 Activities were completed on schedule, and on average projects were delayed by 10.5 months. There are two activities (the 2000-05 activity in the water sector and “Supporting the Development of Jordan’s PPP Program: Phase II”) where, in the water sector case, Intended Outputs were not delivered and, in the PPP Phase II case the Intended Outputs were not delivered according to the approved terms of reference. Since conditions within governments can change, some schedule slippages should be expected, but it would appear that this high incidence can be explained in the Jordan context, at least in part, by unusually high levels of turnover within the public sector and shorter length of average tenure.
in a position compared to other countries. At the multi-sector level, Section 4.1.2 describes a change in Terms of Reference with Phase II of the “Institutional and Policy Support” activity after the Application was approved, and without further documentation and approval of the change.

**Effectiveness:** At the multisector level, PPIAF activities were very effective in leading to the development of what is emerging to be a best practice enabling framework including institutions. The underlying implementation process has been slow, and no transactions have been completed as yet, but a schools project has been approved and moved towards the RFQ stage, and the direction has been largely correct in terms of best practices. An exception is the NAMAS activity as, to date, no qualifying, low-carbon infrastructure projects have been moved forward to the pipeline of priority PPP projects. In the transportation sector, the analysis of scope options for the Amman Development Project Phase II, provided very effective results, even though the results were not as defined in the approval documentation. In the water sector, the single PPIAF activity was in 2000 and the recommendations for regulatory and competitive reform were enacted in line with activity recommendations. However, it should be noted that electricity tariffs are subsidized, which has the potential to negatively affect the creditworthiness of NEPCO. Given the importance of creditworthiness for an electric utility company, such as NEPCO, an increase in the electricity tariffs could help increase the creditworthiness of NEPCO.

The activity to support a PEFA for GAM is the single SNTA activity supported by PPIAF in Jordan. It appears to have had some limited effectiveness, but to have been somewhat isolated. There is no follow up planned, which means that PEFA analyses are unlikely to be an on-going activity for GAM. There are, however, activities that sprung up as a result of the PEFA, and activities that use some aspects of the PEFA, such as the "smart cities” initiative. The current smart cities initiative, titled “Vibrant Smart and Green Amman Transformation” is still in the business development stage. As part of the smart cities initiative, there are three pillars, one of which is a “financial sustainability” pillar. Moreover, under the smart cities initiative, the bank team along with the government are also looking into the areas of asset management and urban planning. There is also evidence that some of the work done as part of the PEFA may feed into further work as the government pursues creditworthiness in 2022. Furthermore, some of the work done as part of the PEFA may be used in the upcoming institutional reform plan, for which the government is currently looking for donor support. Lastly, it should be noted that the government has incorporated a company (GAM Land Development Company) to help manage its land. To conclude, the TAP did find some evidence that strongly suggests that the process of the PEFA has, to an extent, informed the current World Bank engagement in GAM.

**TAP Assessment of PPIAF Support Against PPP Markers of Progress**

**Indicator: “Objective Methodology”:** The 2015 Regulations required the use of a VFM methodology in PPP project selection, feasibility assessment, and procurement preparation, but there is no methodology specified, and to date there have been no examples of the use of such methodology. Phase I of the PPIAF-supported framework development activity produced a Procurement Prioritization Tool designed for the selection of PPP projects worthy of detailed feasibility assessment, but there are no examples as yet of the use of this tool. For instance, the Jordan Economic Backbone project has not yet been submitted to the use of the Tool or formal analysis, even though action is being taken to move it forward. Accompanying the new PPP Law enacted in 2020, 24 priority projects in a variety of sectors were identified, and the selection was based upon a WB “Strategic Assessment: The 2019 Project Pipeline for Jordan” which did not include a formal PPP assessment methodology. However, within the past year, a Public Investment Management (PIM) system was implemented and, as indicated in “Guideline #1: Project Concept Note preparation and Preliminary Screening (February 2020)”, aspects of PPP prioritization were incorporated as part of the Project Concept Note to be submitted by line
ministries for all PIM projects. Larger projects with PPP potential are then to be referred to the PPP Unit for prefeasibility and feasibility assessment, with the financial assistance of a Project Development Fund. The PPP Unit has indicated that priority projects have been identified and are at the prefeasibility stage (Amman BRT, King Hussain Border Crossing, schools bundle, broadband project), but it is not clear as to the methodology used to select the projects. The “PIM-PPP Policy (2019)” defines the requirement for a best practice value-for-money assessment of PPP options versus public works options in the prefeasibility and feasibility assessments but, since the PIM and PPP units are still in the early stages of “operationalization,” it is unlikely that this methodology has been implemented.

**Indicator: “Effective Framework”:** The initial PPP Law (2015) was a major step forward for the GoJ PPP initiative, but the Act had major flaws. The Law covered all sectors but allowed for sectoral exemptions, and exemptions were provided to the water and energy sectors (which means that all the IPP transactions since 2015, the only PPPs closed in Jordan since 2012, would have been executed outside of the PPP Law). In addition, while the Project Development Facility created in 2015 would provide funding for project selection and preparation, the PDF remained unfunded. There is a requirement to apply a VFM methodology in project selection, but there is no specific methodology in the regulations.

The PPP Law was amended in April 2020 and resolved several weaknesses in the original Law: the PPP Directorate and the PPP Unit were shifted to the Prime Minister’s Office, with fiscal commitment responsibilities separated into the Ministry of Finance; the Project Development Fund was formally enacted, and partial commitments amounting to $6m USD have been secured; sectoral exemptions to the Law were eliminated: and financial support for unsolicited proposals was eliminated.

The Law requires a fiscal affordability assessment, but the actual fiscal framework to manage and disclose total PPP liabilities (present value) or contingent liabilities has not yet been implemented.

**Indicator: “Wide and Deep Program”:** As noted in earlier sections, prior to 2012 there were a variety of PPP projects successfully closed in Jordan, both greenfield and brownfield, of varying size and complexity, and across a variety of sectors. After 2012, when the GoJ commenced a more formal PPP initiative, there have been some 28 greenfield IPP projects, all in the renewable energy sector (solar and wind), 20 of which involved investments of less than $100 million. Clearly, the GoJ PPP initiative between 2012 and 2020 has been entirely focused in the energy sector. However, as of November 2021, a schools project was approved and moved to the RFQ stage.

There are signs that the GoJ is committed to a PPP initiative that extends to many sectors in addition to the energy sector. At present the PPP Unit has identified a number of priority projects in several non-energy sectors that have received approval to proceed to the pre-feasibility and feasibility assessment stage. The PIM Unit and the FCCL Unit are being operationalized on a multi-sector basis with standardized documentation for line ministries. Under the new law, sectors are no longer permitted to be exempted from following the terms of the PPP Act. The Project Development Facility, once operationalized, will be available across sectors.

**Indicator: “Balanced Commercial Risks” and “Active Bidder Market”:** Within the energy sector, there has been active and diverse bidder interest and many closed IPP transactions, suggesting a reasonable balance of commercial risks in the transactions, although financing for IPP projects has generally required government/MDB support to offset the commercial risks inherent in the projects. Over the past decade, despite the reform in the electricity sector and the implementation of regulation, the operating performance of NEPCO, the off-taker in IPP contracts, has continued to deteriorate as a result
low tariffs on electricity and the accumulation of debt. NEPCO's role as an off-taker therefore requires continued government/MDB support. Outside the energy sector, there has not yet been a procurement in the market under the new enabling framework. However, as of November of 2021, the GOJ has accelerated the PPP pipeline, and a schools project has been approved to move to the RFQ stage. Furthermore, FCCL analysis is also being conducted on the pipeline of projects. Current indications are that the Economic Backbone project may be too risky to attract private sector interest without significant additional support and/or removal of demand risk, and is still under discussion with the GoJ. Those discussions indicate that a smaller scale pilot project, focused on tolling, may be the way to move forward. Although there was a delay between the design and launch of the “best practice” PPP Law, as well as the operationalization of the PPP Pipeline, it should be noted that the operationalization of the PPP Agenda is a top priority for the Prime Minister of Jordan.

**Indicator: “Genuine Project Finance”:** PPP projects before 2012 typically were led by international equity partners with debt supported by WBG, IFC financing or MIGA guarantees. For example, the Queen Alia Airport of Amman major project, a 25-year brownfield contract with $675m investment and a highly competitive procurement with six international bidders had debt provided by the IFC syndication with $110m IFC and WBG. Similarly, the IPP projects after 2012 typically involved international equity partners and in every case utilizing debt was provided by the EBRD and/or IFC, and typically with a bilateral bank as a debt partner, and occasionally involving a commercial bank as a junior partner and a reduced risk profile.

**Indicator: “Ex Post Assessment”:** There is no requirement to disclose financial or VFM analysis, or to conduct ex post assessment of VFM.

**TAP Assessment of SNTA Support Against Markers of Progress**
The TAP notes that, out of the 10 activities supported in Jordan to date, only one was an SNTA activity. This is somewhat surprising given the prominence of SNTA activities within the current and past PPIAF Strategies, and the importance of sub-national entities in Jordan, such as the Greater Amman Municipality (GAM), which houses 40 percent of the Jordanian population, and NEPCO, which is the sole off-taker of electricity IPPs.

It is difficult to assess progress against SNTA Markers of Progress based on the experience of the activity to support a PEFA for GAM. There are, however, activities that sprung up as a result of the PEFA, and activities that use some aspects of the PEFA, such as the “smart cities” initiative. The current smart cities initiative, titled “Vibrant Smart and Green Amman Transformation” is still in the business development stage. As part of the smart cities initiative, there are three pillars, one of which is a “financial sustainability” pillar. Moreover, under the smart cities initiative, the bank team along with the government are also looking into the areas of asset management and urban planning. There is also evidence that some of the work done as part of the PEFA may feed into further work as the government pursues creditworthiness in 2022. Furthermore, some of the work done as part of the PEFA may be used in the upcoming institutional reform plan, for which the government is currently looking for donor support. Lastly, it should be noted that the government has incorporated a company (GAM Land Development Company) to help manage its land. To conclude, the TAP did find some evidence that strongly suggests that the process of the PEFA has, to an extent, informed the current World Bank engagement in GAM.
Recommendations for PPIAF in Jordan

Recommendation #1: The development of a toll-based road expansion project around Amman has a long history in Jordan, and the current scope under consideration as a pilot project is the “Jordan Economic Backbone Project” which is very significant in size and complexity. Given the GoJ’s fiscal condition, this scope option attaches toll risk to the concession, in an attempt to make the project financially self-sufficient. This is understandable, but nevertheless imposes very significant contingent risks on the GoJ in the event the procurement or the project itself fails, in terms of preparations costs, step-in costs and other exposures, and in addition, imposes an extremely complex project into a government with limited capacity and no experience with a project of this scale. A rescoped pilot project with reduced scale and risk should be considered, before PPIAF has further involvement.

Recommendation #2: PPIAF support in Jordan, implemented through WB and IFC-led activities, is closely aligned with the Government’s stated commitment to implement a comprehensive PPP program, but to date the reform of the enabling framework for the program has outpaced the government’s capacity and desire to utilize it, and despite implementation of such reforms as amending the PPP Act, progress in terms of structuring, planning and delivering a PPP transaction has been slow. Key examples include (a) the government is reluctant to proceed with the proposed Economic Backbone project because of an unwillingness to impose user-fees and resettlement, however a smaller scale pilot tolling project may be attempted instead; and (b) the implementation and operationalization of the PPP Law and associated by-laws, PIM Unit, PPP Unit, and FCCL Unit has been slow, but in November 2021 a schools project was approved to move to the RFQ stage, and the government is currently conducting FCCL analysis on the PPP pipeline. Although it was a slow start, the operationalization of the PPP agenda is currently a top priority for the Prime Minister. PPIAF should require that any further technical assistance for project delivery in Jordan be in close alignment with WBG reform incentives such as development policy loans or investment financing.

General Recommendations for PPIAF

Recommendation #3: The PPIAF-supported activity “Supporting the Development of Jordan’s PPP Program: Phase II” had a major change in Terms of Reference without documented explanation and approval. PPIAF should reconsider its procedures to prevent such occurrences.

Recommendation #4: The Intended Outcome for the 2019-20 PPIAF-supported activity “Amman Development Corridor Phase II Technical Studies” was that the GoJ would “implement the recommendations outlined in the final report” and the related InfraSAP indicated that the project was not viable in its current form. Therefore the technical studies produced exactly the results required by the WB client, but the WB proceeded to recommend an alternative structure that has not yet been approved by the GoJ. PPIAF should ensure that Intended Outcomes are defined such that Outcomes can be measured as “realized” even if the client chooses to follow a different course.

Recommendation #5: The 20-year scope in Country Assessments to date is too long to be relevant and difficult to assess as many of the participants are no longer readily available. If PPIAF continues with Country Assessments in future years, the scope of the assessment should be reduced to activities supported over the previous decade, or over the period of the PPP initiative if longer than a decade.

Recommendation #6: The 2019-20 Activity “Support for Amman Ring Road Phase II Technical Studies” was designed to provide tolling and “willingness to pay” analyses of various scope options for the Amman Road Phase II project in order to identify “self-supporting” scope options for further pre-
feasibility and feasibility assessment. The Terms of Reference for the activity lie between upstream focus on enabling frameworks and institutions building and more downstream focus on specific transactions. The results of this type of activity could be critical to defining the project that would go into the PPP pipeline, but very likely could be outside the scope of a country’s Project Development Facility (in Jordan’s case the PDF was not funded at the time). If the activity is outside the mandate of an existing PDF, technical assistance for “project definition” should be considered as part of PPIAF’s mandate. “Project definition” could include such topic areas as preparation of concept notes, service requirements and physical scope definition.
1. Introduction

In the fiscal year 2021, PPIAF, through its Technical Advisory Panel (TAP), has carried out a Country Assessment (CA) of its technical assistance in a single country (Jordan). The purpose of the assessment is to review the scope of PPIAF’s technical assistance in Jordan since 2000 and to identify and validate the outcomes in terms of regulatory and sector reform to encourage private sector participation in infrastructure (PSP), including the impacts of any Public Private Partnerships (PPP) projects facilitated. For the purposes of this assessment, the working definition of PPP, which is set out in the glossary of the PPIAF/WBG 2017 publication “Benchmarking Public-Private Partnership Procurement” has been used: “Any contractual arrangement between a public entity or authority and a private entity for providing a public asset or service in which the private party bears significant risk and management responsibility.” PSP has a somewhat broader and more general interpretation, and is defined as any agreement between a public entity and a private entity for purposes of improving services and which may not include a capital investment (such as an Operations and Maintenance contract). PPIAF activities also include providing assistance to Sub-National Entities (SNE’s) responsible for infrastructure to become creditworthy and increase their access to financing without sovereign guarantees. For the purposes of this assessment, “SNEs” include sub-national governments plus enterprises owned by national or sub-national governments.

This assessment is intended to complement the measurement of quantitative infrastructure development indicators in PPIAF’s results framework by providing qualitative assessment of the progress that Jordan has made through the aggregate change in the macro-level policies and regulations that drive the private investment in infrastructure. The main audiences for this assessment are the PPIAF Program Council, the PPIAF Program Management Unit (PMU), and the Infrastructure, PPPs and Guarantees (IPG) Group within the World Bank’s Infrastructure Vice-Presidency, and also the Country Management Units and client governments. Other stakeholders, such as the IFC PPP Advisory, as well as other MDBs and PPIAF partner organizations, could also benefit from the insights.

The major objective of the CA is to explore and, if possible, identify and understand the links between (a) the results achieved over time by a country in delivering infrastructure services through PSP and (b) PPIAF technical assistance to Jordan. This involves defining the key critical success factors or key critical failure factors of the country and mapping, within these contexts, PPIAF’s support in terms of the achieved results. This objective will be achieved through establishing the relevance, effectiveness and impact (as defined below) of PPIAF-supported projects to Jordan’s objectives in terms of mobilizing PSP in the selection, planning and delivery of infrastructure projects. This includes not only the direct contribution of PPIAF-supported projects, but also how Jordan has built upon this support in implementing its PPP initiative. This CA will also use the “Markers of Progress” performance indicators, developed in FY18 in response to a request from the Program Council for PPIAF to provide more in-depth feedback of the direct and indirect impact of PPIAF activities on overall PPSP programs over more extended periods of time. The Jordan report is the ninth CA provided to the Council since FY18.

2.1. Country Context

In the mid-1980s Jordan’s economy was negatively impacted by reduced demand from the neighboring Gulf Cooperation Council (GCC) countries when these countries faced serious economic slowdown as a result of sharp drop in oil prices. Consequently, the reduction in GCC’s demand for Jordanian export products and Jordanian labor in their own economies led to a decrease in Jordan’s foreign exchange earnings from export products and remittances—the latter making up two-thirds of foreign exchange earnings at the time. The GCC countries also could no longer provide Jordan with direct budget support which had been, to that point, equivalent of one-half of the Government of Jordan’s (GoJ’s) total domestic revenues. Thus, the GoJ decided to borrow externally to make up for the deteriorating revenues. In 1989, it took its first structural adjustment loan of USD 150 million from the World Bank for the purposes of improving the country’s industrial and trade policy. This loan was complemented by another macro-economic stabilization program from the IMF as a stand-by arrangement for USD 125 million.

The World Bank loan and the IMF assistance helped launch trade and investment reforms while reducing inflationary pressures; however, between 1985 and 1993, Jordan’s economic growth remained negative (at an average of -5.9 percent) while per capita income declined. By the mid-1990s, Jordan’s external debt to international financial institutions had jumped to 219 percent of its Gross National Income (GNI), and its debt service reached 16.5 percent of GNI.

The poor performance of infrastructure sectors and fully state-owned enterprises in those sectors was the primary contributing factor to Jordan’s mounting external debt. The external debt of state-owned and operated infrastructure enterprises (water, public transport, aviation, railways and ports and non-infrastructure mining enterprises (cement, potash, and phosphate) peaked at USD 1 billion—three-quarters of which had been issued by the state-owned Royal Jordanian Airlines.

As a result of this performance, the GOJ launched a privatization initiative by establishing the Executive Privatization Commission (EPC) at the ministerial level. The privatization process initially had legislative support through the Constitution, which gives the Cabinet of Ministers the responsibility to manage all internal and external matters of the state, and in 2000 a formal Privatization Law was passed. Legal, organizational and operational preparatory work for the privatization of infrastructure enterprises was onerous and prolonged, but between 1989 and 2012, a total of 15 transactions (including spin-offs of Royal Jordanian Airlines and major electric utilities) were finalized. The EPC made several attempts to privatize other fully state-owned enterprises, including Aqaba Railways, Jordan Post Company (JPC), Jordan Grain Silos and Jordan Petroleum Refining Corporation (JPRC), but despite more than one attempt in some cases, the EPC finally abandoned the processes.

Prior to the financial crisis, between 2000 and 2008, Jordan’s average annual gross domestic product (GDP) growth rate was faster than in other economies within the Middle East and North Africa (MENA) region (6.6 percent in Jordan compared to 5.0 percent in MENA), and it was the third fastest-growing economy, behind Qatar and Kuwait. However, due to its strong economic linkages within the Middle East region, through such avenues as investment, tourism, and remittances, the 2008–09 global financial crisis precipitated a protracted economic slowdown in Jordan starting in 2010. This was followed by the...
negative impact of spillovers from regional wars, first in the Syrian Arab Republic and then Iraq, which led to security issues, the closure of trade routes with Iraq and Syria, and the termination of gas supplies from Egypt. Despite the eventual re-openings, uncertainty has remained, and the value and extent of prior trade is yet to recover.

Amid this regional turmoil, the Jordanian economy has also had to absorb the arrival of nearly 3 million refugees, increasing Jordan’s population to 12.4 million and incurring additional fiscal costs. These shocks have combined to curb Jordan’s economic growth rate, and the average GDP growth rate since 2009 has declined to only 2.7 percent, the 15th fastest out of 21 economies in the region. In addition, the impact of COVID-19 on the global economy is likely to significantly further dampen Jordan’s near-term growth prospects. Unemployment remains very high, at approximately 20 percent. As a result of continued low tariffs on electricity, the debt of both NEPCO, the SOE single-buyer and seller of electricity, and the GoJ have increased dramatically since 2010.

As a consequence of these negative economic and political factors, Jordan’s fiscal situation is very weak. The overall budgetary deficit of the central government stands at approximately 5 percent of GDP, and in combination with lackluster economic growth results in an elevated public debt-to-GDP level, with central government debt reaching 99 percent of GDP in 2019.

In 2012, the Government of Jordan announced an initiative to improve its enabling PSP framework so as to increase the number and effectiveness of infrastructure projects delivered through the use of PSP. In 2014, the Government of Jordan reaffirmed its commitment to the use of PSP in its new economic development plan “Jordan 2025: A National Vision and Strategy”. Since the announcements in 2012 and the subsequent reforms to the PPP legal, institutional and policy framework, according to the PPI database there have been 29 transactions, which included 28 Independent Power Producer agreements (IPPs) in the energy sector, and one brownfield project at the Amman airport. Of these IPP projects, almost all had international equity partners, with debt provided by the EBRD and/or IFC, typically with a bilateral entity as a partner, and occasionally with a commercial bank as a junior partner.

According to the recent Benchmarking Infrastructure Development 2020 report, Jordan performs below the MENA region average in the areas of PPP Preparation and PPP Procurement, and also below the average of its neighboring countries, namely Iraq, Israel, and Saudi Arabia. However, in PPP Contract Management, Jordan performs above the MENA average, as well as above the average of its neighboring economies. Lastly, in the area of Unsolicited Proposals, Jordan matches the MENA average and performs better than the average of its neighboring economies.

2.2. Summary of PPIAF Support

Since 2000, PPIAF has supported ten activities in Jordan, with total expenditures of $2.4 million (see Annex A for a full list of regular PPIAF activities, and Annex B for details of the single PPIAF-supported SNTA activity). Of the ten activities, five were completed between 2005 and 2012, and five were completed between 2013 and 2020.

The PPIAF activities focused on (a) improving and supporting the enabling environment, and (b) supporting the transportation, energy, and water and sanitation sectors. Almost half the funding were for non-multisector activities ($1.0 m) and four of the activities to date were focused on improving the
enabling environment. The transportation sector is the area that received the least PPIAF support, with only four percent of disbursements ($86,300).

The single SNTA activity, titled “Greater Amman Municipality: Public Expenditure and Financial Accountability (PEFA) Assessment and Design of Technical Assistance for Strengthening Municipal Finance” was completed in 2017, with a disbursement of $220,000.

Since October 2020, there have been no ongoing PPIAF or SNTA activities in Jordan.

### 2.3. PPIAF Multi-Sector Support

The GOJ embarked on privatization in 1989 by announcing the establishment of an Executive Privatization Commission. The GOJ subsequently developed privatization policies and undertook a series of privatization transactions for infrastructure and non-infrastructure enterprises. The privatization process initially had legislative support through an article of the Constitution giving the Cabinet of Ministers the responsibility to manage all internal and external matters of the state, and in 2000 a Privatization Law was passed.

In 2011 the GOJ was interested in a more formal PSP initiative and had developed a preliminary pipeline of potential PPP projects. Previously, Jordan had achieved some success with delivering infrastructure through the use of PSP, having completed 17 transactions with a total investment of $6.8B, although most of these transactions involved privatizations. Between 2000 and 2011, direct experience with private partnership arrangements included seven water/wastewater, IPP and container terminal projects, and a major concession for the Amman International Airport. The WBG advised that a special-purpose PPP law would be very useful in addressing certain ambiguities in the existing Privatization Law, and in June 2011 the GOJ approved a draft PPP law, and in December 2012, the GOJ announced that a PPP Unit would be created in the Ministry of Finance. In light of these developments, PPIAF supported an activity (Institutional and Policy Support for the Development of the PPP Program) with the objectives of developing an improved enabling framework including the definition of the mandate of the PPP Unit; reviewing gaps in the legal framework (and in the draft PPP Law); identifying a viable PPP pipeline; and developing an overall PPP strategy for the GOJ.

Between 2013 and 2014 PPIAF supported the Independent Privatization Evaluation Committee to assess 19 prior projects executed in Jordan under the previous Privatization Law. The objective of the “Impact Assessment of PSP in Infrastructure” activity was to develop lessons learned that could help shape the new PPP program proposed by the Government of Jordan. The report found that the privatization program was an overall success, but that improvements to the legislative environment and improved execution/oversight of projects could improve overall credibility, transparency, and competition. Based on these findings, the report recommended the preparation of a PPP Law and the establishment of a PPP Unit, both of which were subsequently reviewed and assessed via additional PPIAF assistance “Institutional and Policy Support for the Development of the PPP Program: Phase I”.

Following this assistance, a PPP Law was enacted (November 2014), PPP Regulations enacted (November 2015), a PPP Policy implemented (April 2016), a PPP Unit created, and a PPP pipeline identified using new methodology. PPIAF then assisted the Supporting the Development of Jordan’s PPP Program: Phase II with the objectives of refining and re-testing the new PPP pipeline to ensure consistency with the new “Jordan 2025: A National Vision and Strategy” (implemented in 2015); in
selecting five pilot PPP projects; and in designing a Fiscal Management Framework, including an FCCL unit and tools for application.

PPIAF also supported a multi-sector support activity to assist Jordan to fulfil its obligations in terms of the list of “nationally appropriate mitigation actions” (NAMAs) it submitted to the United Nations Framework Convention on Climate Change (UNFCCC) in 2010. This activity aimed to provide assistance to the Government of Jordan to assess options to embed a low-carbon approach into development planning, and to identify mitigation projects in the infrastructure sector which demonstrated potential for PPPs. This activity screened a longlist of projects across various sectors/ministries that fit the criteria for NAMA and, based on this, an industrial wastewater treatment and energy project was selected as the most promising. As a result, further pre-feasibility analysis was conducted on the project to try to develop a project structure for tender, but momentum stalled.

2.4. Support for Specific Sectors

Transportation
By 2019, despite the enhancements to the PPP enabling framework and the implementation of upgraded methodology over the 2014-2018 period, the GoJ recognized that PPP delivery was struggling due to the lack of available fiscal support, and that the need for a self-sufficient, bankable pilot project was identified as a priority. Consequently, the Amman Ring Road was selected as the most viable opportunity, and PPIAF provided support for traffic and “willingness to pay” surveys, and for the assessment of land expropriation costs.

Water
Jordan suffers from severe water scarcity, but nonetheless has one of the highest rates of access to improved water sources of the MENA region (according to the WHO - UNICEF Joint Monitoring Program, in 2017 94 percent of households used a safely managed source, and 88 percent used piped water). However, water supply is intermittent and non-revenue water (NRW) is high and the tariffs are subsidized. Jordan does not have a regulatory agency for water and wastewater, and the overall enabling environment for private sector participation is lacking.

The PPIAF-supported activity entitled “PSP and Regulatory Reform in the Water and Sanitation Sector” was PPIAF’s first intervention in Jordan. Initiated in December 2000, the activity was designed to be instrumental in strengthening the institutional structure for increased private sector participation in the water and sanitation sector. The objective of the activity was to identify and recommend the appropriate institutional regulatory option, including an appropriate legal and regulatory structure, and to develop draft legislation, including the creation of a regulatory agency.

Energy
Since 1996, legislation was enacted to unbundle the Jordan Electricity Authority, the national SOE responsible for generation, transmission and distribution, into three separate SOE’s: the National Electricity Power Company (NEPCO, a transmission company and system operator), CEGCO (a generation company) and EDCO (a distribution company). A regulator, the Electricity Regulatory Commission (ERC) was also created, and the General Tariff Law (GEL) enacted in August 2002 outlined the tariff policy of the GoJ. The transition to a more competitive electricity market was planned for Spring 2004, and PPIAF supported an activity to develop operational rate-making rules and tariff design to facilitate the transition, and to develop capacity within the ERC for ongoing tariff design and application. This support was one component in a much larger EU program to assist the GoJ build
regulatory capacity. In addition, USAID was supporting the design of the organizational structure of the ERC.

By 2004, EDCO had been privatized, such that there were now three privately-owned distribution companies, and further support was provided by PPIAF to prepare a transition strategy for NEPCO into the newly-competitive electricity market, including the legal, regulatory and policy issues required to enable the transition and position NEPCO as an Independent Transmission Operator, and enable the reduction in fiscal pressures on the Government from a subsidized tariff system.

PPIAF also supported an energy activity related to climate change mitigation and green growth. It commenced in 2009 and was designed to determine the feasibility of increasing the uptake of solar water heaters in the Greater Amman Municipality through a PPP. This activity was in support of the planned Amman Green Growth Program, which has since been suspended.

2.5. SNTA Multi-Sector Support

PPIAF supported an activity to enhance the institutional and financial management systems of the Greater Amman Municipality (GAM) to enable it to meet its service delivery responsibilities in a sustainable and accountable manner. The metropolitan area of Amman, the capital city of the Kingdom of Jordan, accounts for approximately 40 percent of Jordan’s population, 80 percent of the country’s industrial sector, and 55 percent of total employment. In recognition of the expansion of the city and the integration of nearby villages and suburban developments, the perimeter of GAM was extended in 2007 to include seven additional districts, bringing the total area of GAM to 1,680 km² and its population to 2.2 million. As the local government of the capital city of Jordan, GAM has the responsibility to meet the increasing demands for municipal services from its citizens and stakeholders. GAM wanted to enhance the quality of its financial management systems and processes so that it was able to manage its resources efficiently, and requested the World Bank to carry out a Public Expenditure and Financial Accountability (PEFA) Assessment as well as provide technical assistance to strengthen and improve its financial management performance.

The PPIAF activity “PEFA Assessment and Design of TA for Strengthening Municipal Finance”, approved in 2016, was designed to (1) carry out a PEFA assessment of GAM and prepare a report with ratings on the PEFA indicators and (2) support the development of a Technical Assistance (TA) Plan to improve GAM’s financial management performance and enhance its financial sustainability.

3. Assessment Methodology

3.1. Assessment Approach for PPIAF-Supported Activities

The assessment methodology is based on the OECD DAC Criteria for Evaluating Development Assistance, specifically relevance (including coherence), efficiency and effectiveness, supplemented by additional performance measures of efficiency to include the execution of activities. In addition, the TAP’s Markers of Progress methodology was used to measure performance against broader, longer-term program objectives. More specifically:
**Relevance:** The extent to which the PPIAF activities were suited to the priorities and policies of the recipient government and donors. Did PPIAF’s support address significant gaps and bottlenecks in the recipient government’s ability to fulfill its mandate?

**Efficiency:** Efficiency measures the extent to which PPIAF Activity Outputs were completed, with the required quality, and met scheduled benchmarks.

**Effectiveness:** Effectiveness measures the extent to which PPIAF activities attained their objectives and Intended Outcomes: that is, have the objectives and Intended Outcomes of PPIAF’s technical assistance been achieved? Measurement of effectiveness is based upon a comparison of actual performance and such Intended Outcomes as:

- Increased government commitment and capacity to select, plan, govern and deliver PSP projects.
- Clear and effective legal, policy and institutional enabling framework;
- PSP transactions commenced and/or concluded;
- Use and dissemination of knowledge products;
- Catalyzed additional support from program partners and from other donors/organizations.

**Progress, Impact and Sustainability:** A primary focus of the Country Assessment is to take a longer, downstream perspective to assess the “progress” of a PSP initiative, which in this context is the assessment of whether (a) the PSP initiative is evolving towards the delivery of a greater volume of infrastructure using PSP models, and (b) the quality of PSP transactions is beneficial from the government’s point of view. The assessment is based upon a comparison of actual performance (using Indicators of performance that typically are subsequent to the actual PPIAF activity) and a set of broad Markers of Progress (Annex C), where each marker represents stages in the development in a PSP government initiative to deliver infrastructure (as described in Figure 1 below). In addition, the Markers take into account extraneous environmental factors that may be influencing the rate of progress. This longer term perspective also provides some insight into the assessment of the impact of the PSP initiative in achieving development objectives through increasing the availability of infrastructure and the sustainability of infrastructure through the use of PSP models (since PSP and specifically PPP contractual arrangements typically deliver infrastructure that incorporates long-term asset management and rehabilitation into the contracts).

Figure 1 Stages in the Development of a PPP Initiative
In addition, broader program objectives of PPIAF, and for the WBG, such as gender equity, climate change mitigation and adaptation, the alleviation of poverty and other development impacts were assessed by comparing PPIAF objectives with activity Outcomes. Reference has been made to any unintended results, both positive and negative, and to any significant impacts on sectors and/or regions outside the PSP program objectives of the government. The assessment has also examined the role and status of local development funds and institutional support from other donors/organizations. The team looked at data in “Benchmarking PPPs” and compared Jordan to developed markets and regional peers.

3.2. Assessment Approach for PPIAF-Supported SNTA Activities

As with PPIAF Activities, assessment of the effectiveness of SNTA Activities was based upon an examination of actual performance as compared to the Intended Outputs and Outcomes as specified in activity documentation, where typical Intended Outcomes might include:

- Increased national government commitment and capacity to improve the overall creditworthiness of SNEs;
- Clear and effective legal, policy and institutional enabling framework supporting PSP projects with SNEs;
- PSP transactions commenced and/or concluded by SNEs;
- Use and dissemination of SNTA knowledge products;
- Catalyzed additional support from program partners and from other donors/organizations.

Again, as with PPIAF Activities, assessment of the direct and indirect impacts of SNTA interventions on the overall success of the government’s initiative to broaden and increase the effectiveness of access to financing at the sub-national level, was based upon a comparison of actual performance and a set of Markers of Progress designed specifically for SNTA activities (see Figure 2 below).

Figure 2 Stages in the development of Sub-National Financing
3.3. Data Sources

Data sources included:

- Project documentation including Activity applications, sign-off reports and activity outputs/deliverables;
- Key informant interviews conducted during virtual meetings with current and former World Bank staff and Task Team Leads;
- PPIAF-funded World Bank publications, such as the *Benchmarking Infrastructure Development 2020* report and its earlier iterations including – *Procuring Infrastructure PPPs 2019* and *Benchmarking PPP Procurement 2017* as well as the *Private Participation in Infrastructure (PPI) Database*;
- World Development Indicators Database
- IJ Global Transaction Data
- Relevant World Bank/IFC documentation

Due to the recent data challenge made to the *Doing Business Report*, the *Doing Business* rankings were not used in this in this assessment. Furthermore, due to the age of its data (2019), The Economist Intelligence Unit’s Infrascope Index: Measuring The Enabling Environment For Public-Private Partnerships In Infrastructure also were not used in this assessment.

The team consisted of Larry Blain and Clarissa Brocklehurst, Technical Advisory Panel members, and Khasankhon Khamudkhanov, PPIAF Monitoring and Evaluation Specialist.

3.4. Limitations

The PPIAF/TAP country assessment team did not undertake a mission to Jordan due to the COVID-19 pandemic. Instead, online interviews were conducted with the government, WBG and IFC as described in Annex A. The country assessment was limited by the availability of interviewees through the December 2020-May 2021 period. It was not feasible to conduct interviews with as wide a range of government officials, SOEs and private sector representatives as would have been the case had a mission been conducted. The assessment team was also limited by the fact that it could not access certain documents, such as Concept Notes, prefeasibility studies, and feasibility studies, prepared subsequent to the involvement of PPIAF support. An additional limiting factor was the difficulty in arranging respondents who could provide information on interventions that had taken place during the early stages of PPIAF engagement, as some of them, both on the side of the World Bank and the Government of Jordan, were no longer in those positions. Furthermore, during the virtual-mission to Jordan, the TAP was unable to schedule meeting and interview government officials at the Greater Amman Municipality, as well as at the Ministry of Energy and Mineral Resources. Virtual meetings with Saroj Kumar Jha (WB, Country Director) and Holly Welborn Benner (WB, Jordan Resident Representative) could not be arranged.

One generalization from reviewing the 10 PPIAF and SNTA-supported activities is that Intended and Actual Outputs, Intended Outcomes and indicators of Outcomes are often not sufficiently precise to enable ex poste measurement and assessment. However, over the 2000 – 2020 period, there has been improvement in the quality of the definition of outputs and outcomes, particularly for the most recent Activities.
4. TAP Assessments and Key Findings

This section presents the TAP assessment of Activity Intended and Actual Outputs and Outcomes, and the Key Findings.

4.1. Multisector Activities

Relevance
In 2013, PPIAF supported the Independent Privatization Evaluation Commission in evaluating Jordan’s prior experience with private sector participation in infrastructure, in order to develop and provide recommendations that would shape GoJ’s future PPP strategy. Through this activity, entitled “Impact Assessment of Private Sector Participation in Infrastructure”, the Commission sought to draw lessons from the 19 prior projects executed in Jordan under the previous Privatization Law that would facilitate future partnerships between the public and private sectors in infrastructure provision. This activity was complementary to ongoing PPIAF assistance to the PPP program in Jordan.

The 2013-14 PPIAF-supported “Institutional and Policy Support for the Development of the PPP Program: Phase I” enabling framework activity was clearly required to provide the Government of Jordan with an effective legal and institutional structure to facilitate the launch of a PPP initiative, and to eliminate dependence on the 2000 Privatization Law and several sector-specific laws. Phase I was directly aligned with a WBG Programmatic Development Loan that provided financial incentive to the GoJ to implement Phase I recommendations. In addition, USAID supported the operationalization of the PPP Unit. Phase I established a programmatic relationship between the WBG, PPIAF and the GoJ which continues to the present.

The follow-on 2017-19 PPIAF activity “Supporting the Development of Jordan’s PPP Program: Phase II” was intended to continue the programmatic work of the WBG in implementing a formal PPP initiative, but ended up providing critical information for the development of first mover priority projects in the roads sector, consistent with the identification of such projects as pilots for the WBG’s Maximizing Finance for Development approach, which then led to a more comprehensive assessment 2019 WBG InfraSAP “Expanding Private Investment and Commercial Finance in the Jordan Roads Sector”.

The climate change-related, multi-sector activity “PPPs and Nationally Appropriate Mitigation Actions (NAMAs)” was relevant in the context of the Government of Jordan’s obligations to the United Nations Framework Convention on Climate Change (UNFCCC). The government submitted a list of NAMAs in 2010, and this activity was intended to assist with embedding a low carbon approach into development planning, and to identify mitigation projects in the infrastructure sector which demonstrated potential for PPPs. However, as the government’s commitment to NAMA waned, this activity failed to gain traction.

Efficiency
While efficiency and execution of Phase I of the Institutional and Policy Support for the Development of the PPP Program were exemplary, there were problems with Phase II. The Phase II activity was intended to re-assess the project pipeline identified in the previous (2014) activity in light of the priorities established in the Jordan Vison 2025 economic strategy approved in 2015, and to design a Fiscal Control and Contingent Liability (FCCL) framework. In fact, the activity disregarded the Phase I pipeline recommendation and refocused on the road sector and the conduct of tolling, willingness to pay and
environmental issues in the road sector, the results from which were utilized in the WBG InfraSAP publication on the opportunities for PPP in the Jordan road sector. The only Output document is a technical assessment of tolling issues and there are no prefeasibility assessments of PPP projects. There is no documentation as to the approval process for the change in activity Terms of Reference. Apart from an administrative lapse, the significant change in the activities under the TOR raises the question as to whether the shift in priority to the roads sector unnecessarily delayed the assessment and possible delivery of the original Phase I pipeline, which includes projects that are still considered priorities (for instance an industrial waste treatment facility).

The NAMAS activity was completed nine months late, with a final report and two workshops delivered. The consultants were reported to have performed well, although as finance and PPP specialists, the sign-off report states that the link to climate change and climate finance was sometimes “problematic”. However, the Ministry of Environment was reported to be extremely satisfied with the result.

**Effectiveness**

The report produced in 2014 under the Impact Assessment of Private Sector Participation in Infrastructure activity found that the privatization program was an overall success, but that improvements to the legislative environment and improved execution and oversight of projects could improve overall credibility, transparency, and competition. Based on these findings, the report recommended the preparation of a PPP Law and the establishment of a PPP Unit, both of which were supported via subsequent PPIAF assistance.

The PPIAF-supported “Institutional and Policy Support for the Development of the PPP Program: Phase I” activity was very effective in defining an enabling framework and providing draft legislation and institutional requirements. Also, a Phase I output document produced a Procurement Prioritization Tool and a shortlist PPP project pipeline for feasibility analysis. Consistent with the activity recommendations, in 2015 a PPP Law was enacted, a PPP unit was created, a Project Development Facility was created, and Regulations were passed to provide planning and implementation guidelines for the Contracting Authorities, who would be required to submit Concept Notes (incorporating aspects of the Prioritization Tool to the Public Investment Management (PIM) Unit and subsequently to the PPP Unit and then to the PPP Council for approval to commence to a feasibility assessment stage. However, several recommendations were not directly or expeditiously implemented: the PPP Unit had an ineffective mandate and was under-resourced, and the PPP Law provided for sectoral exemptions. Feasibility assessments on the pipeline projects have not been completed and the pipeline has not been implemented. In 2020 a new PPP Law was passed and, after a five-year delay, a Public Investment Management (PIM) system has only recently been operationalized with a PIM Unit in the Ministry of Planning, and has commenced staffing the unit, with an aim of having nine to 10 sectoral experts by 2021, and developing guidelines for engagement with line ministries, although the detailed regulations required to implement the new law have not yet been approved, The recommended Viability Gap Fund to be used to fund portions of certain PPP projects in order to attract additional private financing has not been implemented.

The follow-on Phase II activity essentially provided tolling analysis as input to the InfraSAP, and the output report included pre-feasibility assessments of the various road scope options. However, the activity did not deliver the Intended Outcomes of 10 Concept Notes in various sectors utilizing the Prioritization Tool and delivered to the PPP Unit, or to the successful tendering of a pilot PPP project. The InfraSAP in 2019 identified the need for more comprehensive feasibility assessment of road
projects, and particularly the need to consider alternative PPP strictures to balance risk transfer with commercial viability. It reported that there were still no feasibility studies completed (or underway) for road projects; no projects registered with the PPP Council; and the FCCL was incomplete although still progressing with support from the WB.

Subsequent to the Phase I and II activities, Jordan continues to move the PPP initiative forward, particularly with continued WBG support and other donor support. The PPP Law has recently been amended to eliminate weaknesses in the original Law, such as the mandate of the PPP unit and ability to exempt certain sectors (such as energy and water) from the requirements of the Act. The institutional arrangements in the enabling framework are now positioned to be much more effective (with the FCCL Unit now housed in Finance, the PIM Unit operationalized in Planning, and the PPP Unit now reporting to the Prime Minister’s Office). With additional support from Multi-donor Trust Funds and the WBG Program Development Loan, work continues on the FCCL regulations, the business plan for the PPP Unit (which should assist in attracting permanent donor funding), and pre-feasibility assessment is now underway on several potential PPP projects including the Amman BRT, the King Hussein Border Crossing between Jordan and Israel, and a “bundle” of 15 schools.

The effectiveness of the NAMA activity is questionable. It was a small, standalone activity, and the main client was the Ministry Environment, the institution tasked with the NAMAS agenda. Though the activity was supposed to work across multiple sectors, the Ministry of Environment struggled to work with other ministries, and itself had low capacity. The activity screened a longlist of projects that fit the criteria for NAMA and which were suitable for a public-private approach. An industrial wastewater treatment and energy project (Al Zarqa industrial waste project) was selected as the most promising. A pre-feasibility analysis was undertaken to try to develop a project structure for tender, but momentum stalled, and funds for further work, including preparation of tender documents, were not available. This project does not figure on any of the current lists of priority PPP projects, although the Ministry of Environment still considers it an important project they are hoping to take forward. The sign-off for this project notes that the vast majority of NAMA projects globally are still at the “under development” phase, with very few proceeding to implementation.

4.2. Transportation

Relevance
The 2019–20 Activity “Private Sector Participation in Jordan’s Road Sector: Support for Amman Ring Road Development Corridor, Phase II” reflects the continuation of a programmatic approach to Jordan’s formal PPP initiative, and is closely aligned with WBG priorities: a second Development Policy Loan (the Jordan Economic Policy Loan), the selection of a Jordan road PPP project as a pilot for the WBG’s Maximizing Financing for Development approach, and the WBG commitment to provide partial financing for the project (for land acquisition and resettlement costs). Also, PPIAF is currently considering support for an assessment of a ring BRT project which would complement the scope of the Economic Backbone road project. Jordan Economic Backbone Project (and the WBG is committed to a significant loan to assist the GoJ with land acquisition and resettlement costs).

Efficiency
The activity was efficient and well-executed.
Effectiveness
The GoJ required a self-supported, bankable project as a pilot and the PPIAF-supported activity was very effective as it convinced the GoJ and WB that the project scope would require restructuring if it was going to be financially self-sufficient. The Output Report fed into an InfraSAP Report which strongly suggested that the tolling results and land cost assessments implied that there very likely would be a lack of commercial interest in the project insofar as there was full toll risk transfer to the private partner, and that a more comprehensive assessment of scope and risk transfer packages was required to ensure financial self-support and value-for-money. This led to the change of scope to include an additional tolled road segment (300km from Aqaba to Amman, renamed the Jordan Economic Backbone). While the new project has moved forward with transaction advisors to undertake prefeasibility and detailed feasibility assessment, it is not all clear within the GoJ that the project (and particularly the tolling of the project) will be acceptable, even with WBG support for land acquisition and resettlement costs.

From an assessment perspective, the activity was actually ineffective in terms of the interim outcomes defined. The Intended Outcome was that the recommendations of the activity be adapted by the GoJ. The Output Report contained the required technical assessments of tolling revenue and land acquisition costs, but made no specific recommendations, and rather fed the results into a WB InfraSAP publication. The key recommendation of the InfraSAP was that detailed feasibility studies should be conducted on 14 possible scope alignments, but these analyses have not yet been conducted, and the Jordan “Economic Backbone” project as a pilot project has not been submitted to formal pre-feasibility assessment, and it is not clear that it will be. As a consequence, the Intended Outcome of the activity has not, and may not, be achieved, even though the technical studies produced exactly the results required by the WB client.

4.3. Water

Relevance
The single PPIAF-supported activity in the water sector, approved in 2000 and closed in 2005, was designed to advise on an “appropriate industry structure” for PSP in the sector. This was relevant at the time as all options were still being considered by the Ministry of Water and Irrigation (BOT, leasing, management contracts etc.). The activity was also supposed to recommend an appropriate legal and regulatory option, and develop draft legislation. This was also relevant as Jordan did not have a regulatory framework for water at the time.

Efficiency
Two deliverables were produced: a sector review and restructuring options report, and a regulatory framework report. Drafting of legislation did not take place, in part because the government indicated they did not wish to act on the recommendations due to the “political climate”.

The sign-off report noted that the activity was supposed to be completed within 12 months, but took five years, and was still incomplete when closed. At one point the decision was made to suspend the activity as the government wanted to redirect the grant from the water sector to street lighting (an ineligible sector). Even after the activity was revived, it was not completed successfully, and the government returned $266,000 to PPIAF (44 percent of the total activity grant).

The fact that large parts of the intended outcomes were never realised suggests that the activity may have been too ambitious at the outset. In fact, the sign-off recommends that activities of this nature
would be better implemented in phases, with each new phase dependent on successful conclusion of the one before.

**Effectiveness**
In terms of effectiveness, interviewees informed the TAP that there is no evidence of this activity in today’s water sector. In fact, the water sector (along with the energy sector) was exempted from the 2015 PPP law and framework. Two very large transactions have been undertaken without the oversight of the PPP Unit and in the absence of a regulatory framework (the Samara Wastewater Treatment Plant and the Disi Water Conveyance Project). Respondents reported that both suffer from less-than-ideal contract design, and there has been little attempt to address underlying problems such as high non-revenue water or tariffs that generate insufficient revenue from users (estimated to cover only half of the operation and maintenance costs at present).

**4.4. Energy**

**Relevance**
The 2003 activity “Design of Optimal Tariff Methodologies in Electricity was very relevant and in timely alignment with the passage of the General Tariff Law in 2002, and with the intention of the government to privatize the distribution and generation components of the NEPCO and CEGCO SOEs, and to create an effective regulatory structure. In addition, the PPIAF support was a component of a larger EU program to assist the GoJ build regulatory capacity and improving the GoJ’s fiscal condition. USAID support was complementary in supporting the design of the new Electricity Regulatory Commission. A follow-up activity “Transition Strategy for a Competitive Electricity Market” focused in more detail on the transition of the remaining state-owned NEPCO into an open access transmission company and system operator. This activity was in close alignment with a WBG policy note which specified the need for external guidance on the transition issues.

The 2009 energy activity related to climate change mitigation and green growth (“Feasibility of a Public Private Solar Water Heater Promotion Program for the Greater Amman Municipality”) was designed to determine the feasibility of a PPP to increase the uptake of solar water heaters. This activity was relevant at the time, as it was initially designed to be part of the Wadi Amman urban regeneration project, and then when that was revised down due to the financial crisis, it was re-formulated to support the planned Amman Green Growth Program (AGGP). However, the AGGP has since been suspended.

**Efficiency**
The Transition Strategy for a Competitive Electricity Market activity was completed on time and with satisfactory Outputs, and the Design of Optimal Tariff Methodologies in Electricity activity was completed a year late with satisfactory outputs.

The Solar Water Heater Promotion Program was delayed for over a year as a result of the project focus and scope being changed. The contractor performed satisfactorily and Phase 1 and Phase 2 Feasibility Reports were prepared. However, as a result of the lack of funding or political support for the Amman Green Growth Program, there has been no follow up, and the GAM did not provide comments on the final report.

**Effectiveness**
The 2003 and 2005 activities focused on regulatory reform in the energy sector and transition to a competitive electricity market, although the activity documentation did not have specific Intended
Outcomes. It could nevertheless be concluded that the activities were very effective in that the activity recommendations were consistent with dramatic reform in the sector (which was generally the intention of the activities). NEPCO was restructured, with the distribution and generation businesses privatized (although SAMRA, a new generation SOE was established in 2004). A new Electric Regulatory Commission was created with oversight over the sale and distribution of electricity, and a feed-in tariff system created for the purchase of generated electricity. Furthermore, it should also be noted that the World Bank is currently preparing an energy Program-for-Results (PforR) for NEPCO.

The effectiveness of the Solar Water Heater Promotion Program has been minimal in Jordan, due to the suspension of the Amman Green Growth Program to which it was linked. None of the planned promotion of solar water heaters seems to have been carried out.

4.5. TAP Assessment of PPIAF Support Against PPP Markers of Progress

**Indicator: “Objective Methodology”**

The 2015 Regulations required the use of a VFM methodology in PPP project selection, feasibility assessment, and procurement preparation, but there is no specific methodology specified, and to date there have been no examples of the use of such methodology. Phase I of the PPIAF-supported framework development activity produced a Procurement Prioritization Tool designed for the selection of PPP projects worthy of detailed feasibility assessment, but there are no examples as yet of the use of this tool. Accompanying the new PPP Law enacted in 2020, 24 priority projects in a variety of sectors were identified, and the selection was based upon a WB “Strategic Assessment: The 2019 Project Pipeline for Jordan” which did not include a formal PPP assessment methodology. However, within the past year, a Public Investment Management (PIM) system was implemented and, as indicated in “Guideline #1: Project Concept Note preparation and Preliminary Screening (February 2020)”, aspects of PPP prioritization were incorporated as part of the Project Concept Note to be submitted by line ministries for all PIM projects. Larger projects with PPP potential are then to be referred to the PPP Unit for prefeasibility and feasibility assessment, with the financial assistance of a Project Development Fund. The PPP Unit has indicated that priority projects have been identified and are at the prefeasibility stage (Amman BRT, King Hussain Border Crossing, schools bundle, broadband project) but it is not clear as to the methodology used to select the projects. The “PIM-PPP Policy (2019)” defines the requirement for a best practice value-for-money assessment of PPP options versus public works options in the prefeasibility and feasibility assessments but, since the PIM and PPP units are still in the early stages of “operationalization”, it is unlikely that this methodology has been implemented.

**Indicator: “Effective Framework”**

The initial PPP Law (2015) was a major step forward for the GoJ PPP initiative, but the Act had major flaws. The Law covered all sectors but allowed for sectoral exemptions, and exemptions were provided to the water and energy sectors (which means that all the IPP transactions since 2015, the only PPPs closed in Jordan since 2012, would have been executed outside of the PPP Law). In addition, while the Project Development Facility created in 2015 would provide funding for project selection and preparation, the PDF remained unfunded. There is a requirement to apply a VFM methodology in project selection, but there is no specific methodology in the regulations.

The PPP Law was amended in April 2020 and resolved several weaknesses in the original Law: the PPP Directorate and the PPP Unit were shifted to the Prime Minister’s Office, with fiscal commitment responsibilities separated into the Ministry of Finance; the Project Development Fund was formally
enacted, and partial commitments amounting to $6m USD have been secured; sectoral exemptions to the Law were eliminated: and financial support for unsolicited proposals was eliminated.

The Law requires a fiscal affordability assessment, but the actual fiscal framework to manage and disclose total PPP liabilities (present value) or contingent liabilities has not yet been implemented.

**Indicator: “Wide and Deep Program”**

As noted in earlier sections, prior to 2012 there were a variety of PPP projects successfully closed in Jordan, both greenfield and brownfield, of varying size and complexity, and across a variety of sectors. After 2012, when the GoJ commenced a more formal PPP initiative, there have been some 28 greenfield IPP projects, all in the renewable energy sector (solar and wind), 20 of which involved investments of less than $100 million. Clearly, the GoJ PPP initiative between 2012 and 2020 has been entirely focused in the energy sector. However, as of November 2021, a schools project was approved and moved to the RFQ stage.

There are signs that the GoJ is committed to a PPP initiative that extends to many sectors in addition to the energy sector. At present the PPP Unit has identified a number of priority projects in several non-energy sectors that have received approval to proceed to the pre-feasibility and feasibility assessment stage. The PIM Unit and the FCCL Unit are being operationalized on a multi-sector basis with standardized documentation for line ministries. Under the new law, sectors are no longer permitted to be exempted from following the terms of the PPP Act. The Project Development Facility, once operationalized, will be available across sectors.

**Indicator: “Balanced Commercial Risks” and “Active Bidder Market”**

Within the energy sector, there has been active and diverse bidder interest and many closed IPP transactions, suggesting a reasonable balance of commercial risks in the transactions, although financing for IPP projects has generally required government/MDB support to offset the commercial risks inherent in the projects. Over the past decade, despite the reform in the electricity sector and the implementation of regulation, the operating performance of NEPCO, the off-taker in IPP contracts, has continued to deteriorate as a result of low tariffs on electricity rates and the accumulation of debt. NEPCOs role as an off-taker therefore requires continued government/MDB support. Outside the energy sector, there has not yet been a procurement in the market under the new enabling framework. However, as of November of 2021, the GOJ has accelerated the PPP pipeline, and a schools project has been approved to move to the RFQ stage. Furthermore, FCCL analysis is also being conducted on the pipeline of projects. Current indications are that the Economic Backbone project may be too risky to attract private sector interest without significant additional support and/or removal of demand risk, and is still under discussion with the GoJ. Those discussion indicate that a smaller scale pilot project, focused on tolling, may be the way to move forward. Although there was a time lag between the design and launch of the “best practice” PPP Law, as well as the operationalization of the PPP Pipeline, it should be noted that the operationalization of the PPP Agenda is a top priority for the Prime Minister of Jordan.

**Indicator: “Genuine Project Finance”**

PPP projects before 2012 typically were led by international equity partners with debt supported by WBG, IFC financing or MIGA guarantees. For example, the Queen Alia Airport of Amman major project, a 25-year brownfield contract with $675m investment and a highly competitive procurement with six international bidders had debt provided by the IFC syndication with $110m IFC and WBG. Similarly, the IPP projects after 2012 typically involved international equity partners and in every case utilizing debt
was provided by the EBRD and/or IFC, and typically with a bilateral bank as a debt partner, and occasionally involving a commercial bank as a junior partner and a reduced risk profile.

Indicator: “Ex Post Assessment”
There is no requirement to disclose financial or VFM analysis, or to conduct ex poste assessment of VFM.

Indicators Aligned with Markers of Progress

Stage 1: Preparation
• Strong PPP Act with Guidelines and Regulations; PMI, PPP and FCCL Units in place (requires more regulations)
• VFM pipeline assessment methodology "required" but not yet applied (or examples not available to TAP)

Stage 2: Enabled
• Strong government commitment to the initiative
• Lack of capacity to implement framework and deliver projects, but capacity being expanded
• Feasibility assessments underway on current project pipeline but not yet clear whether VFM assessment has been applied
• Partial funding for specific project preparation should be in place by June

Stage 3: Emerging Market
• History of privatization and the use of IPPs in energy sector
• No deals closed outside the energy sector since 2011

Stage 4: Developed Sectoral PSP Initiative
• Privatization and reform of regulation in energy sector is complete.
• Active bidder market in energy sector
• NEPCO financial condition implies continued financial support for IPP contracts, and restricted capacity to expand the number of projects
• Lack of local financial market
4.6. SNTA Support

Relevance
The Greater Amman Municipality (GAM) faces increasing demands for municipal services from its citizens and stakeholders. The single SNTA activity in Jordan, PEFA Assessment and Design of Technical Assistance for Strengthening Municipal Finance, was designed to strengthen the institutional and financial management systems of the GAM government in order to ensure sustainability in the financing and delivery of services and enhance its accountability to citizens. This was noted to be particularly important in ensuring service to poor and underserved parts of the city.

GAM requested the World Bank to assist it to carry out a Public Expenditure and Financial Accountability (PEFA) Assessment. The PEFA methodology is primarily an evaluation tool of the performance of public finance management, in the form of a scorecard. Launched in December 2001, the PEFA methodology is linked to aid effectiveness commitments to increase the number of developing countries equipped with a public finance management system complying with international good practices. It is a partnership between the World Bank, the European Commission, the UK Department for International Development (DFID), the Swiss Ministry of Economic Affairs (SECO), the French Ministry of Foreign and European Affairs (MAEE), the Royal Ministry of Foreign Affairs of Norway and the International Monetary Fund (IMF). A Steering Committee composed of representatives of each of these institutions administers the program and a Secretariat coordinates the initiative.

The PPIAF-supported activity was designed to carry out a PEFA assessment and prepare a report with ratings on the PEFA indicators, and develop a Technical Assistance Plan to improve GAM’s financial management performance and enhance its financial sustainability.

Efficiency
Completion of the activity was delayed by at least 10 months, in part because the task team had to revert to using World Bank staff for delivery of outputs to compensate for the fact that the consultants recruited did not have the necessary skills and level of competence. The activity resulted in a PEFA Assessment Report, a Technical Assistance Report, and two workshops (one for training and dissemination, and the other to consult on plans for technical assistance, at which plans for a TA
program were presented). Despite initial skepticism, the city government showed commitment and was fully involved at a senior level.

**Effectiveness**
The PEFA was successful in identifying several issues related to financial management and planning:

- The lack of multi-year fiscal planning is an issue in need of attention, particularly in the light of the risks that may arise from the public-private partnership arrangements currently in place.
- Continued improvement is needed in aggregate fiscal discipline, and the risks to fiscal discipline include a lack of a debt management strategy and the absence of conventional oversight arrangements.
- Current legislation does not require medium-term budgeting, and as a result it is difficult to demonstrate that the process of allocating budgetary resources is in accordance with GAM’s declared strategic objectives.
- Public Asset Management shows a poor level of performance, and GAM does not maintain a comprehensive register of fixed assets. Asset valuation needs to include land, roads, buildings, and all other immovable property.
- Strategic allocation and efficient use of resources requires improvement.

While the process resulted in attention to these shortcomings, follow-up using the PEFA methodology has not occurred. The PEFA is designed to be repeated on a regular basis, once every three to four years. As the PEFA was undertaken in 2017, GAM should have either completed a second one in 2020, or be planning to do so in 2021. This is not the case, however, and respondents reported it was unlikely that GAM would complete another PEFA without donor support.

However, the PEFA was reported to open a “window of collaboration” between GAM and the World Bank, the French development agency (AFD) and EBRD. It resulted in a roadmap, supported by these institutions, to help GAM improve financial management, with the intention to obtain a shadow credit rating in 2022 and a full credit rating in 2023. The World Bank allocated $1M from a multi-donor trust fund to the roadmap. Furthermore, World Bank and IFC teams are engaged in a “smart cities” initiative in GAM, and some of the work done as part of the PEFA feed into this assessment.

A significant outcome of the PEFA assessment was the mapping of assets (as the PEFA noted that the city lacked an asset management system) and the calculation of market value for GAM’s large holding of land and buildings. It was estimated that the city utilizes only 15 percent of its estimated $2 billion of land holdings. GAM has now incorporated a company to manage its lands, and is attracting investors to develop them for residential complexes, amusement parks and other commercial uses. GAM is anticipating as much as $900 million worth of investment as a result.

**4.7. TAP Assessment of SNTA Support Against Markers of Progress**
The TAP notes that, out of the 10 activities supported in Jordan to date, only one was an SNTA activity. This is somewhat surprising given the historic importance of SNTA as part of PPIAF, the prominence of SNTA activities within current and past PPIAF Strategies, and the importance of sub-national entities in Jordan, such as the Greater Amman Municipality (GAM) which houses 40 percent of the Jordanian population, and NEPCO, which is the sole off-taker of electricity IPPs.
It is difficult to assess progress against SNTA Markers of Progress based on the experience of the activity to support a PEFA for GAM. The TAP was not able to determine if GAM has been able to put in place commercial financing, and found no evidence of any transactions undertaken by the city. It appears GAM still has not obtained a credit rating.

### 4.8. Key Findings

**Relevance**
At the multi-sector level, PPIAF support was fundamental in the development of a best practise PPP enabling framework, although the development pace was very slow and in fact is not completely in place as the addition of regulations and capacity is still in process. The support was very much in line with the WBG’s programmatic approach to developing a PPP initiative in Jordan and, in the transportation sector, with the WBG’s priority to provide direct assistance and policy loans to implement a pilot project under the Maximizing Finance for Development initiative. PPIAF support in the water sector was consistent with GoJ priorities and, in the energy sector, support was very relevant as it coincided with a major GoJ initiative to restructure, privatize and regulate the energy sector, and was a key component of a more general EU and USAID initiative to build regulatory capacity in Jordan.

**Efficiency**
In terms of Efficiency, Output Reports were typically of high quality, although only two of the 10 Activities were completed on schedule, and on average projects were delayed by 10.5 months. There are two activities (the 2000-05 activity in the water sector and “Supporting the Development of Jordan’s PPP Program: Phase II”) where, in the water sector case, Intended Outputs were not delivered, and, in the PPP Phase II case, the Intended Outputs were not delivered according to the approved terms of reference. Since conditions within governments can change, some schedule slippages should be expected, but it would appear that this high incidence can be explained in the Jordan context, at least in part, by unusually high levels of turnover within the public sector and shorter length of average tenure in a position compared to other countries. At the multi-sector level, Section 4.1.2 describes a change in Terms of Reference with Phase II of the “Institutional and Policy Support” activity after the Application was approved, and without further documentation and approval of the change.

**Effectiveness**
At the multisector level, PPIAF activities were very effective in leading to the development of what is emerging to be a best practice enabling framework including institutions. The underlying implementation process has been slow, and no transactions have been completed as yet, but a schools project has been approved and moved towards the RFQ stage, and the direction has been largely correct in terms of best practices. An exception is the NAMAS activity as, to date, no qualifying, low-carbon infrastructure projects have been moved forward to the pipeline of priority PPP projects. In the transportation sector, the analysis of scope options for the Amman Development Project Phase II, provided very effective results, even though the results were not as defined in the approval documentation. In the water sector, the single PPIAF activity was in 2000 and the recommendations for market structure and regulatory reform were never enacted. In the energy sector, recommendations for regulatory and competitive reform were enacted in line with activity recommendations. However, it should be noted that electricity tariffs are subsidized, which has the potential to negatively affect the creditworthiness of NEPCO. Given the importance of creditworthiness for an electric utility company, such as NEPCO, an increase in the electricity tariffs could help increase the creditworthiness of NEPCO.
The activity to support a PEFA for GAM is the single SNTA activity supported by PPIAF in Jordan. It appears to have had some limited effectiveness, but to have been somewhat isolated. There is no follow up planned, which means that PEFA analyses are unlikely to be an on-going activity for GAM. There are, however, activities that sprung up as a result of the PEFA, and activities that use some aspects of the PEFA, such as the “smart cities” initiative. The current smart cities initiative, titled “Vibrant Smart and Green Amman Transformation” is still in the business development stage. As part of the smart cities initiative, there are three pillars, one of which is a “financial sustainability” pillar. Moreover, under the smart cities initiative, the bank team along with the government are also looking into the areas of asset management and urban planning. There is also evidence that some of the work done as part of the PEFA may feed into further work as the government pursues creditworthiness in 2022. Furthermore, some of the work done as part of the PEFA may be used in the upcoming institutional reform plan, for which the government is currently looking for donor support. Lastly, it should be noted that the government has incorporated a company (GAM Land Development Company) to help manage its land. To conclude, the TAP did find some evidence that strongly suggests that the process of the PEFA has, to an extent, informed the current World Bank engagement in GAM.

5. Recommendations for PPIAF in Jordan

Recommendation #1:
The development of a toll-based road expansion project around Amman has a long history in Jordan, and the current scope under consideration as a pilot project is the “Jordan Economic Backbone Project” which is very significant in size and complexity. Given the GoJ’s fiscal condition, this scope option attaches toll risk to the concession, in an attempt to make the project financially self-sufficient. This is understandable, but nevertheless imposes very significant contingent risks on the GoJ in the event the procurement or the project itself fails, in terms of preparations costs, step-in costs and other exposures, and in addition, imposes an extremely complex project into a government with limited capacity and no experience with a project of this scale. A rescoped pilot project with reduced scale and risk should be considered, before PPIAF has further involvement.

Recommendation #2: PPIAF support in Jordan, implemented through WB and IFC-led activities, is closely aligned with the Government’s stated commitment to implement a comprehensive PPP program, but to date the reform of the enabling framework for the program has outpaced the government’s capacity and desire to utilize it, and despite implementation of such reforms as amending the PPP Act, progress in terms of structuring, planning and delivering a PPP transaction has been slow. Key examples include (a) the government is reluctant to proceed with the proposed Economic Backbone project because of an unwillingness to impose user-fees and resettlement, however a smaller scale pilot tolling project may be attempted instead; and (b) the implementation and operationalization of the PPP Law and associated by-laws, PIM Unit, PPP Unit, and FCCL Unit has been slow, but in November 2021 a schools project was approved to move to the RFQ stage, and the government is currently conducting FCCL analysis on the PPP pipeline. Although it was a slow start, the operationalization of the PPP agenda is currently a top priority for the Prime Minister. PPIAF should require that any further technical assistance for project delivery in Jordan be in close alignment with WBG reform incentives such as development policy loans or investment financing.
6. General Recommendations for PPIAF

Recommendation #3: The PPIAF-supported activity “Supporting the Development of Jordan’s PPP Program: Phase II” had a major change in Terms of Reference without documented explanation and approval. PPIAF should reconsider its procedures to prevent such occurrences.

Recommendation #4: The Intended Outcome for the 2019-20 PPIAF-supported activity “Amman Development Corridor Phase II Technical Studies” was that the GoJ would “implement the recommendations outlined in the final report” and the related InfraSAP indicated that the project was not viable in its current form. Therefore the technical studies produced exactly the results required by the WB client, but the WB proceeded to recommend an alternative structure that has not yet been approved by the GoJ. **PPIAF should ensure that Intended Outcomes are defined such that Outcomes can be measured as “realized” even if the client chooses to follow a different course.**

Recommendation #5: The 20-year scope in Country Assessments to date is too long to be relevant, and difficult to assess as many of the participants are no longer readily available. **If PPIAF continues with Country Assessments in future years, the scope of the assessment should be reduced to activities supported over the previous decade.**

Recommendation #6: The 2019-20 Activity “Support for Amman Ring Road Phase II Technical Studies” was designed to provide tolling and “willingness to pay” analyses of various scope options for the Amman Road Phase II project in order to identify “self-supporting” scope options for further pre-feasibility and feasibility assessment. The Terms of Reference for the activity lie between upstream focus on enabling frameworks and institutions building and more downstream focus on specific transactions. The results of this type of activity could be critical to defining the project that would go into the PPP pipeline, but very likely could be outside the scope of a country’s Project Development Facility (in Jordan’s case the PDF was not funded at the time). **If the activity is outside the mandate of an existing PDF, technical assistance for “project definition” should be considered as part of PPIAF’s mandate. “Project definition” could include such topic areas as preparation of concept notes, service requirements and physical scope definition.**
Annex A: List of Persons Met

PPIAF Staff (and staff of other Infrastructure Practice Group IPG Units):
- Jemima T. Sy (WB, PPIAF Program Manager)
- Philippe Neves (WB, Senior Infrastructure Specialist)
- Lorena Meco (WB, PPIAF Regional Portfolio Coordinator, Latin America, Middle East, Europe and Central Asia)
- Samuel Baiya (WB, PPIAF Regional Portfolio Coordinator, East and South Africa)
- Ludovic Delplanque (WB, PPIAF Regional Program Leader, East Asia Pacific & South Asia)
- Towfiqua S. Hoque (WB, GIF Senior Infrastructure Finance Specialist)
- Kirti Devi (WB, CNGME Operations Officer)
- Carrie Farley (Former WB, currently at IRIS Infrastructure Advisory Limited)

TTLs responsible for activities and sectors (WBG and IFC):
- Ibrahim Khalil Zaki Dajani (WB, Lead Infrastructure Specialist)
- Abdulhakim Ali Ahmed Al-Aghbari (Hakim) (WB, Senior Highway Engineer)
- Mira Morad (WB, Transport Specialist)
- Aijaz Ahmad (WB, Senior Public Private Partnerships Specialist)
- Rama Krishnan Venkateswaran (WB, Lead Governance Specialist)
- Andrew R. Jones (WB, Consultant)
- Hiba M. F. Tahboub (WB, Practice Manager)
- Manuel Schiffler (Former WB, Currently at KfW Development Bank)
- Dominick Revel de Waal (WB, Senior Economist)
- Jad Raji Mazahreh (WB, Senior Financial Management Specialist)
- Muneer A. Ferozie (IFC, Manager)

Government of Jordan:
- Iyad Dahiyat (Public Investment Management Unit, Ministry of Planning and International Cooperation)
- Ibrahim Mbaidin (Ministry of Planning and International Cooperation)
- Zaid Tarawneh (PPP Unit, Prime Ministry of Jordan)
- Alaa Qattan (PPP Unit, Prime Ministry of Jordan)
- Jihad Alsawair (Ministry of Environment)
- Hanin Abuhamra (Ministry of Environment)
- Mohammad Aldwairi (Ministry of Water and Irrigation)
- Salam Ababneh (Ministry of Water and Irrigation)
- Sultan Mashaqbah (Ministry of Water and Irrigation)
- Maram Alyoub (Ministry of Public Works and Housing)
- Nadia Almasalha (Ministry of Public Works and Housing)
### Annex B: List of PPIAF and SNTA Activities in Jordan Since 2000

#### List of PPIAF Activities in Jordan 2000 – 2020

<table>
<thead>
<tr>
<th>Title</th>
<th>Approved Amount</th>
<th>Approved Date</th>
<th>Completion Date</th>
<th>Total</th>
<th>Percent of Total</th>
</tr>
</thead>
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<tr>
<td>Transport</td>
<td></td>
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<tr>
<td>Private Sector Participation in Jordan’s Road Sector: Support</td>
<td>$86,300</td>
<td>7/17/2019</td>
<td>3/31/2020</td>
<td>$86,300</td>
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<td>for Amman Ring Road Development Corridor Phase 2 in the context of Jordan Roads infraSAP</td>
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<td>Multi-Sector</td>
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<td>Impact Assessment of Private Sector Participation in Infrastructure</td>
<td>$69,950</td>
<td>4/26/2013</td>
<td>10/31/2013</td>
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<td>Supporting the Development of Jordan’s PPP Program: Phase II</td>
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<td>8/21/2017</td>
<td>12/31/2019</td>
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<td>PPPs and Nationally Appropriate Mitigation Actions (NAMAs)</td>
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<td>Energy</td>
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<td>Design of Optimal Tariff Methodologies in Electricity</td>
<td>$71,000</td>
<td>9/10/2003</td>
<td>6/30/2005</td>
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<td>Feasibility of a Public-Private Solar Water Heater Promotion Program for the Greater Amman Municipality</td>
<td>$75,000</td>
<td>7/13/2009</td>
<td>9/30/2011</td>
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<td>Private Participation and Regulatory Reform in the Water and Sanitation Sector</td>
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<td>12/27/2000</td>
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<td>Total</td>
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<td>$2,182,045</td>
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#### List of SNTA Activities in Jordan 2000 – 2020

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<th>Completion Date</th>
<th>Total</th>
<th>Percent of Total</th>
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<tr>
<td>Multi-Sector</td>
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<td>Greater Amman Municipality: PEFA Assessment and Design of Technical Assistance for Strengthening Municipal Finance</td>
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Annex C: PPIAF Markers and Indicators of Progress

Marker: “Preparation Stage”
Indicators:
- Weak institutional framework and capacity to deliver infrastructure projects;
- No priority infrastructure project opportunities prepared;
- DFI and/or MFI support required for infrastructure projects.

Marker: “Enabled Stage”
Indicators:
- Implemented a legal, policy and institutional framework, including use of an objective, “single gate” methodology that is used in selecting both (a) priority infrastructure projects and (b) the most effective method of procurement;
- Inadequate project preparation of priority projects;
- Inadequate government capacity to deliver priority projects;
- Some private partner and capital market interest; but priority projects likely require subsidies or VGF funding to make transaction financially viable;
- High reliance on DFI/MFI support and unsolicited proposals as compared to more developed markets;
- Improved Infrascope or PPP Benchmarking results.

Marker: “Emerging Market Stage”
Indicators:
- Balanced procurement process and allocation of commercial risks between the public and private sector, and partnership contracts transfer maintenance, rehabilitation and other ongoing costs to the private partner to ensure long-term asset sustainability;
- Project preparation that reduces the length of the procurement process and reduces the frequency of renegotiation;
- Presence of multiple proponent and financial bidders, possibly both local and international;
- Use of foreign law and international dispute resolution mechanisms;
- Reduced reliance on DFDI/MFI support and unsolicited proposals;
- Improved Infrascope or PPP Benchmarking results.

Marker: “Developed Sectoral PSP Initiative”
Indicators:
- Pipeline of viable PPP projects in at least one sector;
- Active local and international proponent bidder and financial institution participation in procurements;
- Clear focus on competitive selection rather than unsolicited proposals;
- Bidder evaluation is based upon non-discriminatory and objective criteria;
- Use of genuine project finance in PSP delivery with an element of exposure in local currency;
- Less than 18 months for procurement processes to reach financial close, and best practice frequency of contract renegotiation;
- Improved Infrascope or Benchmarking results.

Marker: “Developed Cross-Sectoral PSP Initiative”

Indicators:
- Expansion of the “width” of the PPP program in terms of sectors and “depth” in terms of deal size, scope of private sector responsibilities and involvement of subnational governments;
- Use of genuine project finance with a high proportion of exposure in local currency;
- Less than 18 months for procurement processes to reach financial close, and best practice frequency of “unintended” contract renegotiation;
- Government-led ex post assessment of the quality of infrastructure delivery, including evidence that a stream of projects is achieving VFM in comparison to public works