



2018  
2019  
ANNUAL REPORT

GLOBAL  
CONCESSIONAL  
FINANCING  
FACILITY



Global Concessional Financing Facility







Daily life in Zaatari refugee camp in Jordan  
Dominic Chavez/World Bank



Scene from the Zaatari Refugee Camp in Jordan  
UN Photo/Sahem Rababah



## GCFF AT A GLANCE

The Global Concessional Financing Facility (GCFF) was launched in 2016 on the initiative of the United Nations, the Islamic Development Bank and the World Bank. It was created in response to the effects of the Syrian refugee crisis on Jordan and Lebanon, which opened their borders to their neighbors fleeing violence and persecution. As a result, these two countries have a higher number of refugees as a share of their overall populations than any other country in the world. Providing this global public good has caused considerable fiscal and financial stress and strained infrastructure and public services, such as water, education, and health.

However, as middle-income countries, neither Jordan nor Lebanon could borrow from multilateral development banks at concessional rates, which are typically reserved for low-income nations. The GCFF was created to close this gap by using contributions from Supporting Countries to provide concessional financing to Jordan and Lebanon, complementing loans that address the impact of the Syrian refugee crisis and benefit both refugees and host communities.

As the number of refugees worldwide has risen to unprecedented levels, the GCFF was extended to a global level in September 2016, by allowing it to support eligible countries anywhere in the world. In January 2019, Colombia was added as a benefitting country to the GCFF with the view to address the impacts of the Venezuelan crisis on its economy. The UNHCR and IOM estimate that 4 million people have left Venezuela so far due to the country's economic, political and social crisis, unleashing unprecedented challenges for host Latin American countries. The outflow of people has accelerated rapidly during 2018 and migrant flows are likely to continue in the coming years.

Colombia has taken in a larger share of people fleeing the crisis in Venezuela than any other country in the region. As these two countries share a 2,200 km border, Colombia became the main recipient of Venezuelan migrants and refugees in the Latin American region. Of the four million people who have left Venezuela so far, 1.5 million are living in Colombia and 750,000 have crossed the country on their way to other destinations. An additional 45,000 come into the country daily to access services and work in border areas. The UNHCR estimates that the crisis will only deepen, with 5 million people having left Venezuela by the end of 2019. The addition of Colombia to the GCFF is therefore very timely.

**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 were 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. In January 2019, as a result of the Venezuelan crisis, the GCFF Steering Committee approved Colombia as a benefitting country. Indeed, 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.

**Funding:** Since its launch, the GCFF has received more than \$695 million (in USD equivalent) in pledges from ten Supporting Countries.<sup>1</sup> Of that, the Facility disbursed \$584 million<sup>2</sup> in concessionality amounts, which in turn have leveraged over \$3 billion in much-needed concessional financing to support refugees and their host communities in Jordan, Lebanon and Colombia. 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.

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<sup>1</sup> In 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.

<sup>2</sup> The figures include the Lebanon National Jobs Program, which was cancelled in July 2019.



Syrian refugee children in the Katermaya refugee camp, outside Beirut, Lebanon • Dominic Chavez/World Bank

**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 for approval 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 ISA loan. The *pari passu* disbursement of GCFF funds alongside the ISA loan effectively makes the ISA loan concessional.





Colombia. Venezuelans risk life and limb to seek help in Colombia. A young boy feeds his baby sister at the registration centre. • © UNHCR/Vincent Tremeau



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## ABBREVIATIONS

BC	Benefitting Country
BRT	Bus Rapid Transit
CDR	Council for Development and Reconstruction
DCU	Development Coordination Unit
DFID	Department for International Development (U.K.)
DLI	Disbursement-Linked Indicators
DPL	Development Policy Loan
EBRD	European Bank for Reconstruction and Development
ECE	Early Childhood Education
EIB	European Investment Bank
EPHRP	Emergency Primary Healthcare Restoration Project
ESP	Education Sector Plan
EU	European Union
GCFF	Global Concessional Financing Facility
GCR	Global Compact for Refugees
GIS	Geographical Information System
GoJ	Government of Jordan
IMF	International Monetary Fund
ISA	Implementation Support Agency
IOM	International Organization for Migration
IsDB	Islamic Development Bank
JICA	Japan International Cooperation Agency

MDB	Multilateral Development Bank
MENA	Middle East and North Africa
MFD	Maximizing Finance for Development
MIC	Middle Income Country
MWI	Ministry of Water and Irrigation
M&E	Monitoring & Evaluation
NAF	National Aid Fund
PDO	Project Development Objective
PforR	Program for Results
PHCC	Primary Healthcare Centers
PPP	Public Private Partnership
PSFI	Private Sector Financial Intermediary
PSSF	Private Sector Support Framework
SC	Steering Committee
SMEs	Small and Medium Sized Enterprises
UN	United Nations
UNDP	United Nations Development Program
UNGA	United Nations General Assembly
UNHCR	United Nations High Commissioner for Refugees
WAJ	Water Authority of Jordan
WB(G)	World Bank (Group)



Sinai and her dog Kamila, play outside their home in Brisas del Norte informal settlement in Riohacha. Sinai's mother, Rocío Ramirez, fled Venezuela with her family when the local school closed and food ran out. • © UNHCR/Andrew McConnell



## SECTION 1: PRESENTATION OF THE GCFF

### 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 globally largest shares of refugees in relation to their population, 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, Secretary General of the United Nations, and Islamic Development Bank's President, 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 World Bank, Islamic Development Bank, European Bank for Reconstruction and Development, and the 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. In this spirit, in January 2019, the Facility added Colombia as a benefitting country as a response to the impacts of the Venezuelan crisis.

The UNHCR and IOM estimate that 4 million people have left Venezuela so far due to the country's economic, political and social crisis, unleashing unprecedented challenges for

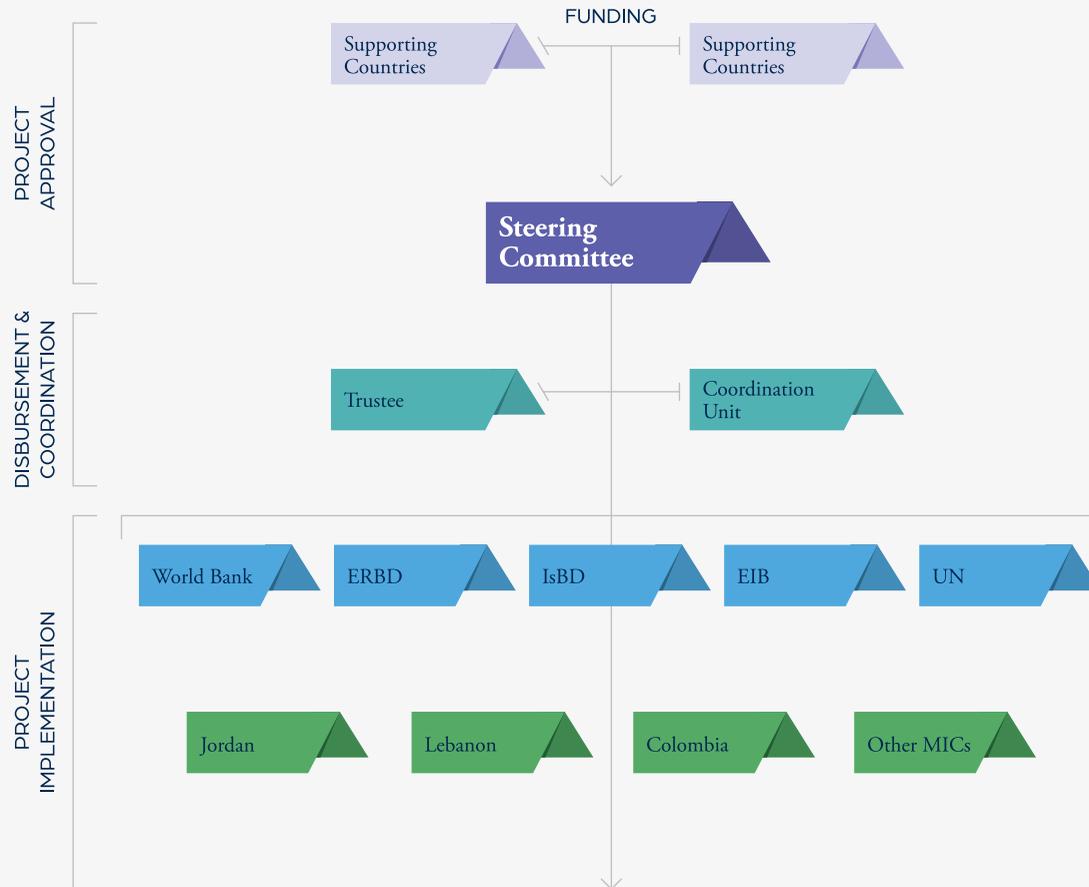
host Latin American countries.<sup>3</sup> The outflow of people has accelerated rapidly during 2018 and migrant flows are likely to continue in the coming years as the Venezuelan crisis deepens, and fragmented households are reunited. As in most humanitarian crises, many migrants remain near their home country, the largest share of them seeking shelter in neighboring Colombia. According to UNHCR, the broad circumstances leading to the outflow of Venezuelans result in a rebuttable presumption of international refugee protection needs, such that an important proportion of Venezuelans currently present in Colombia may be eligible for refugee status or equivalent protection under applicable international, regional, and national standards. The addition of Colombia as a benefitting country is therefore timely and will allow the country to address the fiscal impacts of the crisis on its economy.

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.

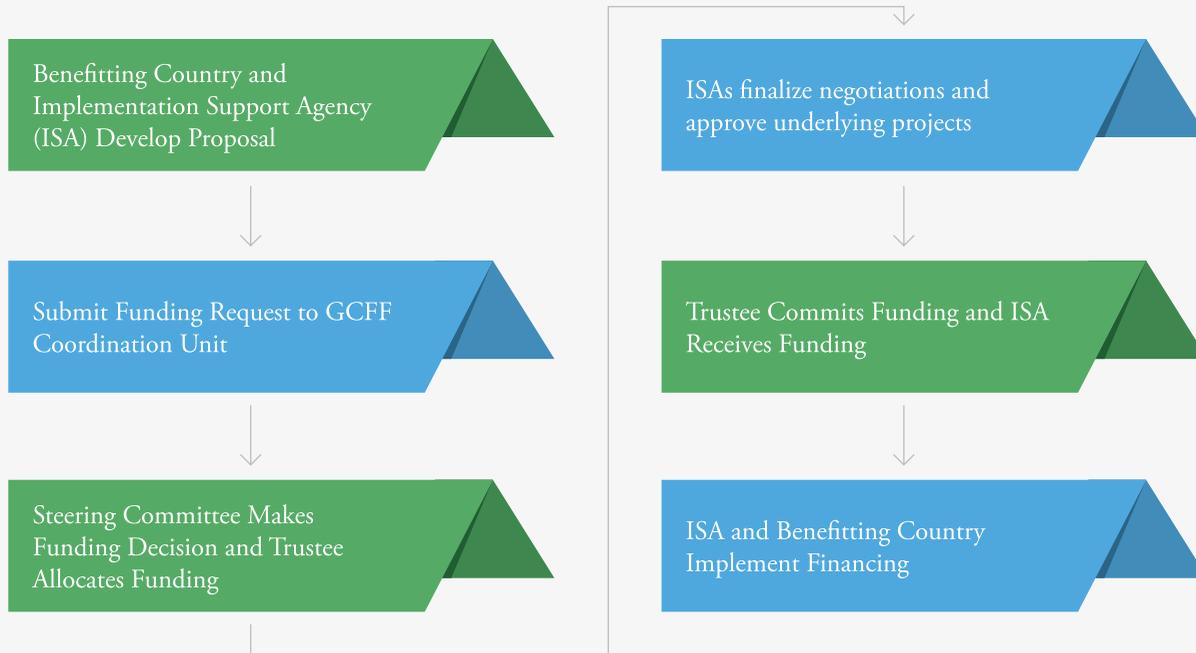
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<sup>3</sup> Inter-Agency Platform RV4, 2019

# PROJECT SELECTION AND IMPLEMENTATION



## HOW DOES THE GCFF WORK IN PRACTICE?



## SUPPORTING REFUGEES AND HOSTING COMMUNITIES

As reported by UNHCR,<sup>4</sup> the number of people fleeing persecution and conflict exceeded 70 million<sup>5</sup> in 2018, the highest level seen since the creation of the organization in 1950. The figures are showing a longer-term rising trend in the number of people fleeing war, violence and conflict, with the numbers almost doubling in the last decade from 43.3 million forcibly displaced in 2009 to 70.8 million in 2018. In recent years, conflicts such as the war in Syria, the flow of Rohingya to Bangladesh and the Venezuelan crisis have significantly contributed to the increase in the number of displaced people.

Syrian refugees account for the largest group of refugees, increasing from 6.3 million in 2017 to 6.7 million in 2018. Given the continued high number of Syrian refugees, the GCFF remains highly relevant in Lebanon and Jordan. The second largest flow of new international displacements in 2018 came from Venezuela, where almost 4 million people had left the country by June 2019. It is estimated that almost five million people might leave the country by the end of 2019.

Most refugees, about 80 percent, live in countries neighboring their countries of origin. The number is even higher for Syrian refugees, where 85 percent have remained

in the Middle East. Lebanon continues to be the country with the largest number of refugees relative to its national population, where 1 in 6 inhabitants was a refugee. Jordan came in second, where 1 in 14 people was a refugee.

“What we are seeing in these figures is further confirmation of a longer-term rising trend in the number of people needing safety from war, conflict and persecution. While language around refugees and migrants is often divisive, we are also witnessing an outpouring of generosity and solidarity, especially by communities who are themselves hosting large numbers of refugees. We are also seeing unprecedented engagement by new actors including development actors, private businesses, and individuals, which not only reflects but also delivers the spirit of the Global Compact on Refugees,” said *UN High Commissioner for Refugee Filippo Grandi*.

<sup>4</sup> UNHCR Global Trends: Forced Displacement in 2018

<sup>5</sup> The figure includes 41.3 million IDPs

As most displaced people are hosted long-term in neighboring or other developing countries, the development prospects of these countries can be affected, and strains put on the communities hosting them. The GCFF plays a role here, by bridging the gap between humanitarian and development assistance and enhancing the coordination between the UN, donors, multilateral development banks, and benefiting (hosting) countries. It helps to manage the shocks caused by the inflow of large numbers of refugees by supporting hosting governments to adopt and implement sound policies producing sustainable solutions.

For example, the impact of a large influx of people on jobs and wages can be alleviated by sound policies such as providing work permits. When refugees have the right to work, they can compete for skilled positions in the private sector, while without such permits they are relegated to low-skill, informal jobs. In this context, the GCFF's support to host country governments plays an important role in creating better conditions for refugees and hosting communities and finding sustainable solutions by providing concessional financing for projects in sectors such as education, jobs, sustainable infrastructure and health. These projects are focusing on those most vulnerable, the refugees and the poor in the hosting communities, as well as women and youth. An overview of the projects can be found in Section 2 of the report.

## THE IMPACT OF THE VENEZUELAN ECONOMIC CRISIS ON NEIGHBORING COUNTRIES

By June 2019, IOM and UNHCR estimated that over 4 million people had left Venezuela due to the country's economic and social crisis. The flows have accelerated rapidly during the last couple of years, with some countries reporting twice as many Venezuelans today as they did in 2017. Migration outflows are likely to continue in the incoming years as the Venezuelan economic and social crisis deepens, and fragmented households are reunited. As in most humanitarian crises, many migrants remain near their home country. By the end of June 2019, it was reported that most Venezuelan migrants, almost 1.5 million, live in Colombia, followed by Peru (800,000), Chile (290,000) and Ecuador (260,000).

The Venezuelan migration is impacting Latin America in a magnitude and at a speed never seen before. Service provision in host communities is overwhelmed across different sectors including health, education, housing, and water and sanitation, adding pressure to pre-existing development deficits. The poor and vulnerable in host areas are also disproportionately affected by this migration, as migrants and refugees directly compete with them for already scarce services and opportunities. Specific vulnerabilities are also

## NUMBER OF VENEZUELAN MIGRANTS PER COUNTRY

Country	Number of Venezuelan Migrants in the country
Colombia	1298300
Peru	806875
Chile	288233
Ecuador	263000
Brazil	168357
Argentina	145000
Panama	94400
Trinidad & Tobago	40000
Mexico	39500
Guyana	36400
Dominican Republic	28500
Curacao	26000
Costa Rica	25700
Aruba	16000
Uruguay	8589
Paraguay	500



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emerging, including difficulties accessing documentation necessary for registration, regularization and socio-economic integration, as well as specific risks associated with human trafficking and sexual exploitation. Displaced populations are highly concentrated in lagging border areas or marginalized neighborhoods in large cities, making many of these impacts more difficult to be absorbed and managed. While the situation to date has remained manageable, there is a high probability that the pressure will continue to increase, with potential impacts on host countries' own development prospects.

The migration flow from Venezuela is increasingly taking on a refugee-like crisis, where, according to UNHCR, the broad circumstances leading to the outflow of Venezuelans result in a rebuttable presumption of international refugee protection needs. UNHCR has notably emphasized the: (a) high volume of migrants, (b) accelerated rate at which they are leaving the country, and (c) multidimensional vulnerabilities reported by most migrants, including the lack of travel documents.<sup>6</sup> Migrants arrive with an urgent need to find access to labor, health, education, and housing services. The ability to seek formal ways of employment and access to services is often only possible upon obtaining a form of regular migratory status.

<sup>6</sup> UNHCR Global Trends: Forced Displacement in 2018

## BROADENING THE GCFF TO LATIN AMERICA: THE CASE OF COLOMBIA

Colombia is the country with the highest migration flows caused by the socioeconomic and political crisis in Venezuela. With a 2,200-kilometer common border (roughly the same distance as from Athens to Berlin) and with only seven official crossing points and hundreds of informal pathways, it is estimated that Colombia has received more than 70 percent of the Venezuelans fleeing their country. The situation is complex, with different types of population movements taking place simultaneously, including different types of profiles (regular and irregular Venezuelan migrants, refugees, documented and undocumented returning Colombians, and mixed families) and different types of migration (intention of stay migrants, back-and-forth migrants, and migrants transiting to another country).

As such, the arrival of refugees and migrants from Venezuela into Colombia has grown exponentially over the last few years. The number of those staying in the country rose from less than 39,000 at the end of 2015, to 1.5 million at the end of June 2019. Furthermore, the number of Venezuelans in the country is likely to be higher, as the data sources for irregular migrants are based on estimates by government officials. Similarly, the number of Venezuelans transiting

through Colombia towards Ecuador and onwards increased from 14,000 in 2015, to 980,000 in 2018, and more than 407,000 had done so in the first five months of 2019.<sup>7</sup>

According to the Government of Colombia (GoC), it is estimated that by the end of 2019, over 2.2 million refugees and migrants from Venezuela will be in Colombia, including over 1.7 million with intention to stay and over 500,000 Colombian returnees. Over 1.1 million refugees and migrants will need access to basic services like health, education and access to labor markets.

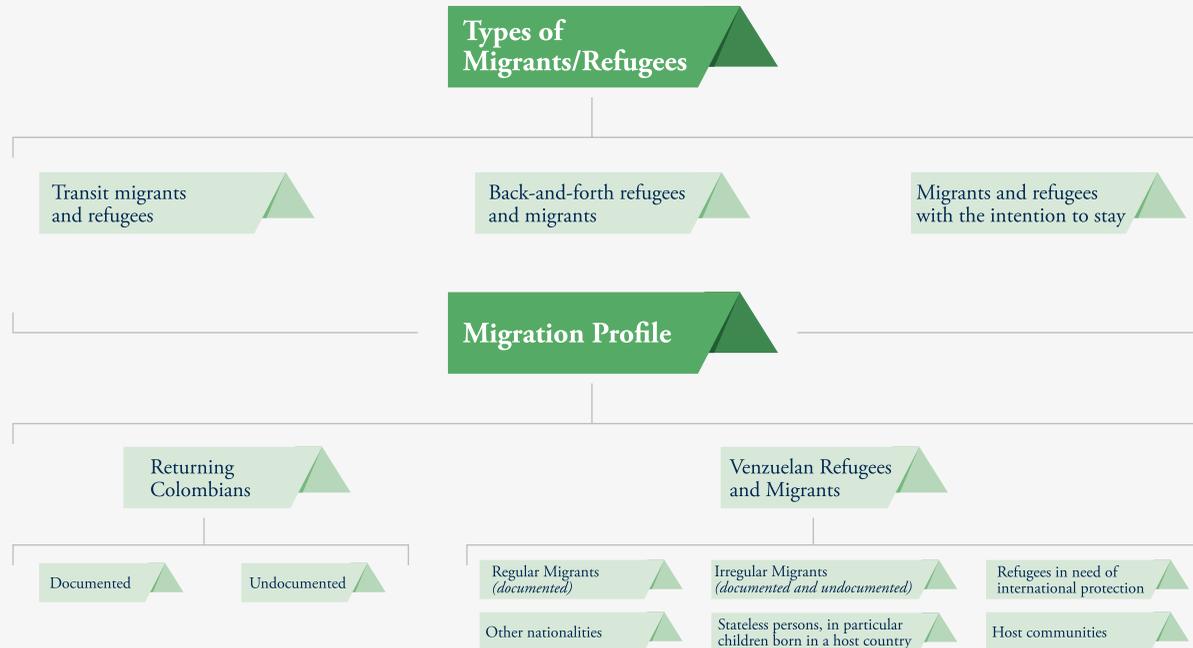
To date, close to half a million Venezuelans are benefiting from a regular status in the country, while more than 2,700 have filed for asylum. However, with an average of 5,000 daily arrivals among the different official entry-points, national capacities and host communities are overstretched, increasing the risk of xenophobia if their needs are not addressed. In addition, a significant number of Venezuelans remain in an irregular situation, due to various factors like lack of documentation, administrative obstacles, long waiting periods, or high application fees.<sup>8</sup> In most cities, their irregular situation leaves them without rights to access to services, and therefore vulnerable to all forms of exploitation and abuse, violence, and discrimination.

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<sup>7</sup> Migracion Colombia, 2019

<sup>8</sup> United Nations: Inter-Agency Regional Coordination Platform, 2019

## TYPES AND PROFILES OF VENEZUELAN MIGRANTS



The Government of Colombia has been proactive in its response to this migration, creating instruments for regularization, providing access to services and creating a coordinating entity for response. Colombians themselves have also responded with solidarity, welcoming migrants in their communities. Yet, service provision in sectors like health, education, housing and other public services is overwhelmed, particularly in border areas where there is a higher concentration of migrants in relative terms and that had pre-existing development deficits.

A recent World Bank multi-sectoral impact assessment showed that in Colombia, this unprecedented migration is creating multi-dimensional needs for both migrants and host communities. It also showed that these impacts are geographically concentrated, affecting disproportionately the municipalities and neighborhoods hosting more migrants in relative terms. They also affect disproportionately the poor and vulnerable (specially victims of the armed conflict) in host communities, who compete directly with migrants for services and jobs. While the situation of Venezuelans leaving their country is very difficult across the board, there is a lack of information and understanding of the impacts that the process is having on specific populations, including women and children. Anecdotal evidence shows that these two groups are at risk of exploitation and violence and may also have more difficulty in integrating into the labor market and host communities.

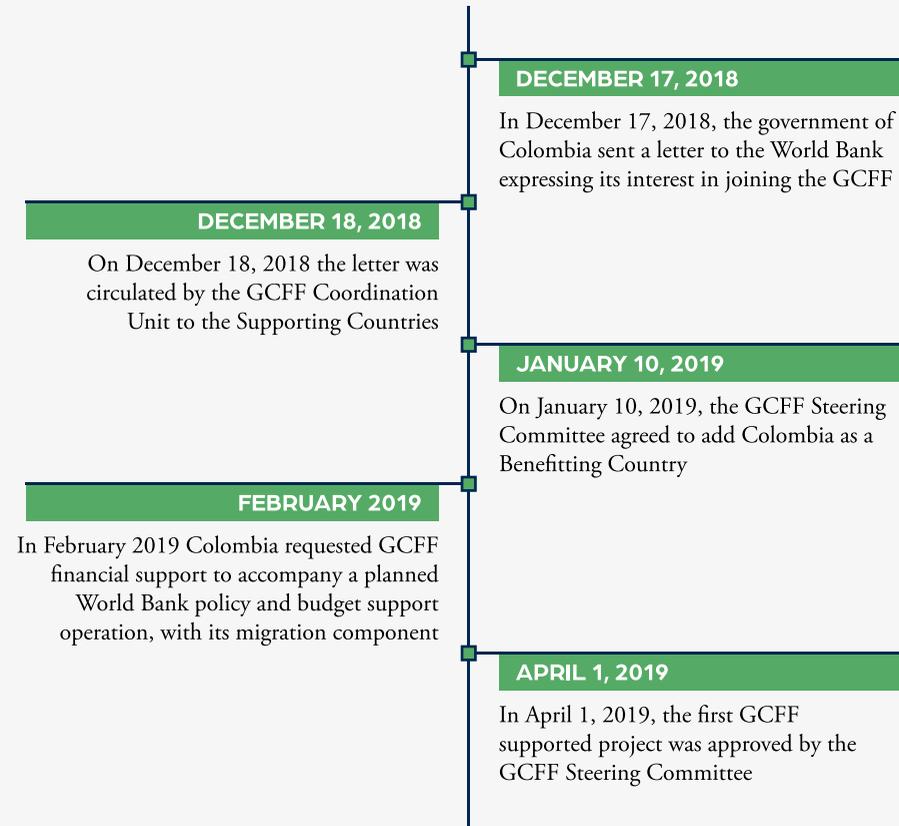
In terms of fiscal costs, estimates show that the fiscal impact of the crisis for 2018 could total between 0.26 and 0.41 percent of GDP. Yet, impacts could be off-set in the mid-term as migrants and refugees integrate into the labor market: an additional 0,5 million working age migrants would lead to an increase in economic growth of 0,2 percentage points, dependent on their successful integration into the labor market.

In this context, in January 2019, the GCFE Steering Committee admitted Colombia as a benefitting country, eligible to receive concessional financing for projects addressing the impacts of the Venezuelan crisis. The first GCFE-supported project for Colombia was approved in April 2019. The **Second Fiscal Sustainability, Competitiveness, and Migration Development Policy Loan** will support, amongst other items, policy measures to support the registration of Venezuelans and the adoption of a national policy framework for migration response.

## APPROVAL OF COLOMBIA

Upon request to the Coordination Unit by a Supporting Country (SC), the addition of Colombia as a benefitting country was agreed on a consensus basis among the SCs and consent of the Trustee. Key moments worth mentioning throughout this process.

## APPROVAL OF COLOMBIA: TIMELINE



## GCOFF SUPPORT FOR COLOMBIA

The first GCOFF supported project in Colombia is Colombia's **Second Fiscal Sustainability, Competitiveness and Migration Development Financing**. The \$750 million project has received \$31.5 million in concessional financing and was approved by the World Bank Board on May 21, 2019.

The project will provide the Government of Colombia with technical assistance and tools to address the dire developmental challenges by the sudden increase of population flows from Venezuela. The population influx has exacerbated the dire humanitarian situation of border communities which, despite the signing of a peace accord, have seen backpedaling in trends of reduced violence in recent months. These communities face illicit economics like drug trafficking (Catatumbo region alone accounts for 17 percent of all coca cultivations in the country), the presence of multiple illegal armed groups, and upticks in victimization, including homicide (up 58 percent compared to 2016 in border municipalities with illicit economics), displacement, and forced recruitment.

In this context, the project will support the GoC in its efforts to foster safe and orderly migration in the following areas:

- 1) Set up of registry of migrants;
- 2) Increased awareness in communities to foster integration;
- 3) Availability of provision of basic services to the arriving populations;
- 4) Provision of technical support to increase the capacity of different state institutions at the national and local levels that have responsibilities related to refugees and migrants;
- 5) Creation of structural and long-term State capacity by providing technical assistance and conducting advocacy that will be reflected and adopted into concrete norms, such as laws, decrees, and other regulations, as well as strategic and far-reaching public policies.

Through these points, the intervention will comprehensively respond to needs, promoting overall community stability, and social and cultural integration.

## VENEZUELAN MIGRATION FLOWS TO ECUADOR



## THE CASE OF ECUADOR

In February 2018 Ecuador expressed its interest in joining the GCFF as a benefitting country and the GCFF Steering Committee is currently reviewing its candidacy. The increase in the number of arrivals of refugees and migrants from Venezuela in Ecuador poses a major challenge for governmental, humanitarian and development actors responding to the unfolding situation. According to UNHCR, Ecuador hosted 260,000 Venezuelan migrants by June 2019. Against this backdrop of increasing population movements and humanitarian needs, resources became significantly overstretched. With inputs from GCFF partners as relevant, the Steering Committee will determine whether Ecuador meets the GCFF eligibility criteria set forth in paragraph 9 of the GCFF Operations Manual to become a new benefitting country.

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## THE UPCOMING GLOBAL REFUGEE FORUM (*DECEMBER 17-18, 2019*)

In 2018, the UNHCR gathered the global community to agree on a Global Compact for Refugees (GCR). The GCR sets out a framework for sharing the responsibilities for refugees in a more predictable and equitable way. It aims to improve the global response to refugee situations by providing stronger support to hosting countries and communities as well as empowering refugees to become more self-reliant. It also aims to expand access to third-country solutions and support conditions in countries of origin for a safe return.

In December 2019, one year after the affirmation of the GCR, the first **Global Refugee Forum** will take place in Geneva, Switzerland. The forum will offer an opportunity for countries to take stock of the current situation and to strengthen the international response. UN Member States and other stakeholders will have the opportunity to deliver pledges and contributions in line with the objectives of the GCR with the aim to produce tangible benefits for refugees and host communities. The Forum will also provide an opportunity for participants to share key achievements and exchange good practices that can be used by the global community in order to transform the lives of refugees and host communities.

“Refugee situations send ripples across entire regions and beyond. Dealing with displacement challenges cannot be done alone and requires unity of vision and ambition among all countries coupled with real, concrete action. This is the goal of the Global Compact on Refugees and it is what we will be working towards through the Global Refugee Forum.”

*UN High Commissioner for Refugees Filippo Grandi*

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The six areas of focus for the first convening will be arrangements for burden and responsibility-sharing, education, jobs and livelihoods, energy and infrastructure, solutions and protection capacity.

## KEY FEATURES OF THE GCFF

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

Funding requests are submitted by Benefiting 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 Benefiting Countries.

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

## HOW ARE ISA LOANS MADE CONCESSIONAL?

A central aim of the GCFF is to make development assistance more affordable to middle-income countries facing a refugee crisis. In order to do so, contributions from Supporting Countries are used to increase the level of concessionality of loans from an Implementation Support Agency (ISA) – a development bank that provides low-cost loans and technical expertise to carry out a development project.

In this way, the ISA is able to provide loans at an overall reduced cost, reaching levels similar to those offered by the International Development Association (IDA), the World Bank Group body providing low-cost development loans to low-income countries.

To determine the amount of contributions it needs to request for a given operation, an ISA starts by noting the ‘concessionality spread.’ This spread is the difference, (expressed in basis points, or one hundredths of one percent) between the IBRD interest rate used in lending to middle-income countries and the IDA rate, and it is recalculated on a quarterly basis. The Concessionality Amount for a given loan is calculated as the net present value of the revised concessionality spread during the life of the loan,

given the financial characteristics of each ISA loan. In some cases, applying the concessionality spread to the ISA’s own prevailing interest rate for middle-income countries results in an interest rate that is below the IDA floor (prevailing IDA rate at the time). When this occurs, the ISA reduces the concessionality spread so that the overall cost for the Benefitting Country does not fall below the IDA one, this is the revised concessionality spread.



“I am better off having established my home-based business.” *says Syrian refugee*

## RISKS AND CHALLENGES

### Lebanon

Lebanon is facing a myriad of challenges, including heightened macro-financial risks, depleted infrastructure, and the implications of the Syria crisis. Syrian refugees now account for almost 25 percent of the population and Lebanon has the highest number of refugees per population globally. This dramatic surge in population is putting a strain on the country's resources, public services, and environment. The fiscal costs related to the Syria crisis have been considerable, amounting to an estimated US\$2.6 billion from 2012-2014 alone.<sup>9</sup> Within this challenging environment, real GDP growth rates since 2018 are estimated to be negligible, reflecting a deceleration in economic activity. This has been exacerbated by maintained negative outlooks for Lebanon's credit rating. Now, Lebanon is the third most indebted country in the world with gross public debt reaching 150 percent of GDP by end-2018. Externally, a large trade deficit leads to a sizable structural current account deficit, which has averaged close to 20 percent of GDP since 2011.

Debt stabilization is a primary concern to address Lebanon's ability to meet its large financing needs. The Government of Lebanon is taking steps to address the high deficit recorded in 2018. The 2019 Budget included the following measures: (i) raising the tax rate on interest income from bank deposits from 7 to 10 percent; (ii) increasing income tax for high-earners from 20 to 25 percent; and (iii) raising import tariffs by 3 percent. With regards to expenditures, measures included capping wages and benefits for public sector employees, related to pensions, and cuts in government purchases of goods and services.

The Government has also taken steps to affirm its commitment to reforms and infrastructure investments, as articulated at the CEDRE conference. For example, the cabinet recently endorsed a long-awaited electricity sector reform plan which aims by 2021 to secure 24/7 power supply across the country at increased tariff rates that will significantly reduce government subsidies to the sector. Reform measures, such as these, are crucial to enhance stability and development prospects in coming years. They are expected to mitigate strained public finances, expand economic opportunities, scale up access to and quality of service delivery, as well as to facilitate confidence to secure Lebanon's other financing needs.

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<sup>9</sup> World Bank. 2013. Lebanon Economic and Social Impact Assessment of the Syrian Conflict.

## **Jordan**

Jordan is facing a triple challenge – the Syria crisis, high public debt and protracted low growth – which is hampering the economy’s ability to grow and to generate the large number of jobs it needs. The conflict in Syria led to an unprecedented influx of refugees and imposed significant challenges on the country’s economy. The country continues to host around 1.3 million Syrians, of which 671,551 are registered refugees with UNHCR (as of January 19, 2019), raising Jordan’s overall population to 9.5 million in 2017. The sudden refugee influx has exacerbated challenges related to increased competition for low end jobs, exhausted existing social and physical infrastructure, and lead to increased fiscal and social stress. While the Government estimates that the budgetary cost of hosting the Syrian population in Jordan comes to about \$[2-3] billion a year, the economic cost of disrupted trade is also significant.

Moreover, Jordan’s macroeconomic stability and confidence in its economy are restrained by a large public debt stock. Recent decline in remittances and lower official grants are impeding Jordan’s prospects for public and external debt sustainability. Moreover, high interest costs and rising debt refinancing costs pose additional pressure on Jordan’s public debt sustainability.

Jordan’s major challenge remains to reinvigorate its economy in the context of a poor external environment. Moreover, Jordan’s macroeconomic stability hinges on: (i) a regional peace dividend to reinvigorate consumption, investment and exports needed to revamp the economy; (ii) implementing a reform agenda to improve exports and FDI attraction, and to improve productivity, and (iii) attracting international financial assistance to address the country’s twin deficits and mitigate the overhang on the private sector.

To mitigate these challenges, the government has responded with an ambitious economic program, a fiscal reform program and expanded social protection. The Government’s economic program—underpinned by the Prime Minister’s two-year priority plan for 2019-2020, Vision 2025, Jordan Economic Growth Plan, Five Years Reform Matrix (2018-2022) launched in London in February 2019, enjoy diverse support from multilateral agencies, and the donor community—provides a comprehensive menu of reforms needed to tackle Jordan’s growth, jobs and productivity challenge. All these programs seek to enhance inclusive growth by sustaining macroeconomic stability through gradual fiscal consolidation, while advancing structural reforms to strengthen growth, competitiveness, and job prospects, and fostering equity, fairness, and good governance.



People from Venezuela enter Colombia



Children listen to their teacher at the Zaatari Refugee Camp, located near Mafraq, Jordan • UN Photo/Mark Garten

## SECTION 2: GCFF OPERATIONS IN REVIEW

### OVERVIEW OF GCFF-SUPPORTED OPERATIONS

<p><b>\$514m</b> Funding approved to date</p>	<p><b>\$3b</b> Supporting projects worth</p>
<b>NEW OPERATIONS</b>	
Jordan Emergency Health Additional Financing	Colombia's second Fiscal Sustainability, Competitiveness and Migration Development Financing
<b>OTHER ONGOING OPERATIONS</b>	
Jordan First Equitable Growth and Job Creation Development Policy Financing	Lebanon Health Resilience Project
Jordan Education Reform Support (PforR)	Lebanon Roads and Employment Project
Greater Beirut Public Transport Project	Economic Opportunities for Jordanians and Syrian Refugees (PforR)
Jordan West Irbid Wastewater Project	Ain Ghazal Wastewater Project
Jordan Emergency Health Project	
<b>CLOSED OPERATIONS</b>	
Jordan Energy and Water Development Policy Loan (DPL)	
<b>CANCELLED OPERATIONS</b>	
	Lebanon National Jobs PforR <sup>10</sup>

<sup>10</sup> The operation was canceled in July 2019

## NEW GCFF SUPPORTED OPERATIONS IN 2018 AND 2019

The Jordanian Ministry of Health recently introduced co-payments for health services for Syrian refugees. Between 2011 and 2014, Syrian refugees entering Jordan were eligible to receive public health care services from public facilities in Jordan free of charge, which resulted in significant demand. In 2014, the Government revised the co-payment policy and introduced a 20 percent co-payment for Syrian refugees, the same level as for poor uninsured Jordanians. This resulted in a significant drop in the demand for health services by Syrian refugees.

As the fiscal impacts of the refugee crisis made a deeper mark on the Jordanian economy, the co-payment rate for Syrian refugees was increased to 80 percent in 2018. This new co-payment policy created financial barriers for Syrian refugees to access health care and decreased their utilization of public facilities. However, after discussions with the World Bank and its development partners and the introduction of sustainable mitigating solutions, the Government reversed its policy in March 2019, and reinstated the 20 percent co-payment level, also maintaining maternal and child health care services including vaccinations and prenatal control free of charge. The policy reversal is expected to significantly increase demand for services.

Here, the GCFF-supported project **Jordan Health Additional Financing** plays an important role by exploring the drivers of Syrian's access to health services. The project is designed to prioritize access of Syrian refugees to health services and allocates funding to scenarios where Syrian demand for health services reaches the 2014 levels. It aims to help the Government of Jordan to strengthen its resilience to provide needed services, including in the times of surge. The \$200 million project has received \$58.9 million from the GCFF and received Board approval on June 24, 2019.<sup>11</sup>

Across the world, in Latin America, the Venezuelan crisis is making waves across the region. About 4 million people have left Venezuela in recent years and more than 1.5 million are now living in Colombia. The impacts can be felt in the Colombian economy, where the pressures of the migrants can amount to up to 0.4 percent of GDP. Many of the migrants will likely remain in the country and more are expected to arrive, making it even more important to mitigate the shocks to the economy. Migration of this scale generates both significant short-term challenges and medium-term opportunities. Harnessing the potential of migration requires an adequate integration and inclusion of migrants into the economy. At the same time, faster growth will be key for the adequate integration of migrants. Furthermore, migrants have significant needs in terms of public services,

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<sup>11</sup> The project became effective on August 5, 2019, after the end date covering this Annual Report.

such as education and health. Since seven *departamentos*<sup>12</sup> in Colombia have received 80 percent of migrants the pressures on service delivery and labor markets in specific communities is significant.

In this context, the GCFE-supported **Second Fiscal Sustainability, Competitiveness and Migration Development Financing** sustains Colombia's efforts to facilitate access to jobs and basic social services for Venezuelan migrants and refugees, as well as the communities that are hosting them. Specific policy measures include efforts to regularize the status of over 260,000 migrants. GCFE funding for Colombia is supporting policies and programs aimed at improving the lives of migrants and refugees who have come to Colombia and the communities hosting them throughout the country. The \$750 million project has received \$31.5 million from the GCFE. It received Board approval on May 21, 2019 and is pending effectiveness.



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<sup>12</sup> Colombia's territory is divided into 32 departments (*departamentos*) and a Capital District.

## UPDATE ON GCFF SUPPORTED OPERATIONS

### AIN GHAZAL WASTEWATER PROJECT (JORDAN)

Implementation Support Agency:  
EBRD

Recipient Entity:  
WATER AUTHORITY JORDAN



\$25.3 MILLION  
Total Project Amount

\$1.95 MILLION  
GCFF Concessionality Amount

Disbursed: 0%

7/28/2016  
GCFF Approval Date

11/22/2016  
ISA Board Approval Date

Declared Effective on 03/29/2019  
Project Status

1/31/2021  
Closing Date

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, creating employment opportunities and complementing 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 as 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 the Feasibility Study was completed. There have been a number of challenges faced, which delayed the mobilization of the consultants who will carry out the project design work and issue the tender, which in turn has delayed the implementation of the project. However, those consultants are now in place and the prequalification for the project has been issued. The project was declared effective in early 2019.

## ECONOMIC OPPORTUNITIES FOR JORDANIANS AND SYRIAN REFUGEES P4R

Implementation Support Agency:  
THE WORLD BANK

Recipient Entity:  
MINISTRY OF PLANNING AND  
INTERNATIONAL COOPERATION/  
MINISTRY OF LABOR/ JORDAN  
INVESTMENT COMMISSION



\$300 MILLION  
Total Project Amount  
\$51 MILLION  
GCFE Concessionality Amount  
Disbursed: 87%

7/28/2016  
GCFE Approval Date

9/27/2016  
ISA Board Approval Date

Declared Effective on 10/24/2016  
Project Status

5/21/20  
Closing Date

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. Among the commitments of the Jordan Compact are the rights to work and entrepreneurship for Syrian refugees. They are also the key elements of the development approach to the refugee crisis as they are fundamental for the livelihoods, self-reliance, and economic and social integration of Syrians in Jordan. The development approach aims at turning the refugee crisis into an opportunity by allowing Syrians to contribute to the economy through their labor, skills and consumption.

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 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. Allowing Syrians to work formally has enabled them to be self-reliant and enjoy higher wages and protection. Many Syrians also work informally as the Jordanian labor market is mostly informal.
- 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

## ECONOMIC OPPORTUNITIES FOR JORDANIANS AND SYRIAN REFUGEES P4R (CONT.)

country. It has also enabled the formalization of 800 Jordanian home-based businesses, 70 percent of which are led by women, mostly in the food sector, thereby allowing them to access larger and more formal markets. In addition to opening the food, tailoring and hairdressing sectors to Syrian businesses, efforts are ongoing to support their registration.

- Creating an attractive business environment for investment, by creating more proactive strengthening investment promotion and facilitation activities so that Jordan can become an attractive investment destination in the region. Jordan Investment Commission has become an active and proactive investment promotion agency, performing activities domestically and abroad.

The program is now in its third year and on course to achieve its development objectives. Most indicators are on track or ahead of the targets. The formalization of Syrian labor is slowing down and discussions with the Government are ongoing to bring this point to a satisfactory closure. Support to the formalization of Syrian home-based is also in progress and should bear fruits in the near future.

## LEBANON ROADS AND EMPLOYMENT PROJECT

Implementation Support Agency:  
THE WORLD BANK/ ISLAMIC  
DEVELOPMENT BANK

Recipient Entity:  
COUNCIL FOR DEVELOPMENT  
AND RECONSTRUCTION

The Roads and Employment Project, the first one for Lebanon to benefit from the GCF, is the first phase of a \$500 million national road rehabilitation program. It addresses two key objectives: 1) improving transport connectivity along select paved road sections through the rehabilitation of 500 km of roads, and 2) creating short term jobs for Lebanese and Syrians. In addition to providing enhanced quality of roads, the project also has many other benefits. It is expected to create about 1.5 million labor days of direct short-term jobs for low-income Lebanese and Syrian refugees. It will also benefit about 10 to 15 midsize contractors for road rehabilitation works, and about 10 small contractors and SMEs all over Lebanon for routine maintenance works. The project is also expected to reduce road crashes by 15 percent on five priority road sections. In addition, the Roads and Employment Project has important sectoral reform dimensions such as setting up the first road asset management in Lebanon, developing a national road safety strategy and action plan, and introducing routine maintenance.

## LEBANON ROADS AND EMPLOYMENT PROJECT (CONT.)



\$200 MILLION  
Total Project Amount  
\$45.4 MILLION  
GCFF Concessionality Amount  
Disbursed: 5%

10/29/2016  
GCFF Approval Date

2/6/2017  
ISA Board Approval Date

Declared Effective on 10/30/2018  
Project Status

6/30/2022  
Closing Date

The project faced some delays in approvals but was finally declared effective on October 30, 2018. The Council for Development and Reconstruction (CDR) has been doing efforts to advance on the project progress despite the delays in the approvals. A visual survey of 6000 km of national roads in Lebanon has been finalized and the long list of priority roads prepared and agreed upon. The procurement process of the design consultants has been completed prior to project effectiveness and the notice of intention to award has been issued a couple of weeks following effectiveness. Additional roads have been proposed by local authorities to be added to the original list, and site visits have been carried out by the CDR Project Implementation Unit. Following the approval of the list of roads by the Council of Ministers dated June 27th, 2019, the design consultants were requested to immediately continue the design services, and designs are expected to be completed by December 2019.

The works contracts are expected to start by the summer of 2020 and have a total duration of 18 months. The procurement of equipment is also at advanced stage. The list and specifications of equipment has been determined by the Ministry of Public Works and Transport in coordination with CDR. A Memorandum of Understanding is being finalized between the CDR and the National Road Safety Council to carry out activities related to Road safety. The terms of reference of road safety strategy and master plan are also being prepared and are planned to be launched within 2 months. The Terms of Reference for the development of the Roads Asset Management System and the Roads classification are being drafted and are expected to be launched within the coming 6 months. The CDR is also currently selecting the roads for routine maintenance, and Terms of Reference preparation is being initiated. The works on routine maintenance shall be launched after the main works contracts start.

The Roads and Employment Project has also helped the Government of Lebanon leverage financing from other donors. EIB approved recently a \$200 million project, and JICA are working with the CDR in preparing a \$100 million project, based on the roads rehabilitation program.

## JORDAN WEST IRBID WASTEWATER PROJECT

Implementation Support Agency:  
EBRD

Recipient Entity:  
WATER AUTHORITY OF JORDAN



\$24.8 MILLION  
Total Project Amount  
\$2.5 MILLION  
GCFE Concessional Amount  
Disbursed: 0%

4/20/2017  
GCFE Approval Date

10/31/2017  
ISA Board Approval Date

Declared Effective  
Project Status

12/31/2021  
Closing Date

Jordan has 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 MWI Action 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 GCFE 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 EUR 20 million.

The project will 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 West Irbid project was approved by the GCFE Steering Committee on April 20, 2017, and project preparation concluded in late 2017. Since that time, the project agreements between the EBRD, the EU and the Ministry of Water and Irrigation were signed, and the project was declared effective in early 2019. Prequalification for the first contract has been launched and the remainder are due to follow by mid-September 2019.

## LEBANON HEALTH RESILIENCE PROJECT

Implementation Support Agency:  
THE WORLD BANK/ ISLAMIC  
DEVELOPMENT BANK

Recipient Entity:  
MINISTRY OF PUBLIC HEALTH



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

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

Disbursed: 0% (WORLD BANK),  
0% (IsDB)

4/20/2017  
GCFF Approval Date

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

Declared Effective on 11/14/2018  
Project Status

6/30/2023 (WB) & 12/31/2019 (ISDB)  
Closing Date

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 \$267 million between 2018 and 2019 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, United Nations (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 Lebanon Health Resilience Project (LHRP) builds on and scales up the ongoing Emergency Primary Healthcare Restoration Project (EPHRP) which provides subsidized packages of Primary Healthcare (PHC) services to poor Lebanese and displaced Syrians in Lebanon. The LHRP aims to provide health benefits packages 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.

The project was approved by the World Bank in June 2017. Due to government deadlock and parliamentary elections, project effectiveness was delayed until November 2018. The MoPH and the WB teams held several meetings to work on the preparatory activities for the project

## LEBANON HEALTH RESILIENCE PROJECT (CONT.)

launch. After the formation of the new government in February 2019, all these activities were put on hold. In May 2019, meetings between the MoPH and WB teams were resumed to discuss project preparatory activities.

IsDB's financing is earmarked for procurement of medical equipment. This entails the replacement of and/or upgrading of equipment. The Financing Agreement for the project was signed on March 9, 2018, it was ratified by the Jordanian Parliament and was expected to be declared effective in July 2019.

## GREATER BEIRUT URBAN TRANSPORT PROJECT

Implementation Support Agency:  
THE WORLD BANK

Recipient Entity:  
COUNCIL FOR DEVELOPMENT  
AND RECONSTRUCTION

The objective of the Greater Beirut Public Transport Project 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. 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 87 percent of the population living in urban areas, and more than 50 percent living in and around the capital, 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 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 incoming Syrian refugees 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 of \$500 million to \$1 billion. Transport in Lebanon remains costly and there are no reliable alternatives to private vehicles.

The Greater Beirut Public Transport project will be the first regular mass transit and public transport in Lebanon in over 50 years, a major political economy breakthrough. The BRT project with its associated feeder network will cover about half of the country and will reach over

## GREATER BEIRUT URBAN TRANSPORT PROJECT (CONT.)



\$295 MILLION  
Total Project Amount  
\$69.8 MILLION  
GCFE Concessionality Amount  
Disbursed: 0

1/17/2018  
GCFE Approval Date

3/15/2018  
ISA Board Approval Date

Pending Effectiveness<sup>13</sup>  
Project Status

12/31/2023  
Closing Date

50 percent of all Lebanese and Syrians in Lebanon. By reducing travel times, the project will also improve the connectivity between the center (Greater Beirut) and lagging regions, thereby also improving the rural poor's access to better markets and services. In addition, this project is expected to create about 2 million labor days of direct short-term jobs for low-income Lebanese and Syrian refugees. The Public Transport System to be developed under the project is expected to have a daily ridership of 300,000 passengers of which 40 percent female. In addition, the system has the potential to significantly increase women's ridership on public transport, which is currently significantly challenged by safety and other concerns.

In addition to IBRD and GCFE financing, the project is expected to receive \$50 million as investment from the private sector, making this project the first Maximizing Finance for Development (MFD) Project in the transport sector in Lebanon.

The project faced some delays but was finally approved by the Parliament on June 26, 2019. Despite delays in approvals, the project implementation has started with the procurement of the detailed design consultants. The Request of Expression of Interest was launched, and the shortlisting of design consultants is ongoing. The Detailed Design is expected to start in January 2020 and would have a total duration of 12 months. The hiring process of a Transaction Advisor, likely to be IFC, is also at advanced stage. The composition of the Project Implementation Unit (PIU) has been discussed and agreed, and the Terms of Reference for each position has been identified. The PIU will be composed of several international specialists, supported by local specialists, as this is the first Public Transport Project in Lebanon, and international experience will be required. The hiring process of the PIU will be initiated soon.

<sup>13</sup> The project became effective on July 31, 2019, after the period covering this Annual Report.

## JORDAN EDUCATION REFORM SUPPORT PROGRAM

Implementation Support Agency:  
THE WORLD BANK

Recipient Entity:  
MINISTRY OF PLANNING AND  
INTERNATIONAL COOPERATION



\$200 MILLION  
Total Project Amount  
\$52.3 MILLION  
GCFE Concessional Amount  
Disbursed: 39%

10/29/2017  
GCFE Approval Date

12/5/2017  
ISA Board Approval Date

Declared Effective on 12/14/2017  
Project Status

5/31/2023  
Closing Date

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 supports the Jordan's National Education Sector Plan (ESP), 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.

In its second year of implementation, the program has shown good progress towards the achievement of some of the Disbursement-Linked Indicators (DLIs), with six out of eight DLIs showing noticeable progress. Those include achievements related to the enrolment of children in the education system, particularly the enrolment of Syrian refugees and the enrolment in Early Childhood Education - ECE.

## JORDAN EDUCATION REFORM SUPPORT PROGRAM (CONT.)

The program has also made progress in the areas of teachers' professional development with the adoption of the New Teacher Professional Standards, school-based management with the expansion of the school grant mechanism to provide schools with budgets to improve the learning environment, student assessment with the implementation of the Grade 3 diagnostic test in reading and math, and data and management systems with the deployment of the Geographical Information System – GIS. Nevertheless, there have been delays in decision-making and implementation with regard to the Tawjihi Grade 12 National Examination reform, which is a critical reform in the sector. In March 2019, the Minister of Education established a committee for assessment reform, composed of directors from all concerned departments at the Ministry, to lead the work on a national assessment framework and on the Tawjihi reform. Delays were also faced at the program management level: procurement activities were slowed down by limited capacity at the Development Coordination Unit (DCU) and by additional national procurement requirements such as prior reviews by the Jordan Audit Bureau. By June 2019, all procurement activities except for one have been finalized with contracts signed, while the remaining activity is in final stage of contract negotiations with the selected firm. Another challenge in program management is the shortage of staff and capacity at the DCU. In March 2019, the Government of Jordan has suspended the recruitment of consultants into the public service, limiting hiring to the existing civil service recruitment process. Moreover, in May 2019, the Director of DCU has resigned from her position. The Ministry of Education has committed to hiring a new DCU director, however that process might require several months before a person is identified and mobilized.

## JORDAN FIRST EQUITABLE GROWTH AND JOB CREATION DEVELOPMENT POLICY FINANCING

Implementation Support Agency:  
THE WORLD BANK

Recipient Entity:  
MINISTRY OF PLANNING AND  
INTERNATIONAL COOPERATION

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 aims to reduce the cost base for Jordanian businesses by improving the efficiency and transparency of the business inspection and monitoring framework. In this context, the Government of Jordan has enacted

## JORDAN FIRST EQUITABLE GROWTH AND JOB CREATION DEVELOPMENT POLICY FINANCING (CONT.)



\$500 MILLION  
Total Project Amount  
\$111 MILLION  
GCOFF Concessional Amount  
Disbursed: 100%

5/29/2018  
GCOFF Approval Date

6/27/2018  
ISA Board Approval Date

Declared Effective on 7/19/2018  
Project Status

6/30/2020  
Closing Date

the Monitoring and Inspection Law to reduce the burden on businesses by improving the inspection and monitoring framework and approved the accompanying bylaw (Council of Ministers approved the four bylaws in October 2018). Actions under this pillar also seek to ease access to finance by introducing business insolvency procedures as enacted in the Bylaws for the Insolvency Law in February 2019, which improved the ability of businesses to access markets. A bylaw for the Secured Transactions Law facilitating increased access to finance provided to SMEs was passed in November 2018. Moreover, Jordan's ability to serve Jordanian exporters has been improved by: (a) the Central Bank's and the Jordan Loan Guarantee Corporation's (JLGC) agreement expanding the resources available for reinsurance and strengthening JLGC's financial capacity to deliver trade insurance products; and (b) restructuring JLGC's Board to include independent directors. Additionally, to strengthen the results from the program, the government has adopted additional measures under a follow-up project, the Second Equitable Growth and Job Creation Development Policy Financing, which was approved by the Board on June 4, 2019.

- 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. To reduce labor market segmentation, Jordan's Council of Ministers has instructed the Ministry of Labor to review the legal framework to identify causes of segmentation in the labor market, while the Ministry of Labor has issued instructions on flexible work with minimum wage rates by unit of hours. Pillar 2 will also target Syrians in the country as the Ministry of Labor, has: (a) allowed the Jordanian General Federation of Trade Unions to provide work permits for Syrian workers working in the construction sector and removed the requirement of Syrian workers to show a profession practice certificate as a prerequisite to obtain the work permit; and (b) waived fees for Syrian workers to obtain work permits

## JORDAN FIRST EQUITABLE GROWTH AND JOB CREATION DEVELOPMENT POLICY FINANCING (CONT.)

for 2018. Moreover, the Government of Jordan Jordan's made progress in strengthening the social safety net through approving a plan to improve and expand the coverage of the National Aid Fund (NAF) cash transfer program to cover at least 85,00 additional households between 2019 and 2021. Steady progress has also been made toward completion of NAF graduation policy and implementation and the establishment of a National Unified Registry for social assistance.

- Pillar 3 supports the Government's fiscal consolidation efforts and critical actions on the energy sector. The pillar focuses on boosting efficiency in public investment, strengthening the PIM-PPP governance framework and strengthening the approach to managing public sector debt and contingent liabilities. In this context, the Council of Ministers reduced exemptions and preferential rates in the general sales tax and the special sales tax consistent with the 2018 Budget Law to support to the Government's fiscal consolidation efforts through enhanced domestic revenue mobilization. The management of debt and fiscal risks has been further strengthened by including a broader set of energy sector reforms, given the significant fiscal challenges the sector posed in 2018. Fiscal risks originating from contingent liabilities were addressed as the Jordan's Ministry of Energy and Mineral Resources has adopted indicators, targets, and a timeline to address grid-subsidy for self-generation and reduce cross-subsidies. The Government has now embarked on a multiyear financial sustainability roadmap for the electricity sector - a critical instrument to address reemerging electricity sector losses - which will be supported across both tranches of the proposed DPF2 and future World Bank projects. Completed actions also include those to improve public investment efficiency, through endorsement of the Ministry of Planning and International Cooperation's proposal for the Jordan 2018 Public Investment Management—Public- Private Partnership Governance Framework.

## JORDAN EMERGENCY HEALTH PROJECT

Implementation Support Agency:  
THE WORLD BANK/ ISLAMIC  
DEVELOPMENT BANK

Recipient Entity:  
MINISTRY OF PLANNING AND  
INTERNATIONAL COOPERATION

Due to increased demand for health services, the Jordanian Government introduced co-payments for Syrian refugees, first with 20 percent and later with 80 percent. This led to a significant drop of demand for health services by Syrian refugees. While the government has since lowered the co-payments to 20 percent again, policies are needed to help withstand the shock of increased demand. The Jordan Emergency Health Project, which has been extended by the Jordan Health Additional Financing project, plays here an important role by exploring the drivers of Syrian's access to health services. The project aims to support the Government of Jordan in maintaining the delivery of primary and secondary health services to poor, uninsured Jordanians and Syrian refugees at the Ministry of Health facilities nationwide. The project is implemented by the World Bank and the Islamic Development Bank.

## JORDAN EMERGENCY HEALTH PROJECT (CONT.)



**\$150 MILLION**  
Total Project Amount  
*(\$50 million WB & \$100 million ISDB)*

**\$34.9 MILLION**  
GCFE Concessional Amount  
*(\$13.9 million WB \$21 million ISDB)*

Disbursed: 97%

4/20/2017

GCFE Approval Date

6/13/2017 (WB) & 8/3/2017 (ISDB)

ISA Board Approval Date

Declared Effective on 7/26/17

Project Status

10/31/2023

Closing Date

The influx of Syrian refugees has led to an increased demand for health services, stretching public service availability in Jordan. As 81 percent of the Syrian refugees live in host communities (outside of refugee camps), limited access to key quality health services for vulnerable populations (including Syrian refugees) can produce negative consequences not only for non-Jordanians but also for Jordanians. Emerging communicable diseases threaten to compromise public health safety of Jordan, regardless of nationalities in the communities.

According to the most recent annual data from monitoring and verification system, from November 2017 to October 2018, the number of services delivered to the target population was on target (2.1 million primary health services and 2.9 million secondary services).

On June 24, 2019, the Board of Executive Directors approved additional financing in the amount of \$200 million to provide vital concessional support to the Government of Jordan. The amount of \$200 million is financed by a \$141.1 million IBRD loan and \$58.9 million GCFE-financed grant. The additional financing will help ensure a stronger focus on monitoring results, maintaining service delivery to the target population, and strengthening a sustainable health system for Universal Health Coverage (UHC). Specifically, the project now allows the Government of Jordan to foster human capital outcomes with an emphasis on primary health care (especially interventions related to mother and child health and non-communicable diseases (NCDs)); support the Government of Jordan in improving the coverage and quality of services provided to the target population; and assist the Government of Jordan in introducing activities to improve critical interventions for primary health care, with emphasis on NCDs and early childhood development.

## JORDAN ENERGY AND WATER DEVELOPMENT POLICY LOAN (DPL)-CLOSED

Implementation Support Agency:  
THE WORLD BANK

Recipient Entity:  
MINISTRY OF PLANNING AND  
INTERNATIONAL COOPERATION



\$250 MILLION  
Total Project Amount  
\$25 MILLION  
GCFE Concessionality Amount  
Disbursed: 100%

11/3/2016  
GCFE Approval Date

12/1/2016  
ISA Board Approval Date

CLOSED  
Project Status

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. The project closed on December 31, 2017.

## LEBANON NATIONAL JOBS PROGRAM - CANCELLED

Implementation Support Agency:  
THE WORLD BANK

Recipient Entity:  
MINISTRY OF PLANNING AND  
INTERNATIONAL COOPERATION



\$400 MILLION  
Total Project Amount  
\$70.1 MILLION  
GCFF Concessionality Amount  
Disbursed: 0%

3/23/2018  
GCFF Approval Date

6/27/2018  
ISA Board Approval Date

CANCELLED IN JULY 2019  
Project Status

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Financing for the National Jobs Program in Lebanon was withdrawn from the World Bank Group because the operation exceeded the timeline for declaration of effectiveness following WB policies and procedures.



## PROCESS GUIDE:

### 1. Supporting Country (SC) contributes to the GCFF

- Pledging process to be followed by Contribution Agreements (CAs)
- Contribution Agreement (CA) signed between SC and Trustee based on agreed form of CA
- CA specifies payment details (installment schedule and window designations)
- Trustee issues Payment Requests to SCs
- Supplemental Contributions may be provided through amendments to CA

### 2. Trustee receives funds from SC

- Trustee deposits funds into designated Windows
- Trustee monitors and reports on fund availability in each of the Windows

### 3. Benefitting Country (BC) collaborates with ISA on proposal

- BC and ISA prepare and coordinate on Funding Request documents
- ISA calculates Concessionality Amount

### 4. Benefitting Country submits GCFF Funding Request to Coordination Unit

- Funding Request follows Funding Request Template
- Submission of Funding Request occurs after ISA appraisal
- Funding Request includes endorsement of designated ISA

### 5. Coordination Unit distributes Funding Request to Steering Committee

- Coordination Unit first checks for compliance with Operations Manual (OM) and Funding Request Template and Trustee confirms amount is within funding availability
- Request is sent out by Coordination Unit to Steering Committee via email on a rolling basis for no objection decision by SCs, copied to other Members and all Observers for information
- Can also be decided at Steering Committee meeting by Supporting Countries depending on timing of meeting or Supporting Country request during no objection review period

### 6. Steering Committee reviews Funding Request

- If not approved by Supporting Countries, BC has option to revise and resubmit with ISA
- Approved amount is an “Allocation”

### 7. Trustee receives Coordination Unit notice of the Allocation and records

- Coordination Unit informs Trustee of Steering Committee decision
- Recorded in Trustee systems as “allocated”; no longer available for future Funding Requests

#### **8. ISA completes negotiations and approvals**

- Pertains to either the Underlying Operation, including the Concessionality Component, or to the Grant Operation

#### **9. ISA notifies Trustee of Completion**

- To occur within 12 months of approval (Allocation) or brought back for review/ adjustment

#### **10. Trustee commits allocated amounts**

- Allocation becomes a “Commitment;” amount is recorded in Trustee systems as “committed”
- Trustee issues a Letter of Commitment to the ISA
- After commitment, ISA submits a Cash Transfer Request to the Trustee

#### **11. ISA submits a cash transfer request for the full amount to the Trustee**

- To occur within 12 months of ISA completion (Commitment) or back for review/adjustment

#### **12. Trustee makes cash transfer to the ISA**

- One transfer upfront for total Allocation

#### **13. ISA receives and uses the requested funds**

- Funds are transferred by ISA to BC at time of each loan disbursement on pro rata basis
- Untransferred funds may generate investment income under ISA policies and procedures
- Funds transferred for Grant Operations are used in accordance with Funding Request

#### **14. Trustee and Coordination Unit report to the Steering Committee**

- Trustee reports to include contributions, cash transfers and funds available for allocation
- Coordination Unit reports to include compiled information on use of funds, project results
- ISAs to provide semiannual financial and progress reports for further distribution

#### **15. ISA returns unused funds to Trustee for deposit in respective Window of Trust Fund**

- Returns of investment income on balances plus unused funds at end of loan disbursements, as well as any proportional amount of refunds from misused funds
- Returns of any unused funds or refunds from Grant Operations
- Trustee provides pro rata return of available balance to SCs upon closure of Trust Fund



Syrian refugees in the Zaatari refugee camp  
Dominic Chavez/World Bank



## SECTION 3: MONITORING IMPACT

### FINANCIAL OVERVIEW

As of June 30, 2019, pledges and contributions to the GCFE totaled \$695.78 million (in USD equivalent). Of this amount, \$611.67 has been deposited in the GCFE Trust Fund. Deposits in the Trust Fund are managed by the GCFE Trustee, housed in the World Bank. As of June 30, 2019, the GCFE Trust Fund earned investment income of approximately \$10.75 million on the liquid balances in the Trust Fund. The GCFE Trust Fund portfolio returned 1.44% during the first two quarters of calendar year 2019. The GCFE Trust Fund balance is allocated to a short-term fixed income portfolio.

As of June 30, 2019, the GCFE Steering Committee had approved funding from the GCFE Trust Fund totaling \$587.25 million to cover concessionality amounts and Implementation Support Agency costs, as well as administrative costs of the GCFE 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, 2019, funds held in trust amounted to \$41.11 million (in USD equivalent). For GCFE funding decisions, the funds available amounted to \$35.18 million.

## FINANCIAL STATUS (AS OF JUNE 30, 2019)

	Total	% of Total
<b>Supporting Country Pledges and Contributions</b>		
Contributions	620.78	89.2%
Pledges Outstanding	75.00	10.8%
<b>Total Pledges Outstanding and Contributions</b>	<b>695.78</b>	<b>100.0%</b>
<b>Cumulative Resources</b>		
<u>Resources Received</u>		
Cash Receipts	611.67	86.6%
Investment Income Earned	10.75	1.5%
<b>Total Resources Received</b>	<b>622.42</b>	<b>88.1%</b>
<u>Resources Not Yet Received</u>		
Contributions not yet received	9.11	1.3%
Pledges Outstanding	75.00	10.6%
<b>Total Resources Not Yet Received</b>	<b>84.11</b>	<b>11.9%</b>
<b>Total Potential Resources (A) (in USD millions)</b>	<b>706.53</b>	<b>100.0%</b>
<b>Cumulative Funding Decisions</b>		
Concessionality	584.45	99.5%
ISA Costs	0.60	0.1%
Administrative Budget	2.20	0.4%
<b>Total Funding Decisions Net of Cancellations (B)</b>	<b>587.25</b>	<b>100.0%</b>
<b>Total Potential Resources Net of Funding Decisions (A)-(B)</b>	<b>119.28</b>	
<b>Funds Available</b>		
Funds Held in Trust with No Restrictions	41.11	
Approved Amounts Pending Cash Transfers	5.93	
<b>Total Funds Available to Support Steering Committee Decisions</b>	<b>35.18</b>	

Note: Pledges and Contributions as of June 30, 2019 in millions

## PLEDGES AND CONTRIBUTIONS AS OF JUNE 30, 2019 IN MILLIONS

Supporting Country	Curr	Pledge in Curr. of Contribution	USDeq. a/	Effective (or signed) Contribution in Currency of Contribution					Receipts in Currency of Contribution				Receipts in USDeq. b/
				Global	Lebanon/Jordan	Jordan	Lebanon	Total	Global	Lebanon/Jordan	Jordan	Lebanon	
Canada	CAD	57.00	43.46	17.00	40.00	-	-	57.00	17.00	40.00	-	-	43.46
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	91.48	102.67	-	67.65	23.83	-	91.48	-	62.32	21.16	-	93.57
Japan	USD	120.00	120.00	-	60.00	25.00	-	85.00	-	60.00	25.00	-	85.00
Japan c/	JPY	-	-	-	-	-	-	-	-	-	-	-	-
Netherlands	EUR	53.00	61.43	3.00	20.00	-	30.00	53.00	3.00	20.00	-	30.00	61.43
Norway	NOK	265.20	31.21	30.00	235.20	-	-	265.20	30.00	235.20	-	-	31.21
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	73.50	97.77	8.00	-	65.50	-	73.50	8.00	-	65.50	-	97.77
United States	USD	75.00	75.00	-	-	35.00	-	35.00	-	-	35.00	-	35.00
<b>Total</b>			<b>695.78</b>										<b>611.67</b>

a/ Represents (1) actual US dollar value of paid-in cash contributions and (2) June 30, 2019 value of pledges outstanding, contribution amounts pending FX, and unpaid amounts.

b/ Represents actual USD receipts

c/ Japan pledges 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 (PER GCFF TRUST FUND WINDOWS) IN MILLIONS OF US DOLLARS

Concessionality	ISA	Global	Lebanon/ Jordan	Jordan	Lebanon	Total
Colombia - Fiscal Sustainability, Competitiveness and Migration Development	WB	31.50	-	-	-	31.50
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 - Emergency Health (Additional Financing)	WB	-	18.17	40.73	-	58.90
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
		<b>109.48</b>	<b>227.98</b>	<b>212.14</b>	<b>34.85</b>	<b>584.45</b>
<b>ISA Costs</b>						
EBRD		-	0.17	-	-	0.17
IsDB		-	0.05	0.01	0.00	0.07
WB		0.07	0.15	0.12	0.02	0.36
		<b>0.07</b>	<b>0.37</b>	<b>0.13</b>	<b>0.02</b>	<b>0.60</b>
<b>Administrative Budget</b>						
Coordination Unit		0.19	0.45	0.50	0.03	1.16
Trustee		0.14	0.41	0.46	0.02	1.04
		<b>0.33</b>	<b>0.85</b>	<b>0.96</b>	<b>0.05</b>	<b>2.20</b>
<b>Total Funding Decisions</b>		<b>109.88</b>	<b>229.21</b>	<b>213.23</b>	<b>34.93</b>	<b>587.25</b>

Note: Totals may not add up due to rounding

## GCFF RESULTS FRAMEWORK

### INDICATOR 1

<b>Amount of contributions raised</b> Baseline 2016: 0	<b>Target</b> \$1b Contrib. (2021), \$200m (yearly)	<b>Status as of Fiscal Year 2019</b> \$695m
-----------------------------------------------------------	--------------------------------------------------------	------------------------------------------------

### INDICATOR 2

<b>Amount allocated by GCFF per year</b> Baseline 2016: 0	<b>Target</b> \$150 - 200m (yearly)	<b>Status as of Fiscal Year 2019</b> \$918.5m
--------------------------------------------------------------	----------------------------------------	--------------------------------------------------

### INDICATOR 3

<b>Amount of MDB financing made on concessional terms from GCFF</b> Baseline 2016: 0	<b>Target</b> \$3b in Concessional MDB Financing (2021) (\$600m yearly)	<b>Status as of Fiscal Year 2019</b> \$3b
-----------------------------------------------------------------------------------------	----------------------------------------------------------------------------	----------------------------------------------

### INDICATOR 4

**Respondents from BCs, ISAs, & SCs indicate that GCFF is usefully contributing to coordination**

Baseline 2016: 0

Comments: 4 international conferences; 3 Working Groups; 4 Steering Committees; and virtual communication. Coordination with donors and Benefitting Countries. Donor coordination in country.

**Target**

% indicating that GCFF contributing to MDB & UN coordination to address refugee impact

**Status as of Fiscal Year 2019**

The World Bank has recently initiated mapping exercises in Jordan and Lebanon to ensure coordination and avoid duplication. In Jordan, donors have coalesced around the implementation of the Jordan Compact through concessional financing and trade agreements. In Jordan and Lebanon, the influence of GCFF donors to focus on gender may have contributed to the increased targeting of refugee and host community women.<sup>14</sup>

<sup>14</sup> Independent Evaluation Group, World Bank Group Support in Situations Involving Conflict-Induced Displacement, 2019

## LOOKING AHEAD

### **Private Sector Support Framework**

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 Steering Committee is expected to make a decision on the proposal at the Steering Committee Meeting in London on September 27, 2019.

## MONITORING & EVALUATION

The stated objective of the GCFE 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. GCFE-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 GCFE 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 GCFE-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 GCFE-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 GCFE team is aware that it requires further refinement, in dialogue with the hosting and supporting countries and in keeping with the ongoing global dialogue.

The GCFE 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. This work is informed by the ongoing global conversation on measuring results, as well as by the IDA19 policy commitments (under discussion), with the view to be finalized by the upcoming Global Refugee Forum.









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