

2017 · 2018

ANNUAL REPORT

GLOBAL CONCESSIONAL FINANCING FACILITY









GCFF at a Glance

Photo Credit: Graham Crouch / World Bank

The crisis in Syria has caused tragic and untold devastation. Nearly one in two Syrians has been forcibly displaced by war. Six-and-a-half million people – including nearly 3 million children – have fled their homes in search of safety elsewhere in Syria. A further 5 million have fled the country as refugees. No countries have been more impacted than Jordan and Lebanon. Today, Jordan and Lebanon host more refugees as a share of their populations than any other countries in the world. Lebanon hosts over 1 million Syrian registered refugees. Jordan hosts some 650,000. In both, the number of unregistered Syrians brings these totals far higher.

Jordan and Lebanon have performed a vital global public good by opening their borders to those fleeing the danger and desperation of war. And yet, the influx of Syrian refugees has also created significant challenges for both countries. Imagine the strain on resources that hosting such a large number of new people has on healthcare system and schools, on infrastructure, labor markets, and key public services. Even as humanitarian actors provided essential assistance, five years into Syria's crisis the architecture of foreign aid had no answer for Jordan and Lebanon's development needs. Both countries required large investments to address the impact of the refugees, but as middle-income countries they could not access financing on concessional terms. Instead Jordan and Lebanon found themselves with a growing debt burden.

The Global Concessional Financing Facility (GCFF) was established to fill this gap. A partnership between the United Nations, Islamic Development Bank, the World Bank, and a range of other organizations, the Facility, as its initial mission, provides concessional financing to help Jordan and Lebanon address the impact of Syrian refugees. It supports development projects that benefit Syrian refugees and the communities that host them. Beyond the financial element, the GCFF also brings together the efforts of humanitarian and development actors, complementing short-term humanitarian assistance with financing for longer-term development needs. By providing an open platform in which a number of multilateral development banks participate and receive support for their projects – from the European Bank for Reconstruction (EBRD) and the European Investment Bank (EIB) to the Islamic Development Bank (IsDB) and the World Bank (WB), the GCFF helps to enhance coordination.

OBJECTIVE

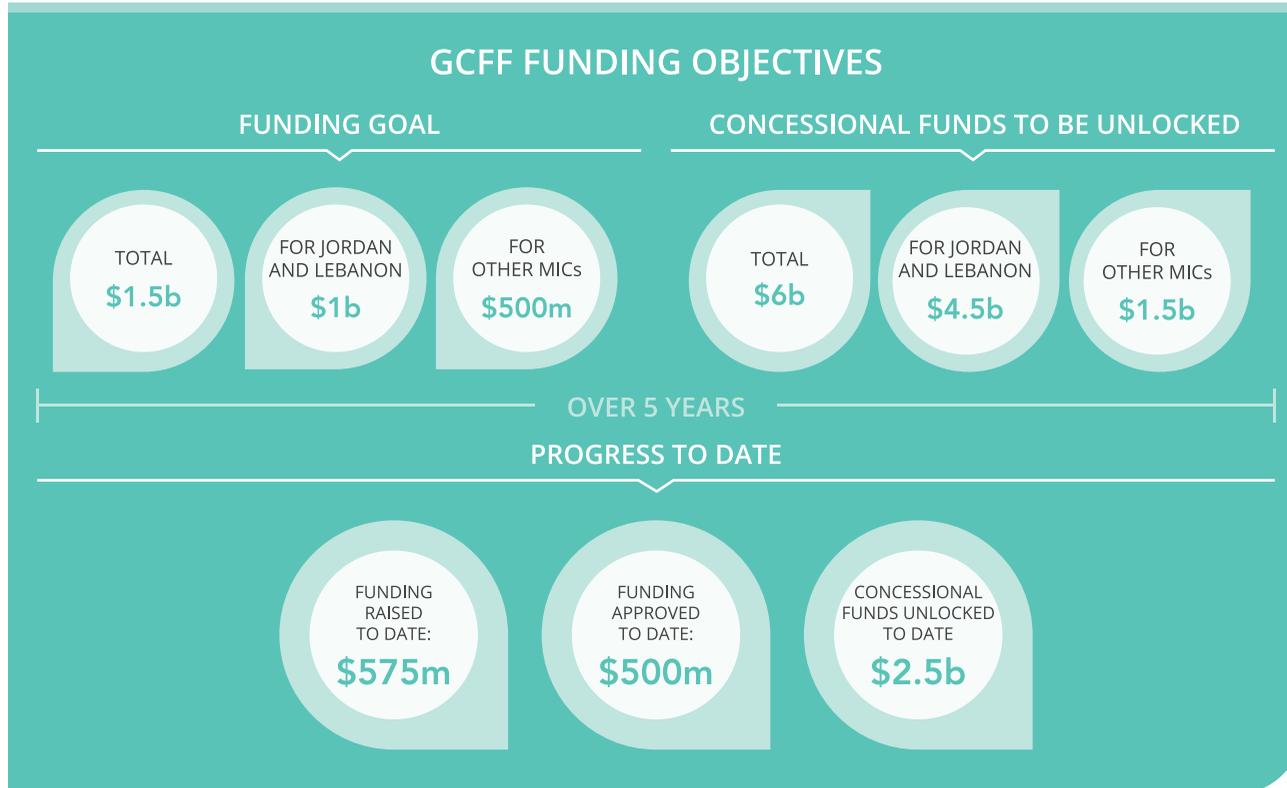
The objective of the GCFF is to support middle-income host countries by providing concessional financing and improved coordination for development projects addressing the impact of the influx of large numbers of refugees. The Facility's initial focus is Jordan and Lebanon, which are currently experiencing one of the world's most acute refugee crises. Other middle-income countries that face future refugee emergencies can be eligible for support. The GCFF is designed to quickly address these crises wherever they arise.

SCOPE

The scope of the GCFF is large and supports projects in many sectors, provided they benefit both the refugee population and host communities. The Facility's financing significantly reduces the overall costs of borrowing for a range of projects that: i) promote effective delivery of basic services, ii) expand economic opportunities (e.g. through job creation programs, issuance of work permits, crowding in private investment), iii) build or strengthen critical infrastructure, and iv) provide host countries with vital budget support to better manage the fiscal and humanitarian impact of the mass influx of refugees.

Multisector Approach

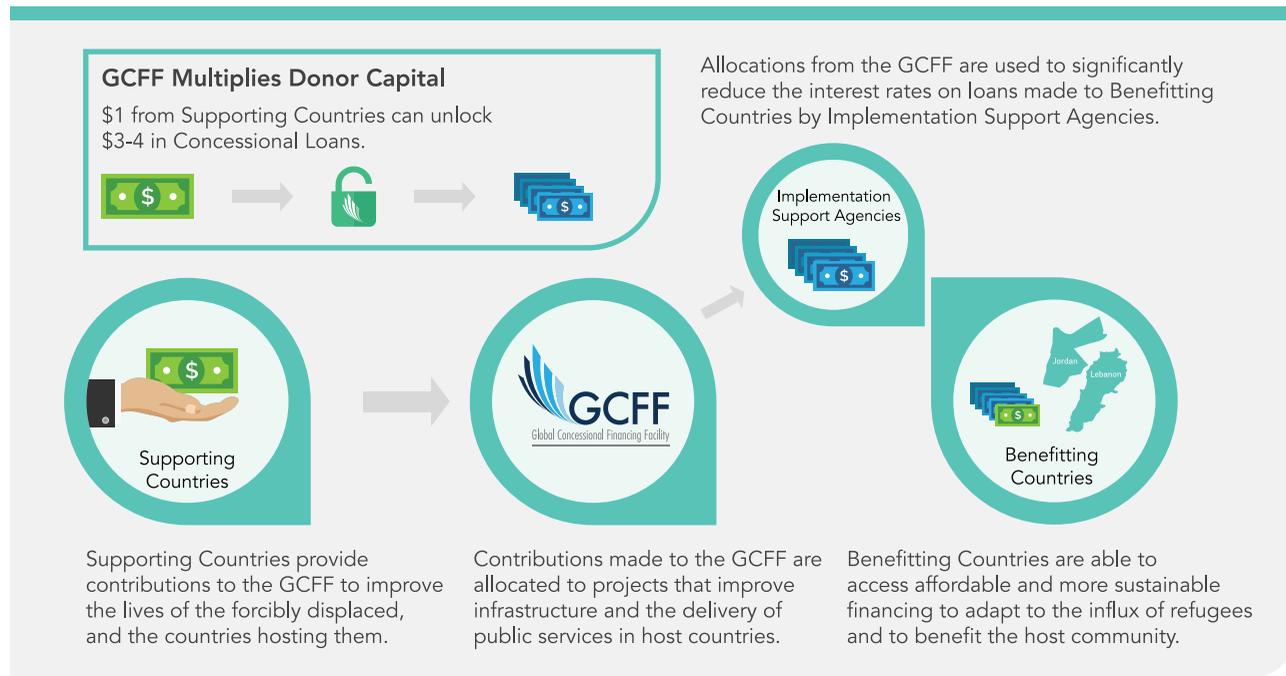




FUNDING

Since its launch, the GCFF has received nearly \$600 million in pledges from nine Supporting Countries¹ and the European Commission. Of that, the Facility disbursed \$500 million in grants, which in turn have leveraged over \$2.5 billion in much-needed concessional financing to support refugees and their host communities in Jordan and Lebanon. In 2016, the GCFF's financing objective was set to \$1 billion for Jordan and Lebanon and \$500 million to be available for other middle-income countries facing refugee crises over a period of five years. To date, the GCFF's fundraising trajectory is exceeding initial expectations, yet continued support is needed.

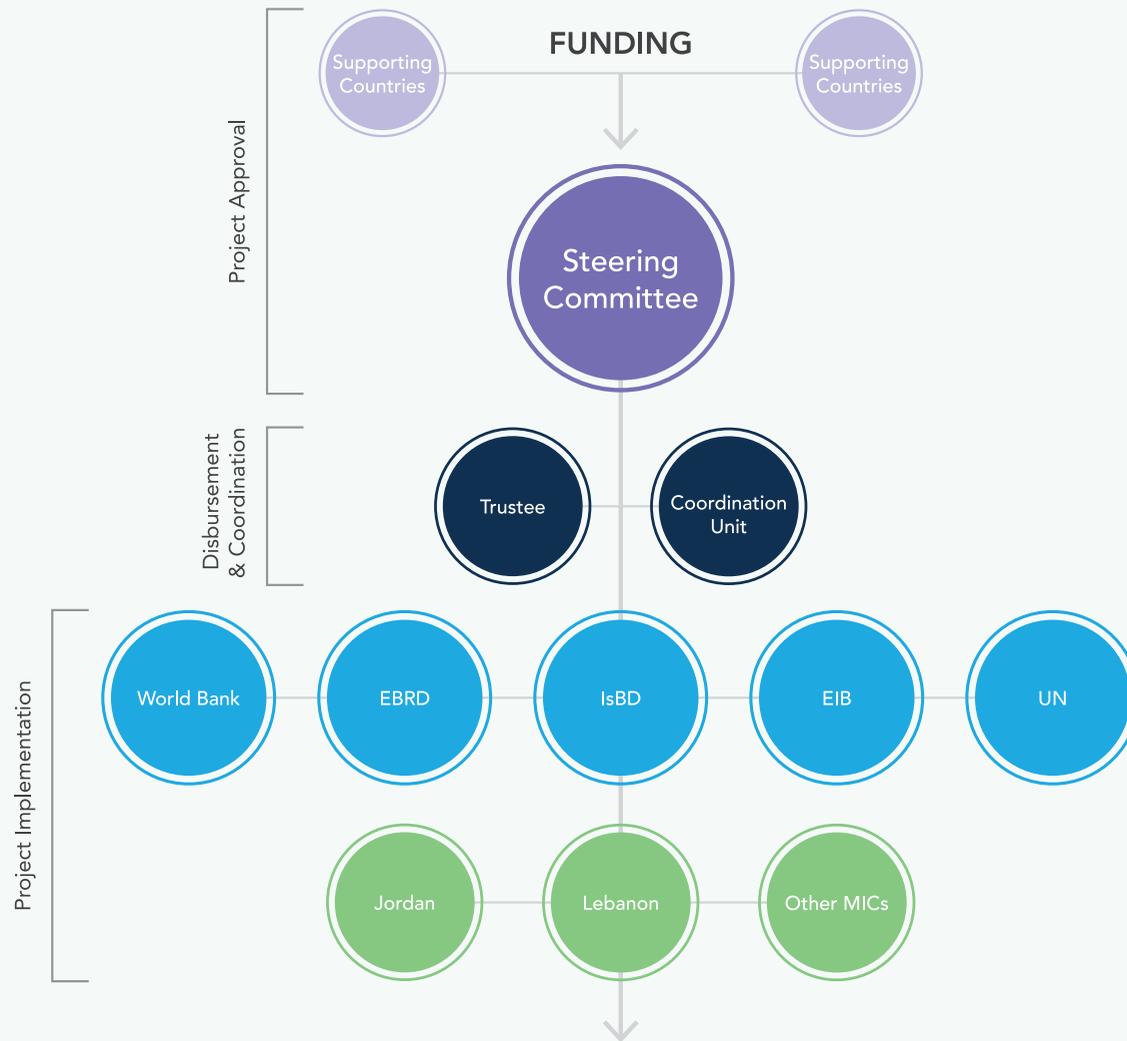
¹In accordance with the GCFF Operations Manual, 'Supporting Country' means any country or intergovernmental entity that enters into a Contribution Agreement committing the minimum required amount to the Trust Fund.



GOVERNANCE

Countries seeking GCFF funding prepare funding requests jointly with an Implementation Support Agency (ISA). Currently, the ISAs are the World Bank, Islamic Development Bank, European Bank for Reconstruction and Development, and European Investment Bank, as well as several United Nations agencies, which can implement GCFF operations in exceptional cases. Funding requests are submitted to the GCFF Steering Committee, a body comprised of decision-making members (Supporting Countries as well as Benefitting Countries), as well as non-decision-making observers (ISAs, the UNHCR, the UNDP, the IMF, the Trustee, and the Coordination Unit of the GCFF). Steering Committee decisions are made on a consensus basis and can be taken at both in-person meetings and on a virtual, non-objection basis. When funding requests are approved, funds are disbursed first to ISAs, which in turn disburse funds to the Benefitting Countries (BCs) in parallel with the disbursement of the funding from GCFF to pay down the interest – effectively making the loan concessional.

PROJECT SELECTION AND IMPLEMENTATION



Abbreviations

BC	Benefitting Country	MWI	Ministry of Water and Irrigation
CGD	Center for Global Development	M&E	Monitoring & Evaluation
DFID	Department for International Development (U.K.)	PDO	Project Development Objective
DPL	Development Policy Loan	PforR	Program for Results
EBRD	European Bank for Reconstruction and Development	PPP	Public Private Partnership
EIB	European Investment Bank	PPG	Partial Portfolio Guarantee
(G)CFF	(Global) Concessional Financing Facility	PSFI	Private Sector Financial Intermediary
GCR	Global Compact on Refugees	SC	Steering Committee
GCM	Global Compact on Migration	SMEs	Small and Medium Sized Enterprises
IOM	International Organization for Migration	UN	United Nations
IMF	International Monetary Fund	UNDP	United Nations Development Programme
ISA	Implementation Support Agency	UNGA	United Nations General Assembly
IsDB	Islamic Development Bank	UNHCR	United Nations High Commissioner for Refugees
MDB	Multilateral Development Bank	WAJ	Water Authority of Jordan
MENA	Middle East and North Africa	WB(G)	World Bank (Group)
MIC	Middle-Income Country	WWTP	Wastewater Treatment Plant

**Dollar amounts, shown with \$, refer to US Dollars*

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01

GENERAL OVERVIEW

BACKGROUND

In October 2015, on the world stage of the World Bank Group (WBG) - International Monetary Fund (IMF) Annual Meetings, Lebanon and Jordan appealed to the international community for support in coping with the massive influx of Syrian refugees to their countries. These two countries, having received the largest shares of refugees in relation to population anywhere in the world, were struggling to provide the vulnerable incoming population with the necessary support, and to cope with the strain that this influx had on their national budgets and on service provision to their own citizens.

Reacting to this appeal, the WBG's President Dr. Jim Yong Kim, Secretary General of the United Nations Ban Ki-moon, and Islamic Development Bank's President Dr. Ahmad Mohamed Ali, together convened a meeting with members of the international community from more than 20 countries and international organizations to discuss how they could work together to alleviate the strains on Jordan and Lebanon, and support the refugees hosted there. After months of consultations, it was established that given the protracted nature of the Syrian conflict, the two host countries needed a sustainable and predictable platform to provide medium- to long-term development financing to support refugees as well as their host communities. This platform became known as the Concessional Financing Facility (CFF) for the Middle East and North Africa.

The CFF was launched in April 2016 during the WBG-IMF Spring Meetings, at which point eight donors (Canada, the European Commission, Germany, Japan, the Netherlands, Norway, the United Kingdom, and the United States) pledged \$141 million in grants to it. The Facility is the first of its kind: it blends grants from Donors, or "Supporting Countries," to bring loans for development projects that benefit refugees and host communities to more concessional levels. Donors also made soft commitments to increase the value of grants to more than \$1 billion over the ensuing five years. At the time of its launch, the CFF also established partnerships with four multilateral development banks (MDBs) to carry out projects supported by the Facility. These MDBs included the WB, Islamic Development Bank, European Bank for Reconstruction and Development, and European Investment Bank. The Facility also allowed for other MDBs to join in the future.

With access to concessional loans, the financial burden on Lebanon and Jordan is reduced, and the international community laid out an innovative way to contribute to the development of these two countries and coordinate the response to the Syrian refugee crisis. The CFF also aimed to narrow the gap between humanitarian and development responses to the crisis, given the protracted nature of the crisis, by providing medium and long-term concessional finance.

Since its launch, the CFF has evolved to allow new middle-income countries experiencing an influx of refugees and other vulnerable populations to receive concessional financing. To reflect its expanded mandate, the Facility was renamed to Global Concessional Financing Facility (GCFF) during UN General Assembly (UNGA), in 2016. It was also during UNGA that Sweden and Denmark joined as Supporting Countries of the GCFF. The Facility has yet to add new Benefitting Countries, but going forward, it can become an integral mechanism for the international community to respond to refugee crises anywhere in the world.

Since its inception, the GCFF has provided \$500 million in grants, delivering US\$2.5 billion in concessional financing to Jordan and Lebanon. Moving forward, the GCFF will continue to bridge the humanitarian-development gap that middle-income countries find themselves in when taking in refugees, and will seek to support countries to keep their borders open and provide a global public good of hosting refugees.

VALUE PROPOSITION

The GCFF provides concessional loans for development projects to strengthen resilience in middle-income countries facing refugee crises. The Facility reduces the debt burden that middle-income countries like Jordan and Lebanon face when they provide refuge for the millions of people seeking refuge from violence and conflict. As such, the GCFF and its partners seek to advance a key global public good, ease human suffering, and protect gains in poverty reduction and broader global development objectives of host countries.

By coming together to support the GCFF, Supporting Countries recognize the shared responsibility of the international community. Countries find in the Facility a place that brings together the UN, multilateral development banks, host countries, and donors to improve coordination between all. In turn, the GCFF bridges the humanitarian-development divide by partnering with different actors to achieve sustainable development outcomes for refugees and their host communities. Each dollar in donor support to the GCFF has the capacity to unlock \$4 in concessional loans to host countries to support projects in areas such as education, health, business climate improvement, infrastructure and others that are typically strained by the arrival of refugees.

MAIN FEATURES OF THE GCFF

The GCFF is country-owned and responds to the priorities of Benefitting Countries.

Funding requests are submitted by Benefitting Countries together with Implementation Support Agencies (ISAs) when projects are ready for internal approvals.

The GCFF provides concessionality for loan operations for middle income countries. On an exceptional basis, the GCFF can also provide grant funding.

Decisions to allocate GCFF funds are made by consensus of the Supporting Countries.

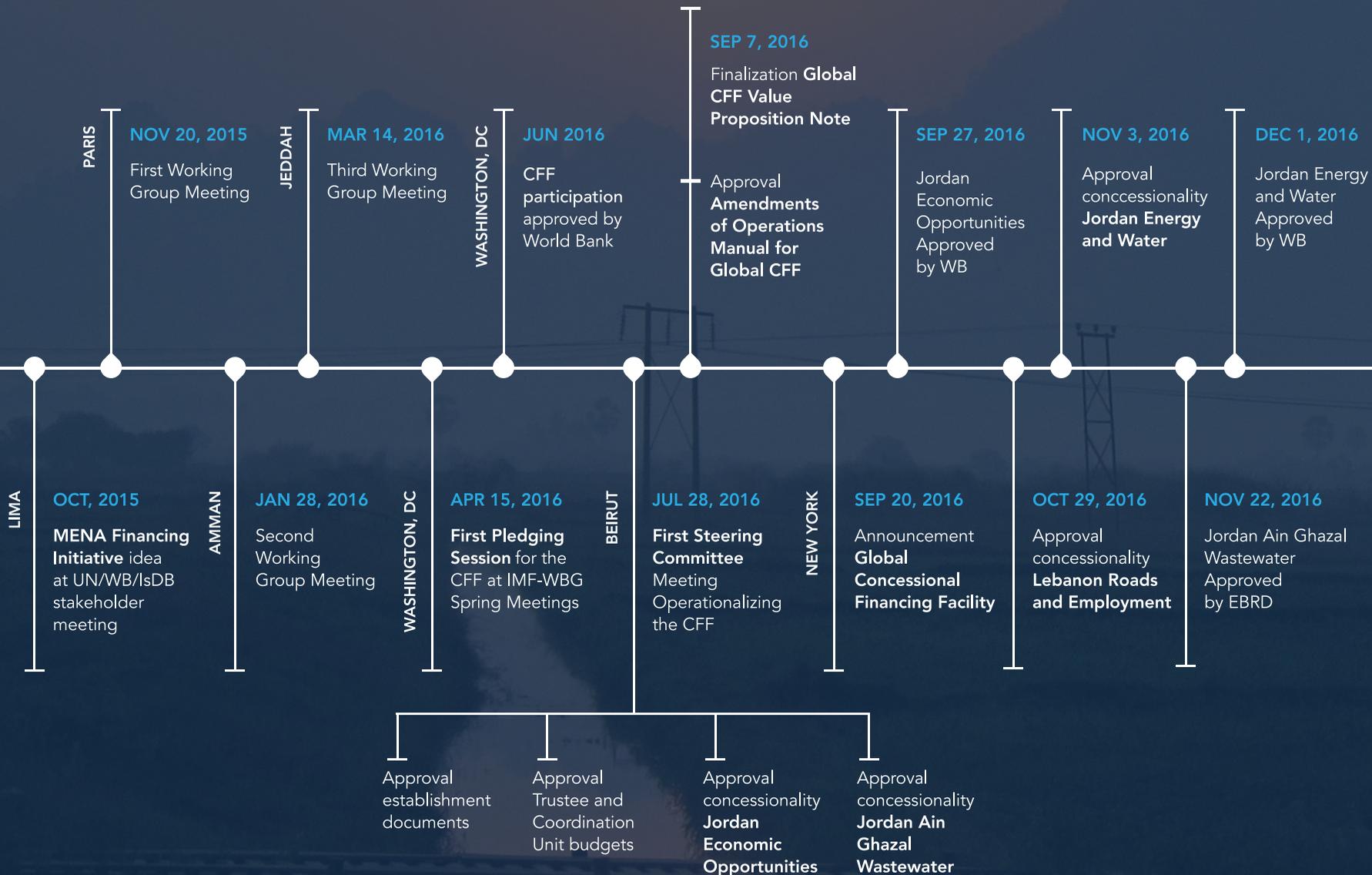
GCFF funding is calculated to result in reduced borrowing rates that cannot go below the IDA (low income country) borrowing rate.

The ISAs integrate GCFF funds into their loan operations based on their applicable policies and procedures.

Funding requests involve operations that support both refugee populations and host communities, as part of the development agenda of Benefitting Countries.

Results reporting includes specific pre-agreed indicators regarding refugees and hosts.

GCFF TIMELINE



Approval
concessionality
**Jordan
Emergency
Health Project**

Approval
concessionality
**Lebanon Health
Resilience
Project**

Approval
concessionality
**Jordan West
Irbid Wastewater
Project**

WASHINGTON, DC

APR 20, 2017

**Second Steering
Committee
Meeting at
IMF-WBG Spring
Meetings**

MAY 14, 2017

**Jordan
Emergency
Health Project**
approved
by IsDB, and
by the WB

JUN 13, 2017

AMMAN

OCT 29, 2017

**Third Steering
Committee
Meeting**

Approval
concessionality
**Jordan Education
Program for
Results (PforR)**

DEC 5, 2017

**Jordan Education
Program for
Results (PforR)**
approved by WB

MAR 15, 2018

**Greater Beirut
Public
Transportation
Project** approved
by WB

MAY 29, 2018

**Fourth Steering
Committee
Meeting** by
video-conference

Approval concessionality
**First Equitable Growth
and Job Creation
Programmatic
Development Policy Loan**

FEB 7, 2017

**Lebanon Roads
and Employment
Project** approved
by the WB

WASHINGTON, DC

APR 21, 2017

WB CEO
Georgieva hosts
GCFF ministerial at
Spring Meetings

GCFF reaches
\$1bn in unlocked
concessional
financing in its
first year

JUN 26, 2017

**Lebanon Health
Resilience Project**
approved by WB,
and by IsDB

JUL 2, 2017

OCT 31, 2018

**Jordan West
Irbid Wastewater
Project** approved
by EBRD

JAN 17, 2018

Approval
concessionality
**Greater Beirut
Urban Transport
Project**

MAR 23, 2018

Approval
Concessionality
**Lebanon National
Jobs Program for
Results (PforR)**

JUN 27, 2018

**Lebanon National
Jobs Program for
Results (PforR)**
approved by WB

**First Equitable
Growth and Job
Creation Programmatic
Development Policy
Loan** approved by WB

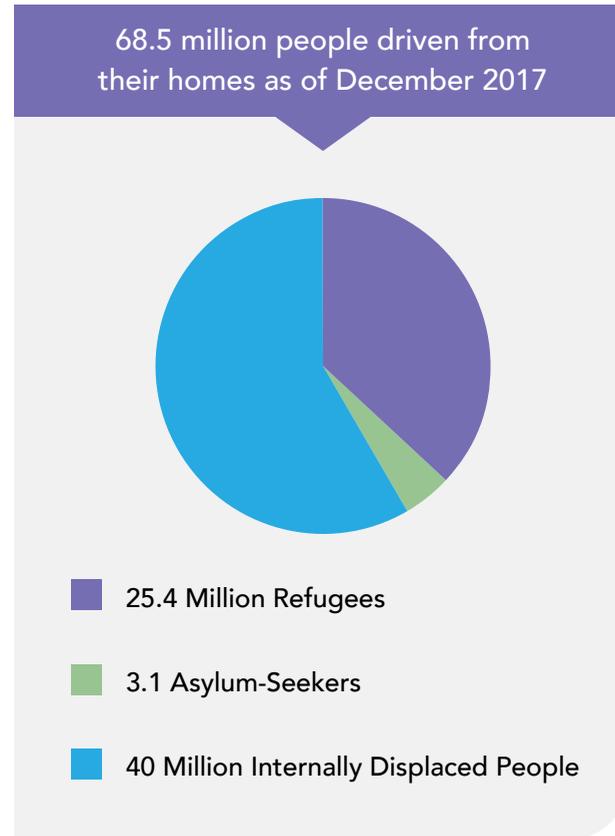
OVERVIEW OF THE FORCED DISPLACEMENT AGENDA

Intra-state and non-state violence has driven millions of people to seek refuge outside their national borders. 44,400 people had to leave their homes every day in 2017, marking the highest incidence of forcibly displaced people to date. Global displacement can be largely traced to just a few prolonged conflicts – in Afghanistan, Iraq, and more recently the Syrian crisis, as well as persistent conflict and instability in Burundi, the Democratic Republic of Congo, Somalia, and Sudan, four decades of internal armed conflict in Colombia, and wars in the Caucasus and the former Yugoslavia. Over two-thirds of displaced people who crossed international borders in 2017 came from just five countries – Syria, Afghanistan, South Sudan, Myanmar, and Somalia. Conflicts in South Sudan, Syria, and Myanmar produced close to 2.7 million new refugees in 2017. Most of this displaced population found refuge in Sudan and Uganda, Turkey, and Bangladesh. Refugee-hosting countries are typically neighbors of countries of origin – the closest haven that people fleeing violence can usually find. As established in the 1951 Convention Relating to the Status of Refugees, these countries provide a global public good. As such, collective action is needed to help host countries bear the cost of providing improved stability and welfare to refugees. Although almost all countries host some refugees, responsibilities are unevenly shared. Since 1991, about 15 countries, overwhelmingly in the developing world, have consistently hosted the bulk of refugees. Developing regions in general host over 85% of the world’s refugee population under UNCHR’s mandate, while only a small fraction of refugees live in the developed world. Middle-income countries currently host over half of all refugees, roughly 8 million, while the least developed countries host one-third of the global refugee population, roughly 6.7 million people.

Recently, the Venezuelan crisis has led hundreds of thousands to flee their country. Over the last three years, massive economic challenges peaked with a collapse of the productive sector and skyrocketing inflation. The lack of basic necessities, as well as violence and repression, set the stage for the influx of Venezuelans to neighboring countries like Colombia, Ecuador, Peru, and Brazil, which together host an estimated 2 million Venezuelans. This has increasingly strained host communities and enhances the development challenge in these middle-income countries.

Extreme poverty is now increasingly concentrated among vulnerable groups, which include people who had to flee in the face of conflict and violence. If not well-managed, the presence of refugees can affect the development prospects in the communities hosting them. Refugees face four interlinked crises: limited or

lack of access to, and poor quality of, healthcare, education, employment, and adequate living conditions. Targeting these challenges not only helps host communities deal with their development challenges, but also prepares refugees for when they can return to their homelands. For refugees, a population that reached 25.4 million in 2017, the average duration of exile stands at over 10 years, and over two-thirds of all refugees have been displaced for over 5 years. In protracted situations, refugee populations have moved beyond the emergency phase – where the focus is on life-saving protection and assistance – but have not yet achieved durable solutions, and, based on current trends, are unlikely to do so in the foreseeable future. Due to the increasing complexity of violent conflict, responding to refugee emergencies around the world will require increased coordination between humanitarian, development, and peacebuilding efforts. This will require bridging the gap between humanitarian-development-peace actors based on comparative advantages, and to enhance quality and sustainability of the response. The GCFF can help address these challenges in middle-income countries.





THE ROAD TO THE GLOBAL COMPACT

The New York Declaration adopted by the UN General Assembly in September 2016 called on the United Nations High Commissioner for Refugees (UNHCR), in consultation with States and other stakeholders to develop a Global Compact on Refugees (GCR) for inclusion in his annual report to the General Assembly in 2018. A separate Global Compact on Migration (GCM) is being negotiated in parallel. The GCR comprises two elements: (i) the Comprehensive Refugee Response Framework (CRRF) and (ii) a Program of Action which sets out specific measures that can be taken by Member States and other relevant stakeholders (including development institutions, civil society and the private sector) to operationalize both the principles of the New York Declaration and the core elements of the CRRF.

During the course of 2017-2018, UNHCR undertook detailed preparatory work to develop the GCR. This included the practical application of the CRRF in twelve 'roll out' countries, a series of thematic discussions to develop and discuss proposals for inclusion in the Program of Action, a period of stocktaking to assess progress made and lessons learned and six rounds of formal consultations with Member States and stakeholders between February and July 2018. The formal consultations concluded in Geneva in July with overwhelming support for the final draft which will be considered by the seventy-third session of the General Assembly in December 2018. The GCR aims to strengthen international cooperation and establish more equitable and predictable responsibility sharing arrangements to ease the pressures on host countries, enhance refugee self-reliance, expand access to third country solutions and support the conditions in countries of origin that will enable successful return. While not legally binding, the compact represents the ambition of the international community to transform the response to refugee situations globally.

In this context, the GCFF's engagement in support of refugees and host countries can play a central role in enhancing international response – by UNHCR, donors, host countries, and NGOs alike. The GCR provides an important framework to guide multilateral development banks' policy and program work on forced displacement with client countries. Among the key elements are an emphasis on host government leadership, the importance of policies and institutions, a clear recognition of the needs of host communities, and a link to the 2030 Agenda for Sustainable Development. The first high level Global Refugee Forum will be held in December 2019 to review implementation of the compact and assess progress in achieving its objectives.

THE SYRIAN CRISIS

The ongoing conflict in Syria, now nearing its eighth year, continues to disrupt the lives of millions of people in the country who face violence and destruction, lack of food and water, and restrictions in their access to health services and education. According to UNHCR, since the conflict began, more than 2 million Syrians have been killed or injured. Over a quarter of the schools and half of the hospitals in the country are no longer functioning. Fleeing from the violence and in search of better lives, millions have been forced from their homes. In 2017 alone, over 1.2 million were displaced within the country, many for the second or third time. In June 2018, the total number of Internally Displaced People (IDP) stood at 6.6 million people, including 2.8 million children. Between July 2017 and June 2018, over 560,000 Syrians crossed international borders and registered as refugees in neighboring countries, making the total number of Syrian refugees 5.6 million - of which 2.5 million are children, the largest number to originate from any country.

Many of those who have left have settled in the neighboring countries of Jordan, Lebanon, and Turkey. These countries have demonstrated great generosity by opening their doors to the millions of refugees, and have provided a global public good. According to UNHCR, as of in June 2018, Jordan hosted over 670,000 registered refugees, and Lebanon hosted over 1 million. Relative to its national population, Lebanon continues to host the largest number of refugees relative to its population, with 1 in 6 people a refugee under the UNHCR mandate. In Jordan, 1 in 14 people was a refugee, and in Turkey, 1 in 23, ranking them second and third, respectively. While some of these refugees live in camps set up and managed by the UNHCR, over 90% of refugees in Jordan and Lebanon have found refuge in urban areas. In cities, refugees struggle to access medical care, schools for their children, employment and food. The vast majority of refugees live below the poverty line and are at risk of food insecurity.

This rapid influx of people has put a significant strain on these countries' resources. As the average length of displacement for refugees continues to increase, host countries will continue to face significant challenges for the foreseeable future that go beyond the short-term need for humanitarian assistance. Many countries have faced considerable fiscal and financial stress and strained infrastructure and public services. Increased pressure on host countries budgets can lead to social and civil unrest, or even a backlash from host communities, which could lead countries to shut down their borders and leave those seeking shelter stranded in a war-torn country. The international community recognizes the collective benefit that Jordan and Lebanon are providing and is now working together to address both the short-term humanitarian needs of refugees and development goals of the communities that host them.



85% of the world's refugees live in developing countries

90% of Syrian refugees live outside of camps

52% of all refugees are children

4 years More than half of today's refugees have been displaced for over 4 years



02 IMPLEMENTATION IN REVIEW

Photo Credit: Dominic Chavez / World Bank

OVERVIEW OF GCFF-SUPPORTED OPERATIONS

\$500m
Funding approved to date

\$2.5b
Supporting projects worth

NEW OPERATIONS

Jordan First Equitable Growth and Job Creation Development Policy Financing

Lebanon National Jobs Program (PforR)

Jordan Education Reform Support (PforR)

Greater Beirut Public Transport Project

EARLIER OPERATIONS

Jordan Second Programmatic Energy and Water Sector Reforms Development Policy Loan

Jordan West Irbid Wastewater Project

Lebanon Roads and Employment Project

Jordan Emergency Health Project

Economic Opportunities for Jordanians and Syrian Refugees (PforR)

Lebanon Health Resilience Projects

Ain Ghazal Wastewater Project

GCFF-SUPPORTED OPERATIONS OVER THE PAST YEAR

Against an extremely adverse background, **Jordan's** economy faces challenges especially in terms of growth and job creation. External shocks have played a significant part in constraining exports and creating volatility in the economy, as have delays in reforms. Unemployment in 2017 was 18 percent; youth unemployment is also high and rising (31.5 percent of males aged 15-24 years and 56.9 percent of females of the same age); labor force participation is low and declining (36.0 percent), driven by one of the lowest female participation rates in the world (13.2 percent). Policymakers have also acknowledged that the sources of financing for the economy are dwindling, as remittances, FDI and foreign aid gradually decline.

An estimated 1.3 million Syrians in Jordan, of which more than 670,000 are UNHCR-registered refugees (as of July 2018), compounds the economic and social challenges facing Jordan particularly at a time of low economic growth and a low rate of job creation by the private sector. Particularly vulnerable are host communities which face pressure on housing and social services, and in the labor market, stemming from the presence of refugees.

In this context, Jordan, together with development partners, developed a five-year matrix of priority policy reforms that will make the economy more efficient and more competitive while increasing support to the most vulnerable. Jordan aims to increase its productivity by expanding its exports into new markets and developing new products and technologies. To achieve this, the government will pursue reforms to improve the business environment, foster greater competition, develop its financial markets, and promote a more efficient labor market that creates jobs for Jordanians and non-Jordanians. Under this new approach, exports should help narrow the current account, the fiscal adjustment should be completed, and debt relative to GDP should be reduced. The economy would become more resilient to regional shocks, though not immune from them.

Because Jordan's vision will take time to develop, Jordan will need the financial support of development partners. Jordan's external financing needs for 2018-2022 are estimated at \$14 billion, of which about \$11 billion are still unidentified. While Jordan has market access to issue Eurobonds and domestic debt, the country will need access to concessional financing and grants to fully implement its plans. As part of this framework, the First Equitable Growth and Job Creation Development Policy Loan (DPL) supported by the GCFF will help Jordan set the foundations for a new model of economic growth by (i) reducing business costs and improving market accessibility (for exports and finance), (ii) creating more flexible and integrated labor markets and providing better and more efficient social assistance, and (iii) improving fiscal sustainability and taking more informed decisions regarding risk. The UK is expected to host a Jordan Economic Conference in London in early 2019.



In **Lebanon**, the economy has been highly volatile over several decades, aggravated by the impact of the crisis in Syria and the refugee influx, which has contributed to rising social tensions. Lebanon also faces long-standing employment challenges, characterized by insufficient private sector job creation, concentration of jobs in low productivity, informal activities, and untapped human resources, especially amongst women and youth. Sustainable job creation requires a significant expansion of private sector investment. In response, the World Bank has mobilized concessional financing to pioneer an integrated approach to private sector job creation, improve access to jobs by vulnerable groups, and strengthen resilience in response to the Syrian refugee crisis. As a result of the recently concluded Parliamentary elections in Spring 2018, the political uncertainty which has delayed government formation, and the limited number of Parliamentary meetings convened, a number of GCFF-supported operations in Lebanon have seen significant delays in entering into effect. Nonetheless, in September 2018 Lebanon's Parliament convened and approved two of the pending projects, namely the Roads and Employment project and the Health Resilience project. This is an encouraging development. Sustained efforts will, however, be required to ensure the remaining pending projects (the Lebanon National Jobs Program and the Greater Beirut Urban Transport Project) are approved as expeditiously as possible, and implementation begun.

Earlier this year, the Government of Lebanon clarified its vision and priorities. Jobs and investment, through the 'National Jobs Program' which complements the 'Capital Investment Plan,' are central pillars of the reform and investment program presented at the CEDRE Conference (see box). The Lebanon National Jobs PforR, and the suite of projects supported by the GCFF so far (including in transport and health) aim to provide solutions to address the jobs challenge, including the business environment, and access to sustainable infrastructure and finance, with an emphasis on leveraging the private sector as the main engine of job growth.

CEDRE CONFERENCE

The CEDRE Conference, hosted by the French President in April 2018, brought together Mr. Saad Hariri, Prime Minister of the Republic of Lebanon with leaders from the international community and the private sector to discuss Lebanon's plans for economic development and reforms, and to support Lebanon in providing a global public good on behalf of the international community in hosting Syrian refugees. In the conference, leaders praised some favorable developments in Lebanon, including the return to normal functioning of state institutions, the election of the President, the appointment of a national unity government, the adoption of a new electoral law, and the senior appointments made to fill vacancies in government ministries. They also commended the adoption of the 2018 budget, the issuance of the first oil and gas tenders, and the adoption of the Public Private Partnership law.

Despite this progress, leaders highlighted the vulnerabilities and mounting challenges facing the country, particularly with regards to the effect the mass influx of refugees from Syria has had on the Lebanese economy, its infrastructure, and social services. Economic recovery and long-term development of Lebanon are hindered by structural problems like a high fiscal deficit and a high level of public debt that have resulted in a major drop in capital expenditures to less than 1 percent of Lebanon's yearly GDP.

To address these challenges, Mr. Hariri presented the Lebanese government's "Vision for stabilization, growth and employment," based on four pillars: 1) increasing the level of public and private investment, 2) ensuring economic and financial stability through fiscal adjustment, 3) undertaking essential sectoral reforms and cross-sectoral reforms, including fighting corruption, modernization of the public sector and public finance management, and 4) developing a strategy for the reinforcement and diversification of Lebanon's productive sectors and the realization of its export potential.

The Government of Lebanon also presented its ambitious Capital Investment Program (CIP), which is mainly focused on infrastructure development and rehabilitation. The total cost of the first phase of CIP is estimated to be \$10.8 billion, of which around 35% could come from private investment. The sectors most emphasized by the government included energy, water, waste management, and transport. Taking account of the scope and ambition of this program, participants decided to contribute to the first phase of the Program, while in parallel, supporting the Government's implementation of reforms and institutional strengthening.

Given Lebanon's high debt levels, concessional financing and private investment were considered by participants to be the best instruments to invest in infrastructure and create jobs, along with the implementation of a consistent budgetary and fiscal adjustment program. Participants also pledged to support Lebanon's investment and reform programs with \$10.2 billion in financing, of which \$9.9 billion would be provided on concessional terms, and \$0.86 billion in grants to subsidize loans.



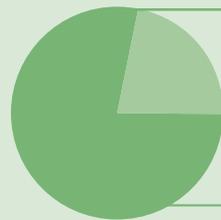
JORDAN

Jordan First Equitable Growth and Job Creation Development Policy Financing

The objective is to support Jordan to set foundations to: (i) reduce business costs and improve market accessibility, (ii) create more flexible and integrated labor markets and provide better and more efficient social assistance, and (iii) improve fiscal sustainability and take more informed decisions regarding risk.

The World Bank
Implementation Support Agency

Ministry of Planning and International Cooperation
Recipient Entity



Total Project Amount: **\$500 million**

GCFE Concessional Amount: **\$111 million**

% Disbursed: **100%**

5/29/2018
GCFE Approval Date

6/27/2018
ISA Board Approval Date

7/19/2018
Effectiveness Date

6/30/2020
Project Closing Date

JORDAN FIRST EQUITABLE GROWTH AND JOB CREATION DEVELOPMENT POLICY FINANCING

To help mitigate some of the challenges posed by a prolonged period of low economic growth due to a succession of external shocks, including the influx of refugees into the country, Jordan has set a goal of attracting investment into sectors capable of generating productive jobs in the labor-abundant economy. In line with Jordan Vision 2025, developed in 2014, the country seeks to promote equitable growth and job creation by improving social outcomes, the business environment, and function of government. The First Equitable Growth and Job Creation DPL aims to support Jordan set the foundations for higher growth, and is centered around three pillars.

- **Pillar 1** supports measures that improve the competitiveness and ability to export of Jordanian businesses. It seeks to reduce the cost base for Jordanian businesses by improving the efficiency and transparency of the business inspection and monitoring framework, reducing the cross-subsidy in electricity, and enhancing transport competitiveness. It also seeks to ease access to finance by introducing business insolvency procedures, and improve the ability of businesses to access markets by expanding the resources available for reinsurance and strengthening the capacity of the Jordan Loan Guarantee Corporation as well as improving the National Quality Infrastructure institutions. Beyond the direct effects, these measures seek to present a positive signal to both domestic and foreign investors on the Government's commitment to strengthening the investment climate.
- **Pillar 2** supports the Government's efforts to foster a more flexible and inclusive labor market and develop a more effective social safety net. These measures seek to reduce labor market segmentation, stimulate demand for part-time and temporary employment, increase labor force participation, and strengthen social safety nets, particularly for the most vulnerable. These measures will benefit Syrians in the country by waiving work permit fees for them, and increase economic opportunities through work permit issuance in select sectors, the introduction of an hourly minimum wage, and strengthening social assistance institutions. Other indirect benefits may come from the support to the development of services and SMEs in Jordan, a reduction in barriers in the labor market, as well as the implementation of a secured transactions regime, which will make borrowing easier for those without land.
- **Pillar 3** supports fiscal sustainability through revenue mobilization, more efficient public investments and tracking of fiscal risks. This includes support to the Government's fiscal consolidation efforts through enhanced domestic revenue mobilization by reducing exemptions and preferential rates. Prior actions also include those to improve public investment efficiency and tracking of fiscal risks by supporting private sector participation in the economy through a cascade approach and an update to the approach of managing debt and contingent liabilities.

LEBANON NATIONAL JOBS PROGRAM (PforR)

Despite considerable economic growth achieved over the past decades, the Lebanese economy has remained highly volatile, suffering from severe shocks due to domestic and regional, political and economic crises during this period. Most recently, the crisis in Syria and the ensuing influx of close to 1.5 million refugees have significantly contributed to a sharp slowdown of the Lebanese economy, exacerbating the deteriorating socio-economic situation for the Lebanese host economy, and increasing pressure on labor markets, infrastructure and public services. In highly fragile contexts like that of Lebanon, sustainable job creation by the private sector is critical not just for poverty reduction, but also to maintain social cohesion.

The Lebanon National Jobs Program seeks to support the Government of Lebanon to unlock job-creating investment from Lebanon's private sector, and to address a range of investment climate constraints. This program will complement the Government's Capital Investment Plan (CIP) and the reform and investment program presented at the 2018 CEDRE Conference, as well as the Vision for Stabilization and Development, which seeks to address the short-term challenges resulting from the regional and domestic crises.

The National Jobs Program is an estimated \$1.3 billion program that targets the creation of 100,000 jobs over the medium-term. Target beneficiaries of the Program include Lebanese unemployed or inactive women and youth, Lebanese small and medium-size businesses (SMEs), and Syrian refugees. It seeks to address pre-crisis, structural challenges to accelerate job creation and improve economic opportunities for vulnerable populations through the following pillars:

- **Results Area 1) *Enhancing the Environment for Private Investment*** seeks to introduce legal and regulatory reforms, improve governance mechanisms for the financial sector, and support transversal reform actions in key sectors including telecommunications and trade facilitation.
- **Results Area 2) *Catalyzing Job Creation through Trade and Investment*** seeks to support an increase in exports, improve productivity in targeted sectors to facilitate job creation in regions like special economic and industrial zones, as well as value chain support in lagging regions of the country. Syrian refugees are expected to benefit from close to one million labor-days of temporary employment opportunities created from the construction associated with PPP investments, development of trade zones, and expansion of the broadband Internet infrastructure. Further benefits will accrue from the development of agribusiness value chains.
- **Results Area 3) *Connecting Youth and Women to Jobs*** seeks to expand and enhance active labor market programs, as well as technical and financial support for entrepreneurship. This pillar will directly target 3,000 Syrian refugees by providing this population with vocational training.

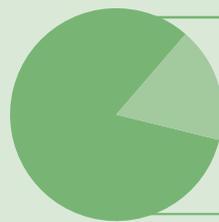
LEBANON

Lebanon National Jobs Program (PforR)

The objective is to improve economic opportunities for Targeted Beneficiaries in Lebanon. To achieve this objective an integrated approach is used, leveraging synergies across the Results Areas. Implementation of key policies in Results Area 1 unlocks opportunities for job-creating investments through the demand-side interventions in Results Area 2. These demand-side interventions create economic opportunities for Targeted Beneficiaries of the supply-side interventions in Results Area 3 (and these beneficiaries can contribute to productive investments in Results Area 2).

The World Bank
Implementation Support Agency

Ministry of Finance
Recipient Entity



Total Project Amount: **\$400 million**

GCFF Concessional Amount: **\$70.1 million**

% Disbursed: **0%**

3/23/2018
GCFF Approval Date

6/27/2018
ISA Board Approval Date

PENDING
Effectiveness Date

12/31/2023
Project Closing Date

LEBANON

Greater Beirut Public Transportation Project

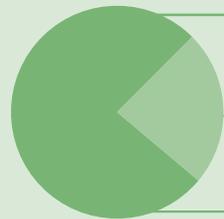
The objective is to improve the speed, quality and accessibility of public transport for passengers in Greater Beirut and at the city of Beirut's northern entrance.

The World Bank

Implementation Support Agency

**Council for Development
and Reconstruction**

Recipient Entity



Total Project Amount: **\$295 million**

GCFE Concessionality Amount: **\$69.8 million**

% Disbursed: **0%**

1/17/2018

GCFE Approval Date

3/15/2018

ISA Board Approval Date

PENDING

Effectiveness Date

12/31/2023

Project Closing Date

GREATER BEIRUT PUBLIC TRANSPORTATION PROJECT

The funding request for the Greater Beirut Public Transport Project was discussed at the Steering Committee in Amman in October 2017 and received final approval in January 2018. Its main objective is to improve transport connectivity along select paved road sections, and create short term jobs for Lebanese and Syrians. By enhancing transport, it aims to create new opportunities for all.

Currently, the country's poor infrastructure represents a key constraint to growth. As a highly urbanized and mountainous country with a small geography, Lebanon has one of the highest population densities in the world, with over 87% of the population living in urban areas, and more than 50% living in and around the capital, in the Greater Beirut Area (GBA). Traffic congestion is one of Beirut's most serious urban development problems, and in 2005, its cost was estimated to be 8 percent of the Lebanese GDP at the time. Poor transport connectivity between Beirut and the hinterland regions, largely exacerbated by traffic congestion, is one of the main reasons for regional inequalities and poverty in lagging regions due to lack of access to jobs and services. The Syrian refugee crisis has resulted in unprecedented social and economic challenges to Lebanon, and the 1.5 million incoming Syrians have further strained the country's decaying infrastructure. Traffic in the GBA since the crisis has increased in the range of 15 to 25 percent, worsening congestion and pollution, and resulting in a yearly economic cost in the range of \$500 million to \$ 1 billion. Transport in Lebanon remains costly, and there are no reliable alternatives to private vehicles.

To reverse these economic costs for the country and improve the quality of life for residents of the GBA, as well as the Lebanese hinterland, the Greater Beirut Public Transport project aims to create a high-volume bus corridor, or Bus Rapid Transit, as well as an associated feeder network expected to cover half of the country's residents. The project will provide clean, affordable, and reliable transportation to middle and low-income Lebanese and Syrians residing in the country. Syrian refugees are estimated to make up between 30 and 40 percent of users in the existing public transport system, and are expected to significantly benefit from the new and improved services. Syrians are also expected to benefit from the 2 million labor-days created for the construction and supply chain jobs associated with the implementation of the project.

JORDAN EDUCATION REFORM SUPPORT (PforR)

Although most Syrian refugee children have access to education services in Jordan, several challenges remain. The Government of Jordan has committed to protect the right of Syrian refugee children to education, and has provided free education services to them in existing classrooms and by creating double-shifts to meet the increased demand. Out of the nearly 230,000 school-aged Syria refugee children in Jordan, approximately 83 percent have access to education services – 54 percent through formal provision and an additional 29 percent through non-formal education. Although the Jordanian Ministry of Education has been able to expand education access to Syrian refugee children, it has found that as a result of the crisis, there has been a deterioration of the quality of education, a development attributed to larger class sizes, reduction in instructional time, and the use of insufficiently trained teachers to meet the growing demand.

The challenges experienced by Syrian refugee children are shared by disadvantaged Jordanian children. Similar to the latter group, Syrian refugee children have dramatically low enrollment rates in early childhood as well as in secondary education, accounting for less than 20 percent in both. While there are significant challenges in absorbing both Jordanian and Syrian refugee children into early childhood education, low enrollment rates in secondary education are due to high dropout rates – often linked to early marriage for girls and to child labor for boys. So, while it is necessary to increase the supply of education services for the youngest children, it is also necessary to retain students in classrooms to the end of second schooling while providing a quality education throughout.

The Education Reform PforR was designed in tandem with the Minister of Education and aims to fully support Jordan's National Education Sector Plan, which seeks to increase the supply of early-childhood education to both refugees and Jordanians, improve the quality of education through the professionalization of the teaching profession, curriculum reform, rationalization of schools, and revision of national student assessment systems, as well as strengthening governance throughout the system. Over 160,000 Syrian refugee children are expected to benefit from the program.

Implementation of the project has already begun, and despite the rapidly changing local context, measurements already show an increase in number of Syrian refugee children enrolled in target schools, as well as an increased number of children enrolled in public and private schools.

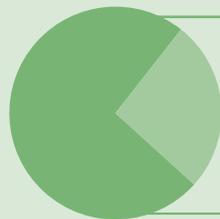
JORDAN

Jordan Education Reform Support (PforR)

The objective of the program is to expand access to early childhood education, and to improve student assessment and teaching and learning conditions for Jordanian children and Syrian refugee children.

The World Bank
Implementation Support Agency

**Ministry of Planning and
International Cooperation**
Recipient Entity



Total Project Amount: **\$200 million**

GCFF Concessional Amount: **\$52.3 million**

% Disbursed: **38.6%**

10/29/2017
GCFF Approval Date

12/5/2017
ISA Board Approval Date

12/14/2017
Effectiveness Date

5/31/2023
Project Closing Date

Update On Earlier Operations Supported by the GCFF

JORDAN WEST IRBID WASTEWATER PROJECT

Jordan received a massive influx of Syrian refugees since the beginning of the conflict in Syria. Given its proximity to the Syrian border, many Syrians settled in urban areas of Jordan's West Irbid province. The massive growth in population in the West Irbid region has placed unprecedented stress on its infrastructure assets, including water supply and sanitation. Municipal services, already lacking in capacity and quality, are severely affected by the increased population and have failed to meet basic standards of operation. In the northern governorates, only 36 percent of the population is connected to the wastewater network. The country also faces a significant water shortage that is increasing the tension between the refugee and host communities.

Seeking to address these issues, the Jordanian Ministry of Water and Irrigation (MWI) issued the Water Sector Capital Investment Plan, in line with the Jordan Vision 2025, which set targets to increase water metered per capita, reduce water loss, enhance energy efficiency of water pumped, and increase the percentage of the population provided with wastewater collection and treatment facilities. To support these efforts, the EBRD, with support from the GCFF and coordination with Jordan's Ministry of Water and Irrigation and Water Authority of Jordan (WAJ), launched the Jordan West Irbid Wastewater Project. This project is also co-funded by the European Union Trust Fund in response to the Syrian crisis, with a grant co-funding of approximately EUR20 million.

The project aims to construct new wastewater networks and connections in West Irbid that will provide first-time sewage infrastructure to over 100,000 people, of which close to 20 percent are Syrians. These improvements will improve living standards and public health of the population in West Irbid by reducing wastewater supply/demand gap, limiting the population's exposure to water borne diseases, and freeing up higher quality water for irrigation. Construction of wastewater networks are expected to create short-term jobs for Syrians refugees and low-income Jordanians. The project also seeks to improve the financial sustainability of the water sector.

The EBRD and the WAJ are currently working together to mobilize the consultants needed to support detailed design, tendering, and project implementation.

JORDAN

Jordan West Irbid Wastewater Project

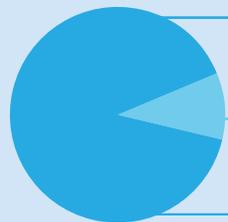
The project aims to strengthen Jordan's resilience to the Syrian refugee crisis by addressing urgently needed rehabilitation of the wastewater treatment in the north of Jordan.

EBRD

Implementation Support Agency

Water Authority of Jordan

Recipient Entity



Total Project Amount: **\$24.8 million**

GCFF Concessional Amount: **\$2.5 million**

% Disbursed: **0%**

4/20/2017

GCFF Approval Date

10/31/2017

ISA Board Approval Date

PENDING

Effectiveness Date

12/31/2021

Project Closing Date

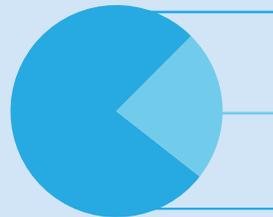
JORDAN

Jordan Emergency Health Project

The objective is to support the Government of Jordan in maintaining the delivery of primary and secondary health services to poor uninsured Jordanians and Syrian refugees at Ministry of Health facilities.

**The World Bank/
Islamic Development Bank**
Implementation Support Agency

**Ministry of Planning and
International Cooperation**
Recipient Entity



Total Project Amount: **\$150 million**
(\$50 million WB & \$100 million IsDB)

GCFF Concessional Amount: **\$34.9 million**
(\$13.9 million WB & \$21 million IsDB)

% Disbursed: **41% (WB), 0% (IsDB)**

4/20/2017
GCFF Approval Date

6/13/2017 (WB)
8/3/2017 (IsDB)
ISA Board Approval Date

7/26/2017 (WB)
8/3/2017 (IsDB)
Effectiveness Date

6/29/2019 (WB)
12/31/2018 (IsDB)
Project Closing Date

JORDAN EMERGENCY HEALTH PROJECT

The influx of Syrian refugees has led to an increased demand for health services, stretching public service availability in Jordan. Jordan experienced increased incidence of communicable diseases, such as tuberculosis, measles and leishmaniasis. As 91% of the Syrian refugees live in host communities (outside of refugee camps), emerging communicable diseases threaten to compromise public health safety of Jordan, regardless of nationalities in the communities. Also, the influx has led to increased waiting times and a shortage of health workers to meet the growing demand for health services, as well as a deterioration of health facilities and medical equipment.

Until October 2014, Syrian refugees had access to free healthcare services at the Ministry of Health facilities. From November 2014 to January 2018, 20% of the unified price for healthcare services were imposed to Syrian refugees as a copayment – paying the same copayment as uninsured Jordanians. The 20% copayment seems to have proven too high for many Syrian refugees, resulting in a sharp decrease in service utilization by more than 60% between 2015 and 2016. Similarly, poor and uninsured Jordanians also have financial challenges to access public healthcare services.

Overall, public resources for health services to Jordanians and non-Jordanians (including Syrian refugees) amount to 5.5% of GDP (public expenditure on health) – higher than that of most countries in the region and peer (middle-income) countries on average. At the same time, Jordan's debt to GDP ratio continues to increase. The combination of high public spending on health and fiscal pressures may thus further undermine its ability to provide highly subsidized services.

This project aims to provide emergency concessional support to ensure the sustainability of the outcomes improvements achieved by the Jordanian health system in the past decades, as well as to support the Ministry of Health to maintain the delivery of primary and secondary health care services to Syrian refugees and poor uninsured Jordanians in Ministry of Health facilities and increase the health system's medium to long term sustainability. The project follows a Results-Based Financing model, disbursing funds against independently verified results. In addition to maintaining current services, the project is also providing technical assistance and capacity building to help improve health sector efficiency.

Since the start of the project, more than 7 million healthcare services (both primary and secondary) were provided to the project beneficiaries (Syrian refugees and poor and/or uninsured Jordanians) at Ministry of Health facilities. However, due to a new policy – increasing the copayment rate from 20% (same as uninsured Jordanians) to 80% (same as foreigners) for Syrian refugees, the latter group is likely to have an even much greater financial burden to receive necessary healthcare services in Jordan. The IsDB and the World Bank are working closely with the Government of Jordan as well as other donors to explore ways to mitigate impacts from the new policy for both Jordanians and Syrian refugees.

LEBANON HEALTH RESILIENCE PROJECTS

The influx of Syrians refugees into Lebanon has resulted in an unprecedented increase in demand for health services in the country, putting considerable strain on public services. At the time of the start of the project, around half of displaced Syrians in Lebanon were unable to meet their survival needs. This humanitarian crisis had become a development crisis, as it increased pressure on the country's health system leading to such deleterious effects as a rising incidence of infectious diseases, and an increase in the neonatal and maternal mortality rates - rates that are particularly high among displaced Syrians. According to the latest Lebanon Crisis Response Plan (LCR 2017-2020), the Government of Lebanon needed over \$600 million between 2017 and 2018 to meet the health needs of vulnerable populations in the country – which included Lebanese, displaced Syrians, and Palestinian refugees.

In order to respond to the immediate health needs of the population, the Lebanese Ministry of Public Health (MoPH) is working with international donors, UN agencies, and other stakeholders to maintain service delivery, prevent disease outbreaks, and sustain utilization and functional institutions. To reach medium-to longer-term development goals, the MoPH intends to rapidly strengthen its systems to absorb the impact of the crisis and maintain health outcomes to the incoming population as well as the host communities.

The World Bank and the Islamic Development Bank will provide parallel financing to the Government of Lebanon to support the country's Health Strategy to replace and upgrade equipment, machinery, and the structures of public hospitals, as well to ensure a health benefits package for the poor, reduce the regional income and gender discrepancies in access to health care, and incentivize primary care, while addressing the financing and capacity constraints of the public hospital sector, and addressing the rising burden of non-communicable diseases, gender-based violence, mental health issues, and the re-emergence of communicable diseases.

Despite delays in declaring project effectiveness, several technical discussions and steps were taken to prepare for project implementation, such as developing an environmental and social management framework, finalizing the list of equipment required per hospital, assessing capacity building needs for hospitals, and establishing baseline assessment of primary health care centers.

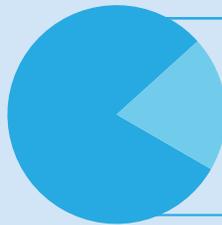
LEBANON

Lebanon Health Resilience Projects

The objective is to increase access to quality healthcare services to poor Lebanese and displaced Syrians in Lebanon.

The World Bank/
Islamic Development Bank
Implementation Support Agency

Ministry of Public Health
Recipient Entity



Total Project Amount: **\$150 million**
(\$120 million WB & \$30 million IsDB)

GCFF Concessionality Amount: **\$30.1 million**
(\$24.2 million WB & \$5.9 million IsDB)

% Disbursed: **0%**

4/20/2017
GCFF Approval Date

6/26/2017 (WB)
7/2/2017 (IsDB)
ISA Board Approval Date

PENDING
Effectiveness Date

6/30/2023 (WB)
12/31/2019 (IsDB)
Project Closing Date

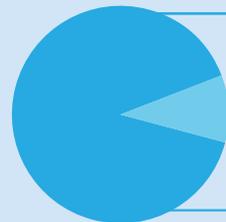
JORDAN

Jordan Second Programmatic Energy and Water Sector Reforms Development Policy Loan

The objective of the Second Programmatic Energy and Water Sector Reforms DPL is to improve the financial viability and increase efficiency gains in the energy and water sectors in Jordan.

The World Bank
Implementation Support Agency

**Ministry of Planning and
International Cooperation**
Recipient Entity



Total Project Amount: **\$250 million**

GCFF Concessionality Amount: **\$25 million**

% Disbursed: **100%**

11/3/2016
GCFF Approval Date

12/1/2016
ISA Board Approval Date

12/13/2016
Effectiveness Date

12/31/2017
Project Closing Date

JORDAN SECOND PROGRAMMATIC ENERGY AND WATER SECTOR REFORMS DEVELOPMENT POLICY LOAN

Jordan's Second Programmatic Energy and Water Sector Reforms Development Policy Loan was the second in a programmatic series of two development policy loans, which aimed to support fiscal and policy reform programs undertaken by the Government of Jordan in the energy and water sectors.

The massive influx of refugees in Jordan put considerable pressure on public services and infrastructure, particularly on electricity and water. Challenges to the delivery of these services, already under great strain before the crisis, have been exacerbated by the rapid growth of the country's residential population. Increased demand has also added to long-standing structural challenges relating to supply security, financial sustainability, and efficiency of the operators of the water and power networks.

In addition to the humanitarian challenge to meet the demand for clean water and power of the incoming Syrian population, a development challenge also became apparent. Jordan's economy slowed down in 2015 for the first time since 2010, mainly because of security spillovers from the conflict in Syria, requiring the Government to embark on a new program of fiscal consolidation and economic growth. With the support of the International Monetary Fund's Extended Fund Facility for 2016 to 2019, the Government of Jordan was able to sustain the delivery of power and water services, while the World Bank's Program supported the implementation of structural reforms to Jordan's electricity and water sectors aimed at improving their financial viability and increasing efficiency gains. The reforms supported by the Program were expected to have neutral to modest negative social impacts on residential consumers in the short term, and to contribute to an enhanced business environment for job creation in a longer term.



LEBANON ROADS AND EMPLOYMENT PROJECT

The Syrian refugee crisis has created unprecedented social and economic challenges to Lebanon, putting further strains on the country's decaying infrastructure and hindering local economic development – particularly in rural and lagging regions. Due to years of under-investment and inefficient spending, and compounded by the increased traffic demand and utilization of the road network by over 1 million refugees, the Lebanese road network requires yearly investments of over \$50 million. Investing in this sector is expected to increase economic capacity and contribute to political stability in the country, as well as generate 500,000 to 750,000 labor-days of direct short-term jobs for Lebanese host communities and Syrian refugees.

The World Bank supported the Government of Lebanon's roads program through a \$200 million investment aimed at rehabilitating and maintaining existing roads, purchasing equipment for emergency road works, and building capacity in the sector – all while targeting both Lebanese and Syrian labor. The loan agreement was signed in June 2017 by the Council of Ministers, but the project now awaits Parliament ratification. Despite this, project implementation has started and counterparts have been advancing several technical studies. Several activities are now being undertaken to prepare the project prior to the declaration of project effectiveness.

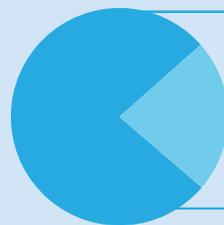
LEBANON

Lebanon Roads and Employment Project

The Lebanon Roads and Employment project objectives are to improve transport connectivity along select paved road sections; and create short term jobs for Lebanese and Syrians.

**The World Bank/
Islamic Development Bank**
Implementation Support Agency

**Council for Development
and Reconstruction**
Recipient Entity



Total Project Amount: **\$200 million**

GCFE Concessionality Amount: **\$45.4 million**

% Disbursed: **0%**

10/29/2016
GCFE Approval Date

2/6/2017
ISA Board Approval Date

PENDING
Effectiveness Date

6/30/2022
Project Closing Date

JORDAN

Economic Opportunities for Jordanians and Syrian Refugees (PforR)

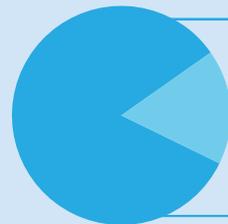
The Economic Opportunities for Jordanians and Syrian Refugees Program for Results seeks to provide economic opportunities for Jordanians and Syrians by: (i) reforming Jordan's labor market regulations to grant access to Syrian refugee workers; (ii) improving Jordan's investment climate, supporting small businesses and trade facilitation; and (iii) attracting and retaining investments especially in manufacturing in the Special Economic Zones that will benefit from preferential access to the EU.

The World Bank

Implementation Support Agency

**Ministry of Planning and International
Cooperation/Ministry of Labor/
Jordan Investment Commission**

Recipient Entity



Total Project Amount: **\$300 million**

GCFF Concessional Amount: **\$51 million**

% Disbursed: **57%**

7/28/2016

GCFF Approval Date

9/27/2016

ISA Board Approval Date

10/24/2016

Effectiveness Date

1/31/2021

Project Closing Date

ECONOMIC OPPORTUNITIES FOR JORDANIANS AND SYRIAN REFUGEES (PforR)

In February 2016, the international community gathered in London to discuss a collective and more robust response to the refugee crisis. The core outcome of the conference was the Jordan Compact, an agreement between the Government of Jordan (GoJ), the European Union, and the World Bank, to improve the lives and livelihoods of Syrian refugees and vulnerable Jordanians. To assist in the implementation of the Jordan Compact, the GoJ sought the support of the World Bank. Together, they prepared the Economic Opportunities for Jordanians and Syrian Refugees PforR. The program seeks to provide support for the government budget while generating economic opportunities in Jordan under three broad themes:

- Support in the implementation of labor market reforms to allow more active (formal and legal) participation of Jordanians and the Syrian refugees in the labor force. Before the advent of Syrian refugees in the country, Jordan's labor market was already plagued by challenges and inefficiencies. The economically active population is only 35 percent – significantly lower than the international norm of 60 percent, and unemployment hovered between 12 percent and 14 percent for the preceding decade. The country also hosted close to 650,000 economic migrants who worked in restricted professions and under sector specific quotas.
- Improve the investment climate by implementing a systematic and broad-based reform program, including in areas like regulatory reform and trade and investment facilitation. In 2016, the country ranked 113th globally out of 189 in the Doing Business Indicators. The Program seeks to improve the predictability of regulations by incorporating consultations with the private sector, and a reduction of red tape, which would support small businesses and trade in the country.
- Creating an attractive business environment for investment, by creating more proactive investment promotion and facilitation activities so that Jordan can become an attractive investment destination in the region. The Bank-supported program seeks to enable the development of new market opportunities that can attract new investment into Jordan, and grant the country better market access for exports, for example, through the establishment of special economic zones for the production of goods targeting the European Union, where Syrian refugees would be allowed to work.

The program is now in its second year and on course to achieve its development objectives. In 2017, much of the money went undisbursed due to issuances of work permits being below target. The task team is working with the Ministry of Planning and International Cooperation to bring this point to a satisfactory closure. Despite commitments of the Jordan Compact, more flexibility is required by the government to provide more Syrians with additional work permits and entrepreneurship opportunities.

AIN GHAZAL WASTEWATER PROJECT

The Ain Ghazal Wastewater project seeks to support the strengthening of Jordan's resilience to the Syrian refugee crisis by addressing urgently needed municipal infrastructure rehabilitation. The Project will offer practical, timely and effective solutions that are in line with the Government's priorities in promoting the delivery of efficient and safe municipal services, create employment opportunities and complement humanitarian assistance. Capital grant co-financing will help to mitigate affordability constraints, which are exacerbated by burden of hosting the refugees.

The project supports Jordan to increase its resilience by providing urgently needed infrastructure for the benefit of host communities and refugees alike in a region severely impacted on by the influx of refugees. The project will create jobs throughout the construction phase, involve the private sector, and is financed in such a way to support Jordan's fiscal budget by utilizing a sovereign loan and providing a high proportion of grants. More specifically, the project aims to urgently improve the operational capacity of the wastewater system that links with the As-Samra WWTP, the largest wastewater treatment plant in the country, situated in north-central Jordan. The construction of a new wastewater conveyor (redundancy pipe) would serve to accommodate the increase in the wastewater flows triggered by the refugee influx and would mitigate potential serious pollution to the environment.

The upgrade to Ain Ghazal was approved by the GCFF Steering Committee in July 2016, and project preparation began in January 2017. Since that time, the project agreements between the EBRD, DFID and the Ministry of Water and Irrigation were signed, and consultants were mobilized to carry out the Feasibility Study. However, there has been a delay in mobilizing the consultants who will carry out the project design work and issue the tender, which in turn has delayed the implementation of the project – an issue expected to be resolved by December 2018.

JORDAN

Ain Ghazal Wastewater Project

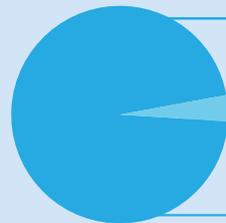
The Ain Ghazal Project is part of **EBRD's Municipal Refugee Crisis Response Framework**, to support Jordan to host Syrian refugees, whose presence has placed immense strain on already overstretched wastewater services. The Ain Ghazal project supports a new wastewater conveyor to accommodate increasing pre-treated flows of wastewater from Ain Ghazal wastewater treatment plant to As-Samra wastewater treatment plant (WWTP). The project will reduce the risk of an environmental disaster.

EBRD

Implementation Support Agency

Water Authority Jordan

Recipient Entity



Total Project Amount: **\$25.3 million**

GCFF Concessionality Amount: **\$1.95 million**

% Disbursed: **0%**

7/28/2016

GCFF Approval Date

11/22/2016

ISA Board Approval Date

PENDING

Effectiveness Date

1/31/2021

Project Closing Date



03 MONITORING IMPACT

FINANCIAL OVERVIEW

As of June 30, 2018, pledges and contributions to the GCFF totaled \$574.28 million (in USD equivalent). Of this amount, \$494.69 million had been deposited in the GCFF Trust Fund. Deposits in the Trust Fund are managed by the GCFF Trustee, housed in the World Bank. As of June 30, 2018, the GCFF Trust Fund earned investment income of approximately \$4.56 million on the liquid balances in the Trust Fund. The GCFF Trust Fund portfolio returned 0.73% during the first two quarters of calendar year 2018. The GCFF Trust Fund balance is allocated to a short-term fixed income portfolio.

As of June 30, 2018, the GCFF Steering Committee had approved funding from the GCFF Trust Fund totaling USD 496.78 million to cover concessionality amounts and Implementation Support Agency costs, as well as administrative costs of the GCFF Coordination Unit and Trustee. Funds held in Trust reflect contributions paid-in from Supporting Countries, plus investment income, less cash transfers. As of June 30, 2018, funds held in trust amounted to \$79.24 million (in USD equivalent). For GCFF funding decisions, the funds available amounted to USD 2.47 million.

GCFF Trust Fund Summary - Inception through June 30, 2018 (in USD millions)		
	Total	% of Total
Supporting Country Pledges and Contributions		
Contributions	499.28	86.9%
Pledges outstanding	75.00	13.1%
Total Pledges Outstanding and Contributions	574.28	100.0%
Cumulative Resources		
Resources Received		
<i>Cash Receipts</i>	494.69	85.5%
<i>Investment Income Earned</i>	4.56	0.8%
Total Resources Received	499.24	86.2%
Resources Not Yet Received		
<i>Contributions Not Yet Received</i>	4.60	0.8%
<i>Pledges Outstanding</i>	75.00	13.0%
Total Resources Not Yet Received	79.60	13.8%
Total Potential Resources (A) (in USD millions)	578.84	100.0%
Cumulative Funding Decisions		
Concessionalty	494.05	99.5%
ISA Costs	0.53	0.1%
Administrative Budget	2.20	0.4%
Total Funding Decisions Net of Cancellations (B)	496.78	100.0%
Total Potential Resources Net of Funding Decisions (A) - (B)	82.07	-
Funds Available		
Funds Held in Trust with No Restrictions	79.24	-
Approved Amounts Pending Cash Transfers	76.78	-
Total Funds Available to Support Steering Committee Decisions	2.47	-

Note: Totals may not add up due to rounding

Pledges and Contributions as of June 30, 2018 (in USD millions)													
				Effective (or signed) Contribution in Currency of Contribution					Receipts in Currency of Contribution				
Supporting Country	Curr	Pledge in Curr. of Contribution	USDeq. a/	Global	Lebanon/ Jordan	Jordan	Lebanon	Total	Global	Lebanon/ Jordan	Jordan	Lebanon	Receipts in USDeq. b/
Canada	CAD	40.00	30.70	-	40.00	-	-	40.00	-	40.00	-	-	30.70
Denmark	DKK	437.10	68.33	437.10	-	-	-	437.10	437.10	-	-	-	68.33
European Commission	EUR	5.00	5.36	-	5.00	-	-	5.00	-	5.00	-	-	5.36
Germany	EUR	20.00	21.35	-	20.00	-	-	20.00	-	20.00	-	-	21.35
Japan	USD	110.00	110.00	-	60.00	15.00	-	75.00	-	60.00	15.00	-	75.00
Japan c/	JPY	-	-	-	-	-	-	-	-	-	-	-	-
Netherlands	EUR	50.00	58.04	-	20.00	-	30.00	50.00	-	20.00	-	30.00	58.04
Norway	NOK	235.20	27.73	-	235.20	-	-	235.20	-	235.20	-	-	27.73
Sweden	SEK	180.00	20.24	-	180.00	-	-	180.00	-	180.00	-	-	20.24
Sweden	USD	30.00	30.00	10.00	20.00	-	-	30.00	10.00	20.00	-	-	30.00
United Kingdom d/	USD	40.30	40.30	-	-	40.30	-	40.30	-	-	40.30	-	40.30
United Kingdom	GBP	65.50	87.23	-	-	65.50	-	65.50	-	-	62.00	-	82.63
United States	USD	75.00	75.00	-	-	35.00	-	35.00	-	-	35.00	-	35.00
Total	-	-	574.28	-	-	-	-	-	-	-	-	-	494.69

a/ Represents (1) actual US dollar value of paid-in cash contributions and (2) June 30, 2018 value of pledges outstanding, contribution amounts pending FX, and unpaid amounts.

b/ Represents actual USD receipts

c/ Japan pledged to provide JPY 100bn in additional loans that may be used by IBRD to generate additional grant contribution amounts

d/ Represents grant amount only

Note: Totals may not add up due to rounding

Cumulative Funding Decisions (in USD millions)						
Concessionality	ISA	Global	Lebanon/ Jordan	Jordan	Lebanon	Total
Jordan - Ain Ghazal Wastewater	EBRD	-	1.95	-	-	1.95
Jordan - Economic Opportunities	WB	-	11.24	39.76	-	51.00
Jordan - Energy and Water Development Policy Loan	WB	-	-	25.00	-	25.00
Jordan - West Irbid Wastewater	EBRD	-	2.50	-	-	2.50
Jordan - Emergency Health	WB	-	7.95	5.95	-	13.90
	IsDB	-	12.01	8.99	-	21.00
Jordan - Education Reform Support	WB	-	41.88	10.42	-	52.30
Jordan - First Equitable Growth and Job Creation	WB	11.26	18.45	81.29	-	111.00
Lebanon - Roads and Employment	WB	-	28.91	-	16.49	45.40
Lebanon - Health Resilience	WB	-	24.16	-	0.04	24.20
	IsDB	-	5.89	-	0.01	5.90
Lebanon - Greater Beirut Public Transport	WB	25.39	32.35	-	12.07	69.80
Lebanon - National Jobs P4R	WB	41.34	22.52	-	6.25	70.10
Total		77.98	209.81	171.41	35.85	494.05
ISA Costs						
EBRD		-	0.17	-	-	0.17
IsDB		-	0.05	0.01	0.00	0.07
WB		0.04	0.14	0.09	0.02	0.29
Total		0.04	0.36	0.11	0.02	0.53
Administrative Budget						
Coordination Unit		0.19	0.45	0.50	0.03	1.16
Trustee		0.14	0.41	0.46	0.02	1.04
Total		0.33	0.85	0.96	0.05	2.20
Total Funding Decisions		78.35	211.03	172.48	34.93	496.78

Note: Totals may not add up due to rounding

RESULTS FRAMEWORK

01	<p>INDICATOR 1: Amount of contributions raised Baseline 2016: 0</p>	<p>Target \$1b Contrib. (2021), \$200m (yearly)</p>	<p>Status as of Fiscal Year 2018 \$574m</p>		
02	<p>INDICATOR 2: Amount allocated by GCFE per year Baseline 2016: 0</p>	<p>Target \$150 - 200m (yearly)</p>	<p>Status for Fiscal Year 2018 \$304m</p>		
03	<p>INDICATOR 3: Amount of MDB financing made on concessional terms from GCFE Baseline 2016: 0</p>	<p>Target \$3b in Concessional MDB Financing (2021) (\$600m yearly)</p>	<p>Status for Fiscal Year 2018 \$2.5b</p>		
04	<p>INDICATOR 4: Respondents from BCs, ISAs, & SCs indicate that GCFE is usefully contributing to coordination Baseline 2016: 0</p> <p>Comments: 4 international conferences; 3 Working Groups; 4 Steering Committees; and virtual communication. Coordination with donors and Benefitting Countries. Donor coordination in country.</p> <table border="1" data-bbox="580 1105 1433 1248"> <tbody> <tr> <td data-bbox="580 1105 1040 1248"> <p>Target % indicating that GCFE contributing to MDB & UN coordination to address refugee impact</p> </td> <td data-bbox="1040 1105 1433 1248"> <p>Status for Fiscal Year 2018 Under Consideration; Process to be discussed at next SC</p> </td> </tr> </tbody> </table>			<p>Target % indicating that GCFE contributing to MDB & UN coordination to address refugee impact</p>	<p>Status for Fiscal Year 2018 Under Consideration; Process to be discussed at next SC</p>
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VOICES OF THE GLOBAL COMMUNITY

In April 2018, the Center for Global Development (CGD), in partnership with the International Rescue Committee, released a policy brief titled “Tackling the Realities of Protracted Displacement.” In it, the authors evaluate how the international community has addressed forced displacement – in particular, in its response to the Syrian refugee crisis.

One of the major responses to the crisis came in parallel to the creation of the GCFF. During the same UNGA meeting in September 2016, all 193 UN Member States adopted the New York Declaration, which established the Comprehensive Refugee Response Framework (CRRF). The CRRF was designed to foster greater inclusion of refugees in host communities from the start of their displacement. It also sought to ease the pressure on countries hosting refugees, expand resettlement opportunities, and foster conditions that could enable refugees to voluntarily return home. While the GCFF is not directly tied to the CRRF, both responses focus on providing long-term support to host countries in accommodating refugees.

Despite their shared goals, it is not yet possible to systematically assess if these efforts are improving the lives of refugees and their hosts. To further improve coordination within the international system, CGD recommends that actors (i) define shared outcomes and targets at the global and country levels, (ii) engage a wide range of stakeholders through improved partnership and coordination models, (iii) conduct joint analysis and planning to align approaches and processes, and ensure actions are responsive to refugee and host needs, and (iv) put in place clear accountability mechanisms.

In CGD’s view, actors should agree on collective outcomes and shared targets in order to ensure that approaches are complementary and have impact. These outcomes should come with specific, time-bound targets and reliable indicators to meaningfully determine whether the lives of refugees and host communities are improving. Outcomes agreed upon on a global level would inform a set of shared targets at the country level and create an accountability mechanism to which host countries could remain accountable.

To avoid duplication of efforts, encourage broader support for projects, promote learning among stakeholders with different expertise and perspectives, and ensure that refugees’ concerns are adequately addressed, CGD recommends introducing effective stakeholder engagement and partnership models and moving away from the ad hoc consultations that are currently taking place.



Given the differences in mandates, expertise, approaches, and pace of working of humanitarian and development actors, CGD suggest that all actors participate in a joint analysis and planning process that recognizes the expertise that each actor brings to the table. For example, while the World Bank excels at working with governments to meet the needs of poor and vulnerable populations, it does not have the same expertise around refugee-specific issues that humanitarian actors like UNHCR and various NGOs will have. Joint planning will assist in prioritizing key policy reforms necessary to achieve agreed upon outcomes and targets.

Finally, CGD recommends that humanitarian and development actors establish clear accountability mechanisms. One mechanism proposed would involve regular reporting of agreed upon outcomes and targets in dedicated meetings at country and/or regional level, as well as at ministerial-level refugee summits, currently being proposed in the first draft of the Global Compact on Refugees. Stakeholders would have to work together to increase transparency on financial flows and impact, and be accompanied by timely data to support measurement.

LOOKING AHEAD

Private Sector Opportunity for the GCFF

Early on in the design phase of the GCFF, the emphasis on concessionality and public-sector funding was understood to have potential for complementary private sector support. Consistent with broader efforts by partners to crowd in private sector initiatives to achieve development objectives, the GCFF presented a collaborative platform that could similarly enhance private sector engagement for the benefit of both refugees and host communities. Once the GCFF was launched and concessionality funding was operationalized, some partners expressed renewed interest in exploring private sector opportunities for the GCFF.

At its second meeting, held in Washington, DC on April 20, 2017, the GCFF Steering Committee considered the topic of “Leveraging Private Sector Investment for the GCFF.” At its third meeting, held in Amman on October 29, 2017, the Steering Committee continued the discussion and ultimately asked an informal working group of ISAs to present a proposal at a subsequent meeting. The discussion acknowledged that the GCFF can, under its current rules, already support public sector contributions to private sector projects through its concessionality funding. However, the working group was to consider other, more direct private sector support mechanisms. Partners understood that this would involve non-concessionality funding streams to ISAs for direct transfer to private sector recipients. Interest in pursuing this option reflected a mutual understanding about the interdependency of private sector development and public-sector infrastructure as two parts in a longer-term strategy to benefit refugees and host communities.

The Operations Manual (paragraph 7) already includes “expanding economic opportunities (e.g., ... job creation)” and “promot[ing] private sector participation” as part of the Scope of the GCFF. Building on this, the working group is considering ways such efforts could be structured to “support impacted or vulnerable populations” and relate “to the impacts of the refugee crisis.” Among the options discussed within the working group, the most promising included the promotion of risk-sharing operations, specifically in the form of partial portfolio guarantees (PPGs) covering first losses up to an agreed cap. These PPGs would accompany ISA loans to private sector financial intermediary entities (PSFIs), like commercial banks. The goal would be to increase PSFI lending to viable SME businesses that otherwise have trouble obtaining loans, by extending ISA funding commitments to PSFIs in the event SME loans are not repaid. In exchange, PSFIs, and in turn SMEs, would be stimulated to greater economic activity that would redound to the overall benefit of refugees and host communities.

The specific modalities of this private sector proposal are being developed for presentation to and consideration by the next Steering Committee meeting in Fall 2018.

Photo Credit: Dorte Verner / World Bank



M&E FRAMEWORK

The stated objective of the GCFF is to support middle-income countries facing refugee crises by providing concessional financing and enhanced coordination for development projects that address the impact of the influx of refugees. GCFF-funded operations feature a series of development objectives and results indicators to measure the progress and impact of projects, as approved by the ISA's board of directors. Specifically, the GCFF Operations Manual requires the relevant ISA to "monitor and evaluate overall Project performance in accordance with its policies and procedures.

Beyond measuring project-level results, several Supporting Countries have expressed a shared interest in maximizing the benefits of GCFF-funded operations for refugees and host communities. The effort to achieve this shared objective would be aided by a framework that supplements normal project-level monitoring to be undertaken by the ISAs to systematically capture the wider impact of GCFF-funded projects on refugees and host communities. Since the assessment and monitoring within the context of refugee situations remains a relatively new area of economic analysis, the GCFF team is aware that it requires further refinement, in dialogue with the hosting and supporting countries and in keeping with the ongoing global dialogue (see box on the Global Compact on Refugees).

The GCFF Coordination Unit is working with UNHCR to lay options to enlarge the Results Framework that would monitor the impact, both at the underlying operation level (in line with the policies and procedures of each ISA) and at a more aggregate level.

Beyond the information compiled in the Progress Reports (at the project-level), the GCFF team will work together with UNHCR to strengthen the quality of monitoring for a better understanding of the overall impact as well as issues concerning refugees and host communities, with a view to enhance the metrics identified to measure progress towards results and ensure that it be gender-sensitive and take into consideration other vulnerable population groups.



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