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Report No: PADHP00065

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

PROGRAM APPRAISAL DOCUMENT

ON A  
PROPOSED LOAN

IN THE AMOUNT OF US\$393 MILLION

AND THE GLOBAL CONCESSIONAL FINANCING FACILITY  
IN THE AMOUNT OF US\$7 MILLION

TO THE

HASHEMITE KINGDOM OF JORDAN

FOR A

JORDAN: MODERNIZING EDUCATION, SKILLS, AND ADMINISTRATIVE REFORMS (MASAR) OPERATION

June 5, 2024

Education  
Middle East And North Africa

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## CURRENCY EQUIVALENTS

(Exchange Rate Effective June 1, 2024)

Currency Unit = Jordanian Dinars

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US\$1 = JOD 0.709

## FISCAL YEAR

January 1 - December 31

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ABBREVIATIONS AND ACRONYMS

|          |  |
|----------|--|
| AQACHEI  | Jordanian Accreditation and Quality Assurance Commission for Higher Education Institutions |
| BFM      | Beneficiary Feedback Mechanism   |
| BTEC     | Business and Technology Education Council  |
| CCDR     | Jordan Country Climate and Development Report  |
| COVID-19 | Coronavirus Disease 2019   |
| CPF      | Country Partnership Framework  |
| DCU      | Development Coordination Unit  |
| DLI      | Disbursed-linked indicator   |
| DLR      | Disbursed-linked result  |
| ECCD     | Early childhood care and development   |
| ECE      | Early childhood education  |
| EMV      | Economic Modernization Vision  |
| FSA      | Fiduciary systems assessment   |
| GCFE     | Global Concessional Financing Facility   |
| GDP      | Gross Domestic Product   |
| GFMIS    | Government Financial Management Information System   |
| GFS      | Government Financial Statistics  |
| GTD      | Government Tender Department   |
| GPD      | Government Procurement Department  |
| GOJ      | Government of Jordan   |
| GM       | Grievance Mechanism  |
| IBRD     | International Bank for Reconstruction and Development                                      |
| ICT      | Information and communication technology   |
| IEER     | Internal Economic Rate of Return   |
| IPF      | Investment Project Financing   |
| IRR      | Internal Rate of Return  |
| IVA      | Independent verification agency  |
| JERSP    | Jordan Education Reform Support Program  |
| JRP      | Jordan Response Plan for the Syrian Crisis   |
| KG       | Kindergarten   |
| KPI      | Key performance indicator  |
| LFP      | Labor force participation  |
| LMS      | Learning management system   |
| M&E      | Monitoring and evaluation  |
| MENA     | Middle East and North Africa   |
| MOE      | Ministry of Education  |
| MOF      | Ministry of Finance  |
| MOPIC    | Ministry of Planning and International Cooperation   |



|       |   |
|-------|---|
| NAP   | National Adaptation Plan                                  |
| NDC   | Nationally Determined Contribution                        |
| NQF   | National Qualification Framework                          |
| NTPS  | National training professional standards                  |
| PA    | Paris Agreement   |
| PAP   | Program action plan                                       |
| PDO   | Project development objective                             |
| PEF   | Program expenditure framework                             |
| PEFA  | Public Expenditure and Financial Accountability           |
| PFM   | Public financial management                               |
| PforR | Program for Results                                       |
| PIA   | Program implementation agencies                           |
| OM    | Operations Manual   |
| PPC   | Procurement Policy Committee                              |
| PPP   | Public Private Partnership                                |
| PSMP  | Public Sector Modernization Program                       |
| PSMR  | Public Sector Modernization Roadmap                       |
| PSRR  | Public Sector Reform Roadmap                              |
| QAS   | Quality assurance system                                  |
| QRC   | Queen Rania Center  |
| RA    | Results Area  |
| RF    | Results framework   |
| SDF   | Skills Development Fund                                   |
| TA    | Technical assistance                                      |
| TOR   | Terms of reference  |
| TOT   | Training of Trainers                                      |
| TVET  | Technical and vocational education and training           |
| TVSDC | Technical and Vocational Skills Development Commission    |
| VE    | Vocational Education                                      |
| VTC   | Vocational Training Corporation                           |
| WEO   | Jordan's Enhancing Women's Economic Opportunities program |



**TABLE OF CONTENTS**

**DATASHEET..... 4**

**I. STRATEGIC CONTEXT .....12**

A. Country Context..... 12

B. Sectoral and Institutional Context ..... 13

C. Relationship to the CPS/CPF and Rationale for Use of Instrument ..... 19

**II. PROGRAM DESCRIPTION .....20**

A. Government Program ..... 20

B. PforR Program Scope ..... 22

E. Disbursement Linked Indicators (DLI) and Verification Protocols ..... 24

**III. PROGRAM IMPLEMENTATION .....26**

A. Institutional and Implementation Arrangements..... 26

B. Results Monitoring and Evaluation ..... 27

C. Disbursement Arrangements ..... 27

D. Capacity Building..... 28

**IV. ASSESSMENT SUMMARY .....28**

A. Technical (including program economic evaluation)..... 28

B. Fiduciary ..... 30

C. Environmental and Social ..... 33

D. Corporate Requirements ..... 34

**V. RISK..... 36**

**ANNEX 1. RESULTS FRAMEWORK MATRIX .....37**

**ANNEX 2. (SUMMARY) TECHNICAL ASSESSMENT .....54**

**ANNEX 3. (SUMMARY) FINANCIAL SYSTEMS ASSESSMENT .....65**

**ANNEX 4. SUMMARY ENVIRONMENTAL AND SOCIAL SYSTEMS ASSESSMENT .....81**

**ANNEX 5. PROGRAM ACTION PLAN .....85**

**ANNEX 6. IMPLEMENTATION SUPPORT PLAN .....89**

**ANNEX 7. INVESTMENT PROJECT FINANCING COMPONENT .....90**

**ANNEX 8. GENDER GAPS AND ACTIONS .....96**

**ANNEX 9. SUMMARY OF DLIS/DLRS CONTRIBUTING TO CLIMATE CHANGE ADAPTATION AND MITIGATION 97**



**DATASHEET**

**BASIC INFORMATION**

|                          |   |  |  |
|--------------------------|---|--|--|
| Project Beneficiary(ies) | Operation Name  |  |  |
| Jordan                   | Jordan: Modernizing Education, Skills, and Administrative Reforms (MASAR) Operation |  |  |
| Operation ID             | Financing Instrument  | Does this operation have an IPF component? | Environmental and Social Risk Classification (IPF Component) |
| P503369                  | Program-for-Results Financing (PforR)   | Yes  | Low  |

**Financing & Implementation Modalities**

|  |   |
|--|---|
| <input type="checkbox"/> Multiphase Programmatic Approach (MPA)          | <input type="checkbox"/> Fragile State(s)                           |
| <input type="checkbox"/> Contingent Emergency Response Component (CERC)  | <input type="checkbox"/> Fragile within a non-fragile Country       |
| <input type="checkbox"/> Small State(s)                                  | <input type="checkbox"/> Conflict                                   |
| <input type="checkbox"/> Alternative Procurement Arrangements (APA)      | <input type="checkbox"/> Responding to Natural or Man-made Disaster |
| <input type="checkbox"/> Hands-on Expanded Implementation Support (HEIS) |   |

|                        |                       |
|------------------------|-----------------------|
| Expected Approval Date | Expected Closing Date |
| 27-Jun-2024            | 30-Jun-2029           |
| Bank/IFC Collaboration |                       |
| No                     |                       |

**Proposed Program Development Objective(s)**

To improve access to foundational learning and to labor market-relevant technical and vocational education and training (TVET) and enhance the efficiency of the education sector management.

**Organizations**

Borrower: Ministry of Planning and International Cooperation  
 Implementing Agency: Ministry of Education  
 Contact: Dr. Azmi Mahafzah  
 Title: Minister  
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 Email: moffice@moe.gov.jo

**COST & FINANCING (US\$, Millions)****Maximizing Finance for Development**

Is this an MFD-Enabling Project (MFD-EP)? No  
 Is this project Private Capital Enabling (PCE)? No

**SUMMARY**

|                                  |                 |
|----------------------------------|-----------------|
| <b>Government program Cost</b>   | <b>1,498.87</b> |
| <b>Total Operation Cost</b>      | <b>400.00</b>   |
| Total Program Cost               | 384.00          |
| IPF Component                    | 15.00           |
| Other Costs (Front-end fee,IBRD) | 1.00            |
| <b>Total Financing</b>           | <b>400.00</b>   |
| <b>Financing Gap</b>             | <b>0.00</b>     |

**Financing (US\$, Millions)****World Bank Group Financing**

|  |        |
|--|--------|
| International Bank for Reconstruction and Development (IBRD) | 393.00 |
|--|--------|

**Non-World Bank Group Financing**

|                                 |      |
|---------------------------------|------|
| Trust Funds                     | 7.00 |
| Concessional Financing Facility | 7.00 |



**Expected Disbursements (US\$, Millions)**

| WB Fiscal Year | 2025   | 2026   | 2027   | 2028   | 2029   | 2030   |
|----------------|--------|--------|--------|--------|--------|--------|
| Annual         | 134.20 | 41.90  | 93.70  | 72.70  | 57.50  | 0.00   |
| Cumulative     | 134.20 | 176.10 | 269.80 | 342.50 | 400.00 | 400.00 |

**PRACTICE AREA(S)**

**Practice Area (Lead)**

Education

**Contributing Practice Areas**

Social Protection & Jobs

**CLIMATE**

**Climate Change and Disaster Screening**

Yes, it has been screened and the results are discussed in the Operation Document

**SYSTEMATIC OPERATIONS RISK- RATING TOOL (SORT)**

| Risk Category   | Rating        |
|---|---------------|
| 1. Political and Governance                                     | ● Moderate    |
| 2. Macroeconomic  | ● Substantial |
| 3. Sector Strategies and Policies                               | ● Moderate    |
| 4. Technical Design of Project or Program                       | ● Moderate    |
| 5. Institutional Capacity for Implementation and Sustainability | ● Substantial |
| 6. Fiduciary  | ● Moderate    |
| 7. Environment and Social                                       | ● Moderate    |
| 8. Stakeholders   | ● Moderate    |
| 9. Overall  | ● Moderate    |





**POLICY COMPLIANCE**

**Policy**

Does the project depart from the CPF in content or in other significant respects?

Yes  No

Does the project require any waivers of Bank policies?

Yes  No

**Legal Operational Policies**

**Triggered?**

Projects on International Waterways OP 7.50

No

Projects in Disputed Area OP 7.60

No

**ENVIRONMENTAL AND SOCIAL**

**Environmental and Social Standards Relevance Given its Context at the Time of Appraisal**

| E & S Standards  | Relevance              |
|--|------------------------|
| ESS 1: Assessment and Management of Environmental and Social Risks and Impacts                       | Relevant               |
| ESS 10: Stakeholder Engagement and Information Disclosure  | Relevant               |
| ESS 2: Labor and Working Conditions  | Relevant               |
| ESS 3: Resource Efficiency and Pollution Prevention and Management                                   | Relevant               |
| ESS 4: Community Health and Safety   | Relevant               |
| ESS 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement                       | Not Currently Relevant |
| ESS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources              | Not Currently Relevant |
| ESS 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities | Not Currently Relevant |
| ESS 8: Cultural Heritage   | Not Currently Relevant |
| ESS 9: Financial Intermediaries  | Not Currently Relevant |

**NOTE:** For further information regarding the World Bank’s due diligence assessment of the Project’s potential environmental and social risks and impacts, please refer to the Project’s Appraisal Environmental and Social Review Summary (ESRS).



**LEGAL**

**Legal Covenants**

**Sections and Description**

Schedule 2,Section I, Part B,1 (c) - "The Borrower shall through the MOPIC and the MOE, as the case may be, and to be further detailed in the Operations Manual, shall implement the Project as follows: (c) recruit or assign, as the case may be, not later than three (3) months after the Effective Date, or such later date as agreed with the Bank, and retain at all times during Project implementation, a monitoring and evaluation officer, a fiduciary focal point, and an environmental and social officer, each with terms of reference, qualifications and experience satisfactory to the Bank."

Schedule 2,Section I, Part C,1 (b) - "The Borrower, through MOPIC, shall by not later than three (3) months after the Effective Date, or such later date agreed with the Bank, adopt the Operations Manual ("OM"), setting forth the rules, methods, guidelines, standard documents and procedures for the carrying out of the Operation, including the following: (a) provisions regarding the application of the Anti-Corruption Guidelines ("ACGs") to the Program, including the Borrower's obligation to ensure that of all the agencies involved in the implementation of the Program cooperate with Bank investigations for the Program; (b) administration and coordination, monitoring and evaluation, financial management, procurement and accounting procedures, environmental and social standards, fraud and corruption mitigation measures for the Project, including compliance with the ESCP and ACGs; (c) detailed arrangements for verification of achievement of the DLIs (including the Verification Protocol); (d) the template for the Annual Work Plan and Budget for the Project; (e) composition, roles and responsibilities of the DCU; (f) a Grievance Mechanism for the Operation; (g) personal data collection and processing in accordance with the applicable national guidelines acceptable to the Bank; and (h) such other arrangements and procedures as shall be required for the effective implementation of the Operation, in form and substance satisfactory to the Bank."

**Conditions**

| Type          | Citation         | Description  | Financing Source      |
|---------------|------------------|--|-----------------------|
| Effectiveness | Article IV, 4.01 | "4.01. The Additional Condition of Effectiveness consists of the following, namely the Borrower has engaged or assigned, as the case may be, the essential staff for the DCU, namely a coordinator to support the implementation of the Operation; in accordance with the terms of reference and qualifications satisfactory to the Bank;" | IBRD/IDA, Trust Funds |



|              |                              |   |                       |
|--------------|------------------------------|---|-----------------------|
| Disbursement | Schedule 2, Section IV, B. 1 | "1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made in respect of the Program: (a) on the basis of DLRs achieved prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed three million eight hundred forty thousand Dollars (\$3,840,000) may be made on the basis of DLRs achieved prior to this date but on or after November 20, 2023; and/or (b) for any DLR under Category (1) through (7), until and unless the Borrower has furnished evidence satisfactory to the Bank that said DLR has been achieved in accordance with the table in this Section to this Agreement; and/or (c) unless each withdrawal is made on a pari passu basis at a 98.25%/1.75% ratio between the amount of the Non-Concessional Portion of the Loan allocated and the amount of the Concessional Portion of the Loan allocated." | IBRD/IDA, Trust Funds |
| Disbursement | Schedule 2, Section IV.B.2   | "2. Notwithstanding the provisions of Part B.(1)(b) of this Section, the Borrower may withdraw an amount not exceeding ninety six million Dollars (\$96,000,000) of the Loan as an advance against  | IBRD/IDA, Trust Funds |



|              |                            |   |                       |
|--------------|----------------------------|---|-----------------------|
|              |                            | <p>DLR(s) to be met; provided, however that, if the DLR(s) in the opinion of the Bank is/are not achieved (or only partially achieved) by the Closing Date, the Borrower shall refund such advance to the Bank (or portion of such advance as determined by the Bank in accordance with the provisions of paragraph (3) of this Part B) to the Bank promptly upon notice thereof by the Bank. Except as otherwise agreed with the Borrower, the Bank shall cancel the amount so refunded. Any further withdrawals requested as an advance under any Category shall be permitted only on such terms and conditions as the Bank shall specify by notice to the Borrower."</p> |                       |
| Disbursement | Schedule 2, Section IV.B.3 | <p>"3. Notwithstanding the provisions of Part B.1(b) of this Section, if any of the DLRs under Category (1) to (7) has not been achieved by the date by which the said DLR is set to be achieved (or such later date as the Bank has established by notice to the Borrower), the Bank may, by notice to the Borrower: (a) authorize the withdrawal of such lesser amount of the unwithdrawn proceeds of the Loan then allocated to said Category which, in the opinion of the Bank,</p>   | IBRD/IDA, Trust Funds |



|              |                             |   |                       |
|--------------|-----------------------------|---|-----------------------|
|              |                             | corresponds to the extent of achievement of said DLR, said lesser amount to be calculated in accordance with the respective formula set out in the Table in this Section to this Agreement; (b) reallocate all or a portion of the proceeds of the Loan then allocated to said DLR to any other DLR; and/or (c) cancel all or a portion of the proceeds of the Loan then allocated to said DLR. |                       |
| Disbursement | Schedule 2, Section IV. C.1 | "1.made for payments made in respect of the Project: (a) prior to the date of this Agreement; and/or (b) unless each withdrawal is made on a pari passu basis at a 98.25%/1.75% ratio between the amount of the Non-Concessional Portion of the Loan allocated and the amount of the Concessional Portion of the Loan allocated."   | IBRD/IDA, Trust Funds |



## I. STRATEGIC CONTEXT

### A. Country Context

1. **Jordan has shown resilience in recent years, navigating external shocks that have put pressure on the country's economy, natural resources, infrastructure, and labor market.** Recent crises include the influx of refugees and migrants (who account for almost one-third of Jordan's population), the COVID-19 pandemic, the global food and energy crisis and the current conflict in the Middle East. The doubling of the population from 5 to over 11 million throughout the past two decades has impacted service delivery and strained Jordan's already limited natural resources, especially water.

2. **These shocks have contributed to low growth rates and limited the Government of Jordan's (GOJ) ability to address socioeconomic challenges, particularly in the labor market.** Jordan has been trapped in a low-growth equilibrium, averaging 2.2 percent over the past decade. Low growth—coupled with a rigid labor market<sup>1</sup>—has failed to create jobs to meet the needs of the young, rapidly growing, and mostly urban, population.<sup>2</sup> The unemployment rate remains above pre-pandemic levels (22 percent in 2023). Women and youth (ages 15-24) are the most affected, with 31 and 46 percent unemployment rates, respectively. The unemployment distribution across education levels is dichotomous, with the majority being individuals who have not obtained a secondary diploma or have a bachelor's degree or higher. High unemployment can be attributed to both supply and demand-side factors. Labor force participation (LFP) is low (33 percent in 2023) and Jordan has one of the lowest female LFP in the world (15 percent). Women with low levels of education tend to have higher inactivity rates. The highly educated are active but still face unemployment and most highly educated women who struggle to find employment lack prior work experience and the on-the-job training.

3. **To address economic challenges, the GOJ adopted an ambitious 10-year Economic Modernization Vision (EMV) in 2022, with education at its heart.** The objectives of the EMV are to: (a) transform the economy; (b) improve the quality of life; and (c) ensure sustainability. Eight interdependent drivers support the achievement of these objectives: High-Value Industries, Future Services, Destination Jordan, Sustainable Resources, Invest Jordan, Vibrant Jordan, Green Jordan, and Smart Jordan. "Smart Jordan" places education as a critical enabler for accelerating growth through its role in supplying skilled and capable citizens and workforce.

4. **The EMV aims to create one million jobs for youth by 2033, with supply side interventions focused on targeting priority sectors and policy reforms to support the private sector and tackle barriers to job creation.** The economic transformation envisioned in the EMV includes the development of high-productivity priority economic sectors that can open labor market opportunities for youth, contribute to sustainable growth and to the wellbeing of the population. This includes building the capacity of domestic firms and entrepreneurs, as well as mobilizing private investment. Priority economic sectors include high value industries (manufacturing, agriculture and food security), future services (creative industries, healthcare, ICT), green growth (renewable energy, waste management, water efficiency). Some of these sectors, including ICT, accommodation and food services, and waste management and water supply, have already begun to witness double-digit employment growth at 32, 23 and 19 percent, respectively, between 2017 and 2022.<sup>3</sup> However, to meet the demand for labor in the coming years, these sectors require a skilled workforce, necessitating the transformation of technical and vocational education and training (TVET), a key reform pillar under "Smart Jordan". Further, recognizing that this shift would not be possible without transforming the role of women in the economy, the 'Engendered Strategy' of the EMV sets the target of doubling female LFP to 28 percent by 2033.<sup>4</sup>

<sup>1</sup> ILO (2019).

<sup>2</sup> World Bank Systematic Country Review Jordan, 2023.

<sup>3</sup> DOS Labor Force Surveys.

<sup>4</sup> Supported by the Enhancing Women Economic Opportunities in Jordan Operation (P180508) (WEO).



5. **While the EMV creates new opportunities, capitalizing on the demographic dividend (66 percent of the population is below the age of 30), will require strategic reforms to improve learning and ensure students have the skills demanded by the labor market.** Maximizing education and skills outcomes is critical to harness Jordan’s greatest potential source of wealth—its human capital. The Human Capital Index<sup>5</sup> estimates that Jordan’s next generation will be only 55 percent as productive as it could have been with full health and complete education (dropping from 56 percent in 2010, driven by a fall in the education component). Ensuring that the education system is preparing the talent-base required to meet the needs of the EMV is central to achieving Jordan’s economic transformation and growth aspirations. Investment in human capital, starting from the early years, is a pre-requisite to realize Jordan’s vision and to achieve sustainable development.<sup>6</sup>

6. **The EMV addresses challenges deriving from climate change by protecting the most vulnerable from its effects and taking advantage of the opportunities created by the green transition.** Jordan is a semi-arid country facing chronic water scarcity and growing climate hazards. Climate change will decrease Jordan’s water availability for agriculture, cities, firms, and social systems, while increasing water demand.<sup>7</sup> Climate change is also expected to increase the frequency and intensity of droughts, further impacting water supply, and increasing food insecurity. Addressing the challenges of climate change is critical to ensure economic competitiveness and sustainability in the long term. Jordan is highly vulnerability to current and future climate variability and change. Its vulnerability and readiness ranking in the “Notre Dame Global Adaptation Initiative Index” is 74 out of 181 countries. While battling the impact of climate change, Jordan aims to develop and implement green policies, create green jobs, and advance green technologies; education is at the center of this agenda, as technological innovation and adoption requires highly skilled individuals. The EMV emphasizes the relevance of human capital investments to address climate change, achieve sustainable growth and enhance quality of life.

## B. Sectoral and Institutional Context

7. **Jordan has managed to substantially increase enrollment across all levels of education, while initiating some targeted reforms in the last decade** Major achievements include (a) increasing enrollment, particularly in primary and secondary education (97 and 82 percent in 2022), responding to increased demand and changing demographics to accommodate 30 percent more students between 2012 and 2022, including 162,000 Syrian refugee children (K-12); (b) closing gender access gaps;<sup>8</sup> and (c) increasing education levels of the labor force. Recently, the GOJ has implemented reforms aimed at improving outcomes,<sup>9</sup> including: launching an effort to universalize Kindergarten (KG) 2, enrolling over 50,000 new 5-year old students; the development and adoption of a Quality Assurance System (QAS) for KG; the adoption of National Teacher Professional Standards (NTPS) and evaluation of teachers against the new standards; the development of a blended learning strategy; the design of a national student assessment framework; and a major reform to the high-stake general secondary examination “*Tawjih*”.<sup>10</sup>

8. **Public spending on education has not kept pace with the increase in enrollment and remains a small share of Gross Domestic Product (GDP) and public expenditure.** The financial impact and stress on the system from the Syrian refugee influx was further compounded when many students migrated from private to public schools during COVID-19. The total

<sup>5</sup> The Human Capital Index consists of the knowledge, skills, and health that people invest in and accumulate throughout their lives, enabling them to realize their potential as productive members of society. World Bank (2022). Human Capital Index. Available [online](#).

<sup>6</sup> Jordan’s Country Climate Development Report, World Bank, 2022.

<sup>7</sup> Idem.

<sup>8</sup> No gender enrolment gaps in KG (37 males vs. 38 percent females), primary (99 males vs. 98 percent females) and lower-secondary (97 percent for both). Gender gaps favoring females in upper-secondary (76 males vs. 88 percent females) and tertiary (30 males vs. 37 percent females).

<sup>9</sup> Supported under the active Jordan Education Reform Support Program (JERSP) (P162407).

<sup>10</sup> Tawjih served the dual purpose of secondary graduation and admission to higher education. A recent reform introduces key changes, including a revised examination schedule, spanning across two academic years. In grade 11 students sit for a Tawjih exam for four ‘core’ subjects, subsequently in grade 12, students select exam subjects in alignment with their interests and intended fields of study at higher education.

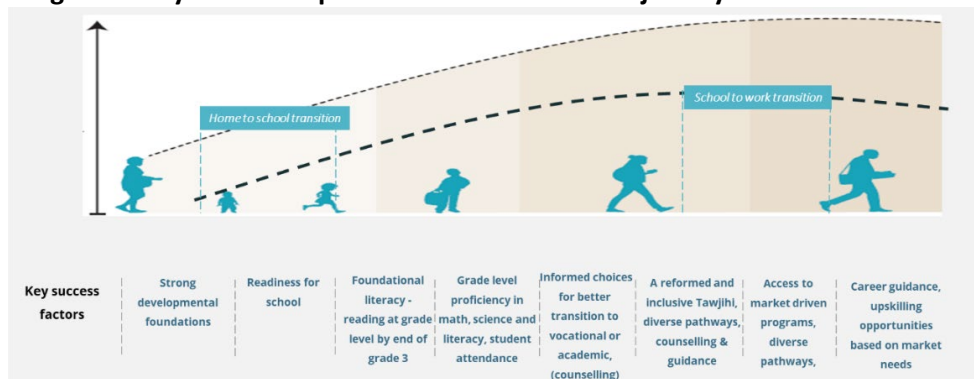


number of students in public schools has increased from 1.1 to 1.7 million over the last decade<sup>11</sup> The share of education expenditure as a percent of total spending declined from 13.5 percent in 2015 to 11.7 percent in 2022, with an average of 12.4 percent during 2011-2022. In real terms, spending remained flat at an average of 3.7 percent of GDP during the decade, despite the substantial increase in enrollment. Most of the expenditure is directed towards current expenditure (90 percent between 2011-2022), notably to salaries (93 percent), while capital expenditures are under- executed, partly attributed to the fragmented governance of the sector. Jordan’s real GDP growth is expected to remain at 3 percent over the next 5 years, and a gradual fiscal consolidation envisions a reduction in government expenditure from 31.5 to 30.1 percent of GDP between 2023 and 2028.<sup>12</sup> These efforts to streamline government spending call for improved efficiency and innovation in the sector as budget allocation is not expected to increase.

9. **Institutional reform is a priority with the Public Sector Modernization Roadmap (PSMR) and the GOJ is embarking on a major institutional reform for the education sector, creating a new Ministry of Education and Human Resource Development that will bring together all levels of education and training, and introducing a new governance framework with the potential to improve efficiency and overall functioning of the sector.** The new Ministry will serve as a single administrative and policy making umbrella for the sector, from early childhood education to post-secondary tertiary education. The institutional restructuring aims to address challenges in the current governance model including: (a) lack of sector-wide vision and policy making; (b) limited independence in sector governance, with fragmentation, redundancy or absence of key functions; (c) highly centralized administration with limited delegation of authority and decision-making powers particularly to service delivery institutions; and (d) absence of clear accountability framework. The reform creates a historical opportunity with the potential to decentralize and delegate decision-making and implementation and to empower specialized agencies, service delivery institutions and the private sector, allowing the Ministry to focus on policy development, resource mobilization and system monitoring and evaluation (M&E).

10. **Low and deteriorating education outcomes affect human capital formation and perhaps also undermine public trust in education.** The Programme for International Student Assessment (PISA) results show that student learning declined substantially from 2018 to 2022 in math, reading and science; eight-of-ten students do not meet minimal international proficiency levels in math and reading. Low learning outcomes are widespread across schools and all demographics of students. Key challenges impacting the education and skills sector include: (a) limited and unequal access to early childhood education; (b) exclusion of certain students across the education cycle (by region, disability and refugee status); (c) poor internal efficiency of the system, with high dropout and low completion rates at the secondary level; and, (d) low external efficiency of the system, with poor labor market outcomes, especially for youth and females: one-third of youth (aged 15-24 years) are not in education, employment or training (38 percent for females).

Figure 1. Key transition points in the education trajectory of students



<sup>11</sup> Data from this paragraph comes from MOE (2023).

<sup>12</sup> IMF Press Release, January 10, 2024.





11. **With a young population, addressing key challenges to maximize education and skills outcomes is critical for Jordan's growth and development.** While improvements are needed across the system, analysis of the data in Jordan and international evidence suggest that the highest returns to the investments could come from adequately reaching and supporting students at the key transition points of school entry (the home-to-school transition) and exit (the school-to-work transition).

***Home to School Transition: Early childhood and early primary grades***

12. **Extensive evidence confirms that the development of cognitive and socio-emotional skills during a child's earliest years contributes to improved learning outcomes and later success in the workplace and in life as adults.**<sup>13</sup> An analysis of PISA scores across 65 countries found that students who attended early childhood education scored higher on reading and math at age 15, equivalent to an average of 2.75 additional years of learning,<sup>14</sup> while a survey of adults in 12 lower- and middle-income countries found that those who had attended early childhood education programs stayed in school on average 0.9 years longer and tended to be employed in higher-skilled jobs, controlling for family background and other factors.<sup>15</sup> Students who don't acquire foundational skills early in their school trajectory are at risk of falling further behind as they grow older. For example, studies show that students with early reading difficulties have learning trajectories which are resistant to change after grade three and diverge from their peers at an accelerating pace.<sup>16</sup>

13. **Despite recent progress, enrollment in KG is low, quality assurance is nascent and more effective ways to leverage the private sector and ensure equity are needed.** The Ministry of Education (MOE) has shifted policies in recognition of the importance of the early years (i.e. through the KG expansion and launch of a National Literacy Strategy), but access to KG2 is far from universal and the system does not yet effectively support children to develop the foundations they will need to succeed in their education and life. The overall enrollment rate in pre-primary education (KG1 and KG2, ages 4-5) is 27 percent,<sup>17</sup> below the Middle East and North Africa (MENA) and global average (34 and 61 percent, respectively). Jordan has increased enrollment in KG2 (for 5-year-olds) from 57 in 2018 to 65 percent in 2022 but meeting the GOJ's goal of universal access to KG2 will not be achieved until 2073 based on the current rate of expansion, suggesting that new approaches will be needed in the face of limited public capacity. Rural and economically disadvantaged regions are disproportionately impacted by the lack of access to KG, as are refugees. Around 9,772 refugee students are enrolled in KG, less than a third of the estimated 31,000 refugee children aged 4 and 5. By 2018, the teaching workforce for KG and grades 1-3 reported high turnover rates, with 20 percent of teachers planning on leaving the profession within the next five years, and only 35 percent reporting being trained on strategies to improve literacy skills<sup>18</sup>. Quality assurance for early childhood education is in its infancy, with KG quality standards approved in 2023, and a need to support KGs to meet these standards and introduce a system for ongoing monitoring. The private sector enrolls 51 percent of children in KG. The GOJ is exploring new approaches to achieve universalization of KG2, including leveraging the private sector through a pilot to offer vouchers and subsidies to low-income families (while ensuring quality and equity concerns are addressed). Streamlining registration and licensing procedures for private providers has begun to address the complex and time-consuming process which deters potential entrants.

14. **Children in Jordan are not acquiring the foundational reading skills they will need to succeed in the rest of their education and their life.** Although there was progress before the pandemic, after-COVID-19 data show learning outcomes

<sup>13</sup> Cunha and Heckman 2007; Cunha et al. 2006; Engle et al. 2011; Heckman 2006; Naudeau et al. 2011; Neuman and Devercelli 2013.

<sup>14</sup> Forthcoming, Garcia, Devercelli and Valerio.

<sup>15</sup> Shafiq, Devercelli, and Valerio, 2018

<sup>16</sup> Good, Simmons and Smith (1998).

<sup>17</sup> UIS data figures. MOE figure for 2021/22 is 37.4 percent.

<sup>18</sup> Jordan National Teacher Survey 2018.



remain low, with 58 percent of 10-year-olds unable to read and understand a basic paragraph.<sup>19</sup> Data from the 2023 Early Grade Reading Assessment (EGRA) and Early Grade Math Assessment (EGMA) show a similar trend: by the end of grade 2 and grade 3, the percentages of students achieving reading fluency and comprehension were 42.4 and 60.3, respectively. Just 13.7 percent of grade 2 students and 29.3 percent of grade 3 students met the benchmark for math. Coupled with challenges such as the limited instructional time of only 4.5 hours in the school day, this data highlights a critical need for targeted interventions to improve early grade instruction quality to ensure children develop foundational skills by the time they finish grade 3, a critical period to acquire these skills. The current teaching and learning materials for grades 1-3 also fall short of best practices, lacking alignment not only with effective pedagogical practices but also with evidence-based methods of teaching reading.<sup>20</sup> Despite the recent development of a National Literacy Strategy, interventions remain scattered among various programs and providers, and have not reached a national scale. The system can leverage the use of learning assessments data to monitor progress, target resources to students in need and align parents and the education community on the importance of foundational skills.

**15. The EMV proposes a shift in the conceptualization of early childhood and basic education with a new subsector – Early Childhood Care and Development (ECCD)– to serve children below the age of 9, including nurseries and childcare, KGs and the first three grades of primary school.** The decision to prioritize investments in these early years of education –and to align KGs with the early primary grades– reflects a recognition of the potential impacts of early learning on later learning outcomes. The GOJ is actively working to refine early childhood and early primary education governance and services, including childcare and nurseries, KGs and grades 1-3. An initial step involves consolidating the oversight of quality, registration, and licensing of all early childhood and early primary education services under the new Ministry structure, in line with the Public Sector Modernization Roadmap (PSMR.)

#### ***School to Work Transition: TVET and relevance of education for employment***

**16. TVET systems have the potential to equip students with the skills required by the labor market, contributing to employment, productivity and driving and sustaining economic transformations.**<sup>21</sup> Well-functioning TVET systems can help students adapt to the changing needs of the labor market, support them to enhance their skills (upskilling) or acquire new skills for a new job (reskilling). TVET can also help improve social mobility and reduce poverty by providing disadvantaged individuals with the skills and knowledge they require to successfully enter and stay in the labor market and can contribute to developing the skills needed for greener and more digital economies and societies.<sup>22</sup>

**17. The GOJ has begun an ambitious reform to the TVET system, particularly at the secondary education level.** Reforms include the extension of vocational education to 3 years starting from grade 10, as well as the replacement of the outdated national curriculum with the internationally recognized qualification BTEC (Business and Technology Education Council) to enhance the employability and mobility of graduates and provide the skills required by the labor market.<sup>23</sup> This reform of the vocational education is expected to expand students pathways as they will graduate with the opportunity to progress their BTEC qualifications at technical colleges, universities and in to the labor market. Other significant achievements include the launch of the National TVET Strategy, the establishment of the Technical and Vocational Skills Development Council (TVSDC) in 2019 as the national coordinating body for TVET, the creation of more than 10 Sector Skills Councils (SSCs) to engage the private sector, and the development of the Career Guidance National Strategy in 2024.

<sup>19</sup> World Bank (2022).

<sup>20</sup> USAID (2024). Mimeo.

<sup>21</sup> Building Better Formal TVET Systems: Principles and Practice in Low- and Middle-Income Countries (Report No. 183938)

<sup>22</sup> OECD (2024). PISA Vocational Education and Training. Assessment and analytical framework.

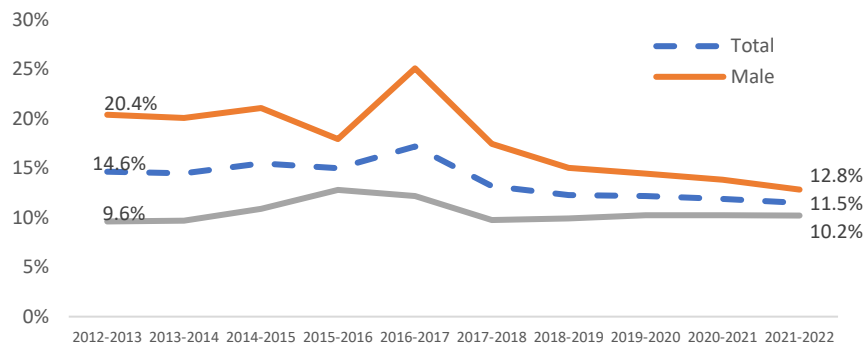
<sup>23</sup> For the 2023/24 school year, six BTEC specializations were open: engineering, business, IT, hospitality, hair and beauty, and agriculture.



18. **The TVET reforms aim to tackle persistent challenges to the TVET system**, which include: (a) low enrollment rates, particularly among girls: one in ten of female upper secondary students enroll in the vocational stream; (b) limited pathways between TVET streams, and tertiary education; (c) lack of a unified vision for TVET due to a weak and fragmented governance and provision; (d) low private-sector involvement in the development, delivery and assessment of TVET programs; (e) a negative social perception and poor labor market outcomes of TVET; (f) limited qualified trainers and poor infrastructure; (g) insufficient funding to implement policies to expand TVET; and (h) lack of a fully professional and data-based career guidance and counselling for students and families to navigate the education system.

19. **Improving access, quality and relevance of TVET for the labor market is crucial.** The share of students at the secondary level opting for the vocational education stream decreased from 15.7 in 2017 to 11.5 percent in 2022, driven by the decrease in male enrolment (Figure 2). There is a wide gender gap in enrolment, with only 10.2 percent of females in upper-secondary education opting for vocational programs. Until 2023, just four vocational streams were offered (agriculture, hospitality, industry and home economics), and only a small percentage of graduates were employed (5.4 percent in 2021), which impacted student interest. In 2023, with the launch of the first six BTEC specializations, over 17,000 grade 10 students enrolled in vocational education, and in 2024, 37,000 grade 9 students expressed interest to join vocational education in the following academic year.

Figure 2. Percentage of students in upper-secondary enrolled in vocational education, by gender (MOE, 2022)



20. **The inclusion of refugees in the expansion and improvements of the TVET system has the potential to influence their employment prospects.** Relative to Jordanians and other foreigners, Syrians in Jordan have lower levels of education; they are more likely to be illiterate, or to have less than upper-secondary education and less likely to have higher levels of education.<sup>24</sup> This gap carries over into jobs; within the sectors within which refugees are authorized to work, Syrians are more likely than Jordanians or other foreigners to be employed in elementary occupations, despite a large demand for jobs with technical skills. In 2022, 33 percent of the non-Jordanian labor force had a vocational degree, even though demand for medium skilled jobs accounted for 44 percent of net jobs created for non-Jordanians.<sup>25</sup>

21. **As Jordan continues reforms to the TVET sector, there is an opportunity to continue rethinking the role of TVET and the articulation between secondary and tertiary education, particularly important for boosting female LFP and responding to the economic transformation that is underway.** In the 21<sup>st</sup> century, TVET is no longer the channel to divert students away from university; rather, it can be a core strategy to make secondary and tertiary education more inclusive and relevant to the labor market. Historically, TVET schools<sup>26</sup> have provided a second-choice, lower-quality alternative to general education, with limited opportunities for life-long learning. The task for TVET is to combine a remedial education

<sup>24</sup> Hoogeveen, J. and Chinedu, O., editors (2024). A Triple Win: Fiscal and Welfare Benefits of Economic Participation by Syrian Refugees in Jordan.

<sup>25</sup> DOS Job Creation Survey, 2021. Medium skilled jobs refer to clerical support, service and sales workers, and craft and related trade workers.

<sup>26</sup> Both under the MOE or under the Vocational Training Corporation.



role with the provision of cutting-edge transferable skills, in line with best practices on TVET reform and modernization in high-performing countries. This shift is particularly important for programming targeting adolescent girls and efforts to boost Jordan's female LFP. It is also important for building the skills relevant to the labor market. In 2022, 17 percent of the labor force had either a secondary or intermediate diploma, even though demand for medium-skilled jobs accounted for 35 percent of net jobs created in 2021.<sup>27</sup> While Jordan does not have a comprehensive system for identifying and anticipating labor-market skill needs, available information from the EMV, sectoral studies and economic trends point to specific priority sectors with high job potential in the coming years.<sup>28</sup> Steering students to these sectors and providing them with the skills they demand have the potential to impact these students' labor market outcomes.

**22. Improving TVET outcomes will require to continue enhancing its social perception and labor market-relevance to attract more students, ensure their successful graduation with the relevant skills, and position them effectively for employment in priority sectors.** The first step in carrying out the shift is to strengthen the demand for TVET and expand its private provision. This implies diversifying provision models by opening pathways from secondary-TVET to tertiary education to ensure that graduates have multiple pathways available. It also requires strengthening on the job training and increasing opportunities to acquire work experience during vocational programs, which are proven ways to build relevant skills and increase employment and earnings post-graduation.<sup>29</sup> The second step is to expand private provision of TVET and develop strong linkages among public and private providers and employers in curriculum development, provision of equipment, and training of trainers. Such engagement can be achieved if information gaps and failures are addressed, the right incentives are present—including financial ones—and an institutionalized dialogue between public education authorities, employers, and other key stakeholders flourishes. The third step is to provide students with better guidance and support to navigate the system, which can also improve internal efficiency and support informed and data-based decisions and reduce dropouts and repetition. Jordan's new Career Guidance National Strategy (2024) seeks to create an information-based service to provide personalized guidance to students, to help them make informed choices on study pathways and career prospects. The successful implementation of the strategy hinges on the availability of professional counselors, teachers with advisory roles, technology-integrated education, real time labor market information systems, and strong partnerships with employers.

### ***Governance and management of the education system***

**23. The highest potential for meaningful change implicit in the new governance structure under the PSMR is the possibility of building a new 'architecture' for the education system** where articulation and transition between education stages become more efficient, inclusive, and relevant to the needs of students, their families and the labor market. Jordan's education sector is failing to provide most students with the necessary foundational skills they will need to succeed and complete their basic education and Jordan is losing an unbearable percentage of each generation of youth precisely at the crossroads of secondary education – both general and vocational, tertiary education, and entry to the labor market, as 41 percent of students do not complete secondary education.<sup>30</sup> New pathways with multiple entry and exit points among subsectors, together with a modernized certification system and effective career guidance services, should maximize graduation rates, better inform student choices, allow for a more relevant and diversified study offer and curriculum, enhance employability and labor market insertion, and reduce social and labor market exclusion.

**24. The new proposed draft Law of the Ministry of Education and Human Resources,<sup>31</sup> once adopted presents an opportunity to establish a clear functional division between policy-making functions and evaluation and quality**

<sup>27</sup> DOS Job Creation Survey, 2021. Medium skilled jobs refer to clerical support, service and sales workers, and craft and related trade workers.

<sup>28</sup> EMV, TVET Report 2023, [Creating Markets in Jordan: Country Private Sector Diagnostic \(2021\)](#).

<sup>29</sup> JPAL Policy Insight, 2023. "Vocational and skills training programs to improve labor market outcomes".

<sup>30</sup> MOE (2022).

<sup>31</sup> Expected to be adopted as part of Disbursed-Linked Result 6.1 under the proposed Operation.



**assurance, enhance institutional autonomy and accountability, and administrative decentralization, and foster a more substantial role for private sector engagement.** This shift can have several potential benefits and risks. Potential benefits include: (a) consolidated mandates, streamlined roles, and the elimination of redundancies (b) optimized planning and utilization of resources across the system; (c) well integrated QA model paralleled by effective accountability structures and transparency in outcomes; (d) enhanced institutional coordination and capacity to deliver on their specialized mandates; and (e) strengthened inter and intra connections within and beyond the ecosystem, with emphasis on strong private sector involvement and alignment. Mitigating key risks such as implementation capacity, resistance and bureaucracy through targeted interventions is essential to realizing the aforementioned benefits.

**25. The broader PSMR will create an opportunity to gain efficiencies in teachers' selection, recruitment, and deployment through the professionalization of the civil service.** A new Public Sector Human Resource Management policy<sup>32</sup> lays the groundwork for the development and adoption of professional competency-based profiles and job descriptions of civil servants. The GOJ has set an ambitious goal to competitively recruit 100 percent of new civil service entrants by 2027 based on competency profiles and underpinned by more relevant and fit-for-purpose job descriptions. This is a significant shift, given that currently only 12 percent of recruitment is based on competency-based assessments. While the education sector employs the largest share of public sector jobs after defense, clear policies for attracting, selecting, recruiting and deploying teachers are still not enacted. The pool of qualified candidates available for the teaching profession is limited as the profession attracts poorly performing students.

**26. Across the home-to-school and school-to-work transitions, there is scope to better harness education for climate mitigation and adaptation in three key areas.** First, helping better adapt Jordan's education system to climate-related risks around water scarcity, flooding, and extreme heat, especially for planned school/classroom construction and rehabilitation. Second, improving climate knowledge and skills among students. Currently, there is a gap between teachers' and students' desire to act on climate change and their capabilities. In a teacher survey, 73 percent of primary teachers in Jordan claimed they include climate themes in their lessons, but 84 percent got one out of five basic climate related questions wrong.<sup>33</sup> This suggests an urgent need to strengthen climate knowledge among students and teachers through age-appropriate curriculum and training. This can start early and can have a profound impact on the climate behavior of students, families and communities. Third, there is a deficit of urgently needed green skills in the economy, especially to support Jordan's ongoing green transition towards clean energy, partly because students lack information and guidance on how to gain the necessary skills and access related job opportunities.

### C. Relationship to the CPS/CPF and Rationale for Use of Instrument

**27. The proposed Operation aligns with the World Bank's (WB) Country Partnership Framework (CPF) for Jordan for FY24-FY29.**<sup>34</sup> The CPF supports the effective implementation of the EMV and the PSMP, and as such, the proposed Operation would be fully aligned with High Level Outcome (HLO) 2: Improved Human Capital Outcomes, and objective 4: Revitalized Education System for Future Jobs, including the investment and expansion of TVET. The Operation also aligns with the cross-cutting themes: People-Centric Governance and Digitalization and Supporting Jordan as a Refugee Host. The Operation builds on the active and pipeline WB's portfolio, including an active education operation Jordan Support to Private Sector Employment and Skills (P177959), the WEO, and a forthcoming Human Capital Development Policy Loan (P505118). Annex 2 details the support under these Operations and their link with the proposed Operation.

<sup>32</sup> Decision of the Council of Ministers No. 16412.

<sup>33</sup> Sabarwal et al. Harnessing Education for Climate Action. World Bank. 2024

<sup>34</sup> World Bank Report No. CPF0000007.



28. **The proposed Operation aligns with Jordan's 2021 Nationally Determined Contribution (NDC) to reduce greenhouse gas (GHG) emissions by 31 percent by 2030, with 26 percent of this commitment dependent on international support.** The Operation is aligned with the National Adaptation Plan 2021 (NAP), which includes a strategic objective of integrating climate change adaptation into development plans and aims to create new and sustainable jobs on the green economy (energy, water, waste, agriculture, etc.), particularly for youth. The Operation directly contributes to the NDC and NAP by ensuring that entrants to the labor market are equipped with the skills required by the green industry and services sectors and by contributing to changing awareness and behaviors related to climate action. The NAP emphasizes integrating climate adaptation into development plans and creating sustainable jobs, particularly in green sectors like energy, water, and agriculture. This dual focus reflects Jordan's proactive stance on climate action, aiming not only to mitigate environmental impacts but also to spur economic growth through green initiatives. Finally, the Operation aligns with key recommendations of the CCDR particularly focusing on inclusive, climate-responsive jobs and skills in green industries, as well as pathways for advancing energy-efficient and resilient urbanization. It contributes to these areas by nudging youth and new entrants in the labor market toward sustainable industries and supporting the skilling needs of climate mitigation and adaptation sectors. Simultaneously, efforts in urbanization emphasize investments in green building standards and retrofitting public buildings to enhance energy efficiency and resilience. The Operation contributes directly to national strategies and CCDR by fostering broad awareness and behavior change related to climate action through curriculum (shown to improve climate awareness and action, among students, families and communities). By aligning with the NDC, NAP, and CCDR objectives, Jordan aims to achieve its climate goals while advancing sustainable development and resilience to climate change impacts.

29. **The Operation will consist of a Program for Results (PforR) 96.1 percent of financing) and an Investment Project Financing (IPF) for Technical Assistance (TA) (3.6 percent of financing).**<sup>35</sup> This choice reflects the goal of achieving outcome-level objectives closely tied to specific output and result-oriented goals, reflected in the EMV/PSRR targets and goals on education outcomes. It builds on the experience of the WB with the instrument in Jordan and in the education sector specifically, which combines results-based budget support and TA to implement key programs. This has allowed the dialogue to focus on the achievement of results while using and strengthening national systems.

## II. PROGRAM DESCRIPTION

### A. Government Program

30. **To address challenges in the education system, the EMV includes a transformative and ambitious plan for the sector under the “Smart Jordan” growth pillar,** which aims to develop and prepare local talent to meet the needs of future skills, required resources and institutions to accelerate economic growth and enhance quality of life. “Smart Jordan” consists of a comprehensive package of reforms with the potential to transform the education sector, focusing on 6 pillars: (a) ECCD (including early childhood and early primary education for children under nine years old); (b) basic education (primary and secondary); (c) higher education; (d) TVET; (e) research and development and innovation; (f) entrepreneurship; and (g) data. It includes digitalization, governance and legal environment as crosscutting areas.

31. **The first four pillars of Smart Jordan constitute the Government program.** The GOJ launched the Executive Program 2023-2025 for the “Smart Jordan” pillar, a set of strategic reforms to prioritize under the initial years of implementation of the 10-year EMV (Figure). The program followed extensive stakeholders’ consultations with the participation of over 500 experts from the private and public sectors, Parliament, academia, civil society, media and development partners,<sup>36</sup> all central to the success in the implementation of the reforms. Areas highlighted in red in Figure 3 will be supported by

<sup>35</sup> And a front-end fee (0.25 percent of financing).

<sup>36</sup> Full list of participants [available](#).



the proposed Operation; these areas were selected for the following reasons: (a) alignment with existing WB engagement in the education sector (i.e. a continuation or expansion of activities supported through JERSP or ongoing analytical work and complementarity with other WB-financed efforts); (b) response to a direct request from the MOE for WB support in specific areas; (c) absence of other partners working in the space; (d) importance of the area based on international evidence; and (e) likelihood that results could be achieved using a PforR instrument during the Operation’s lifetime.

Figure 3. Education Sector Pillars of “Smart Jordan”

| <b>ECCD</b><br>An integrated, equitable, just, and child-centered system   | <b>Basic and Secondary</b><br>Develop critical thinking, problem-solving, life-long learners who believe in human values and cherish national identity  | <b>Higher education</b><br>An inclusive, equitable and high-quality research-driven and technology-enabled system  | <b>TVET</b><br>Develop a very well-trained, highly-skilled, and diverse workforce  |
|--|---|--|--|
| <ul style="list-style-type: none"> <li>• <b>Develop curricula and programs for early childhood learning</b></li> <li>• Establish a unified ECCD council</li> <li>• Reduce the burden of licensing and operation of ECCD service providers</li> <li>• Launch a database for ECCD</li> <li>• <b>Increase access to ECCD nationwide</b></li> <li>• Provide healthcare to all children under 6 years in pre-K</li> <li>• Expand cost effective ECCD programs</li> <li>• Launch initiative to provide childcare in the workplace</li> <li>• <b>Incentivize non-government service providers in ECCD</b></li> <li>• Mobilize families to support ECCD at home</li> </ul> | <ul style="list-style-type: none"> <li>• Compulsory pre-service teacher training and licensing programs</li> <li>• <b>Competency-based selection for all education staff</b></li> <li>• Professional development program for all educators</li> <li>• Select, prepare and empower school leaders</li> <li>• <b>Revamp curricula and assessment system</b></li> <li>• <b>Revamp TVET in schools</b></li> <li>• Reform Tawjihi and examination system</li> <li>• <b>Decentralize administrative and financial management</b></li> <li>• School QA and accreditation</li> <li>• Convert public schools to mixed gender</li> <li>• Build new schools</li> </ul> | <ul style="list-style-type: none"> <li>• Regulatory update (faculty and staff recruitment, promotion, entrepreneurship)</li> <li>• Industry strategic collaboration and labor market assessment</li> <li>• Micro-credentialing and education pathways</li> <li>• R&amp;D strengthened</li> <li>• Academic, financial and institutional autonomy</li> <li>• Admissions and tuition reform</li> <li>• Strengthen accreditation and QA</li> <li>• Reform governance and accountability</li> </ul> | <ul style="list-style-type: none"> <li>• <b>Educators training and professional development</b></li> <li>• <b>TVET post-9<sup>th</sup> grade</b></li> <li>• <b>Micro-credentialing and education pathways</b></li> <li>• Technical programs across Higher education</li> <li>• <b>Increase enrollment rate</b></li> <li>• Develop Labor Market Information System</li> <li>• New specialties in TVET</li> <li>• <b>National framework for the recognition of prior learning</b></li> <li>• Framework for work-based learning</li> <li>• <b>TVET digitalization and data</b></li> <li>• <b>National framework for career guidance</b></li> <li>• <b>Unify governing bodies</b></li> </ul> |
| <b>Cross-cutting levers of change : digitization, governance, management and legal environment</b>   |   |  |  |
| <i>* Reform areas to be supported by MASAR</i>   |   |  |  |

32. **The government program follows a lifecycle approach on the accumulation of human capital, identifying and addressing bottlenecks that interfere with the students’ education trajectories. The proposed Operation would support key elements and incentivize results to increase efficiency in the implementation of selected interventions of the government program.** Specifically, it would focus on barriers at two key transition points —the home to school transition and the school to work transition— while strengthening the cross-cutting levers of governance and management of the sector to improve internal and external efficiencies.

33. **The implementation of several priority actions in the government program has started.** The MOE has adopted and piloted the QAS for KGs, initiated the development of the KG1 curriculum and launched the National Literacy Strategy. In the TVET sector, the introduction of BTEC, the adoption of the NQF and the development of the Jordan National TVET Strategy 2023-2027 have all been completed. The GOJ has initiated the design of the governance model of the new Ministry of Education and Human Resources Development and passed the bylaws for competency-based hiring in the public sector. The WB has supported the GOJ through JERSP and TA on several of these areas (i.e. governance, KG expansion, teacher policies); the proposed Operation will continue this support.

34. **The implementation of the government program is funded through a three-year program-based budget with performance targets,** including the budget of MOE, Ministry of Higher Education and Scientific Research, Accreditation and Quality Assurance Commission for Higher Education Institutions (AQACHEI), VTC and TVSDC.

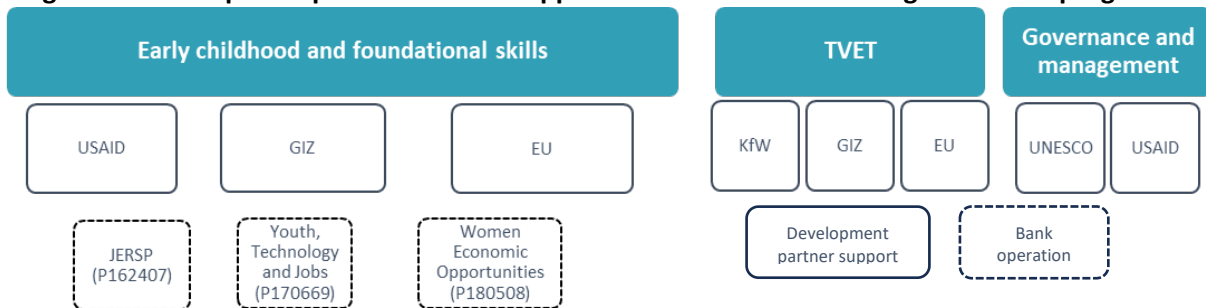
35. **The proposed Operation complements support for the EMV from other development partners and other WB operations.** There is an active education donor group in Jordan, which the WB currently co-chairs. Figure 4 provides a summary of key related work by development partners or other WB support (See Annex 3 for a detailed description of donor support). The proposed Operation draws heavily on the accomplishments and lessons learned from JERSP, including the importance of flexible design to enable adaptation to the evolving context, the necessity of considering capacity constraints when setting targets, addressing critical bottlenecks through targeted technical assistance, fostering client



engagement at all levels throughout the design and implementation phases (thus promoting a sustainable approach to capacity building), and ensuring continuity between analytical efforts and program implementation.

36. **The government program is expected to benefit refugees and contribute to the implementation of the 2024-2026 Jordan Response Plan for the Syrian Crisis (JRP), under preparation.** The JRP emphasizes the importance of service continuity in education, as well as the importance of fostering inclusion and promoting livelihoods. With many other development partners focused on serving the refugee population, the WB engagement will support JRP by focusing on systemwide approaches such as quality early childhood education and TVET, a subsector that is currently not open to refugee children and which will facilitate integration into the labor market.

**Figure 4. Development partner and WB support in relevant areas of the government program**



**B. PforR Program Scope**

37. **Program boundaries.** The proposed Operation will support key elements of the government program (Table 1).

**Table 1. Scope of Government program and PforR**

|                         | Government program   | PforR Program   |
|-------------------------|--|---|
| Objective               | To develop an integrated, child-centered, equitable and just ECCD system, and a well-trained, highly skilled, and diverse workforce. | To improve foundational learning, increase access to labor market-relevant TVET and enhance the efficiency of the education sector.   |
| Duration                | 2022-2033  | 2024-2029 (first phase of implementation)   |
| Geographic coverage     | Nationwide   | Nationwide  |
| Results areas / pillars | 1- ECCD<br>2- Basic education<br>3- Higher education<br>4- TVET  | RA1- Improving access to foundational learning<br>RA2- Increasing access to labor market-relevant TVET<br>RA3 – Enhancing the efficiency of the education system management |
| Overall Financing       | US\$10.117 billion   | US\$1,873.87 million  |

38. **PforR Program Scope.** The Program scope amounts to 19 percent of the government program, i.e., US\$1,873.87 million of a total of US\$10.117 billion, with WB financing amounting to US\$384 million (Table 2). Activities outside the Program boundary amount to US\$8.243 billion and include mostly salaries and operating costs for basic and higher education not directly related to the Program.





Table 2. Program Costs and Financing Sources (US\$ million)

| Source      | Amount   | % of Total |
|-------------|----------|------------|
| Government  | 1,489.87 | 80         |
| IBRD + GCFE | 384.00   | 20         |
| Total       | 1,873.87 | 100        |

39. **The PforR will support three Result Areas (RA)** where the WB’s value added is expected to be strongest and where there is no overlap with other WB’s or development partners operations, as follows.

40. **RA 1. Home to school: Improving access to foundational learning.** Carry out a program of activities to improve access to early learning and foundational skills, through (a) **increasing access to KG2** including in districts with a high concentration of refugees; (b) **strengthening the quality of early childhood education** by approving and rolling out a comprehensive curricula for KG1 and KG2 and of support materials for KG2 teachers, and supporting the scale-up of the KG QAS; and (c) **improving foundational literacy skills for grade 1 to 3 students**, through (i) the development of an implementation plan, and (ii) the implementation of targeted interventions to build foundational skills in the early grades.

41. **RA2. School to work: Increasing access to labor market-relevant TVET.** Carry out a program of activities to improve access to labor market-relevant TVET, through (a) **improving the labor-market relevance** of TVET programs, responding to the job market and demand in priority sectors through institutionalizing linkages with the private sector and expanding apprenticeships; (b) facilitating the transition of TVET students to employment and further education opportunities, through **implementing a competency-based equivalence system**; and (c) the **development of a graduate tracking system** to support learners with counselling and career guidance services.

42. **RA3: Enhancing the efficiency of the education system management.** Carry out a program of activities to strengthen governance and management of the education system, through (a) **implementing the new governance structure** of the education sector; and (b) **increasing the efficiency of human resources management** of the education system in terms of teacher attraction, selection, and recruitment policies.

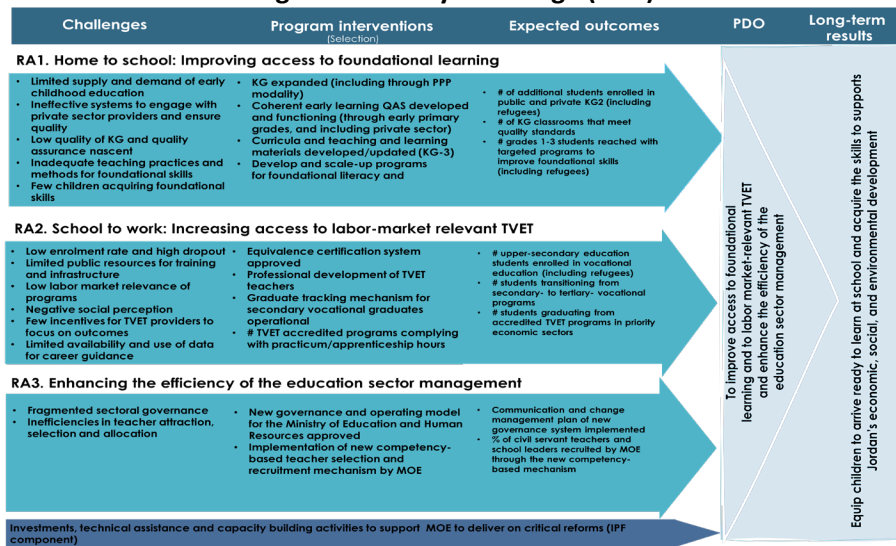
43. **The Program reflects the full inclusion of refugees in Jordan’s national education system.** It includes results that incentivize KG enrollment for refugee children, and their inclusion in the expansion and improvements to TVET, a subsector that is currently not open to refugees. The expansion in KG2 capacity in existing schools would target schools in camps and in districts with a high concentration of refugees. Refugees would also be eligible for the pilot voucher system which will help expand access to private KG. This pilot is initially targeting 2,000 pupils, a fifth of which will be refugees. Schools with a high concentration of refugee children in grades 1-3 will also benefit from the targeted programs to improve foundational skills. By improving the quality of education in districts with a high concentration of refugees, this Program will complement the expanded access to KG2 outlined above, with a target of 10,000 beneficiaries among refugee students between the ages of 6-8. In TVET, the Program will seek to incentivize opening publicly provided upper-secondary vocational education to refugees through a change in the regulations and their inclusion in the expansion and improvements to the existing TVET programs. Extension of upper-secondary vocational education to target 5,000 refugees will give them the opportunity to stay in school and acquire a secondary degree equivalence. The equivalence system will help complement current TVET efforts targeting refugees, run by non-governmental organizations (NGOs), building on successful pilots.<sup>37</sup> In total, 20,000 refugee children would directly benefit from the program. Given Jordan’s progressive approach of including refugees in the national education system, the operation’s system wide approach to reform and improving efficiency and quality will also benefit refugees across the supported areas.

<sup>37</sup> For example, Mercy Corps has a vocational training program in partnership with Jordan University of Science and Technology (JUST) and the Irbid Chamber of Commerce where students are trained in the maintenance and repair of hybrid cars.



C. Theory of Change

Figure 5. Theory of Change (TOC)



D. Program Development Objective(s) (PDO) And PDO Level Results Indicators

44. The PDO is to improve access to foundational learning and to labor market-relevant technical and vocational education and training (TVET) and enhance the efficiency of the education sector management. The proposed PDO indicators are as follows:<sup>38</sup>

Table 3. PDO Indicators

| RA  | PDO indicators   |
|---|--|
| Home to school: Improving access to foundational learning       | <ol style="list-style-type: none"> <li>Number of children enrolled in KG2s that meet quality standards</li> <li>Number of students in grades 1-3 enrolled in public schools with targeted programs to improve foundational skills, including refugees (DLR 3.3)</li> </ol> |
| School to work: Increasing access to labor market-relevant TVET | <ol style="list-style-type: none"> <li>Number of students graduated from accredited TVET programs in priority sectors, including the green economy (DLR 5.2)</li> </ol>  |
| Enhancing the efficiency of the education sector management     | <ol style="list-style-type: none"> <li>Percentage of civil servant teachers and school leaders recruited by MOE through the new competency-based mechanism (DLR 7.2)</li> </ol>  |

E. Disbursement Linked Indicators (DLI) and Verification Protocols

45. The Program consists of seven DLIs chosen for their impact, the potential for the WB to add value, and sequencing of results toward the final outcome/result (Table 4). DLIs were selected based on their potential to address key bottlenecks at specific points of students' education trajectories. Disbursement Link Results (DLRs) aim to provide incentives for prioritization and sequencing of results and reflect Program milestones. Table 1 in Annex 2 provides an overview of the rationale for DLI selection and relevance.

46. A sub-set of DLIs will help better harness the education sector for improved climate outcomes in three areas by: (a) Increasing the climate resilience of KG infrastructure, so it is better adapted to climate-related risks around water scarcity, flooding, and extreme heat (underpinning DLI 1); (b) Improving climate knowledge and skills among students and

<sup>38</sup> Indicators will be disaggregated by gender, vulnerability and refugee status, when possible.



teachers in KG and grades 1-3 (DLI 2 and 3); (c) Improving access of students to relevant green skilling, career tracks, and job opportunities, thereby increasing the number of qualified graduates to work in these sectors (DLI 4 and 5).

**Table 4. Overview of DLIs and DLRs**

| DLI  | DLR   | Allocation              |
|--|---|-------------------------|
| <b>RA 1. Home to school: Improving access to foundational learning</b>   |   |                         |
| <b>DLI 1.</b> Increasing access to KG  | <b>DLR 1.1.</b> 25,000 additional students enrolled in public and licensed private KG2 (US\$53.76 million)<br><b>DLR 1.2.</b> 5,000 additional Refugee Students enrolled in public and licensed private KG2 (US\$3.84)  | US\$57.6 million<br>15% |
| <b>DLI 2.</b> Strengthening the quality of early childhood education   | <b>DLR 2.1.</b> GOJ approves and adopts (a) curriculum for KG1 and KG2 (US\$11.52 million); and (b) supporting guidelines for KG2 teachers (US\$11.52 million), (including age-appropriate climate curriculum)<br><b>DLR 2.2.</b> 4,200 KG classrooms meeting minimum quality standards, including climate/green adaptation and mitigation standards (US\$34.56 million)  | US\$57.6 million<br>15% |
| <b>DLI 3.</b> Improving foundational literacy skills   | <b>DLR 3.1.</b> MOE approves and publishes an implementation plan for the National Literacy Strategy (US\$15.36 million)<br><b>DLR 3.2.</b> Revised teaching and learning materials for reading for grades 1-3, including age-appropriate climate content, are (a) approved and adopted by GOJ (US\$7.68 million); and (b) distributed in 1,500 public schools nationwide (US\$7.68 million)<br><b>DLR 3.3.</b> 150,000 students in grades 1-3 enrolled in public schools with targeted programs to improve foundational skills, including refugees (US\$26.88 million)   | US\$57.6 million<br>15% |
| <b>RA 2. School to work: Increasing access to labor-market relevant TVET</b>                                   |   |                         |
| <b>DLI 4.</b> Creating, expanding, and funding pathways from TVET to further education and to the labor market | <b>DLR 4.1.</b> The Higher Education Council adopts regulation on an equivalence system to add flexibility and portability to TVET qualifications and certificates, including for refugees (US\$11.52 million)<br><b>DLR 4.2.</b> 80,000 students enrolled in vocational education, including in green economy sectors (US\$46.08 million)<br><b>DLR 4.3.</b> Open access to upper-secondary vocational education to 5,000 Refugee Students, including in green economy sectors (US\$7.68 million)<br><b>DLR 4.4.</b> 15,000 students transitioning from secondary-vocational education BTEC programs to formal employment or tertiary education vocational programs, including in green economy sectors (US\$15.36 million)<br><b>DLR 4.5.</b> Information system for tracking secondary-vocational graduate employability and education pathways to inform counseling and career guidance is operational and available to schools (US\$15.36 million) | US\$96 million<br>25%   |
| <b>DLI 5.</b> Enhancing access to labor market relevant TVET   | <b>DLR 5.1.</b> 5 BTEC specializations comply with threshold of required hours in practicum/apprenticeship component under the BTEC Program (US\$15.36 million)<br><b>DLR 5.2.</b> 50,000 students graduated from accredited TVET programs in priority sectors, including the green economy (US\$23.04 million)   | US\$38.4 million<br>10% |
| <b>RA 3: Enhancing the efficiency of the education sector management</b>                                       |   |                         |
| <b>DLI 6.</b> Implementing the new governance structure of the education sector                                | <b>DLR 6.1.</b> The GOJ (a) through the Council of Ministers, adopts the decision for the establishment of the new Ministry of Education and Human Resources Development (US\$3.84 million); and (b) submits to the Parliament the draft law for creation of the Ministry of Education and Human Resources Development (US\$7.41 million)<br><b>DLR 6.2.</b> The GOJ, through the Council of Ministers, adopts the bylaw on the new organizational and administrative model of the Ministry of Education and Human Resources Development (US\$11.52 million)<br><b>DLR 6.3.</b> MOE adopts and rolls out a communication and change management plan (US\$15.36 million)   | US\$38.4 million<br>10% |
| <b>DLI 7.</b> Strengthening efficiency through better human resources management                               | <b>DLR 7.1.</b> MOE approves instructions or guidelines, as the case may be, on new competency-based teachers and school leaders' selection and recruitment (US\$19.2 million)<br><b>DLR 7.2.</b> 70 percent of civil servant teachers and school leaders recruited by MOE through the new competency-based mechanism under DLR 7.1 (US\$19.2 million)  | US\$38.4 million<br>10% |
| <b>TOTAL</b>   |   | <b>US\$384 million</b>  |



47. **Verification protocols.** An Independent Verification Agency (IVA) will be responsible for verifying DLIs according to the verification protocols and Terms of Reference (TOR) agreed upon between the WB and the MOE. For a set of DLRs, the MOE will perform verification reports, to be validated by the WB (Annex 1).

**F. IPF Component**

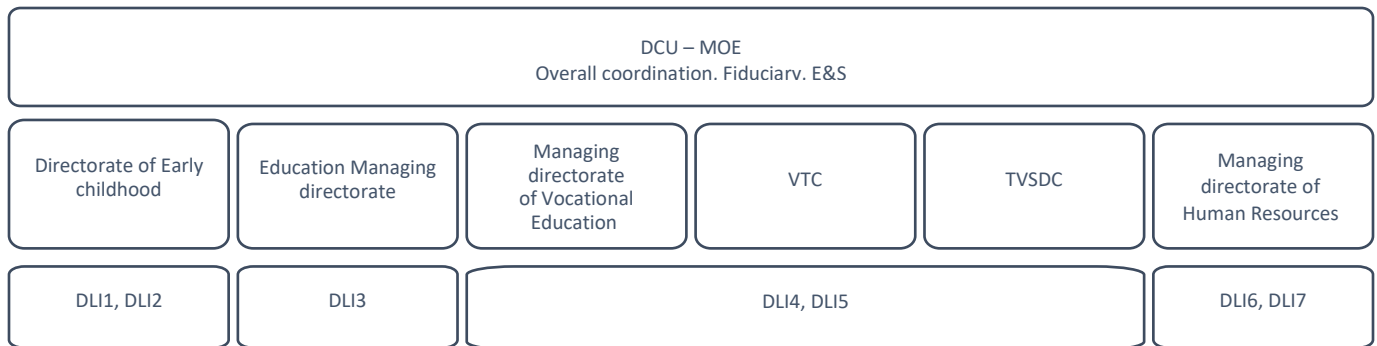
48. **The IPF component will provide TA and capacity-building activities to support the implementation of the Program, support the operationalization of the new Ministry and institutional arrangements and deliver on critical reforms (US\$15 million, 3.6 percent of the Operation).** It will finance activities that contribute to improving efficiency of the planned program and the sustainability of results achieved and inform evidence-based policymaking through (a) consulting services, studies and evaluations to inform implementation; and (b) capacity building activities for MOE, VTC and TVSDC. The TA includes support to the design of a career guidance system, the design and external evaluation of a Skills Development Fund (SDF), and capacity building, among others.

**III. PROGRAM IMPLEMENTATION**

**A. Institutional and Implementation Arrangements**

49. **The implementation arrangements of the Program will mostly follow the government’s program and JERSP’s arrangements, which have been working well for the past six years. Arrangements will be adjusted according to the new governance system of the sector when and as needed.** The Ministry of Planning and International Cooperation (MOPIC) will be responsible for the overall implementation of the Program, while MOE will be the implementing entity with the administrative and coordination support of their Development Coordination Unit (DCU). Under the leadership of the DCU, Directorates and centers will plan and implement activities related to their components. These include the Directorate of Early Childhood and Education Management Directorate (RA1); Directorate of Vocational Education, VTC and TVSDC (RA2); Managing Directorate of Human Resources (RA3), and other relevant MOE units as needed (Figure 6 **Error! Reference source not found.**). The Program Operation’s Manual (OM) will be adopted by the Borrower and thereafter updated, as required, with the support of the focal points for each DLI within MOE, VTC and TVSDC.

**Figure 6. Implementation Arrangements**



50. **The DCU will be responsible for the Operation’s fiduciary aspects.** It will have the fiduciary responsibility of the WB-funded PforR and IPF in reporting on procurement, financial, fraud and corruption, and the annual external audit. It will include a fiduciary officer ensuring cooperation and consolidation of the Program’s financial and procurement information. The Program will include: (a) appointment/assignment of a fiduciary focal point based on TOR acceptable to the WB and (b) capacity building for the fiduciary focal points assigned to the Operation. The DCU will oversee the preparation of the Program’s consolidated annual financial statements and periodic budget execution reports and monitor



the execution of the PEF against the DLIs achieved (Annex 3). A full-time Financial Management (FM) officer will be assigned to the IPF. An FM and procurement manual will be included as part of the Operations Manual (OM), an annual work program and budget by December 15 every year, and the opening of a Designated Account (DA) on terms acceptable to the WB. Unaudited Interim financial reports (IFRs) will be prepared on a semester basis. The ceiling of the DA and the disbursement method are stated in the Disbursement and Financial Information Letter (DFIL).

**51. Fiduciary appraisal and implementation arrangements for the IPF part of the Operation are described in Annex 4.**

The DCU, with support from an FM consultant and a procurement consultant, will implement the IPF activities, oversee contract execution and fiduciary management and collect technical and financial data related to TA with inputs from directorates and centers, which will be used to prepare IFRs and Project reports, and consolidated financial statements for the Project.

**52. IPF E&S issues and management.** The WB's Environmental and Social Framework (ESF) for IPF will apply to the IPF activities. MOE prepared an Environmental and Social Commitment Plan (ESCP) for the IPF, disclosed on May 30, 2024.

## **B. Results Monitoring and Evaluation**

**53. The Results Framework (RF) provides key measures of the Operation's achievements against its objectives (Annex 1).**

The DCU will be responsible for M&E. It will consolidate the data and ensure consistency, focusing on DLI results and Program Action Plan (PAP) compliance. The DCU will produce semiannual Program Status Reports based on the RF and other information related to Program implementation, to be submitted to the WB no later than 45 calendar days after the end of each calendar semester, covering the calendar semester. These semiannual Program reports will provide the basis for the WB implementation support missions and the midterm review. The PforR will build upon and strengthen the existing, well-established statistics systems and M&E arrangements of MOE, VTC, TVSDC and AQACHEI. The following data sources will yield information for the M&E of the PDO, intermediate results indicators, and DLIs: (a) the EMV dashboard, which includes intermediate indicators and KPIs for the government program, (b) OpenEMIS, which includes student, teacher, and school level data of the basic education system, (c) VTC and TVSDC student and program level data on vocational training programs, and (d) AQACHEI student and program level data on tertiary-education TVET programs. Evaluations will also be used for monitoring achievement and adapting interventions.

## **C. Disbursement Arrangements**

**54. The PforR RAs are embedded in the budget and expenditure management processes of the country system.**

Program funds will be entirely reflected in the central government budget. All Program payments will be made through the centralized Treasury system of accounts held at the Central Bank. The GOJ, through its budget, will transfer the funds to the implementing agencies based on the expenditure framework and activities to be executed and thus prefinance the expenditure. The GOJ will claim disbursements from the WB as DLRs are achieved and validated as per verification protocols. The disbursements under the DLIs will be compared with the Program expenditures by the WB fiduciary and technical teams during implementation to avoid any risk of incoherence in the last year of the Program. Details on the IPF component disbursement arrangements are provided in Annex 4.

**55. The WB will agree to advance payment to the Borrower in an amount up to US\$96 million of the IBRD Program financing to complement the government funding to carry out activities toward achieving the DLIs.**

When the DLR of a DLI against which an advance has been disbursed is achieved and verified, the WB will record an amount of the advance as disbursed after it has notified the Borrower of its acceptance of the evidence of achievement of the result for which the advance was provided. The amount recovered will become available for further advances. This rolling advance will be adjusted against the claims for disbursement against DLIs. The WB requires that the Borrower refund any advances (or



portion of advances) if the DLIs have not been met (or have been partially met) by the Program closing date, promptly upon notice thereof by the WB.

#### D. Capacity Building

56. **The Operation supports key capacity building and institutional strengthening required to achieve the PDO.** The WB has provided TA through ongoing PforR operations, as well as through preparation of this Operation to refine the planned interventions. The IPF component will support the implementation of the PforR through key capacity-building activities, knowledge exchanges and sharing of international experiences on key support areas.

### IV. ASSESSMENT SUMMARY

#### A. Technical (including program economic evaluation)

57. **Strategic relevance.** The proposed Operation is strategically relevant and investments to improve the home to school and the school to work transitions, as well as the improvement in the management of the education sector are strategic for Jordan's implementation of the EMV. Investments in early childhood education and TVET are instrumental in fostering growth, reducing poverty, boosting shared prosperity and support green growth. Also, a skilled workforce can respond better to changing economic systems. Transitioning to a low-carbon economy also provides an opportunity to boost job creation and ensure industry competitiveness in the long term. Investments in early childhood education and TVET are strategic for the EMV as they can act as a catalyst through promoting skilled human capital, preparing the workforce for a green economy future, and through positive social outcomes such as greater female LFP, improved health, higher civic participation, governance, and environmental protection.<sup>39</sup>

58. **Technical soundness.** The Operation was designed to contribute to key results of the government program and achieve the PDO, drawing on evidence and global good practices. Its design is based on a robust TOC focusing on key interventions targeting the home to school transition (RA 1), the school to work transition (RA 2), and the efficiency of the sector management (RA 3). By promoting access to, quality of and labor market relevance of education, and improved efficiency, the Operation is aligned with the recommendations from key WB reports<sup>40</sup> and the Education Strategy 2020.<sup>41</sup> Finally, the Operation draws on the accomplishments and lessons from previous and current WB projects and is designed to incentivize the GOJ to tackle key a bottlenecks in the system and to pursue meaningful reforms.

59. **Paris Alignment (PA). The Operation is aligned with the goals of the Paris Agreement on adaptation and mitigation.** The Operation has been assessed to be Not Complex with respect to PA and most of the project activities are universally aligned. The project is consistent with Jordan's NDCs. Risks from climate hazards are unlikely to have a material impact on the Operation and its objectives, and the Operation is not at material risk of having a negative impact on the country's low-GHG-emissions development pathways.

- **Assessment and reduction of adaptation risk:** The Operation has undergone a thorough screening for climate and disaster risks, with its location identified as highly vulnerable to climate and geophysical hazards in Jordan. Key risks

<sup>39</sup> OECD, 2012 Equity and Quality in Education: Supporting Disadvantaged Students and Schools, OECD Publishing, Paris, 2012; McMahon, W.; and Oketch, M., 2013, Education's Effects on Individual Life Chances and on Development: An Overview, 2013, British Journal of Educational Studies 61(1):79-107; Oketch, M., McCowan, T., and Schendel, R, 2014, The Impact of Tertiary Education on Development: A Rigorous Literature Review, Department for International Development (DFID): London.

<sup>40</sup> Bendini, M ; Devercelli, A.E (2022). Quality Early Learning: Nurturing Children's Potential. Washington, DC: World Bank. Building Better Formal TVET Systems: Principles and Practice in Low- and Middle-Income Countries (Report No. 183938), Expectations and Aspirations: A New Framework for Education in Middle East and North Africa (Report No. 131974).

<sup>41</sup> Learning for All – Investing in People's Knowledge and Skills to Promote Development.



identified include flooding and increasing temperatures. To effectively manage and mitigate these risks, the Operation will strengthen the resilience and sustainability of Jordan’s educational infrastructure through rehabilitation and expansion. It will invest in climate-resilient building design in alignment with national adaptation goals and international best practices to reduce risks of flooding and excessive heat.

- **Assessment and reduction of mitigation risk:** The Operation aims to reduce climate mitigation risks by: (a) enhancing climate change literacy and awareness among students and teachers; (b) promoting energy-efficient schools’ ICT equipment; and (c) retrofitting classrooms with green infrastructure measures. The first initiative includes mitigation standards such as the integration of a climate sensitive curricula focused on climate change science, impacts and solutions across subjects, next to organizing awareness campaigns/ workshops for teachers and students to adopt pro-environmental behaviors, as well as fostering partnerships with environmental organizations for additional support. The second initiative includes mitigation standards that ensure ICT equipment meets or exceeds energy efficient standards set by authorities or certification such as ENERGY STAR. Equipment used will include energy efficient routers, switches, and Wi-Fi access points with built-in power saving features, low-power computing devices for teachers, LED projectors for interactive learning experiences and solar-powered charging stations to reduce reliance on grid electricity. The third initiative includes mitigation measures such as installing energy-efficient lighting, heating, and air conditioning systems, as well as incorporating passive cooling systems to combat rising temperatures. Additionally, adaptations will be made to ensure classroom safety and functionality during excessive heat and drought.

**Program expenditure framework (PEF)**

60. **The budget 2024 for MOE, VTC and TVSDC is JOD1,285 million (US\$1.812 billion), 10.4 percent of the general government budget.** The total budget for MOE, VTC and TVSDC has increased over the last years, mainly due to increases in payroll due to salary adjustments. The 2024-2026 plan assumes a nominal growth of 3.9 percent.

**Table 6. Summary of Program Expenditure Framework**

| RA                     | Budget | Budget Program / code |  | Name   | Total 2024-2029 (JOD) | Total 2024-2029 (USD) |
|------------------------|--------|-----------------------|--|--|-----------------------|-----------------------|
| RA1                    | MOE    | 4420                  | 601, 701-702, 706-707, 001-003                 | Kindergarten Education Program (ECD)               | 49,346,000            | 69,577,860            |
|                        | MOE    | 4425                  | 601  | Basic Education Program                            | 906,208,800           | 1,277,754,408         |
| RA2                    | MOE    | 4405                  | 601, 704, 001, 002, 004                        | Vocational education program                       | 194,415,000           | 274,125,150           |
|                        | VTC    | 6041                  | 601  | Management and Support Services Program            | 12,294,000            | 17,334,540            |
|                        | VTC    | 6042                  | 704-705, 707, 709, 711, 719, 007, 013, 017-018 | Training and Qualification Program                 | 21,515,000            | 30,336,150            |
|                        | TVSDC  | 6621                  | 601, 001                                       | Management and support services                    | 9,085,000             | 12,809,850            |
|                        | TVSDC  | 6622                  | 005, 007                                       | Support vocational education and training programs | 2,750,000             | 3,877,500             |
| RA3                    | MOE    | 4440                  | 601, 001                                       | Human resources development program                | 108,725,000           | 153,302,250           |
|                        | MOE    | 4445                  | 001, 002, 003                                  | Education Quality Development Program              | 24,648,000            | 34,753,680            |
| <b>Total 2024-2029</b> |        |                       |  |  | <b>1,328,986,800</b>  | <b>1,873,871,388</b>  |

61. **The PEF includes line items from the MOE, VTC and TVSDC budget,** with the exclusion of large-scale civil works and budget lines outside of the Program Scope (Table 6). Relevant lines include the operating budget for KG, grades 1-3, vocational education and TVET (teacher salaries), and capital expenditures to implement interventions under the Program (i.e. teacher training, classrooms/workshops expansion and maintenance). Investments with potential to cause significant adverse impact on the environment and/or affected people, as defined in the WB Policy and Directive on PforR financing, are excluded. Additionally, budget lines included in other WB operations have been excluded.<sup>42</sup> The five-year cost for the

<sup>42</sup> JERSP, Enhancing Women Economic Opportunities in Jordan (P180508), Jordan People-Centric Digital Government PforR (P180291).



Program is estimated at US\$1.873 billion.<sup>43</sup> Risks to the PEF arising from budget constraints are mitigated, as it is aligned with government priorities, constitutes a small portion of the program cost, and is implemented within a solid macroeconomic framework with sufficient predictability and budget execution rates.

### Economic Justification

**62. Rationale for public investment and economic returns.** Three factors provide a rationale for public financing of the interventions supported by the Operation. First, education generates positive externalities on the society by increasing productivity and economic growth. If individuals do not take these benefits into account when making education investment decisions, public sector investments can lead to efficiency gains. Second, imperfect information makes individuals unaware of the relevance of education in future labor opportunities and, even if aware, financial constraints might prevent them from investing in education. Third, the education system has the potential to promote equality of opportunities. Since dropout and labor market outcomes are particularly relevant for disadvantaged students, any policy aimed at improving these outcomes benefit vulnerable groups and is therefore desirable from an equity perspective. An economic analysis of the Operation shows positive results in the cost-benefit analysis, and the Internal Economic Rate of Return (IERR): benefits exceed 2.1 times their cost, yielding a positive IERR (12 percent), and remain positive under several sensitivity analyses (Annex 4). Efficiency interventions are not included in the Internal Rate of Return (IRR) given the difficulty in estimating their monetary impact. The benefits of these interventions, as well as the positive social externalities of improved access and retention to labor market relevant TVET programs, such as equity, welfare, and intergenerational mobility, would increase the calculated net present value and IERR.

**63. Distributional impact and externalities.** The Operation aims to close income inequities in access to quality ECE and TVET. The efficiency gains envisioned by higher efficiencies in the system would enable smarter and more equitable investments, benefiting the most vulnerable. Information interventions and career guidance are particularly relevant for disadvantaged students who are often the first generation in their family to attend secondary and tertiary education and may lack support to make informed choices, and to nonacademically ready students that lack basic skills to advance in their education trajectories. From a social perspective, the Operation would raise human capital, boosting growth and reducing poverty, and, through a more educated population, reach better health outcomes, less crime, higher democratic participation, environmental consciousness, civic participation, and earnings, resulting in higher tax revenues.<sup>44</sup>

**64. WB's value added.** The WB has broad experience in supporting reform in education systems in MENA and other regions and can leverage its global technical knowledge (the knowledge Bank) to support the government program, including to (a) provide the know-how for designing interventions in strategic areas (i.e. career guidance, skills development fund, governance and QAS); (b) support analysis on female LFP and employment and linkages with economy-wide policies; (c) advise on and use synergies across operations of cross-sectoral linkages; and (d) ensure continuity in student learning from early childhood through higher education.

### B. Fiduciary

**65. The WB conducted a Fiduciary Systems Assessment (FSA) to assess the fiduciary risk and confirm that the Program's fiduciary systems provide reasonable assurance that the financing proceeds will be used for intended purposes, with due attention to the principles of economy, efficiency, effectiveness, transparency, and accountability.**

<sup>43</sup> The Program duration is five years and spans over six calendar years.

<sup>44</sup> OECD, 2012 Equity and Quality in Education: Supporting Disadvantaged Students and Schools, OECD Publishing, Paris, 2012; McMahon, W.; and Oketch, M., 2013, Education's Effects on Individual Life Chances and on Development: An Overview, March 2013, British Journal of Educational Studies 61(1):79-107; Oketch, M., McCowan, T., and Schendel, R., 2014, The Impact of Tertiary Education on Development: A Rigorous Literature Review, Rigorous Literature Reviews in Education. Department for International Development (DFID): London.





The FSA also concluded that the fiduciary systems and implementation capacity of the MOE will require strengthening to meet the Program implementation needs, particularly given the significant increase in budget allocation and procurement activities envisaged under the Program compared to earlier years.<sup>45</sup>

*Public Financial Management (PFM) and Procurement Performance*

66. **The PforR will follow the country's PFM systems and public procurement.** The 2022 Public Expenditure and Financial Accountability (PEFA) Assessment confirms that Jordan made progress in developing its PFM systems, including high coverage of Government Financial Management Information System (GFMIS), Jordan's budgetary central government budget classification system meets Government Financial Statistics (GFS) standards, fiscal reports are largely comprehensive, and budget preparation process works relatively well, with a clear budget calendar which is complied with to a large extent<sup>46</sup> and ceilings previously approved by the GOJ issued to line Ministries, in-year resource allocation which is relatively predictable, strong payroll controls, all government transactions take place through the Treasury Single Account, bank reconciliation takes place daily, most suspense accounts are reconciled and cleared without delay with the exception of a few legacy balances and accounts, and the internal control framework in Jordan has continued to evolve and modernize.

67. **The program implementing agencies (PIA) have received their budget allocations and budget releases on time in a relatively predictable manner.** Currently the in-year financial reports prepared by the PIAs capture the program expenditures and are prepared and published on time. All the PIAs adhere to the annual budgetary requirements of the Ministry of Finance (MOF), and monthly financial reporting requirements, with limited exceptions. Their internal control systems are very robust with regular reconciliations and minimal unreconciled items, which includes the internal controls procedures over the PEF, including payroll and other expenditures. These strong controls provide reasonable assurance over the integrity and reliability of the financial information and financial statements. The audit reports of PIAs have been timely submitted and the audit opinions provided have been clean, with limited observations included in the management letter. However, PIA budget allocations should be less susceptible to budget cuts and therefore any potential liabilities at yearend. The PIAs should also focus on building capacities within the budgeting and financial reporting departments, strengthening the budget preparation process by building capacity amongst staff, introducing new IT solutions and preparation of process manuals to ensure sustainability.

68. **The Procurement Bylaw No. 8 of 2022 has made significant improvements to the legal and institutional framework, as well as the procedural aspects of public procurement.** This Bylaw applies to all government entities and units. It has two independent committees: (a) a Procurement Policy Committee (PPC), responsible for policymaking, oversight, and the development of the procurement system, and (b) a Procurement Complaint Committee (PCC) which handles second instance administrative reviews of unresolved complaints raised by bidders. The Bylaw aligns with international good practices and adheres to principles such as transparency, fairness, economy, integrity, and value-for-money. Effective implementation is still a work in progress. Standard Procurement Documents (SBD), including contract conditions and bid evaluation templates for various types of procurement (supplies, works, technical, and consultants' services) consistent with international best practices are being finalized by the Government Procurement Department (GPD) and Government Tender Department (GTD) with the WB's support. These will be used under the Program, once approved by the Procurement Policy Committee (PPC), then digitized in the Jordan e-procurement System (JONEPS) as part of the ongoing enhancements. Also, JONEPS is being gradually deployed, it is currently used by the GPD and 25 agencies with full deployment at Ministries planned by 2025. The procurement training strategy, approved by the PPC, envisages the deployment of procurement and contract management training to all government agencies and units. The

<sup>45</sup> A summary of the FSA is presented in Annex 3, and the full report is found in the Program's file.

<sup>46</sup> [www.gbd.gov.jo](http://www.gbd.gov.jo)



Institute of Public Administration is leading the training effort with the support of the WB.<sup>47</sup> All line ministries, including MOE, received orientation training on the Procurement Bylaw. Training of Trainers (TOT) on procurement and contract management for works was also delivered. Other specialized TOT courses were carried out in May 2024, and training will be deployed to line Ministries. Capacity building and professionalization of the procurement workforce will require a few years to be completed.

69. **The PforR implementation requires substantial follow-up and coordination.** MOE, TVSDC, and VTC will be responsible for the DLIs under the specific RAs, with DCU leading the main functions of the Program's implementation. This will entail, inter alia, the monitoring of DLI achievement, handling disbursement arrangements, coordinating the implementation of the PAP fiduciary actions, and yearly external audit report submission to the WB, as well as addressing the findings of the audit engagements and application of recommendations and resolution of findings and irregularities. The DCU's FM and procurement capacity will be strengthened by assigning an additional Financial Officer to support the current Officer in handling the FM and disbursement functions, and a full-time Procurement Officer to handle procurement and contract management tasks. MOE staff will be using JONEPS to process procurement of Works and Goods and will enroll in capacity building programs extended by Institute of Public Administration. The PAP includes specific actions to improve the effectiveness of procurement management under the Program (Annex 5).

70. **The procurement arrangements under the Program will be governed by procurement Bylaw no.8/2022**, while procurement under the IPF component will be carried out in accordance with Procurement Regulations for IPF Borrowers for Goods, Works, Non-Consulting and Consulting Services of September 2023, and "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006, revised January 2011 and as of July 1, 2016. See Annex 3 for IPF fiduciary arrangements.

71. **The PIAs will execute the PforR activities in accordance with the WB's "Guidelines on Preventing and Combating Fraud and Corruption in Program-for-Results Financing," dated February 1, 2012, and revised July 10, 2015.** The Program will build on preventive tools recently introduced by the Jordan Integrity and Anti-Corruption Commission (JIACC) and its reporting on corruption cases with boundaries of this Program to mitigate the risk of corruption. The PIAs, in coordination with JIACC, will report on prompt basis to the WB on identified corruption risks under the Program.

72. **Procurement exclusions.** It is estimated that no specific exclusion will be required (other than the standard exclusions identified in the Loan Agreement). All individual contracts under the Program are estimated to be below the Operations Procurement Review Committee thresholds: (1) works of US\$115 million equivalent; (2) Goods of US\$75 million equivalent; (3) non-consulting services for US\$75 million equivalent, and (4) consulting services for US\$50 million equivalent.

### **IPF component**

73. **An FM and Procurement management assessment of the DCU has been conducted, concluding that with the implementation of agreed-upon actions, the proposed arrangements will satisfy the minimum requirements of the WB's Policy on IPF.** The overall residual risk is Moderate and with mitigation measures in place, the IPF component will have acceptable FM and disbursement arrangements. The IPF will have an experienced implementation team which has adequate experience. This finance team working on WB Projects at the DCU will be the main counterpart responsible for FM and disbursement arrangements, the finance team at DCU is composed of one finance manager only, an experienced finance officer will be hired for support. There will be close supervision by the WB as well as regular audits. The IPF will support the DCU by providing an accounting software to be used in all FM and disbursement activities and transactions.

<sup>47</sup> With the support of the WB-administered Multi-Donor Trust Fund (P172421).



74. **The main FM and procurement risks identified relate to:** (a) the project objectives will not be sufficiently met, increasing the risk of ineligible expenditures, (b) IPF component activities, expenditures and accounts will be comingled with those of other projects and donors, (c) the lack of capacity of the current FM team, (d) limitation of technical capacity in selecting consultants and managing their contracts, (e) inefficient bureaucratic procurement processing, the procurement cycle takes unusually long time due to the lengthy administrative arrangements for review and approval of procurement, and (f) contract management and timelines continue to be challenged in terms of proactive monitoring of consultants and prompt issuance of contract amendments and termination (time, scope, and amount). Risks will be mitigated through: (i) simplifying and streamlining Interim Un-audited Financial Reports (IFRs) with an extended coverage period of six months prepared by the DCU and submitted to the WB for review and supervision, (ii) hiring of an independent external auditor, acceptable to the WB, to audit the financial statements of the IPF component, (iii) establishing a separate US\$ DA account for the IPF component project and a separate cost center will be used to account for transactions, to ensure there will be no co-mingling of funds, (iv) strengthening the DCU FM capacity by new hires and new accounting software, (v) developing a financial manual to meet the project's FM requirements as part of the OM, (vi) increasing technical resources within the evaluation committees, (vii) including in the assignments' scope capacity building of MOE technical staff, (viii) ensuring procurement plans are prepared in a timely manner and based on realistic assumptions, (ix) developing and implementing a capacity building program on the new procurement bylaw, to Procurement Officials (STC) in MOE and other stakeholders, and (x) establishing a semi-annual reporting mechanism to track the program's procurement performance, including KPIs.

75. **IFRs should be submitted to the WB within 45 days after the end of each semi-annual period. The Loan Agreement will require the submission of annual audited project financial statements within six months after year-end.** The project's financial statements will be audited by a qualified private sector audit firm or the Jordan Audit Bureau, who will perform the audit in accordance with the International Standards on Auditing (ISA) or the International Standards of Supreme Audit Institutions (ISSAI) and recruited on a competitive basis based on TOR acceptable to the WB. In addition, the audit firm will prepare a "management letter" identifying observations, comments, and deficiencies in the system and controls and shall provide recommendations for their improvements. The audited annual IPF component's financial statements will be publicly disclosed according to the WB Access to Information policy.

76. **The proceeds of the loan will be disbursed in accordance with the WB's disbursements guidelines, as outlined in the DFIL.** To ensure a seamless flow of funds, a US Dollar DA will be opened at the Central Bank of Jordan (CBJ) and managed by the DCU. The project will follow "Reporting-Based Disbursements" with IFRs that include cash forecasts covering two quarters, other disbursement procedures such as direct payments, reimbursements, and special commitments will also be applicable if necessary. Withdrawal Applications (WAs) will be submitted to the WB for payments to suppliers and consultants directly (if needed), the DCU FM team will prepare the WA in coordination with MOPIC, the final WA will be submitted by MOPIC, who holds the authorized signatories for all WB WA. The documentation supporting expenditures will be retained at the DCU and readily accessible for review by the external auditors and WB implementation support missions. All disbursements will be subject to the conditions of the Grant Agreement and disbursement procedures as defined in the DFIL. See Annex 3 for FM assessment details.

### C. Environmental and Social

77. **Environmental:** Based on Jordan's broad environmental systems performance, the WB's experience with JERSP, and the preliminary assessment, the environmental risks and impacts in the Program are "Moderate". The proposed Program has the potential to stimulate positive environmental effects through incorporating environmental education and awareness into the education system, especially regarding EHS/OHS, community health and safety, resources efficiency, pollution prevention and labor management in TVET. This can help raise environmental awareness and develop students' skills connected to environmental priorities and will positively enhance vocational training attractiveness to students by



offering relevant qualifications and credentials in the labor market on mentioned topics and contribute to achieving DLR 4.2. Hence, the program potential moderate environmental risks and adverse impacts are likely to be associated with the absence of environmentally responsible provisions and licensing for KG (RA1) and TVET facilities (RA2), lack of compliance with the environmental safeguard requirements governed by the national environmental regulations and good environmental practices linked to construction and civil works (RA2), improper handling and management of waste (RA1 and RA2), and absence of or weak environmental monitoring in vocational training facilities and operations (RA2). Impacts and effects of such risks may vary depending on the priority sectors targeted by the Program complementing organization, such as lack of environmental policies, regulations, ESMS and resources/capacity to address the environmental risks associated with the proposed program. MOE needs to strengthen and maintain sufficient environmental capacity within the DCU, VTC and TVSDC. The IPF Component is not expected to cause significant environmental risks, hence, it includes the preparation and adoption of resources efficiency and pollution prevention and management guidelines. The MOE will integrate these guidelines in the tenders' documents for the refurbishment/expansion of schools, training centers and vocational training workshops, and in the operation guidelines of these facilities.

78. **Social.** The Operation will expand educational access, which promotes inclusivity and progress, and enhance early education and foundational skills, which sets children up for success (RA1). Flexible TVET and smoother pathways to higher education align with job markets (RA2). In addition, updating accreditations and teacher training improves graduate employability, and coherent policies and effective guidance foster equity and informed choices (RA3). However, there are general social risks that could be associated with the project interventions if they lack proper social impact assessments and community engagement. Operation's activities may face resistance and fail to meet stakeholder needs and limited stakeholder engagement during planning and execution can compromise intervention success, while poor monitoring and feedback integration can hinder social risk management. Early childhood education expansion risks include inadequate child safety, worker risks (health, safety, exploitation), increased social inequality, overlooked gender-based violence (GBV), non-inclusive family support, stigma against catch-up programs, academic overemphasis, and community health risks from exploitation and harassment. Under RA2, TVET program improvements risk widening educational gaps for disadvantaged students, not fully addressing gender, refugee, and disability barriers, reinforcing stereotypes, excluding marginalized learners, overlooking curricula risks, and neglecting safety and harassment issues, leading to potential student dropout. In addition, educational reforms may cause temporary confusion among stakeholders, impose a generalized approach that disregards local needs, increase data privacy risks, and potentially ignore issues of GBV and sexual harassment within the education system (RA3).

#### D. Corporate Requirements

79. **Gender: Gender stereotypes and biases persist within the Jordanian education system, reflecting entrenched societal norms and cultural attitudes.** These biases influence subject choices, teacher expectations, and career opportunities. Approximately 48 percent of secondary-level vocational education students are women, but gender biases persist in enrollment patterns and sector segregation. The recent reform that offers labor-market relevant BTEC programs in vocational education aims to close this gap and attract more female students to the sector, as currently only one in 10 female upper-secondary education students enroll in vocational education. Before the reform, young men predominantly enrolled in industry, agriculture, and tourism, while young women were more likely enrolled in household production courses. Training for traditionally male-dominated sectors often occurs in boys' schools, creating barriers for female participation. Targeted interventions are necessary to promote equal access to vocational training opportunities for both genders, including comprehensive gender-sensitive policies, teacher training programs and curriculum revisions.

80. **Ensuring more girls and women have skills to better navigate the school-to-work transition, including through access to more market-relevant TVET, will be crucial to address gender disparities in Jordan's labor market.** Women are mostly employed in traditional sectors, with education sector absorbing 29 percent of employed women, followed by



manufacturing at 15 percent.<sup>48</sup> To close gender gaps and facilitate smoother transitions from education to the labor market for girls and women, targeted actions under the proposed Operation are envisioned. Tailored programs will be developed to attract and retain women in non-traditional sectors with high employment and growth potential, including health, construction, tourism, green economy and ICT. Integrating on-the-job training opportunities within the private sector for TVET students enhances practical skills and facilitates smoother transitions into the workforce for women. These initiatives contribute to empowering young girls early on and promote gender equality in the labor market. Other identified entry points to advance gender equality and women's empowerment include gender mainstreaming efforts within the SDF and building on complementarities with the WEO program. The SDF will prioritize programs aimed at equipping women with essential job market skills. This includes professional skills (i.e. communication, CV writing, job search), self-efficacy and language skills. Annex 8 summarizes key gaps, planned actions and M&E included in the RF.

**81. Climate Co-benefits: Based on the Climate Screening Assessment, the overall risk to the Operation outcomes is moderate.** According to Jordan's CCDD, the main climate change risks Jordan will face are extreme temperatures, water scarcity, and an increased risk of flash floods. The mean annual temperature in Jordan is expected to increase by 2.4°C by 2050, with more frequent heat waves, which will increase by up to 13 percent by 2090. Droughts are expected to occur on average every 5 years. Prolonged exposure to extreme heat, resulting in heat stress, is expected to occur at least once in the next five years and thus needs to be accounted for in the Operation's design and planning.

**82. Children and youth are particularly vulnerable to extreme weather events and 39 percent of Jordan's population are aged 18 years or below.** Due to their physical vulnerability, children are particularly vulnerable to extreme heat spells, flooding, and the realities of post-disaster scenarios, such as malnutrition and infectious disease. Extreme weather events can lead to long-term developmental challenges, especially for children affected during their first 1,000 days of life, when toxic stress can cause lasting damage to the brain's architecture and individuals' long-term resilience. In Jordan, about 2 million children and youth attend schools in locations at high risk of experiencing extreme heat or flooding.

**83. Jordan aspires to become a low-carbon, resource-efficient, and socially inclusive nation, positioning as a regional hub for green entrepreneurship and innovation.**<sup>49</sup> An effective transition to a green economy under the EMV requires improved targeted training for youth to effect those changes in priority sectors, e.g., improving water conservation and sustainable agriculture management,<sup>50</sup> investments in renewable energy adoption and clean energy growth.<sup>51</sup> The supply of skilled workers is hampered because of limited educational and training programs in relevant fields. For example, while there is a need for engineers and technicians in renewable energy, and agronomists in sustainable agriculture, access to specialized training may be constrained. Similarly, the demand for water engineers and transportation specialists is high, but there may be gaps in the supply of qualified individuals. Despite the job creation potential of clean energy, estimated at around 60,000 jobs by 2030, the green sectors face challenges in job availability, with up to 75 percent of skilled graduates remaining unemployed within a year of completing their studies.<sup>52</sup> Addressing this gap in green skills jobs supply and demand is crucial for improving youth employment and fostering sustainable economic growth.

**84. The proposed Operation intends to address these vulnerabilities and enhance climate resilience and adaptation through a set of activities (to expand tailored education and training programs for green industries, foster partnerships with industry stakeholders to align training with industry needs, while promoting counseling to highlight climate**

<sup>48</sup> LFS (2022).

<sup>49</sup> <https://www.jordanvision.jo/en/site/sustainability>

<sup>50</sup> Include reducing the ecological footprint of agricultural production, using soils and biomass as carbon sinks, watershed management, enhancing biodiversity on a landscape level, tightening nutrient flows, integrated pest management, and production of organic fertilizer.

<sup>51</sup> The focus of the National Energy Strategy 2020-2030 is to advance energy security by improving energy efficiency, energy-mix diversification, increasing the share of renewables in the entire energy mix, reducing carbon emissions and bringing down energy costs.

<sup>52</sup> [https://www.ilo.org/wcmsp5/groups/public/---arabstates/---ro-beirut/documents/publication/wcms\\_868366.pdf](https://www.ilo.org/wcmsp5/groups/public/---arabstates/---ro-beirut/documents/publication/wcms_868366.pdf)



**sustainable career opportunities**) (See Annex 9 for a summary of DLI/DLRs contributing to climate change adaptation and mitigation with financing amounts). Under this Operation, climate change and action are addressed through fostering a green and climate resilient education system and supporting the economic transformation by reskilling and upskilling youth on areas key to the green economy. Among others, climate mitigation measures will include usage of energy-efficient appliances in refurbished classrooms and schools, ensuring classroom rehabilitation and expansion resilience to extreme weather events, while climate adaptation measures will target increasing enrollment in TVET programs in the green economy and increasing employability of graduates in these fields.

85. **Citizen engagement.** The Operation will strengthen the existing MOE's Grievance Mechanism (GM). The Operation will use the GM used under JERSP. It will expand upon the existing GM by highlighting the feedback component, seeking a stronger form of citizen engagement through the inclusion of a beneficiary feedback mechanism (BFM), which collects complaints, suggestions, ideas, and open feedback from beneficiaries and citizens. This will provide a more comprehensive avenue for citizens and stakeholders to share their perspectives and contribute to the Operation's improvement. The Operation will employ mechanisms to ensure meaningful engagement throughout its implementation. These approaches will enable stakeholders such as teachers, students, educational associations, parents, and other stakeholders to directly influence the priorities and decision-making processes of the project, fostering a sense of ownership and accountability. The Operation will conduct consultations with key stakeholders, including parents associations, student councils, teacher-parent groups, and other interested parties. These consultations will provide opportunities for stakeholders to voice their opinions, concerns, and suggestions regarding the proposed interventions to increase local buy-in and ensure that interventions are responsive to the needs and priorities of the community.

## V. RISK

86. **The Operation's overall risk is assessed as Moderate**, reflecting mostly Moderate risks and Substantial Macroeconomic and Institutional Capacity for Implementation and Sustainability risks.

87. **Macroeconomic risk is Substantial** due to limited resources and low budget spending on education. The Program will be implemented in a context of several exogenous shocks that Jordan has faced in the last decade, including the impact of COVID-19 and the Syrian refugee influx. The implementation of the Education Strategic Plan and EMV requires sources beyond the GOJ's budgetary capacity, and some initiatives are not costed out. The Program will focus on enhancing the use of existing resources through supporting efficiency and teacher utilization policies (given that salaries account to 93 percent of education's budget). It also aims to encourage the GOJ to adopt key initiatives and incorporate them into future budgets, contingent on their demonstrated effectiveness and results as validated by the Program's outcomes.

88. **Institutional Capacity for Implementation and Sustainability risk is Substantial** given the lessons from JERSP, which point to some implementation challenges within the MOE due to capacity issues, which could be exacerbated given the additional implementing entities of the proposed Operation. In the short-term, implementation would also be challenged by the new organizational structure supported by the Operation, which would potentially slow down implementation, despite the planned implementation support.



ANNEX 1. RESULTS FRAMEWORK MATRIX

Program Development Objective(s)

To improve access to foundational learning and to labor market-relevant technical and vocational education and training (TVET) and enhance the efficiency of the education sector management.

PDO Indicators by Outcomes

| Baseline  | Closing Period |
|---|----------------|
| <b>Home to school: Improving access to foundational learning</b>  |                |
| <b>Number of children enrolled in KG2s that meet quality standards (Number)</b>   |                |
| Jun/2024  | Jun/2029       |
| 0   | 90000          |
| ➤ Number of children enrolled in KG2s that meet quality standards, female (Number)  |                |
| Jun/2024  | Jun/2029       |
| 0   | 45000          |
| ➤ Number of children enrolled in KG2s that meet quality standards, refugees (Number)  |                |
| Jun/2024  | Jun/2029       |
| 0   | 5000           |
| ➤ Number of children enrolled in KG2s that meet quality standards, female refugees (Number)   |                |
| Jun/2024  | Jun/2029       |
| 0   | 2500           |
| <b>Number of students in grades 1-3 enrolled in public schools with targeted programs to improve foundational skills, including refugees (DLR 3.3) (Number)</b> |                |
| Jun/2024  | Jun/2029       |
| 0   | 150000         |
| ➤ Number of students in grades 1-3 enrolled in public schools with targeted programs to improve foundational skills, female (DLR 3.3) (Number)                  |                |
| Jun/2024  | Jun/2029       |
| 0   | 75000          |
| ➤ Number of students in grades 1-3 enrolled in public schools with targeted programs to improve foundational skills, refugees (DLR 3.3) (Number)                |                |
| Jun/2024  | Jun/2029       |



|   |          |
|---|----------|
| 0   | 10000    |
| ➤ Number of students in grades 1-3 enrolled in public schools with targeted programs to improve foundational skills, female refugees (DLR 3.3) (Number) |          |
| Jun/2024  | Jun/2029 |
| 0   | 5,000    |
| <b>School to work: Increasing access to labor market-relevant TVET</b>  |          |
| <b>Number of students graduated from accredited TVET programs in priority sectors, including the green economy (DLR 5.2) (Number)</b>                   |          |
| Jun/2024  | Jun/2029 |
| 0   | 50000    |
| ➤ Number of students graduating from accredited TVET programs in priority sectors, including the green economy, female (DLR 5.2) (Number)               |          |
| Jun/2024  | Jun/2029 |
| 0   | 25,000   |
| ➤ Number of students graduating from accredited TVET programs in priority sectors, including the green economy, refugees (DLR 5.2) (Number)             |          |
| Jun/2024  | Jun/2029 |
| 0   | 2500     |
| ➤ Number of students graduating from accredited TVET programs in priority sectors, including the green economy, female refugees (DLR 5.2) (Number)      |          |
| Jun/2024  | Jun/2029 |
| 0   | 1,000    |
| <b>Enhancing the efficiency of the education sector management</b>  |          |
| <b>Percentage of civil servant teachers and school leaders recruited by MOE through the new competency-based mechanism (DLR 7.2) (Percentage)</b>       |          |
| Jun/2024  | Jun/2029 |
| 0   | 70       |

### Intermediate Indicators by Results Areas

| Baseline  | Closing Period |
|---|----------------|
| <b>Results Area 1. Home to school: Improving access to foundational learning</b>  |                |
| <b>DLR 1.1. Number of additional students enrolled in public and licensed private KG2 (Text)</b>                                |                |
| Jun/2024  | Jun/2029       |
| 0   | 25000          |
| <b>DLR 1.2. Number of additional Refugee Students enrolled in public and licensed private KG2 (Number)</b>                      |                |
| Jun/2024  | Jun/2029       |
| 0   | 5000           |
| <b>DLR 2.1. GOJ approves and adopts (a) curriculum for KG1 and KG2; and (b) supporting guidelines for KG2 teachers (Yes/No)</b> |                |
| Jun/2024  | Jun/2029       |





| No  | Yes      |
|---|----------|
| <b>DLR 2.2. Number of KG classrooms meeting minimum quality standards, including climate/green adaptation and mitigation standards (Number)</b>   |          |
| Jun/2024  | Jun/2029 |
| 200   | 4200     |
| <b>DLR 3.1. MOE approves and publishes an implementation plan for the National Literacy Strategy (Text)</b>   |          |
| Jun/2024  | Jun/2029 |
| No  | Yes      |
| <b>DLR 3.2. Revised teaching and learning materials for reading for grades 1-3, including age-appropriate climate content, are (a) approved and adopted by GOJ; and (b) distributed in 1500 public schools (Text)</b> |          |
| Jun/2024  | Jun/2029 |
| No  | Yes      |
| <b>Results Area 2: School to work: Increasing access to labor market-relevant TVET</b>  |          |
| <b>DLR 4.1. The Higher Education Council adopts regulation on an equivalence system to add flexibility and portability to TVET qualifications and certificates, including for refugees (Text)</b>                     |          |
| Jun/2024  | Jun/2029 |
| No  | Yes      |
| <b>DLR 4.2. Number of students enrolled in vocational education, including in green economy sectors (Number)</b>  |          |
| Jun/2024  | Jun/2029 |
| 50118   | 80000    |
| <b>DLR 4.3. Open access to upper-secondary vocational education to Refugee Students, including in green economy sectors (Text)</b>  |          |
| Jun/2024  | Jun/2029 |
| 0   | 5000     |
| <b>DLR 4.4. Number of students transitioning from secondary-vocational education BTEC programs to formal employment or tertiary education-level vocational programs (including in green economy sectors) (Number)</b> |          |
| Jun/2024  | Jun/2029 |
| 0   | 15000    |
| <b>DLR 4.5. Information system for tracking secondary-vocational graduate employability and education pathways to inform counseling and career guidance is operational and available to schools (Yes/No)</b>          |          |
| Jun/2024  | Jun/2029 |
| No  | Yes      |
| <b>DLR 5.1. Number of BTEC specializations that comply with threshold of required hours in practicum/apprenticeship component (Number)</b>  |          |
| Jun/2024  | Jun/2029 |
| 0   | 5        |
| <b>Results Area 3: Enhancing efficiency of the education sector management</b>  |          |
| <b>DLR 6.1. The GOJ (a) adopts the decision for the establishment of the new Min. of Education and Human Resources Development; and (b) submits to the Parliament the draft law for its creation (Yes/No)</b>         |          |



|  |          |
|--|----------|
| Jun/2024   | Jun/2029 |
| No   | Yes      |
| <b>DLR 6.2. The GOJ, through the Council of Ministers, adopts the bylaw on the new organizational and administrative model of the Ministry of Education and Human Resources Development (Text)</b> |          |
| Jun/2024   | Jun/2029 |
| No   | Yes      |
| <b>DLR 6.3. MOE adopts and rolls out a communication and change management plan (Text)</b>   |          |
| Jun/2024   | Jun/2029 |
| No   | Yes      |
| <b>DLR 7.1. MOE approves instructions or guidelines, as the case may be, on new competency-based teachers and school leaders' selection and recruitment (Yes/No)</b>                               |          |
| Jun/2024   | Jun/2029 |
| No   | Yes      |
| <b>Corporate commitments</b>   |          |
| <b>Percentage of grievances received through the grievance redress mechanism that are resolved within 21 days (Percentage)</b>   |          |
| Jun/2024   | May/2029 |
| 91   | 91       |
| <b>Percentage of secondary education female students enrolled in vocational education programs (Percentage)</b>  |          |
| Jun/2024   | May/2029 |
| 10.5   | 15.5     |
| <b>Students supported with better education (Number of people) <sup>CRI</sup></b>  |          |
| Jun/2024   | Jun/2029 |
| 547063   | 622876   |
| <b>➤ Students supported with better education – Youth (Number of people) <sup>CRI</sup></b>  |          |
| Jun/2024   | Jun/2029 |
| 17758  | 44187    |
| <b>➤ Students supported with better education – Female (Number of people) <sup>CRI</sup></b>   |          |
| Jun/2024   | Jun/2029 |
| 273022   | 306952   |
| <b>Percentage of 10-year olds that cannot read and understand an age appropriate text (Percentage)</b>   |          |
| Jun/2024   | May/2029 |
| 54   | 51       |

**Disbursement Linked Indicators (DLI)**



| Period   | Period Definition |
|----------|-------------------|
| Period 1 | Year 1            |
| Period 2 | Year 2            |
| Period 3 | Year 3            |
| Period 4 | Year 4            |
| Period 5 | Year 5            |

| Baseline   | Period 1  | Period 2   | Period 3   | Period 4  | Period 5   |
|--|---|--|--|---|--|
| <b>1:DLI 1. Increasing access to KG (Number )</b>                              |   |  |  |   |  |
| See DLR  |   |  |  | DLR 1.1. 25,000 additional students enrolled in public and licensed private KG2. Baseline: 0. Target: 25,000 (scalable).  | DLR 1.2. 5,000 additional Refugee Students enrolled in public and licensed private KG2. Baseline: 0. Target: 5,000 (scalable). |
| 0.00   | 0.00  | 0.00   | 0.00   | 53,760,000.00   | 3,840,000.00   |
| DLI allocation   |   | 57,600,000.00  | As a % of Total DLI Allocation   |   | 15%  |
| <b>2:DLI 2. Strengthening the quality of early childhood education (Text )</b> |   |  |  |   |  |
| No   | DLR 2.1. GOJ approves and adopts: (a) curriculum for KG1 and KG2; and (b) supporting guidelines for KG2 teachers, including age-appropriate climate curriculum. Baseline: (a): No, (b) No. Target: (a) Yes, (b) Yes. (scalable) |  |  | DLR 2.2. 4,200 KG classrooms meeting minimum quality standards, including climate/green adaptation and mitigation standards. Baseline: 200. Target: 4,200 (scalable). |  |
| 0.00   | 23,040,000.00   | 0.00   | 0.00   | 34,560,000.00   | 0.00   |
| DLI allocation   |   | 57,600,000.00  | As a % of Total DLI Allocation   |   | 15%  |
| <b>3:DLI 3. Improving foundational literacy skills (Text )</b>                 |   |  |  |   |  |
| See DLR  | DLR 3.1. MOE approves and publishes an implementation plan of the National Literacy   | DLR 3.2. Revised teaching and learning materials for reading for grades 1-3, including age-appropriate | DLR 3.2. Revised teaching and learning materials for reading for grades 1-3, including age-appropriate | DLR 3.3. 150,000 students in grades 1-3 enrolled in public schools with targeted programs to  |  |



|   |   |  |  |  |  |
|---|---|--|--|--|--|
|   | Strategy. Baseline: No. Target: Yes.  | climate content are (a) approved and adopted by GOJ. Baseline: No. Target: Yes.  | climate content are (ii) distributed in 1,500 public schools nationwide. Baseline: 0. Target: 1500.  | improve foundational skills. Baseline: 0. Target: 150,000 (scalable).  |  |
| 0.00  | 15,360,000.00   | 7,680,000.00   | 7,680,000.00   | 26,880,000.00  | 0.00   |
| DLI allocation  |   | 57,600,000.00  | As a % of Total DLI Allocation   |  | 15%  |
| <b>4:DLI 4. Creating, expanding and funding pathways from TVET to further education and to the labor market (Text )</b> |   |  |  |  |  |
| See DLR   | DLR 4.1. The Higher Education Council adopts regulation on an equivalence system to add flexibility and portability to TVET qualifications and certificates, including for refugees. Baseline: No. Target: Yes. | DLR 4.5. Information system for tracking secondary-vocational graduate employability and education pathways to inform counseling and career guidance is operational and available to schools. Baseline: No. Target: Yes. | DLR 4.2. 80,000 students enrolled in vocational education (including in green economy sectors). Baseline: 50,118. Target: 80,000 (scalable).               | DLR 4.3. Open access to upper-secondary vocational education to 5,000 Refugee Students, including in green economy sectors. Baseline: 0. Target: 5,000 (scalable). | DLR 4.4. 15,000 students transitioning from secondary-vocational education BTEC programs to formal employment or tertiary education-level vocational programs, including in green economy sectors. Baseline: 0. Target: 15,000 (scalable). |
| 0.00  | 11,520,000.00   | 11,520,000.00  | 46,080,000.00  | 15,360,000.00  | 11,520,000.00  |
| DLI allocation  |   | 96,000,000.00  | As a % of Total DLI Allocation   |  | 25%  |
| <b>5:DLI 5. Enhancing access to labor market relevant TVET (Text )</b>  |   |  |  |  |  |
| See DLR   |   | DLR 5.1. 5 BTEC programs comply with threshold of required hours in practicum/apprenticeship component under the BTEC program. Baseline: 0. Target: 5 (scalable).  | DLR 5.2. 50,000 students graduated from accredited TVET programs in priority sectors, including the green economy. Baseline: 0. Target: 50,000 (scalable). |  |  |
| 0.00  | 0.00  | 15,360,000.00  | 23,040,000.00  | 0.00   | 0.00   |
| DLI allocation  |   | 38,400,000.00  | As a % of Total DLI Allocation   |  | 10%  |
| <b>6:DLI 6. Implementing the new governance structure of the education sector (Text )</b>                               |   |  |  |  |  |
| See DLR   | DLR 6.1. The GOJ (a) through the Council of Ministers, adopts the decision for the establishment of the new Ministry of Education and   | DLR 6.2. The GOJ, through the Council of Ministers, adopts the bylaw on the new organizational and administrative model of the Ministry of Education   |  |  | DLR 6.3. MOE adopts and rolls out a communication and change management plan. Baseline: No. Target: Yes.   |



|  |  |   |                                |   |               |
|--|--|---|--------------------------------|---|---------------|
|  | Human Resources Development (US\$3.84 million); and (b) submits to the Parliament the draft law for creation of the Ministry of Education and Human Resources Development. Baseline: (a) No, (b) No. Target: (a) Yes, (b) Yes. | and Human Resources Development. Baseline: No. Target: Yes. |                                |   |               |
| 0.00   | 11,520,000.00  | 11,520,000.00   | 0.00                           | 0.00  | 15,360,000.00 |
| DLI allocation   |  | 38,400,000.00   | As a % of Total DLI Allocation |   | 10%           |
| <b>7:DLI 7. Strengthening efficiency through better human resources management (Text )</b> |  |   |                                |   |               |
| See DLR  | DLR 7.1. MOE approves instructions or guidelines, as the case may be, on new competency-based teachers and school leaders' selection and recruitment. Baseline: No. Target: Yes.   |   |                                | DLR 7.2. 70 percent of civil servant teachers and school leaders recruited by MOE through the new competency-based mechanism under DLR 7.1. Baseline: 0. Target: 70 (scalable). |               |
| 0.00   | 19,200,000.00  | 0.00  | 0.00                           | 19,200,000.00   | 0.00          |
| DLI allocation   |  | 38,400,000.00   | As a % of Total DLI Allocation |   | 10%           |



**Monitoring & Evaluation Plan: PDO Indicators by PDO Outcomes**

| <b>Outcome: Improve foundational learning</b>   |  |
|---|--|
| <b>Indicator: Number of children enrolled in KG2s that meet quality standards</b>   |  |
| Description   | This indicator follows the total number of students enrolled in KG1 and KG2 in public and licensed private KG nationwide that meet minimum quality standards.    |
| Frequency   | Annual   |
| Data source   | MOE, OpenEMIS  |
| Methodology for Data Collection   | Enrolment data and QAS results are collected through OpenEMIS.   |
| Responsibility for Data Collection  | MOE  |
| <b>Indicator: DLR 3.3. Number of students in grades 1-3 enrolled in schools with targeted programs to improve foundational skills</b> |  |
| Description   | This indicator follows the number of grade 1-3 students in public schools reached with evidence-based targeted programs to improve foundational literacy skills. |
| Frequency   | Annual.  |
| Data source   | MOE, OpenEMIS  |
| Methodology for Data Collection   | MOE consolidated report  |
| Responsibility for Data Collection  | MOE  |

| <b>Outcome: Increase access to labor market-relevant TVET</b>  |   |
|--|---|
| <b>Indicator: DLR 5.2. Number of students graduated from accredited TVET programs in priority sectors, including the green economy</b> |   |
| Description  | This indicator follows the number of students graduating from accredited TVET programs in priority sectors. Accredited TVET programs are (i) BTEC programs in vocational education, (ii) TVSDC accredited programs in vocational training and (iii) accredited tertiary education level programs. Priority sectors include high value industries, future services and green growth. A complete list of priority sectors will be included in the OM. |
| Frequency  | Annual  |
| Data source  | MOE, OpenEMIS (secondary-vocational), TVSDC, MOHE, AQACHEI.   |
| Methodology for Data Collection  | MOE data is collected through OpenEMIS. TVSDC collects data from accredited programs. MOHE collects data from accredited tertiary level programs.   |
| Responsibility for Data Collection   | MOE   |

| <b>Outcome: Enhance the efficiency of the education sector management</b>   |  |
|---|--|
| <b>Indicator: DLR 7.2. Percentage of civil servant teachers and school leaders recruited by MOE through the new competency-based system</b> |  |
| Description   | This indicator follows the percentage of civil servant teachers and school leaders recruited by MOE through the new competency-based system. The numerator of the indicator is the number of civil servant teachers and school leaders recruited through the new competency-based mechanism. The denominator is the total number of civil servant teachers and school leaders in the system. |
| Frequency   | Annual   |
| Data source   | MOE, OpenEMIS  |
| Methodology for Data Collection   | Type of appointment of teachers and school principals is collected through OpenEMIS  |
| Responsibility for Data Collection  | MOE  |



**Monitoring & Evaluation Plan: Intermediate Results Indicators by Results Areas**

| <b>Outcome: Improve foundational learning</b>   |  |
|---|--|
| <b>Indicator: DLR 2.1. GOJ approves and adopts (a) curriculum for KG1 and KG2; and (b) supporting guidelines for KG2 teachers, (including age-appropriate climate curriculum)</b>   |  |
| Description   | This indicator follows the approval of the (i) curriculum for KG1, (ii) curriculum for KG2, and (iii) teaching materials for KG2.  |
| Frequency   | Annual   |
| Data source   | MOE, OpenEMIS, NCCD  |
| Methodology for Data Collection   | MOE consolidated report.   |
| Responsibility for Data Collection  | MOE  |
| <b>Indicator: DLR 2.2. Number of KG classrooms meeting minimum quality standards, including climate/green adaptation and mitigation standards</b>   |  |
| Description   | This indicator follows the number of private and public KG1 and KG2 classrooms that meet minimum quality standards established under the QAS.  |
| Frequency   | Annual   |
| Data source   | MOE, OpenEMIS  |
| Methodology for Data Collection   | Data is collected through OpenEMIS   |
| Responsibility for Data Collection  | MOE  |
| <b>Indicator: DLR 3.1. MOE approves and publishes an implementation plan for the National Literacy Strategy</b>   |  |
| Description   | This indicator follows the approval of a costed five-year implementation plan for the National Literacy Strategy.  |
| Frequency   | Once   |
| Data source   | MOE.   |
| Methodology for Data Collection   | MOE consolidated report.   |
| Responsibility for Data Collection  | MOE  |
| <b>Indicator: DLR 3.2. Revised teaching and learning materials for reading for grades 1-3, including age-appropriate climate content, are (a) approved and adopted by GOJ; and (b) distributed in 1,500 public schools nationwide</b> |  |
| Description   | This indicator follows the revised (i) reading and other learning materials for grades 1-3, including age-appropriate climate content; (ii) reading and other teaching materials for grades 1-3; and (iii) the distribution of these materials to schools. |
| Frequency   | Once   |
| Data source   | MOE, NCCD  |
| Methodology for Data Collection   | MOE consolidated report.   |
| Responsibility for Data Collection  | MOE  |

| <b>Outcome: Increase access to labor market-relevant TVET</b>   |  |
|---|--|
| <b>Indicator: DLR 4.1. The Higher Education Council adopts regulation on an equivalence system to add flexibility and portability to TVET qualifications and certificates, including for refugees</b> |  |
| Description   | This indicator follows the issuing of a regulatory framework on the equivalence system of TVET qualifications and certificates, giving TVET students and graduates more flexibility and portability of their acquired skills |
| Frequency   | Once   |
| Data source   | MOE, TVSDC   |
| Methodology for Data Collection   | MOE consolidated report on approved regulatory framework.  |
| Responsibility for  | MOE  |



|  |   |
|--|---|
| Data Collection  |   |
| <b>Indicator: DLR 4.2. Number of students enrolled in vocational education, including in green economy sectors</b>   |   |
| Description  | This indicator follows the number of students enrolled in vocational education, including students in grades 10, 11 and 12.   |
| Frequency  | Annual  |
| Data source  | MOE, OpenEMIS   |
| Methodology for Data Collection  | Enrollment is collected through OpenEMIS  |
| Responsibility for Data Collection   | MOE   |
| <b>Indicator: DLR 4.3. Open access to upper-secondary education Refugee Students enrolled in vocational education (including in green economy sectors)</b>   |   |
| Description  | This indicator follows the number of upper-secondary education refugee students enrolled in vocational education  |
| Frequency  | Annual  |
| Data source  | MOE, OpenEMIS   |
| Methodology for Data Collection  | Enrollment is collected through OpenEMIS  |
| Responsibility for Data Collection   | MOE   |
| <b>Indicator: DLR 4.4. Number of students transitioning from secondary-vocational education BTEC programs to formal employment or tertiary education vocational programs, including in green economy sectors</b> |   |
| Description  | This indicator follows the number of secondary-level BTEC students 12 months after completion of secondary vocational education and their transition to tertiary-level TVET programs and degrees in technical and technological-oriented colleges and universities or to formal employment. |
| Frequency  | Annual  |
| Data source  | MOE, OpenEMIS, TVSDC, MOHE; SSC; AQACHEI.   |
| Methodology for Data Collection  | MOE data is collected through OpenEMIS. TVSDC collects data from accredited programs. MOHE collects data from accredited tertiary level programs.   |
| Responsibility for Data Collection   | MOE   |
| <b>Indicator: DLR 4.5. Information system for tracking secondary-vocational graduate employability and education pathways to inform counseling and career guidance is operational and available to schools</b>   |   |
| Description  | This indicator follows the development of a national graduate tracking system which provides information to counsellors at the district and school level.   |
| Frequency  | Once  |
| Data source  | MOE, TVSDC  |
| Methodology for Data Collection  | Report on graduates' labor market and education outcomes shared with counsellors at the district and school level.  |
| Responsibility for Data Collection   | MOE, TVSDC  |
| <b>Indicator: DLR 5.1. Number of BTEC specializations that comply with threshold of required hours in practicum/apprenticeship component under the BTEC Program</b>  |   |
| Description  | This indicator follows compliance of BTEC programs concerning the established number of hours for the Practicum-internship- component   |
| Frequency  | Annual  |
| Data source  | MOE   |
| Methodology for Data Collection  | MOE report reflecting levels of compliance of BTEC under implementation with the practicum/internship component   |
| Responsibility for Data Collection   | MOE   |





| <b>Outcome: Enhance the efficiency of the education sector management</b>  |  |
|--|--|
| <b>Indicator: DLR 6.1. The GOJ (a) through the Council of Ministers, adopts the decision for the establishment of the new Ministry of Education and Human Resources Development; and (b) submits to the Parliament the draft law for creation of the Ministry of Education and Human Resources Development</b> |  |
| Description  | This indicator follows the approval law that creates the new Ministry of Education and Human Resources Development                                 |
| Frequency  | Once   |
| Data source  | MOE  |
| Methodology for Data Collection  | MOE consolidated report on approved regulatory framework.  |
| Responsibility for Data Collection   | MOE  |
| <b>Indicator: DLR 6.2. The GOJ, through the Council of Ministers, adopts the bylaw on the new organizational and administrative model of the Ministry of Education and Human Resources Development</b>   |  |
| Description  | This indicator follows the approval of the bylaws on the new operating model   |
| Frequency  | Once   |
| Data source  | MOE  |
| Methodology for Data Collection  | MOE consolidated report on approved regulatory framework.  |
| Responsibility for Data Collection   | MOE  |
| <b>Indicator: DLR 6.3. MOE adopts and rolls out a communication and change management plan</b>   |  |
| Description  | This indicator follows the implementation of the communication and change management plan that supports the new governance structure of the sector |
| Frequency  | Once   |
| Data source  | MOE  |
| Methodology for Data Collection  | MOE consolidated report on implementation  |
| Responsibility for Data Collection   | MOE  |
| <b>Indicator: DLR 7.1. MOE approves instructions or guidelines, as the case may be, on new competency-based teachers and school leaders' selection and recruitment</b>   |  |
| Description  | This indicator follows the implementation of the new merit-based system for teacher and school leaders in line with the PSMP                       |
| Frequency  | Once   |
| Data source  | MOE  |
| Methodology for Data Collection  | MOE consolidated report on approved regulatory framework.  |
| Responsibility for Data Collection   | MOE  |

| <b>Outcome: Corporate committments</b>   |  |
|--|--|
| <b>Indicator: Percentage of grievances received through the grievance redress mechanism that are resolved within 21 days</b> |  |
| Description  | This indicator follows the resolution of grievances received through the MOE GM within 21 days.  |
| Frequency  | Annual   |
| Data source  | MOE report   |
| Methodology for Data Collection  | Data tracked in the GM   |
| Responsibility for Data Collection   | MOE  |
| <b>Indicator: Percentage of secondary education female students enrolled in vocational education programs</b>                |  |
| Description  | This indicator follows the percentage of female upper-secondary students enrolled in vocational education in MOE schools. The numerator is the number of females enrolled in upper-secondary vocational education in MOE schools. The denominator is the total number of female students enrolled in upper-secondary in MOE schools. |



|  |  |
|--|--|
| Frequency  | Annual   |
| Data source  | MOE, OpenEMIS  |
| Methodology for Data Collection  | Data is collected through OpenEMIS   |
| Responsibility for Data Collection   | MOE  |
| <b>Indicator: Students supported with better education</b>   |  |
| Description  | The number of beneficiaries of interventions supported   |
| Frequency  | Annual   |
| Data source  | MOE  |
| Methodology for Data Collection  | MOE consolidated report  |
| Responsibility for Data Collection   | MOE  |
| <b>Indicator: Percentage of end-of-primary-school-age children who are not able to read and understand a short story of age-appropriate material</b> |  |
| Description  | The indicator follows the number of end of primary school age children who are not able to read and understand a short story of age appropriate material |
| Frequency  | Once   |
| Data source  | PIRLS  |
| Methodology for Data Collection  | PIRLS report   |
| Responsibility for Data Collection   | MOE  |



**Verification Protocol Table: Disbursement Linked Indicators**

| <b>DLI 1: Increasing access to KG</b> |   |
|---------------------------------------|---|
| Formula                               | <p><b>DLR 1.1.</b> From the baseline of 135,232 enrolled students, US\$2,150,400 for 1,000 additional students having enrolled in public and licensed private KG2, up to 25,000 additional students in the limit of US\$53,760,000 (scalable)</p> <p><b>DLR 1.2.</b> From the baseline of 9,722 enrolled refugee students, US\$768,000 for 1,000 additional Refugee Students having enrolled in public and licensed private KG2, up to 5,000 additional students in the limit of US\$3,840,000 (scalable)</p> |
| Description                           | This indicator follows the total number of students and Refugee students enrolled in KG2 (public and licensed private) KG nationwide. “Refugee Students” are refugee students, including Syrian students residing in Jordan. This DLI will start disbursing starting from the academic year 2025.   |
| Data source/ Agency                   | MOE, OpenEMIS   |
| Verification Entity                   | IVA   |
| Procedure                             | <b>DLR 1.1 and DLR 1.2.</b> The IVA will be provided with (i) MOE consolidated report on the number of students enrolled in KG disaggregated by public/private, urban/rural, gender, Jordanian/non-Jordanian and governorate; and (ii) data to conduct site visits and spot checks to verify enrolment numbers, which must cover a minimum number of randomly selected schools. The minimum number is established in the OM and the sampling framework should be acceptable to the WB.                        |

| <b>DLI 2: Strengthening the quality of early childhood education</b> |  |
|--|--|
| Formula  | <p><b>DLR 2.1:</b> US\$11,520,000 for (a); US\$11,520,000 for (b)</p> <p><b>DLR 2.2:</b> From the baseline of 200, US\$864,000 per each additional 100 KG classrooms that meet minimum quality standards established under the QAS, up to 4,000 additional classrooms in the limit of US\$34,560,000 (scalable)</p>  |
| Description  | <p><b>DLR 2.1:</b> This indicator follows the approval of the (i) curriculum for KG1, (ii) curriculum for KG2, and (iii) teaching materials for KG2. These materials incorporate recommendations from an expert report to ensure it’s aligned with best practices, and they provide children with opportunities to learn literacy, logical thinking and sciences through open-ended play activities.</p> <p><b>DLR 2.2:</b> This indicator follows the number of private and public KG1 and KG2 classrooms that meet minimum quality standards established under the QAS. Each assessed KG 1 &amp; KG2 classroom has a digital file that documents the results from the quality assessment. Classrooms that meet the minimum quality standards are those with quality assessment results above the minimum quality standard defined in the QAS.</p>  |
| Data source/ Agency  | <p><b>DLR 2.1:</b> MOE, NCCD.</p> <p><b>DLR 2.2:</b> MOE, OpenEMIS</p>   |
| Verification Entity  | <p><b>DLR 2.1:</b> IVA</p> <p><b>DLR 2.2:</b> IVA</p>  |
| Procedure  | <p><b>DLR 2.1:</b> The IVA will be provided with: (i) approved curriculum for KG1 and link to publication of its approval in the NCCD’s website; (ii) approved curriculum for KG2 and link to publication of its approval in the NCCD’s website; (iii) approved teaching materials for KG2 and link to publication of its approval in the NCCD’s website; (iv) expert’s report with recommendations to align materials with best practices; and will verify that the materials address the recommendations from (iv) are compliant with the description of the indicator.</p> <p><b>DLR 2.2:</b> The IVA will be provided with (i) MOE report on the number of KG classrooms that meet minimum quality standards disaggregated by grade (KG1/KG2), public/private, urban/rural, governorate, size of the classroom (number of students enrolled, by gender and Jordanian/non-Jordanian), quality assessment result (as per the rubric); and (ii) data to conduct verification of the digital files of KG1 and KG2 classrooms quality assurance, which must cover a minimum number of randomly selected files. The minimum number is established in the OM and the sampling framework should be acceptable to the WB.</p> |

| <b>DLI 3: Improving foundational literacy skills</b> |   |
|--|---|
| Formula  | <p><b>DLR 3.1:</b> Total allocation is disbursed when achievement is verified.</p> <p><b>DLR 3.2:</b> US\$7,680,000 for (a); and US\$7,680,000 for (b).</p> |



|                     |  |
|---------------------|--|
|                     | <p><b>DLR 3.3:</b> From a baseline of 0, US\$179,200 per each 1,000 additional grade 1-3 students enrolled in public schools with targeted programs to improve foundational skills, relative to the previous annually verified enrolment, including refugees, up to 150,000 students in the limit of US\$26,880,000 (scalable)</p>   |
| Description         | <p><b>DLR 3.1:</b> This indicator follows the approval of a costed five-year implementation plan for improving foundational literacy skills. The implementation plan is derived from the National Literacy Strategy and includes (i) a detailed schedule and timeline of activities and outputs; (ii) a detailed plan to support school based formative assessment of literacy skills throughout the school year at the beginning and end of the school year to identify students in need, to track progress of students and target support; and (iii) communication plan that includes engagement of school leaders, class teachers and parents. The plan includes specific actions to address boys’ underperforming in literacy.</p> <p><b>DLR 3.2:</b> This indicator follows the revised (i) reading and other learning materials for grades 1-3, including age-appropriate climate content; (ii) reading and other teaching materials for grades 1-3; and (iii) the distribution of these materials to schools.</p> <p><b>DLR 3.3:</b> This indicator follows the number of grade 1-3 students in public schools reached with evidence-based targeted programs to improve foundational literacy skills. Schools reached with targeted programs to improve foundational literacy are those in which (i) teaching and learning materials developed in DLR 3.2 have been deployed; (ii) grade 1-3 teachers have been trained with these materials; and (iii) diagnostic learning assessments in Arabic have been implemented at the beginning and end of the school year to track progress of students and target support. “Evidence-based” means programs that include pedagogical approaches which have been evaluated in international literature and shown impact through meta-analysis.</p> |
| Data source/ Agency | <p><b>DLR 3.1:</b> MOE<br/> <b>DLR 3.2:</b> MOE, NCCD.<br/> <b>DLR 3.3:</b> MOE, OpenEMIS</p>  |
| Verification Entity | <p><b>DLR 3.1:</b> IVA<br/> <b>DLR 3.2:</b> IVA<br/> <b>DLR 3.3:</b> IVA</p>   |
| Procedure           | <p><b>DLR 3.1:</b> The IVA will be provided with (i) the official approval of the implementation plan. The IVA will verify the document received is compliant with the description of the indicator.</p> <p><b>DLR 3.2:</b> The IVA will be provided with: (i) revised reading learning materials for grades 1-3 and link to publication of its approval in the NCCD’s website; (ii) revised reading teaching materials for grades 1-3 and link to publication of its approval in the NCCD’s website; and will verify that the documents are compliant with the description of the indicator.</p> <p><b>DLR 3.3:</b> The IVA will be provided with (i) MOE report on the number of grade 1-3 students enrolled in public schools reached with targeted programs to improve foundational skills disaggregated by grade, urban/rural, governorate, gender, Jordanian/non-Jordanian/Refugee; (ii) data to conduct site visits and spot checks to verify implementation of targeted programs, which must cover a minimum number of randomly selected schools. The minimum number is established in the OM and the sampling framework should be acceptable to the WB.</p>   |

| <b>DLI 4: Creating, expanding, and funding pathways from TVET to further education and to the labor market</b> |  |
|--|--|
| Formula  | <p><b>DLR 4.1:</b> Total allocation is disbursed when achievement is verified.</p> <p><b>DLR 4.2:</b> From the baseline of 50,118, US\$1,696,272 per each additional 1,100 students enrolled in vocational education, relative to the previous annually verified enrolment, up to 80,000 additional students in the limit of US\$46,080,000 (scalable)</p> <p><b>DLR 4.3:</b> US\$153,600 per each additional 100 upper-secondary Refugee Students enrolled in vocational education, relative to the previous annually verified enrolment, up to 5,000 Refugee Students in the limit of US\$7,680,000 (scalable)</p> <p><b>DLR 4.4:</b> From the baseline of 0, US\$102,400 per each additional 100 students transitioning from secondary-vocational education BTEC programs to formal employment or tertiary education vocational programs, up to 15,000 students in the limit of US\$15,360,000 (scalable).</p> <p><b>DLR 4.5:</b> Total allocation is disbursed when achievement is verified.</p> |
| Description  | <p><b>DLR 4.1:</b> This indicator follows the issuing of a regulatory framework on the equivalence system of TVET qualifications and certificates, giving TVET students and graduates more flexibility and portability of their acquired skills. The regulation includes: (i) at the secondary level, eligibility criteria of graduates to sit for the TVET Tawjihi and access to TVET tertiary education options (ii) at the tertiary level, qualification, and credit transfer options for TVET students and graduates; (iii) at secondary and tertiary levels, professional qualification of VET graduates and, whenever applicable, criteria for professional licensing.</p>   |



|                     |  |
|---------------------|--|
|                     | <p><b>DLR 4.2:</b> This indicator follows the number of students enrolled in vocational education, including students in public schools in grades 10, 11 and 12.</p> <p><b>DLR 4.3:</b> This indicator follows the number of upper-secondary education Refugee Students enrolled in vocational education. “Refugee Students” are refugee students, including Syrian students residing in Jordan.</p> <p><b>DLR 4.4:</b> This indicator follows the number of secondary-level BTEC students 12 months after completion of secondary vocational education who transition to (i) tertiary-level TVET programs and degrees in technical and technological-oriented colleges and universities or (ii) formal employment.</p> <p><b>DLR 4.5:</b> This indicator follows the development of a national graduate tracking system and verifies that reports generated from the system are shared with counsellors at the district and school level. The mechanism is operational when: (i) MOE produces a technical document describing the mechanism (including data source and indicators used, data generation protocol, data analysis; actions for making the mechanism regular and sustainable and modalities for publication/dissemination of the data); (ii) first round of data is generated and complies with the criteria defined in the OM; (iii) first report is made accessible to counsellors at the school and district levels.</p>  |
| Data source/ Agency | <p><b>DLR 4.1:</b> MOE</p> <p><b>DLR 4.2:</b> MOE, OpenEMIS</p> <p><b>DLR 4.3:</b> MOE, OpenEMIS</p> <p><b>DLR 4.4:</b> MOE, OpenEMIS, SSC, AQACHEI, Tracer studies</p> <p><b>DLR 4.5:</b> MOE, TVSDC, AQACHEI</p>   |
| Verification Entity | <p><b>DLR 4.1:</b> IVA</p> <p><b>DLR 4.2:</b> IVA</p> <p><b>DLR 4.3:</b> IVA</p> <p><b>DLR 4.4:</b> IVA</p> <p><b>DLR 4.5:</b> IVA</p>   |
| Procedure           | <p><b>DLR 4.1:</b> The IVA will be provided with (i) the approved regulation and link to official publication of its approval, including specific procedures relative to each program and qualification. The IVA will verify the regulation is compliant with the description of the indicator.</p> <p><b>DLR 4.2 &amp; 4.3:</b> The IVA will be provided with (i) MOE report on the number of students enrolled in vocational education, disaggregated by specialization, gender, urban/rural, public/private, governorate, Jordanian/non-Jordanian/refugee; and (ii) data to conduct site visits and spot checks to verify enrolment numbers, which must cover a minimum number of randomly selected schools. The minimum number is established in the OM and the sampling framework should be acceptable to the WB.</p> <p><b>DLR 4.4:</b> The IVA will be provided with (i) report on the number of BTEC secondary-level vocational education graduates that are enrolled in tertiary-level technical or technological colleges or in formal employment, disaggregated by specialization, gender, degree/sector, Jordanian/non-Jordanian; (ii) data to conduct graduate surveys to verify the indicator, which must cover a minimum number of randomly selected students. The minimum number is established in the OM and the sampling framework should be acceptable to the WB.</p> <p><b>DLR 4.5:</b> The IVA will be provided with (i) a technical document describing the system; (ii) note summarizing the analysis/results of the first round of data collected/generated; (ii) data to conduct counsellors’ surveys to verify the indicator, which must cover a minimum number of randomly selected counsellors. The minimum number is established in the OM and the sampling framework should be acceptable to the WB.</p> |

| <b>DLI 5: Enhancing access to labor market relevant TVET</b> |   |
|--|---|
| Formula  | <p><b>DLR 5.1:</b> From a baseline of 0, US\$3,072,000 per each additional BTEC specialization that meet the threshold of required hours in practicum/apprenticeship component, up to US\$15,360,000 (scalable)</p> <p><b>DLR 5.2:</b> From a baseline of 0, US\$46,080 per each graduate from accredited TVET programs in priority sectors, up to US\$23,040,000 (scalable)</p>  |
| Description  | <p><b>DLR 5.1:</b> This indicator follows the number of BTEC specializations compliant with the established number of hours for the practicum-internship-apprenticeship component, carried out in the private sector.</p> <p><b>DLR 5.2:</b> This indicator follows the number of graduates from accredited TVET programs in priority sectors within the duration of the Operation. Accredited TVET programs are (i) BTEC programs in vocational education, (ii) TVSDC accredited programs in vocational training and (iii) accredited tertiary education level programs. Priority sectors include high value industries, future services and green growth. A complete list of priority sectors will be included in the OM.</p> |
| Data source/ Agency  | <p><b>DLR 5.1:</b> MOE, OpenEMIS</p> <p><b>DLR 5.2:</b> MOE, TVSDC, AQACHEI</p>   |
| Verification Entity  | <p><b>DLR 5.1:</b> IVA</p>  |



|           |  |
|-----------|--|
|           | <b>DLR 5.2: IVA</b>  |
| Procedure | <p><b>DLR 5.1:</b> The IVA will be provided with (i) an MOE report reflecting the number of BTEC specializations compliant with the established number of hours of practicum/internship/apprenticeship component, disaggregated by sector; (ii) data to conduct surveys to private sector to verify the indicator, which must cover a minimum number of randomly selected programs. The minimum number is established in the OM and the sampling framework should be acceptable to the WB.</p> <p><b>DLR 5.2:</b> The IVA will be provided with (i) MOE report on the number of graduates from accredited TVET programs in TVET sectors, disaggregated by level, gender, Jordanian/non-Jordanian/ refugee, governorate, program, and priority sector; and (ii) data to conduct surveys to verify the indicator, which must cover a minimum number of randomly selected graduates. The minimum number is established in the OM and the sampling framework should be acceptable to the WB.</p> |

| <b>DLI 6: Implementing the new governance structure of the education sector</b> |  |
|---|--|
| Formula   | <p><b>DLR 6.1:</b> US\$3,840,000 for (a); and US\$7,410,000 for (b).</p> <p><b>DLR 6.2:</b> Total allocation is disbursed when achievement is verified.</p> <p><b>DLR 6.3:</b> Total allocation is disbursed when achievement is verified.</p>   |
| Description   | <p><b>DLR 6.1:</b> This indicator follows (a) the adoption of a decision on the establishment of the new Ministry of Education and Human Resources Development by the Council of Ministers and (b) the submission of a draft law to the parliament that includes (i) a primary legislation that defines the mandate of new Ministry of Education and Human Resources Development; (ii) a clear definition of main components and sub-sectors of the educational ecosystem and roles and responsibilities, and (iii) clear articles on the formation of the Councils</p> <p><b>DLR 6.2:</b> This indicator follows the cabinet approval of the bylaw for the organizational structure and the administrative reporting lines of the Ministry of Education and Human Resources Development, including the Field Directorates ,</p> <p><b>DLR 6.3:</b> This indicator follows the design and implementation of the communication and change management plan that supports the new governance structure of the sector. The communication and change management plan includes (i) 3 main pillars each focusing on one type of stakeholders; internal staff and employees, government partners and stakeholders, and the public, (ii) a structured and proactive approach to raise awareness through a hybrid of communication efforts and behavioral change approaches, (iii) key messages and desired behaviors expected out of beneficiaries by the end of the implementation, and (iv) clear plan to reach the desired outcomes.</p> |
| Data source/ Agency   | <p><b>DLR 6.1:</b> MOE</p> <p><b>DLR 6.2:</b> MOE</p> <p><b>DLR 6.3:</b> MOE</p>   |
| Verification Entity   | <p><b>DLR 6.1:</b> MOE validated by World Bank</p> <p><b>DLR 6.2:</b> MOE validated by World Bank</p> <p><b>DLR 6.3:</b> IVA</p>   |
| Procedure   | <p><b>DLR 6.1:</b> The IVA will be provided with (i) the approved decision on the establishment of the new Ministry of Education and Human Resources Development; (ii) Council of Ministers decision to submit the draft law to the Parliament. The WB will verify the law is compliant with the description of the indicator.</p> <p><b>DLR 6.2:</b> The IVA will be provided with (i) the approved bylaw on the new administrative and organizational model of the Ministry of Education and Human Resources Development; (ii) the link to the publication of the approved bylaw in the official website. The WB will verify the bylaws are compliant with the description of the indicator.</p> <p><b>DLR 6.3:</b> The IVA will be provided with (i) document on the communication and change management plan; (ii) MOE report on the implementation of the communication and change management plan, including detailed evidence and results.</p>  |

| <b>DLI 7: Strengthening efficiency through better human resources management</b> |  |
|--|--|
| Formula  | <p><b>DLR 7.1:</b> Total allocation is disbursed when achievement is verified.</p> <p><b>DLR 7.2:</b> US\$1,920,000 per each additional 7 percent of civil servant teachers and school leaders recruited by MOE through the new competency-based system, relative to the previous verified percentage, up to 70 percent in the limit of US\$19,200,000 (scalable)</p>  |
| Description  | <p><b>DLR 7.1:</b> This indicator follows the issuing of instructions or guidelines on the new competency-based system for teacher and school leaders' selection and recruitment in line with the PSMP, under which competency-based selection will be implemented by MOE. The competency-based system is operational when the instructions or guidelines of competency-based selection implementation by MOE is approved.</p> |



|                     |   |
|---------------------|---|
|                     | <b>DLR 7.2:</b> This indicator follows the percentage of civil servant teachers and school leaders recruited by MOE through the new competency-based mechanism. The numerator of the indicator is the number of civil servant teachers and school leaders recruited through the new competency-based assessment system. The denominator is the total number of civil servant teachers and school leaders in the system.   |
| Data source/ Agency | <b>DLR 7.1:</b> MOE<br><b>DLR 7.2:</b> MOE  |
| Verification Entity | <b>DLR 7.1:</b> IVA<br><b>DLR 7.2:</b> IVA  |
| Procedure           | <b>DLR 7.1:</b> The IVA will be provided with (i) the approved instructions or guidelines on competency-based selection implementation by MOE; (ii) the link to the approved instructions or guidelines in the official website. The IVA will verify it is compliant with the description of the indicator.<br><b>DLR 7.2:</b> The IVA will be provided with (i) MOE report on the results of the indicator, disaggregated by gender, governorate, education level, urban/rural; (ii) data to conduct teacher surveys to verify the indicator, which must cover a minimum number of randomly selected teachers and school leaders. The minimum number is established in the OM and the sampling framework should be acceptable to the WB. |



## ANNEX 2. (SUMMARY) TECHNICAL ASSESSMENT

### I. Strategic relevance

1. **The proposed Operation is strategically relevant and investments to improve the home to school and the school to work transitions, as well as the improvement in the efficiency of the education sector are strategic for Jordan's implementation of the EMV.** Investments on early childhood education and TVET are instrumental in fostering growth, reducing poverty, boosting shared prosperity and support green growth and the transition to a low-carbon economy. Early childhood education is the most cost-effective investment in education, while TVET is central to reskill and upskill the labor force in alignment to the needs of the labor market. Also, a highly skilled workforce can respond better to changing economic systems. Transitioning to a low-carbon economy also provides an opportunity to boost job creation and ensure industry competitiveness in the long term. Investments in early childhood education and TVET are thus strategic for Jordan's EMV as they can act as a catalyst through promoting skilled human capital, preparing the workforce for a green economy future, and through positive social outcomes such as greater female LFP, improved health, higher civic participation, good governance, and environmental protection.<sup>53</sup> Efficiency of the sector is also central for Jordan, as the macroeconomic outlook points out to fiscal consolidation in the coming years, requiring smarter investments in the sector.

### II. Technical Soundness

2. **The Operation has been designed to contribute to the attainment of key results identified in the EMV Executive program for the Smart Jordan pillar and reach the objective of improving foundational learning, increasing access to labor-market relevant TVET and enhancing the efficiency of the education system, drawing on evidence and global good practices.** Its design is based on a robust Theory of Change focusing on key interventions targeting the home to school transition (RA 1), the school to work transition (RA 2), and the efficiency of the sector (RA 3). By promoting access to, quality of and labor market relevance of education, and improved efficiency, the Operation is aligned with the recommendations from several key Bank reports<sup>54</sup> and the Education Strategy 2020.<sup>55</sup> Finally, the Operation draws heavily on the accomplishments and lessons from the previous and current Bank projects and is designed to incentivize the GOJ to tackle key areas that remain bottlenecks in the system and to pursue meaningful reforms. Additional key literature that supports Program design is summarized below.

#### *Results Area 1: Improving access to foundational learning*

3. **Extensive evidence confirms that the development of cognitive and socio-emotional skills during a child's earliest years contributes to improved learning outcomes and later success in the workplace and in life as adults.**<sup>56</sup> An analysis of PISA scores across 65 countries found that students who attended early childhood education scored higher on reading and math at age 15, equivalent to an average of 2.75 additional years of learning,<sup>57</sup> while a survey of adults in 12 lower- and middle-income countries found that those who had attended early childhood education programs stayed in school on average 0.9 years longer and tended to be employed in higher-skilled jobs, controlling for family background and other

<sup>53</sup> OECD, 2012 Equity and Quality in Education: Supporting Disadvantaged Students and Schools, OECD Publishing, Paris, 2012; McMahon, W.; and Oketch, M., 2013, Education's Effects on Individual Life Chances and on Development: An Overview, March 2013, British Journal of Educational Studies 61(1):79-107; Oketch, M., McCowan, T., and Schendel, R, 2014, The Impact of Tertiary Education on Development: A Rigorous Literature Review, Rigorous Literature Reviews in Education. Department for International Development (DFID): London.

<sup>54</sup> Bendini, M.; Devercelli, A.E (2022). Quality Early Learning: Nurturing Children's Potential. Washington, DC: World Bank. Building Better Formal TVET Systems: Principles and Practice in Low- and Middle-Income Countries (Report No. 183938), Expectations and Aspirations: A New Framework for Education in Middle East and North Africa (Report No. 131974).

<sup>55</sup> Learning for All – Investing in People's Knowledge and Skills to Promote Development.

<sup>56</sup> Cunha and Heckman 2007; Cunha et al. 2006; Engle et al. 2011; Heckman 2006; Naudeau et al. 2011; Neuman and Devercelli 2013.

<sup>57</sup> Forthcoming, Garcia, Devercelli and Valerio.





factors.<sup>58</sup> Students who don't acquire foundational skills early in their school trajectory are at risk of falling further behind as they grow older. For example, studies show that students with early reading difficulties have learning trajectories which are resistant to change after grade 3 and diverge from their peers at an accelerating pace.<sup>59</sup> The Ministry of Education (MOE) has shifted policies in recognition of the importance of these early years (i.e. through the KG expansion and launch of a National Literacy Strategy), but the system does not yet effectively support children as they transition from home to school to develop the foundations they will need to succeed in the rest of their education and life.

**4. Despite recent progress, enrollment in KG in Jordan is low, quality assurance is nascent and more effective ways to leverage the private sector and ensure equity are needed.** The overall enrollment rate in pre-primary education (KG1 and KG2, ages 4-5) is 27 percent,<sup>60</sup> below the Middle East and North Africa (MENA) average (34 percent) and the global average (61 percent). Jordan has increased enrollment in KG2 (for 5-year-olds) from 57 percent in 2018 to 65 percent in 2022, but analysis suggest that meeting the GOJ's goal of universal access to KG2 will not be achieved until 2073 based on the current rate of expansion. Rural and economically disadvantaged regions are disproportionately impacted by the lack of access to KG. The teaching workforce for KG and the first three grades of primary is typically less experienced than in other grades and experiences higher turnover rates. Quality assurance for early childhood education is in its infancy, with KG quality standards approved in 2023, and a need now to support KGs to meet these standards and introduce a system for ongoing monitoring. The private sector currently enrolls 51 percent of all children in KG and almost all children in childcare and nurseries. The GOJ is exploring new approaches to achieve universalization of KG2, including leveraging the private sector through a pilot to offer vouchers and subsidies to 2000 low-income families, a fifth of which will be refugees (while ensuring quality and equity concerns are addressed). Streamlining registration and licensing procedures for private providers has begun through work led by IFC and will be critical to address the current complex and time-consuming process which deters potential entrants.

**5. Children in Jordan are not acquiring the foundational reading skills they will need to succeed in the rest of their education and life.** Though there was progress before the pandemic, after-COVID data show learning outcomes remain low, with 58 percent of 10-year-olds unable to read and understand a basic paragraph.<sup>61</sup> Data from the 2023 Early Grade Reading Assessment (EGRA) and Early Grade Math Assessment (EGMA) show a similar trend: by the end of grade 2 and grade 3, the percentages of students achieving reading fluency and comprehension were 42.4 and 60.3, respectively. Just 13.7 percent of grade 2 students and 29.3 percent of grade 3 students met the benchmark for math. Coupled with challenges such as the limited instructional time of only 4.5 hours in the school day, these data highlight a critical need for targeted interventions to early grade instruction quality to ensure children develop foundational skills by the time they finish grade 3, a critical period to acquire these skills. The current teaching and learning materials for grades 1-3 fall short of best practices, lacking alignment not only with effective pedagogical practices but also with evidence-based methods of teaching reading.<sup>62</sup> Despite the recent development of a National Literacy Strategy, interventions remain scattered among various programs and providers, and have not reached a national scale.

**6. The system can leverage the use of learning assessments data to monitor progress, target resources to students in need and align parents and the education community on the importance of foundational skills.** The benefits of education—cultural, economic, and social—accrue to society only when learning occurs.<sup>63</sup> For example, an increase of one standard deviation in scores on international assessments of reading and mathematics achievement levels has been

<sup>58</sup> Shafiq, Devercelli, and Valerio, 2018

<sup>59</sup> Good, Simmons and Smith (1998).

<sup>60</sup> UIS figures. MOE data for 2021/22 is 37 percent.

<sup>61</sup> World Bank (2022).

<sup>62</sup> USAID (2024). Mimeo.

<sup>63</sup> OECD (2010)



linked to a 2 percent increase in annual growth rates of GDP per capita.<sup>64</sup> For governments to learn what policies worked to

improve learning and to avoid “flying blind,” they need credible data.<sup>65</sup> Moreover, the sole fact that countries adopt a standardized student assessment and make results of the evaluations public is associated with improvements in student achievement.<sup>66</sup> The use of the information by different stakeholders can also be leveraged to shift the focus of the system towards learning. A randomized control trial in Argentina showed that providing schools with learning assessment information (together with a short school principals’ training) improved student achievement the equivalent of one additional academic year of learning.<sup>67</sup> Similarly, evidence has also shown that providing information to parents on their children’s absenteeism and grades (through automated text messages, emails or phone calls) improves student outcomes and reduces absenteeism.<sup>68</sup>

*Results Area 2: Increasing access to labor-market relevant TVET*

**7. TVET is central in the GOJ’s plans to modernize the economy and increase employment and productivity.** With the foreseen reforms aiming to review and modernize the TVET system, it is expected that the education system can equip students with the necessary skills and competencies for long-term, sustainable employment. The planned reforms to transform the economy under the EMV aim to stimulate job creation in priority economic sectors, and the supply side constraints to fill those vacancies – tackled by this Operation- are central to ensure youth can reap the benefits of this transformation through better job opportunities and wellbeing.

**8. TVET can significantly contribute to developing the skills needed in the labor market and reduce youth unemployment when paired with demand side reforms and when implemented in close collaboration with employers to develop labor-market relevant skills.** TVET provides valuable skills and has strong potential to reach vulnerable segments of society as an alternative option to higher education. This, in turn, can reduce inequalities and improve the labor market outcomes of these vulnerable populations. TVET can also improve economic growth, as shown in the East Asian countries industrial policy during the second part of the 20th century, when TVET with practical orientation aimed at stretching existing technological capabilities and complementing university-level investments.<sup>69</sup>

**9. The employability of TVET graduates is a major challenge.** Each year, only 15 percent of secondary-vocational education graduates transition to the labor market.<sup>70</sup> These outcomes call into question the external efficiency of the system, its alignment with the demand and the capacity of the job market to absorb TVET graduates.

**10. The high rate of unemployment among TVET graduates can be attributed to both demand and supply-side factors, with the latter being tackled by this Operation.** The integration of graduates into the job market is partly linked to the quality of training provided to students, the acquired skills of graduates and the match between these skills to the demand of employers in the job market. Three areas of intervention supported by the Operation have the potential to improving the supply of graduates for the job market: (a) aligning TVET programs to the needs of priority productive sectors; (b) offering TVET students alternative paths to continue their education; and (c) providing students with career guidance and counselling and the monitoring of the integration of graduates in the labor market.

<sup>64</sup> Hanushek and Woessmann (2007, 2009).

<sup>65</sup> World Bank (2018)

<sup>66</sup> Bergbauer, Hanushek and Woessmann (2018)

<sup>67</sup> De Hoyos et al. (2018)

<sup>68</sup> Bergman (2015), Rogers & Feller (2018), Berlinski et al (2016), Bennett & Bergman (2018)

<sup>69</sup> Tan, Jee-Peng, Kiong Hock Lee, Ryan Flynn, Viviana V. Roseth, and Yoo-Jeung Joy Nam. 2016. Workforce Development in Emerging Economies: Comparative Perspectives on Institutions, Praxis, and Policies. Directions in Development. Washington, DC: World Bank.

<sup>70</sup> MOE (2022)



11. **There is limited variety in the TVET degrees, reflecting some extent of uninformed decision-making by students and lack of use of data to inform program offerings.** Traditional careers predominate in Jordan’s TVET system: before 2023, secondary-education vocational students were offered with four specialties (agriculture, manufacturing, home economics and industry) limiting their transition to the labor market.<sup>71</sup> These offerings are progressively being expanded to additional labor market relevant specialties (i.e. creative media, beauty, among others).

12. **Evidence suggests there is a strong link between academic programs provided by TVET and employability of graduates.**<sup>72</sup> Therefore, providers need to align their programs and offer with the demands of an evolving global economy since employers are increasingly demanding a new mix of skills and competencies. When training courses are not aligned with the needs of the region or the private sector, and unable to transform in time to meet these demands, the mismatch between graduates’ skills and employers’ expectations negatively impacts their labor market prospects and outcomes. Unsuitable training can also lead to a loss of competitiveness and development opportunities for the region or the private sector. Key sectors such as innovation, technology or emerging industries can be hampered in their growth and ability to generate employment and income.

13. **Global evidence shows that career guidance and orientation that remove information barriers can increase education outcomes, and reduce the gap between skills supply and demand, yet it is not available in Jordan.** Information-based programs that provide key data to students and parents have been shown to improve career choices. A randomized control trial in Chile shows that providing information to students, through an online platform, on the potential earnings (and fee costs) corresponding to different enrollment choices, helped students -particularly from low-socioeconomic contexts- enroll in degrees with higher returns.<sup>73</sup> Best practices on removing information barriers for students include providing information on career options, returns to education programs, labor demand on their regions, focus on priority programs, sharing experience of fellow students and employers, among others.<sup>74</sup> The introduction of additional incentives for priority sectors (high in demand) to guide the decisions of new students could reinforce the effects of providing this information. Evidence from basic education also highlights the potential of information-based interventions. Another randomized control trial in the Dominican Republic finds that providing students with information on earnings differences by education reduced dropout by 7 percent in the subsequent year, and increased school completion by 0.2 years.<sup>75</sup> Currently, students in Jordan face difficulties in obtaining complete and accurate information on the different education pathways and the associated employment prospects. For those already in the education system, career guidance and counselling can potentially strengthen their education trajectories. Jordan does not monitor the integration of TVET graduates into the labor market and relies mainly on tracer studies and surveys carried out by subsectors. Proper databases covering the entire TVET system complemented by national job market analyses constitutes a key challenge for the system.<sup>76</sup>

*Results Area 3: Enhancing the efficiency of the education system management.*

14. **Public spending on education has not kept pace with the increase in enrollment and remains a small share of the Gross Domestic Product (GDP) and public expenditure.** The financial impact and stress on the system from the Syrian refugee influx was further compounded when many students migrated from private to public schools during the COVID-19 pandemic. The total number of students in public schools has increased from 1.1 to 1.7 million over the last decade. The share of education expenditure as a percent of total spending declined from 13.5 in 2015 to 11.7 percent in 2021, with an average of 12.4 percent during 2011-2021. In real terms, spending remained flat at an average of 3.7 percent of

<sup>71</sup> World Bank. Education Statistics Database.

<sup>72</sup> Jaramillo, A., Moreno, J., Demenet, A., Zaafrane, H., & Monet, O. (2012). *Universities through the Looking Glass: Benchmarking University Governance to Enable Higher Education Modernization in MENA*. Washington, DC: World Bank.

<sup>73</sup> Neilson et al (2018)

<sup>74</sup> See Gatsby Charitable Foundation, 2014. Good career guidance.

<sup>75</sup> Jensen (2010).

<sup>76</sup> TVET 2023 Report.



GDP during the decade, despite the substantial increase in enrollment. Most of the expenditure is directed towards current expenditure (90 percent between 2011-2022), notably to salaries (93 percent), while capital expenditures are under-executed, partly attributed to the fragmented governance of the sector.<sup>77</sup> Jordan's real GDP growth is expected to remain at 3 percent over the next 5 years, and a gradual fiscal consolidation envisions a reduction in government expenditure from 31.5 to 30.1 percent of GDP between 2023 and 2028.<sup>78</sup> These efforts to streamline government spending call for improved efficiency and innovation in the sector as budget allocation is not expected to increase.

**15. The GOJ is embarking on a major institutional reform for the education sector, creating a new Ministry of Education and Human Resource Development that will bring together all levels of education and training, and introducing a new governance framework with the potential to improve efficiency and overall functioning of the sector.** The new Ministry will serve as a single administrative and policy making umbrella for the sector, from early childhood education to post-secondary tertiary education. The institutional restructuring aims to address key challenges in the current governance model including: (a) lack of sector-wide vision and policy making; (b) limited independence in sector governance, with fragmentation, redundancy or absence of key functions; (c) highly centralized administration with limited delegation of authority and decision-making powers particularly to service delivery institutions; and (d) the absence of clear accountability framework. The reform creates a historical opportunity with the potential to decentralize and delegate decision-making and implementation and to empower specialized agencies, service delivery institutions and the private sector, allowing the Ministry to focus on policy development, resource mobilization and system monitoring and evaluation (M&E).

**16. The highest potential for meaningful change implicit in the new governance structure under the PSMP is the possibility of building a new 'architecture' of the education system** where articulation and transition between education stages become more efficient, more inclusive, and more relevant to the needs of students, their families and the labor market. Jordan's education sector is failing to provide most students with the necessary foundational skills they will need to succeed and complete their basic education and Jordan is losing an unbearable percentage of each generation of youth precisely at the crossroads of secondary education – both general and vocational, tertiary education, and entry to the labor market. New pathways with multiple entry and exit points among subsectors, together with a modernized certification system and effective career counselling and personal guidance services, should maximize graduation rates at all levels, better inform student choices, allow for a more relevant and diversified study offer and curriculum, enhance employability and labor market insertion, and reduce social and labor market exclusion.

**17. The new proposed draft Law of the Ministry of Education and Human Resources, once adopted, will present an opportunity to establish a clear functional division between policy-making functions and evaluation and quality assurance, enhance institutional autonomy and accountability, and administrative decentralization, and foster a more substantial role for private sector engagement.** This shift can have several potential benefits and risks. Potential benefits include: (a) consolidated mandates, streamlined roles, and the elimination of redundancies (b) optimized planning and utilization of resources across the system; (c) well integrated QA model paralleled by effective accountability structures and transparency in outcomes; (d) enhanced institutional coordination and capacity to deliver on their specialized mandates; and (f) strengthened inter and intra connections within and beyond the ecosystem, with emphasis on strong private sector involvement and alignment. Mitigating key risks such as implementation capacity, resistance and bureaucracy through targeted interventions is essential to realizing the aforementioned benefits.

<sup>77</sup> MOE (2023).

<sup>78</sup> IMF Press Release, January 10, 2024.



18. **The broader PSMP will create an opportunity to gain efficiencies in teachers’ selection, recruitment, and deployment through the professionalization of the civil service.** The new Public Sector Human Resource Management policy<sup>79</sup> lays the groundwork for the development and adoption of competency-based profiles and job descriptions of civil servants. The GOJ has set an ambitious goal to competitively recruit 100 percent of new civil service entrants by 2027 based on competency profiles and underpinned by more relevant and fit-for-purpose job descriptions. This is a significant shift, given that currently only 12 percent of recruitments are based on competency-based assessments. While the education sector employs the largest share of public sector jobs after defense, clear policies for attracting, selecting, recruiting and deploying teachers are still not enacted. The pool of qualified candidates available for the teaching profession is limited as the profession attracts poorly performing and low motivated students.

19. **In Jordan, three areas in teacher management can be revised to align with best practices and biggest impact potential: teacher attraction, selection and deployment.** The teaching profession in Jordan is not attractive: the 2018 teacher survey showed only 4 out of 10 teachers in Jordan report vocation/passion for teaching as their main reason for joining the profession, and 6 in 10 think teachers are undervalued in society.<sup>80</sup> Teacher selection is under reform, in line with the PSMP which aims to have a merit-based selection process for all education staff by 2030. Finally, teacher deployment is central for ensuring all students are provided with high quality learning experiences, and reducing teacher turnover and vacant positions in hard to staff schools is central.

### III. Rationale for DLI selection

**Table A2.1. Rationale for DLI selection**

| RA/DLI   | Justification for DLI selection, continuity with existing Bank engagement and GOJ priorities and readiness  |
|--|---|
| <b>RA 1. Home to school: Improving access to foundational learning</b> |   |
| DLI 1.<br>Increasing access to KG                                      | <ul style="list-style-type: none"> <li>• <b>Issue:</b> Limited opportunities for early learning impacts children’s readiness for school and lack of KG spaces particularly impacts disadvantaged families, including refugees. The DLI is also expected to positively impact female LFP.</li> <li>• <b>Objective:</b> This DLI is selected to build on ongoing efforts to increase KG enrollment and contribute to the GOJ’s goal of universalizing KG2. Both public and private provision will be expanded (the latter through a PPP pilot of a new subsidy and voucher model, which will extend to refugees).</li> <li>• <b>Expected results:</b> Increased KG2 enrollment (broken down by governorate, gender, public/private, Jordanian/non-Jordanian/refugee).</li> <li>• <b>Continuity and readiness:</b> This is an exact continuation of a DLI in JERSP and will help the GOJ meet the stated goal to universalize KG2 by 2025. This DLI is scalable and expected to begin disbursing in Year 2 given the mechanisms are already in place.</li> </ul>   |
| DLI 2.<br>Strengthening the quality of early childhood education       | <ul style="list-style-type: none"> <li>• <b>Issue:</b> The expansion of access to early childhood education must be accompanied by improved quality to improve learning outcomes, including through developing and adopting the curriculum and supporting materials for KG, continuing the implementation of the QAS and ensuring providers meet quality standards.</li> <li>• <b>Objective:</b> To improve and roll-out the QAS for KG and develop KG curricula along with support materials.</li> <li>• <b>Expected results:</b> KG1 and KG2 curricula and teacher support materials implemented in the classrooms; and a higher percentage of KG2 classrooms meet the new quality standards, raising the quality of overall provision of services. This DLI will also improve climate knowledge and skills among KG students and teachers.</li> <li>• <b>Continuity and readiness:</b> The QAS was developed and piloted under JERSP and is ready to be used. The GOJ has begun work on curriculum revisions and is expected to complete in 2025.</li> </ul> |

<sup>79</sup> Decision of the Council of Ministers No. 16412.

<sup>80</sup> QRF (2020)



|  |  |
|--|--|
| <p>DLI 3.<br/>Improving foundational literacy skills</p>   | <ul style="list-style-type: none"> <li>• <b>Issue:</b> 58 percent of 10-year-olds in Jordan cannot read and understand an age-appropriate text. These learning gaps impact students’ education trajectories. Teaching methodologies and materials are not aligned with best practices, and the use of several parallel foundational skills programs limits impact. While there are existing assessments at the systems level, learning outcomes could be monitored more effectively at the school and classroom level to inform targeting, pedagogy and teaching and to communicate with parents.</li> <li>• <b>Objective:</b> Improved foundational literacy skills through scaling up programs with evidence of impact.</li> <li>• <b>Expected results:</b> In the long term, learning poverty is reduced. This DLI will also improve climate knowledge and skills among grades 1-3 students and teachers.</li> <li>• <b>Continuity and readiness:</b> The National Literacy Strategy is developed, and the implementation will be derived from it. A gap analysis of current teaching materials and best practices has been completed by USAID.</li> </ul>  |
| <p><b>RA 2. School to work: Improving access to labor market-relevant TVET</b></p>                                 |  |
| <p>DLI 4.<br/>Creating, expanding, and funding pathways from TVET to further education and to the labor market</p> | <ul style="list-style-type: none"> <li>• <b>Issue:</b> TVET programs are not mapped to the NQF, limiting the transferability of acquired skills and qualifications for students to move through the system and for TVET institutions and programs to become attractive and competitive in the system. The planned expansion of TVET and the implementation of a more flexible and responsive education system in secondary education and TVET hinges on solid evidence and data-based career guidance, which Jordan still lacks.</li> <li>• <b>Objective:</b> Incentivize the demand for TVET options in both secondary and tertiary education with the creation of labor market relevant qualifications and credentials, coupled with robust and sustainable career guidance system, to enable students and graduates make informed choices in terms of career prospects.</li> <li>• <b>Expected results:</b> An NQF that encompasses TVET at both the secondary and tertiary levels, establishing an equivalence system for credentials and certifications, and opening multiple pathways within the education system, data-based career guidance with clear signaling of skills and qualifications to the labor market, and with direct involvement of the private sector. This DLI will also facilitate increased supply of skilled workers for urgently needed green jobs, especially for the ongoing clean energy transition.</li> <li>• <b>Continuity and readiness:</b> the NQF was developed and adopted (supported by GIZ) with clear criteria for listing and placement of training institutions and programs, which will be the basis for implementing the equivalence system. The national strategy for career guidance was developed and to be approved and adopted in 2024, and the DLI will focus on implementing key elements of the strategy.</li> </ul> |
| <p>DLI 5.<br/>Enhancing access to labor market relevant TVET</p>   | <ul style="list-style-type: none"> <li>• <b>Issue:</b> The TVET subsector of Jordan’s education system has dwindled over the last few decades because of its low quality and relevance to the labor market, weak governance, lack of effective employer engagement, and fragmentation of providers.</li> <li>• <b>Objective:</b> Expand enrollment in a quality enhanced TVET sector with a focus on priority sectors aligned to labor market demands and the green economy, with a focus on increasing access to women and refugees.</li> <li>• <b>Expected results:</b> Increased enrollment in TVET for male and female students, with emphasis on priority economic sectors (including in the green economy) and private sector engagement in curriculum design, delivery and on job training (expand apprenticeships/internships); and improved accreditation and quality assurance mechanisms for TVET providers and programs.</li> <li>• <b>Continuity and readiness:</b> GOJ adopted BTEC with more market-relevant specializations and curricula, TVSDC is in the process of revising the accreditation criteria to be more responsive to labor market needs, SSCs are having bigger role in setting standards. All these aspects will be further strengthened.</li> </ul>  |
| <p><b>Results Area 3: Enhancing efficiency of the education system management</b></p>                              |  |
| <p>DLI 6.<br/>Implementing the new governance structure of the education sector</p>                                | <ul style="list-style-type: none"> <li>• <b>Issue:</b> Absence of consolidated sector policymaking, fragmented governance, centralized management and lack of accountability and delegation of authority.</li> <li>• <b>Objective:</b> Implementation of a new governance structure and operating model for the Ministry of Education and Human Resources Development.</li> <li>• <b>Expected results:</b> An improved governance structure that allows for functional separation and independence, articulation/transition and internal efficiency and effectiveness.</li> <li>• <b>Continuity and readiness:</b> The GOJ is currently finalizing the design of the new governance model, a TA was provided under JERSP to support the GOJ in the process of assessment and benchmarking.</li> </ul>  |
| <p>DLI 7.<br/>Strengthening efficiency</p>   | <ul style="list-style-type: none"> <li>• <b>Issue:</b> Financing of Jordan's education sector faces challenges due to relatively low and flat public investment despite substantial increases in student numbers. The wage bill absorbs most of the sector budget, while human resources management struggles. Lacking clear policies for teacher recruitment and deployment is a</li> </ul>   |



|   |  |
|---|--|
| through better human resources management | <p>major challenge given that recruitment is not fully merit-based and the profession attracts few high-performing students.</p> <ul style="list-style-type: none"> <li>• <b>Objective:</b> To strengthen the education system’s human resources management to use available resources more efficiently.</li> <li>• <b>Expected results:</b> Better teachers are attracted, selected and kept in the system.</li> <li>• <b>Continuity and readiness:</b> New merit-based selection of civil servants is approved.</li> </ul> |
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#### IV. Program Expenditure Framework

20. The Program will be financed over five years (June 2024 – June 2029) for a total PEF of US\$1,877.6 million, including an IBRD loan of US\$400 million. As a subset of the government program, the PforR will finance specific budget lines in programs 4420, 4425, 4405 4440 and 4445 of MOE, 6041 and 6042 of VTC and 6621 and 6622 of TVSDC and incentivize results to increase efficiency in the implementation of select interventions under the Program.

**Table 1. Summary of Program Expenditure Framework**

| RA  | Gov counterpart                                    | Name                                    | Budget Program / code |  | Budget classification | Total 2024-2029 JOD           | Total 2024-2029 USD  |
|-----|--|---|-----------------------|--|-----------------------|-------------------------------|----------------------|
| RA1 | MOE  | Kindergarten Education Program (ECD)    | 4420                  | 601  | Recurrent             | 19,443,000                    | 27,414,630           |
|     |  |   |                       | 701, 702, 706, 707, 001, 002, 003                | Capital               | 29,903,000                    | 42,163,230           |
|     |  | Basic Education Program                 | 4425                  | 601  | Recurrent             | 906,208,800                   | 1,277,754,408        |
| RA2 | MOE  | Vocational education program            | 4405                  | 601  | Recurrent             | 140,515,000                   | 198,126,150          |
|     |  |   |                       | 704, 001, 002, 004                               | Capital               | 53,900,000                    | 75,999,000           |
|     | VTC  | Management and Support Services Program | 6041                  | 601  | Recurrent             | 12,294,000                    | 17,334,540           |
|     |  |   |                       | 704, 705, 707, 709, 711, 719, 007, 013, 017, 018 | Capital               | 21,515,000                    | 30,336,150           |
|     | TVSDC  | Management and support services         | 6621                  | 601  | Recurrent             | 8,135,000                     | 11,470,350           |
|     |  |   |                       | 001  | Capital               | 950,000                       | 1,339,500            |
|     | Support vocational education and training programs | 6622                                    | 005, 007              | Capital  | 2,750,000             | 3,877,500                     |                      |
| RA3 | MOE  | Human resources development program     | 4440                  | 601  | Recurrent             | 96,225,000                    | 135,677,250          |
|     |  |   |                       | 001  | Capital               | 12,500,000                    | 17,625,000           |
|     |  | Education Quality Development Program   | 4445                  | 001, 002, 003                                    | Capital               | 24,648,000                    | 34,753,680           |
|     |  |   |                       |  |                       | <b>Total 2024-2029 (JOD)</b>  | <b>1,328,986,800</b> |
|     |  |   |                       |  |                       | <b>Total 2024-2029 (US\$)</b> | <b>1,873,871,388</b> |



**Table 2. Summary of the PEF by RA and type of expenditure (million JOD)**

| RA  | Type of budget | Total 2024-2029 (JOD) |
|---|----------------|-----------------------|
| RA1: Home to school: Improving access to foundational learning      | Recurrent      | 925,651,800           |
|   | Capital        | 29,903,000            |
| RA2 School to work: Increasing access to labor-market relevant TVET | Recurrent      | 160,944,000           |
|   | Capital        | 81,725,000            |
| RA3: Enhancing efficiency of the education system management        | Recurrent      | 96,225,000            |
|   | Capital        | 37,148,000            |
| <b>Total</b>  |                | <b>1,331,596,800</b>  |

**Table 3. Summary of the PEF 2024-2029 by RA**

| RA  | JOD                  | US\$                 | as a % of total finance |
|---|----------------------|----------------------|-------------------------|
| RA1: Home to school: Improving access to foundational learning      | 955,554,800          | 1,347,332,268        | 72%                     |
| RA2 School to work: Increasing access to labor-market relevant TVET | 242,669,000          | 342,163,290          | 18%                     |
| RA3: Enhancing efficiency of the education system management        | 133,373,000          | 188,055,930          | 10%                     |
| <b>Total PforR</b>  | <b>1,331,596,800</b> | <b>1,877,551,488</b> | <b>100%</b>             |

21. **Fiscal sustainability. The medium-term budgetary prospects are adequate to ensure the Program's sustainability.** Given the strong impact of access to quality early childhood education and expanded and improved TVET provision on productivity, growth and inequality, the Program is expected to have a positive long-term impact on the fiscal outlook by contributing to broadening the fiscal basis, increasing fiscal revenues and enhancing efficiency of spending.

22. **Regarding the adherence of the budgeted Program expenditures and its execution of the government's priorities, the Program's expenditure framework consists exclusively of actually budgeted expenditures, which are selected as deemed necessary to the achievement of the GOJ's Program.** In the budget of implementing agencies, it is narrowed down to a few budget lines under relevant budget programs selected for their relevance to the objectives of the Program. Also, identified budget lines have a good record of execution (See FSA).

23. **Adherence of the budgeted program expenditure and execution to government priorities.** The activities contained in the PEF meet the directions set by the GOJ. Moreover, the program's budget structure is clear in terms of sources of funding, budgetary vehicles and categories of expenditures. The PEF is grounded within the General Budget (see FSA for details on budget adherence).

## V. Economic Justification

24. **Program Benefits.**<sup>81</sup> By improving access to quality early childhood education, strengthening foundational learning, increasing skills of TVET graduates, increasing the graduates in high demand fields with skills shortages, improving the curriculum relevance and teaching quality, it is expected that employment opportunities will gradually rise for the coming cohorts of students. This would have a positive impact on productivity. The Program would also impact graduates' labor

<sup>81</sup> This section presents the economic and financial analysis of the Program. The cost-benefit analysis quantifies the Program benefits and costs where data is available to compute the IERR. In particular, those interventions related to Early Childhood Care and Development and TVET of the Government program. The estimations are based on assumptions regarding both costs and benefits, aligned with the objectives of the Program.





25. remuneration, responding to the additional knowledge and skills provided by TVET programs. Approximately 2.4 million students are expected to benefit yearly from the various Program activities.

26. **With improved academic, digital and language skills, career guidance and orientation, better support systems and targeting for the most vulnerable and attending universities with higher quality standards, graduates are expected to benefit from positive impacts both in employment and income.** In terms of employment, it is assumed that average employment rates one year after graduation would increase by 10 percent as the result of a better match with the required skills, widening the gap between tertiary education and high school diploma workers by 5 percent. The benefit stream is estimated for the duration of the work life of graduates (from 25 to 65 years).

27. **Costs.** The Program costing is based on budgetary projections taking into account the expenditures directly linked to the Program objectives. Both recurrent and capital expenditures are captured in the analysis, in alignment with the PEF. As per these assumptions, the average Program cost per student is US\$98 per year.

28. **Efficiency.** Program efficiency is evaluated with a cost-benefit analysis that compares the estimated Program costs with the expected benefits. The Program net effect on beneficiaries is estimated using a present discounted value (PDV) approach.<sup>82</sup> Given the structure of benefits and costs presented, an Internal Rate of Return (IRR) is calculated, which is defined as the discount rate that equates the net present value of the investment per student with the net present value of all earnings differential over a student's life cycle. Both the PDV and the IRR of the Program allow to assess whether it is a good investment from an economic point of view.

29. **Cost-benefit analysis.** Using a discount rate, the yearly cost per student is brought to the present, as well as the whole stream of yearly future benefits  $B_t$ . The analysis assumes that students benefited from the Program enter the workforce at age 21 and retire at age 65 earning US\$  $B_t$  per year more than their peers. With a conservative discount rate (5 percent), the NPV of the income benefits of the average Project beneficiary are compared with its cost, and the IRR is computed.

30. **Summary results.** Based on these assumptions, it is expected that the Program will generate an IRR of 17 percent and its benefits will exceed its costs with a benefit/cost ratio of 5.9 (assuming a discount rate of 5 percent).

31. **Externalities.** From a social perspective, the Program would raise human capital endowment, have a positive impact on growth<sup>83</sup> and therefore reduce poverty rates. Its impact on the society as a whole goes beyond individual outcomes, since a more educated population has better health, less crime, higher democratic participation, more environmental consciousness, among others.<sup>84</sup> Since the programs involved are also aimed at improving educational quality, all these effects are largely augmented.<sup>85</sup> The current analysis would only capture direct monetary individual effects, but the benefits are broader as better educated individuals also benefit from improved health and greater life satisfaction, and society enjoys the multiple positive externalities provided by a more educated population. Impacts on female LFP are not included in the estimations. Moreover, the positive effect of the Program on quality translates into an increase in the returns to education that is more difficult to predict and quantify and is thus not included in the economic analysis. Therefore, the economic benefits that are computed are a lower bound of the Program's potential returns.

<sup>82</sup> This approach entails estimating the stream of benefits and costs of education over the lifetime of an average student with and without the Program.

<sup>83</sup> As in an augmented Solow model.

<sup>84</sup> See Acemoglu and Angrist (2000) and Moretti (2004) for more on social returns to education.

<sup>85</sup> See Patrinos and Saellariou (2008) and Bertschy et al. (2009) for more on the impact of quality on earnings and Hanushek and Woessmann (2008) for more on its effect on growth.



VI. Synergies with Bank Operations and other development partners' support

| Pillar  | Description  |
|---|--|
| <p><b>Early Childhood and Foundational Skills</b></p> | <p><b>USAID</b> supports several interventions, including: (i) RAMP (Early Grade Reading and Mathematics Project), which concluded in 2023 and supported literacy and numeracy from KG2-Grade 3 in all public schools in Jordan and (ii) ASAS, a new 5-year early grade (K-3) program that supports pre- and in-service teachers training in addition to developing foundational and socioemotional skills. MASAR would build on the work and lessons learned from RAMP to develop new teacher methodologies to improve foundational skills, which can then be scaled up with MASAR and ASAS financing.</p>  |
|   | <p><b>GIZ: Heroes:</b> aims to create additional capacities for KG spaces, with a focus on reaching children from vulnerable families, displaced children, and children with disabilities. GIZ has also supported a study on potential use of PPPs to support KG expansion. The World Bank team preparing MASAR has coordinated closely with the team at Queen Rania Foundation supported by GIZ on PPPs and held joint meetings with the MOE and key partners to design the KG PPP approach.</p>  |
|   | <p><b>EU education program:</b> supports increasing access to quality learning opportunities for children out of school and children at high risk of dropping out.</p>   |
|   | <p><b>JERSP (P162407):</b> supports expanding access to quality ECE, learning and teaching environment and student assessment (<i>Tawjihi</i> reform). MASAR will be extending the KG interventions in JERSP (the QAS for KG and efforts to expand access).</p>  |
|   | <p><b>Youth, Technology and Jobs (P170669):</b> supports the development of digital skills in schools for grades 1-12 and through training grants for youth.</p> <p><b>Women Economic Opportunities (P180508):</b> supports increased access to affordable quality childcare with a focus on piloting different service delivery approaches and addressing the legal and enabling environment barriers. MASAR will cover only the quality assurance system for childcare efforts which will be led by MOE.</p>   |
| <p><b>TVET</b></p>                                    | <p><b>KfW:</b> (i) <i>HTU Plus</i>, which enhances TVET's image and graduate prospects by improving access to quality TVET through private sector provision – including better infrastructure, curricula, and trainers – and fostering industry partnerships; (ii) <i>EF4E (Education Financing for Employment)</i>, which enhances youth employability in the labor market by improving access to vocational training oriented towards labor market demands and by providing sustainable funding opportunities; and, (iii) <i>Digitalization in TVET</i>, which works on improving quality of TVET and qualifications of graduates through investments in digital infrastructure and equipment of vocational secondary schools.</p> |
|   | <p><b>GIZ</b> supports TVET system modernization in Jordan and provides training for teaching staff at selected institutions and provides technical assistance to TVSDC and VTC. MASAR will complement through system level reforms.</p>   |
|   | <p><b>EU</b> supports the <i>Support to Quality Education and TVET</i>, which offers technical assistance to support inclusive education and vocation education strengthening</p>  |
| <p><b>Governance</b></p>                              | <p><b>UNESCO</b> has a <i>System Strengthening Partnership with Jordan</i>, which supports MOE in enhancing its core policy, planning, coordination, and monitoring functions and capacities linked to the ESP.</p>  |
|   | <p><b>USAID</b> support includes: (i) <i>ESMP (Enhancing School Management and Planning)</i>, which aims to improve existing management systems and procedures for the planning, implementation, and utilization of public schools; and, (ii) <i>TAP (Technical Assistance Project)</i>, which provides technical assistance in the development, roll-out and tracking of policies and procedures.</p>   |



### ANNEX 3. (SUMMARY) FINANCIAL SYSTEMS ASSESSMENT

#### I. Reasonable assurance

1. **The World Bank conducted a Fiduciary Systems Assessment (FSA) to confirm that the Program’s fiduciary systems provide reasonable assurance that the financing proceeds will be used for intended purposes, with due attention to the principles of economy, efficiency, effectiveness, transparency, and accountability.** The FSA considered the PFM institutional capacity assessment of the main implementing agencies, the Ministry of Education (MOE), the Technical and Vocational Skills Development Commission (TVSDC), and the Vocational Training Center (VTC), as well as knowledge of Jordan’s PFM and public procurement systems. The FSA also reviewed the existing analytical and diagnostic analysis, published information, and reports. The overall Program’s fiduciary framework is assessed as adequate to provide reasonable assurance that the Program financing proceeds will be used for intended purposes, with due attention to the principles of economy, efficiency, effectiveness, transparency, and accountability. The full FSA is filed in the Program file.

2. **Jordan’s PFM system continues to evolve and modernize.** The Public Expenditure and Financial Accountability (PEFA) Assessment of 2022 confirms that Jordan made strides in developing its PFM systems,<sup>86</sup> including high coverage of Government Financial Management Information System (GFMIS), Jordan’s budgetary central government budget classification system meets Government Financial Statistics (GFS) standards, fiscal reports are largely comprehensive, budget preparation process works relatively well, with a clear budget calendar which is complied with to a large extent, and ceilings previously approved by the Government are issued to spending Ministries, in-year resource allocation is relatively predictable, strong payroll controls, all government transactions take place through the Treasury Single Account (TSA), bank reconciliation takes place daily, most suspense accounts are reconciled and cleared without delay in exception to a few legacy balances and accounts, and the internal control framework in Jordan has continued to evolve and modernize. On the other hand, there is no evidence yet of benefits from the improvement of public investment planning, there are some delays in the timely submission of the budget to the legislature, recourse to expenditure arrears in some sectors (i.e., health, energy), delay in the timely clearance of long outstanding material suspense and advance accounts, full inclusivity of in-year budget reports to include not only payments and expenditures but also commitments, and the contribution of the National Assembly in holding the GOJ to account seems to have been weakened. Many of the initiatives to improve PFM remain work in progress, and continuing efforts will be needed to secure the benefits in terms of economy and efficiency and better services for the citizens.

3. **Public procurement reforms are also ongoing and significant improvement has been brought to the legal and institutional framework as well as to procedural aspects for public procurement.** The enactment of public procurement bylaw No. 28 of 2019 subsequently replaced by bylaw No. 8 of 2022 (Procurement Bylaw), has brought significant improvement to the legal and institutional framework as well as to procedural aspects for public procurement. The scope of application of the Procurement Bylaw covers all government entities and units. It established two independent committees: (a) a Procurement Policy Committee (PPC), with the mandate for policy making, oversight and development of the procurement system; and (b) a Procurement Complaint Committee (PCC), with the mandate for administrative review of unresolved complaints from bidders alleging unfair treatment in the procurement proceedings. The Procurement Bylaw is generally consistent with international good practice and abides by procurement principles of transparency, fairness, economy, integrity, and value-for money, however, its effective implementation is still work-in-progress. Standard Procurement Documents, including contract conditions and bid evaluation templates for various types of procurement (supplies, works, technical, and consultants’ services) consistent with international best practices are being finalized by GPD and GTD, has been developed with the Bank’s support. Those will be used under the Program, once

<sup>86</sup> Jordan: Public Expenditure and Financial Accountability (PEFA) Assessment (2022)



approved by the PPC, then digitized in JONEPS as part of the ongoing enhancements. The procurement training strategy, approved by the PPC, envisages the deployment of procurement and contract management training to all government agencies and units. The Institute of Public Administration is leading the training effort with the support of the World Bank-administered Multi-Donor Trust Fund (P172421). All line ministries, including MOE, received orientation training on the Procurement Bylaw. Training of Trainers on procurement of works and contract management for works was also delivered. Other specialized TOT courses were carried out in May 2024, and training will be deployed to line Ministries.

4. **The program implementing agencies (PIAs) have received their budget allocations and releases on time in a relatively predictable manner.** Currently the in-year financial reports prepared by the PIAs capture the program expenditures and are prepared and published on time. All the PIAs adhere to the annual budgetary requirements of the Ministry of Finance (MOF), and monthly financial reporting requirements, with limited exceptions. Their internal control systems are very robust with regular reconciliations and minimal unreconciled items, this includes the internal controls procedures over the PEF, including payroll and other expenditures. Those strong controls provide reasonable assurance over the integrity and reliability of the financial information and financial statements. The audit reports of PIAs have been timely submitted and the audit opinions provided have been clean, with limited observations included in the management letter. However, the PIA budget allocations should be less susceptible to budget cuts and therefore any potential liabilities at yearend, the PIAs should also focus on building capacities within the budgeting and financial reporting departments, strengthening the budget preparation process by building capacity amongst staff, introducing new IT solutions and preparation of process manuals to ensure sustainability.

5. **The PIAs shall execute the activities in accordance with the World Bank's Guidelines on Preventing and Combating Fraud and Corruption in Program-for-Results Financing.** The implementation agencies will (i) share information with the World Bank regarding all allegations of fraud and corruption in connection with the Program, investigate all credible allegations received, report to the World Bank on actions taken, and cooperate in any inquiry that the World Bank may conduct into allegations or other indications of fraud and corruption in connection with the Program; and (ii) monitor and abide by the World Bank's list of debarred/suspended firms.

## II. Risk assessment

6. **Key fiduciary risks have been identified and those that could potentially impact the Program are:** (a) potential budget cuts due to fiscal constraints that could be exacerbated by the conflict in the Middle East; (b) possible budget variances and budget under spent; (c) capacity constrains in FM and disbursement functionalities at the DCU and the budget department, (d) lack of experience with World Bank fiduciary guidelines and requirements relevant to PforRs by some of the implementing agencies, (e) inefficiency in processing procurement transactions and multiple clearances, (vi) rebidding/cancelation due to the poor quality of the TOR/ Specifications affecting the bidding process and contract implementation, thereby resulting in variations in cost and timeline, as well as the quality of deliverables; (vii) weak capacity for contract management and administration due to delays in deploying officials for training and capacity building of line ministries and government agencies; and (viii) lack of procurement planning and systematic tracking and monitoring of procurement and contract performance throughout the procurement cycle from the needs assessment to inventory management.

7. **These risks will be mitigated through:** (a) The DCU at MOE will lead the main functions of the Program's implementation, including FM and procurement, and ensure that all reports are collected and submitted to the World Bank; (b) annual budget performance analysis and allocation will be conducted during implementation for the implementing agencies; (c) special annual reports on the PIA's performance will be submitted to the Bank for monitoring purposes; (d) the Jordan Audit Bureau or a qualified audit firm will submit annual audited financial statements of the program and main implementing agency; (e) MOE DCU will coordinate and monitor the overall procurement plans; (f)



timely recording of procurement transactions will be ensured; (g) building-up capacity of the fiduciary team and procurement departments in all involved institutions by having the procurement staff trained in public procurement by law no. 8/2022, including e-procurement (JONEPS), and on use of the new national standard bidding documents (PAP); (h) hiring new staff if deemed necessary (PAP); (i) review the requirements of deliverables, consultant qualification, and experience of key experts, as well as regular communication between the expert's team and the client during contract management; (j) DCU to submit periodic reports (quarterly) procurement performance monitoring reports with key data sets, and MOE to review these reports and monitor all procurement activities (PAP); and (k) use of Framework agreements for simple repetitive procurement (PAP).

### **Planning and Budgeting**

8. **The assessment indicates that Jordan's budgeting arrangements are adequate for the program.** This conclusion is supported by Jordan scoring relatively high (B and above) in the 2022 PEFA assessment in relation to budget preparation, budget documentation, medium-term budgeting, budget preparation process, and in-year budget reports.

9. **All the proposed program implementing agencies follow the Organic Budget Law of 2021 (replacing the law of 2008).** The GFMS is fully utilized for budget execution but not for budget preparation, given that manual interventions with various IT tools are being used. The GFMS offers limited functionalities for (a) budget preparation, as there are important challenges faced in moving the budget preparation procedures to the GFMS platform, which requires the use of separate off-the-system IT tools and platforms (b) the presentation of an initial policy-focused budget submission, (c) the entering of multiple quarters and multi-year commitments, and (d) capturing and populating the outstanding commitments and outstanding invoices for arrears monitoring. As a result, arrears have continued to be a problem. Jordan's budgetary central government budget classification meets Government Financial Statistics/ Classification of the Functions of Government (GFS/COFOG) standards<sup>2</sup>. These classifications are included in the current chart of accounts, allowing for all transactions to be reported in accordance with the appropriate standards. The budget structure is aligned to the priority actions as per the MASAR program which it is supporting. The budget is published on the GBD's website ([www.gbd.gov.jo](http://www.gbd.gov.jo)). The final accounts and the monthly General Government Finance Bulletin, which include budgetary government finance statistics aggregated according to the economic and functional classifications, and other annual financial reports are also published on the Ministry of Finance's website, the most recent of those financial bulletins and reports including the 2022 annual reports, and the 2023 procurement plans.

10. **In 2022, MOF introduced a major enhancement to the budget law by combining the central government and the independent public institutions' budget laws into one.** Previously, there were two budget laws, one covering the central government and another for public governmental institutions. The most recently issued budget law for 2024 combined the central government and independent public institutions. It is arranged by sectors, including public administration, security and defense, judiciary and religion affairs, financial management and planning, tourism, investment, industrial development, infrastructure and local development, agriculture and natural resources, health and social development, education, human development, and youth and culture. As a result of the enhancement, the budgets of TVSDC and VTC are now part of the government budget and adhere to the same budgeting preparation and reporting procedures as other line ministries in GOJ.

11. **The 2022 Public Expenditure and Financial Accountability (PEFA) Assessment confirmed that Jordan maintains a high budget control standard.** This is also supported by the budget performance analysis conducted for the proposed implementing agencies, which indicated that deviations of the actual expenditures from the original budget are acceptable. On the other hand, the 2022 PEFA Assessment reported a positive aspect concerning the limited use of the practice of charging expenditures to a contingency vote, which accounted for an average of only 0.6 percent of total expenditures in 2018- 2020.



12. **The proposed Program will be implemented with the general budget law (for MOE, TVSDC, and VTC) starting FY 24 to FY29.** Jordan has a robust classification system, which includes comprehensive classifications broadly consistent with the IMF’s Government Finance Statistics Manual 2001, including administrative, economic, functional, geographical, and program classifications. These classifications are included in the current chart of accounts allowing for all transactions to be reported in accordance with the appropriate standards. The budget of each line ministry, including MOE which is the main implementing agency for this PFORR, includes strategic objectives and performance indicators to monitoring progress toward achieving objectives using key performance indicators. All line ministries and government units’ budgets annually publish—on the GBD website—their strategic objectives, key performance indicators, and outputs of the preceding two years and programs for the ensuing three years. This provides a sufficient basis for tracking and evaluating service delivery by ministries and public entities.

13. TVSDC and VTC prepare annual budgets subject to the approval of the council or Board and then submitted to the Ministry of Finance / General Budget Department to be included in the draft government unit budgets law, which is approved by the constitutional bodies and stages of approving laws. The budget preparation process, systems used, and proposed timeline for preparation is similar to the budget preparation process for other line GOJ line ministries including MOE. The main area of difference is the size of operations and activities and the relevant allocated budget.

14. TVSDC and VTC budget is derived from its strategic plan and planned activities and operations for the upcoming year, taking into consideration last year budget performance and the technical, financial, and administrative needs in a financial way. The budget is outcome based and includes a set of programs and pillars related to operational activities and capital projects that will be accomplished based on financial estimates approved by the authorized authority and a tool for monitoring and evaluating performance.

**Budget performance Analysis**

15. A comparison of actual aggregate expenditure against the originally approved budget for MOE, TVSDC, and VTC was conducted and concluded that actual expenditure deviated from the original budget is overall acceptable.

| Row Labels   | Budget 2021          | Actual 2021          | % deviation  | Budget 2022          | Actual 2022          | % deviation    | Budget 2023          | Actual 2023          | % deviation     |
|--------------|----------------------|----------------------|--------------|----------------------|----------------------|----------------|----------------------|----------------------|-----------------|
| <b>MOE</b>   | <b>1,051,488,000</b> | <b>1,044,442,149</b> | <b>-0.7%</b> | <b>1,111,099,000</b> | <b>1,091,928,406</b> | <b>-1.73%</b>  | <b>1,197,776,000</b> | <b>1,190,381,000</b> | <b>-0.617%</b>  |
| Capital      | 98,029,000           | 86,830,482           | -11.4%       | 97,548,000           | 87,423,393           | 10.38%         | 131,504,000          | 126,219,000          | -4.019%         |
| Recurrent    | 953,459,000          | 957,611,667          | 0.4%         | 1,013,551,000        | 1,004,505,013        | -0.89%         | 1,066,272,000        | 1,064,162,000        | -0.198%         |
| <b>VTC</b>   | <b>16,153,000</b>    | <b>14,696,837</b>    | <b>-9.0%</b> | <b>15,543,000</b>    | <b>14,795,793</b>    | <b>-4.81%</b>  | <b>19,471,000</b>    | <b>18,364,000</b>    | <b>-5.685%</b>  |
| Capital      | 4,678,000            | 3,682,872            | -21.3%       | 3,256,000            | 2,931,699            | -9.96%         | 6,021,000            | 5,835,000            | -3.089%         |
| Recurrent    | 11,475,000           | 11,013,965           | -4.0%        | 12,287,000           | 11,864,094           | -3.44%         | 13,450,000           | 12,529,000           | -6.848%         |
| <b>TVSDC</b> | <b>8,286,000</b>     | <b>7,520,183</b>     | <b>-9.2%</b> | <b>5,226,000</b>     | <b>3,801,522</b>     | <b>-27.26%</b> | <b>14,945,000</b>    | <b>9,823,000</b>     | <b>-34.272%</b> |
| Capital      | 7,150,000            | 6,612,988            | -7.5%        | 3,866,000            | 2,825,227            | -26.92%        | 13,496,000           | 8,496,000            | -37.048%        |
| Recurrent    | 1,136,000            | 907,195              | -20.1%       | 1,360,000            | 976,295              | -28.21%        | 1,449,000            | 1,327,000            | -8.420%         |

| Government program | 2021                 | 2022                 | 2023                 | 2024                 | 2025                 | 2026                 | 2027                 |
|--------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| MOE                | 1,051,488,000        | 1,111,099,000        | 1,197,776,000        | 1,254,669,000        | 1,284,776,000        | 1,302,695,000        | 1,302,695,000        |
| VTC                | 16,153,000           | 15,543,000           | 19,471,000           | 19,964,000           | 20,895,000           | 21,053,000           | 21,053,000           |
| TVSDC              | 8,286,000            | 5,226,000            | 14,945,000           | 10,698,000           | 11,470,000           | 11,789,000           | 11,789,000           |
| <b>Total JOD</b>   | <b>1,075,927,000</b> | <b>1,131,868,000</b> | <b>1,232,192,000</b> | <b>1,285,331,000</b> | <b>1,317,141,000</b> | <b>1,335,537,000</b> | <b>1,335,537,000</b> |
| <b>Total USD</b>   | <b>1,517,057,070</b> | <b>1,595,933,880</b> | <b>1,737,390,720</b> | <b>1,812,316,710</b> | <b>1,857,168,810</b> | <b>1,883,107,170</b> | <b>1,883,107,170</b> |

|                              |  |       |       |                |       |       |       |
|------------------------------|--|-------|-------|----------------|-------|-------|-------|
| Budget increase              |  | 5.20% | 8.86% | 4.31%          | 2.47% | 1.40% | 0.00% |
| Total government budget 2024 |  |       |       | 12,371,185,000 |       |       |       |
|                              |  |       |       | 10.4%          |       |       |       |



16 From the tables above, the following could be noted:

- Budget variation is very limited across all implementing agencies, strong budget controls are in place to ensure the actual costs do not overrun the approved budget, however actual expenditures normally underperform the budgetary amounts by a slight margin, this is in line with the GFMIS budget preparation guidelines and budget controls, whereas on monthly basis MOE and IA request approvals for cash forecast allocations from MOF based on expected expenditure payments for the month. MOF therefore implements another layer of control after approving the budget and making the budget allocations, when approving monthly cash forecasts and expenditure payment limits.
- Budget variation for recurrent expenditures (i.e., salaries and related expenditures) is very small, in the case of MOE it is less than 1%, variations are mainly from capital expenditures, and more specifically from certain capital projects that are the first to be affected by budget cuts, especially during the last quarter of the year. The capex definition used for budgetary purposes is not accurate, as it includes none-capital expenditures such as salaries and other operational expenses related to core operations.
- On quarterly basis, the finance department at MOE prepares a “quarterly cash expenditure report” to the MOF GBD, this is a new pilot report introduced in 2023. The report includes a summary of the actual expenditures during the quarter, achieved results and activities, a comparison of the actual vs. budget amounts for any variances, explanations of any major variations from the budget, and other important information. The quarterly report is submitted to the MOF GBD for review. As part of the FSA, we reviewed Q3 and Q4 2023 reports.
- The MOE, TVSCD and VTC budgets have increased steadily for the past number of years, the main driver for the increase is the organic salaries growth rate (%3-5), increase attributable to newly implemented activities, initiatives, and capital projects is limited.

17. **Since 2016, Jordan has been working on improving the strategic allocation of resources through the preparation of strategic plans for service delivery and the requirement for key performance indicators (KPIs) for every Department’s expenditure program against which actual achievements are measured.** However, the KPIs, for the most part, are still defined in terms of outputs or activities rather than outcomes in terms of service improvements, and the budget documentation does not provide any clear indication of the actions to be undertaken in order to achieve given outputs, let alone outcomes.

### III. Procurement Planning

18. **Procurement Exclusion:** It is estimated that no specific exclusion will be required (other than the standard ones identified in the Loan Agreement). All individual contracts under this Program are estimated to be below the Operations Procurement Review Committee thresholds following values: (i) works US\$115 million equivalent; (ii) Goods US\$75 million equivalent, (iii) non-consulting services US\$75 million equivalent, and (iv) consulting services US\$50 million equivalent.

19. **Procurement Categories** of the Program activities include supply of Goods, Works, technical assistance, and consulting services while further category wise details of procurement expenditure were not made available at the time FSA was conducted.

20. **Procurement Planning:** As per Article 4 of Procurement bylaw No. 8 of 2022, government agencies, including MOE, are mandated to prepare an annual procurement plan to rationalize and control public expenses. The procurement plan shall be prepared at least one month before the end of the fiscal year in accordance with the procedures of preparing the annual budget. The agency shall publish on its official website and on the e-procurement portal a summary of its annual procurement plan. Pursuant to the above requirement, the PPC issued a policy note on procurement planning describing the objectives, the requirements (market research, supply chain review, monitoring performance of planning versus actual, etc.) as well as defining the template of the procurement plan, which will allow extracting pertinent data for performance monitoring purposes. The assessment verified that MOE has not prepared or published annual procurement plans pursuant to the Procurement bylaw. Given the significant increase in the annual procurement budget and activities



forecasted under the Program, effective procurement planning and monitoring would be critical to ensure that procurement is carried out with due attention to economy, efficiency, effectiveness, transparency, and accountability. As part of the PAP, it was agreed that MOE, will prepare and publish in JONEPS an annual procurement plan and update it at least quarterly, based on the Program annual work plan and budget. The plan will be prepared at least one month before the end of each fiscal year. It will be the main tool for tracking and monitoring procurement implementation.

#### **IV. Budget execution**

##### **Treasury Management and Funds Flow**

21. **The program will follow Jordan's treasury management system, which is found acceptable.** All implementing agencies of the Program have their transactions implemented through the Treasury Single Account (TSA). The Central Bank of Jordan (CBJ) maintains all Treasury accounts to which the MOF has real-time access. A daily report by the CBJ allows the Treasury to know the source of all financial transactions. The World Bank funds will be transferred to the Treasury's current account at the CBJ. The bank reconciliation takes place daily for all program implementing agencies. By-Law No. 3 of 1994 and the associated implementing instructions require monthly reconciliations to have been completed by budgetary institutions, including at the governorate level, by the end of the first week of the following month as a condition for receiving the next cash release. There have been no delays in transferring the cash releases by the MOF to the proposed implementing agencies of the Program. Most suspense accounts are reconciled annually, but there are significant uncleared balances outstanding. In general, it can be concluded that reconciliation takes place annually within two months of the end of the financial year. However, the existence of very long-outstanding balances that have not been cleared means that it cannot be concluded that all suspense accounts are cleared in a timely way. Based on the assessment performed, the Program IAs do not have any material long-outstanding balances, or suspended accounts that affect the implementation of the Program, in addition, all monthly reconciliation procedures are performed regularly with no exception and limited unreconciling items are reported which require further elaboration and justification.

##### ***Disbursement Arrangements***

22. **The Program RAs are embedded in the budget and expenditure management processes of the country system.** Program funds will be entirely reflected in the central government budget. All Program payments will be made through the centralized Treasury system of accounts held at the Central Bank of Jordan. The government, through its budget, will transfer the funds to the implementing agencies based on the expenditure framework and activities to be executed and thus prefinance the expenditure. The government will claim disbursements from the Bank as DLIs are achieved and validated as per verification protocols. For advances and achieved results, the funds will be disbursed to the government's Treasury Single Account (TSA). The disbursements under the DLIs will be compared with the Program expenditures by the Bank fiduciary and technical teams during implementation to avoid any risk of incoherence in the last year of the Program.

23. **MOPIC will be responsible for submitting withdrawal applications, including the necessary supporting documents evidencing DLR achievements.** The program funds will be transferred to the MOF Treasury Account at CBJ.

24. Under the ongoing PforR program with MOE (JERSP), the Audit Bureau is engaged to perform an audit of the financial statements of the MOE since beginning of the program in 2018, the most recent audited financial statements of MOE were for the year ended December 31, 2022, a clean audit report was issued with a nil management letter, the audit opinion is dated July 12, 2023. The 2023 audited financial statements are under progress and should be issued before June 30, 2024.





### Accounting and financial reporting

25. **The accounting and financial reporting systems are found acceptable for the Program's purposes.** MOE, TVSDC and VTC use the GFMS for recording accounting transactions related to the program, against the approved and allocated budget and budget line items. All the expenditure transactions (including both opex and capex) follow the expenditure-payment voucher cycle and the related internal control checks as specified in the National Financial System of Jordan, which includes: (a) technical approval of the department involved; (b) finance staff checking and approval; (c) resident Internal Auditors; and (d) Ministry of Finance's Financial Controller who validates the accuracy of the payment and its compliance with the applicable laws in Jordan and with the World Bank procurement and FM procedures as well as the Loan/Grant terms and conditions.

26. The finance department at MOE, TVSDC, and VTC submit several financial reports including: (i) Quarterly actual vs. budget expenditure reports including budget variations and their explanations, (ii) a monthly financial position report, representing entities data according to administrative, economic, program, funding, and geographical classifications, the report is stamped and signed and submitted manually, (iii) a monthly cash forecast (opex and capex) report, in order to release the required funds to cover the monthly expenditures expected to be paid during the month, this report is submitted during the first week of each month, (iv) monthly summary reports and reconciliations for certain designated accounts and trust fund balances that are accounted for off the GFMS and off budget systems. The above quarterly and monthly reports are prepared and reviewed by the finance department and submitted to the MOF, including the MOF GBD for further supervision and follow up.

27. **Annual financial statements are prepared annually by the MOF in accordance with IPSAS cash accounting.** They include revenues, expenditures, financial assets, liabilities, guarantees, long-term obligations, and cash balances comparable with the approved budget. Finalization of the annual accounts is required by law by June of the following year, and this has been complied with during the recent years. MOF issues the government annual consolidated financial statements in accordance with IPSAS cash accounting and has an ambitious plan to convert to the IPSAS accrual basis in the near future. Jordan Audit Bureau audits the government annual consolidated financial statements and the most recent published audited consolidated financial statements are issued for the year ended December 31, 2018, and 2019, with a clean audit opinion.

28. Under the ongoing JERSP PforR with MOE, the Jordan Audit Bureau is engaged to perform an audit of the financial statements of the MOE since beginning of the program in 2018, the most recent audited financial statements of MOE were for the year ended December 31, 2023, a clean audit report was issued with a nil management letter, the audit opinion is dated April 14, 2024.

29. TVSDC's annual financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) and is audited by a private sector audit firm, the 2022 audited financial statement were issued on October 30, 2023, a clean audit opinion was issued. The 2023 financial statements are under progress. VTC prepares its quarterly and annual financial reports that are reviewed by management in accordance with their internal mandates, the most recent cover the years 2022 and 2023.

### Procurement processes and procedures

30. **Procurement procedures and processes are implemented in accordance with Procurement bylaw No.8 for 2022 and associated Instructions.** Procurement Bylaw covers a combination of centralized and decentralized procurement. For government agencies, including line ministries and other entities, procurement processing is centralized at the General



Tendering Department (GTD) for procurement of works estimated to cost equal to or more than JOD 500,000 and related technical consultancies estimated to cost equal to or more than JOD 50,000, and at the General Procurement Department (GPD) for supplies, non-consulting services and consultants' services estimated to cost an amount equal to or more than JOD 60,000. Procurements estimated to cost less than the above thresholds are processed by the government agency (MOE in this case). The Procurement Bylaw also provides the option of establishing a Special Tenders Committee to handle procurement processing regardless of the estimated cost, without the need to go through GTD and GPD.

**31. Contracts for goods, works, and maintenance awarded by MOE are generally of small value with only few contracts exceeding the above thresholds for centralized procurement.**

- a. From Jan. 2022- March 2024, out (445) procurement transactions for goods and non-consultant (412 open tenders, 33 Request for quotations) were published, (50) contracts have been signed, (50) have been canceled, (15) have been rebid, and (109) are yet to be awarded. Considering the contracts rebid and canceled, there is a need to review the cost estimates to be more realistic, linking of allocated budget and better planning to reduce the extent of cancellations.

**Procurement of Goods and non-consultant contracts from Jan. 2022 - March 2024**

| Procurement transactions | Percentage. | total activity | RFB        | RfQ       |
|--------------------------|-------------|----------------|------------|-----------|
| published                |             | <b>445</b>     | <b>412</b> | <b>33</b> |
| under evaluation         | 5%          | <b>20</b>      | <b>20</b>  | -         |
| signed                   | 10%         | 43             | 10         | <b>33</b> |
| awarded                  | 26%         | 109            | 109        | -         |
| rebid                    | 4%          |                | 15         | -         |
| cancel                   | 12%         |                | 50         | -         |

- b. From Jan. 2022- March 2024, out (710) procurement transactions for maintenance (517 open tenders, 193 Request for quotations) were published, (587) contracts have been signed, (24) have been rebid, due to the estimated cost is higher than the estimated; and (31) have been canceled there is no further need for them. Many of contracts are of similar nature and could be covered under framework agreements to reduce the number of transactions to be handled.

**Procurement of construction contracts from Jan. 2023 - March 2024**

| Procurement transactions | Per. | total activity | RFB       | RfQ       |
|--------------------------|------|----------------|-----------|-----------|
| published                |      | <b>107</b>     | <b>77</b> | <b>23</b> |
| signed                   | 75%  | 80             | 58        | 15        |
| awarded                  |      |                |           |           |
| rebid                    | 10%  | 11             | 6         | 5         |
| cancel                   | 6%   | 6              | 6         | -         |

- c. From Jan. 2023- March 2024, out (107) procurement transactions for construction (77 open tenders, 23Request for quotations) were published, (80) contracts have been signed, (11) have been rebid, due to the estimated cost is higher than the estimated; and (6) have been canceled there is no further need for them.
- A brief analysis of procurement transactions shows that most cancellations and rebidding were because either (a) the bids received were higher than the estimated amount, and the recommended contractor refused to match the allocated amount, (b) no bid was received, or (c) the activities were no longer needed. Usually rebidding has



been attempted twice after revising the requirement/ specifications. If the rebidding is also not successful, the selection method is changed from RFB to RfQ and awarded. Main reason being RFQ does not require bid security or other fees that encourages the contractors to apply. In a random review of 20 contracts, it is noted that bid evaluation criteria and bidder qualification requirements were not specified. The contract was awarded to the lowest bid price with recommendation to negotiate if the price is higher than the allocated amount without ensuring that the bidder possesses the required capabilities to implement the contract. Standard Procurement Documents, including contract conditions and bid evaluation templates for various types of procurement (supplies, works, technical, and consultants' services) consistent with international best practices are being finalized by GPD and GTD, with the Bank's support. Those will be used under the Program, once approved by the PPC, then digitized in JONEPS as part of the ongoing enhancements.

32. **The experience from the ongoing operations** suggests the practice of separate procurement processes for simple, routine maintenance of schools leading to inefficiencies and high transaction cost. The Bank team has helped the government develop the standard procurement Documents for Framework Agreement for such simple and repetitive. The use of such Framework Agreement for simple school maintenances is included as action under PAP to improve the procurement effectiveness. From a review of 20 maintenance contracts, it is noted that average number of participants is between 3-5 and is expected to lead to sufficient competition under framework procurements.

33. **The JONEPS platform is operational, and JONEPS is being gradually deployed**, it is currently used by GTD and GPD and 22 agencies. Full deployment at the level of Ministries planned by 2025. Capacity building and professionalization of the procurement workforce will particularly require a few years to be completed. Therefore, weaknesses persist in the procurement cycle.

34. **Procurement Performance: currently there is no systematic monitoring of procurement performance and data on procurement transactions in MOE is incomplete and mostly** procurement-related records (from advertisement to final invoices) **kept in hard copy**. The execution of Program procurement transactions through JONEPS, will ensure systematic tracking, recording, and processing in digital form, and will facilitate enhancement of procurement performance and retrieval of procurement records when needed. JONEPS developed Contract Management module is not fully operational and being enhanced to also, cover Works contracts. In parallel, JONEPS is having discussions with GFMS to develop an Application Programming Interface (API) to connect both systems and consolidate data. Once the Contract Management module is tested, consolidation will be very meaningful. No data sets could be made available to make an informed assessment regarding, the average bid response, procurement lead time (such as between bid opening to bid evaluation, bid evaluation to contract signing, time and cost overruns and average time in payments under the contract) and draw a conclusion on the performance of procurement system. Therefore, an action is included under PAP requiring DCU to submit quarterly procurement performance monitoring reports with key data sets. The assessment, however, revealed about 20 percent of bid cancellations/rebidding which is attributed to several factors like to poor planning, choice of procurement method, and poor quality of bidding documents etc. With the implementation of risk mitigation measures, use of framework agreement for simple repetitive routine school maintenance contracts, number of cancellations and rebidding are expected to be reduced significantly, which will be closely monitored and reported in procurement performance monitoring reports.

35. **Contract management**. Given the small value and simple nature of awarded contracts, contract management appears to be generally satisfactory, however instances of cost and time overruns were reported. Those were mainly attributed to poorly drafted technical specifications and/or contractors lacking the financial and technical capability for contract implementation, and delays in payments. Records of contract management are not available in electronic form. JONEPS developed an e-contract module that will support data collection on execution of contracts.

36. **Settlement of Contract Disputes:** As per Article 84 of the Procurement Bylaw no.8/2022, Jordanian courts will be



referred to for settlement of disputes during the execution of contracts. However, the contract may provide other dispute resolution methods, starting with amicable settlement and escalating to arbitration. The contracting parties may have recourse to a third party for the settlement of disputes using conciliation and mediation by appointing dispute experts or dispute review boards and the related appointment procedures for such conciliators.

### **Internal Controls and Internal Audit**

**37. The overall control environment continues to be acceptable for Program implementation.** Internal controls and internal audit function are governed by the applicable Financial By-law (1994) and its Amendment (2015) and the Financial Control By-law (2011) and its Amendment (2015). Each implementing agency has its own internal audit unit in the Finance Department and an Internal Control Unit (ICU) responsible for the effective operation of the internal financial control system. They also have a financial control unit comprising employees of the MOF, which performs a financial controller function. The MOF also has a central ICU that ensures that line ministries' ICUs implement correctly and fully the provisions of the government control system.

**38. There is a robust system of internal controls for non-payroll expenditures based on prior approval and internal oversight in government ministries under the external oversight of the MOF.** Their internal control system is based on prior approval and internal oversight. The MOF-assigned financial controllers oversee transaction-based compliance controls over payments, recording of transactions, and production of periodic and final accounts. In practice, no expenditure payments (opex or capex) can be authorized and processed before financial controllers verify and sign off on payment vouchers. In addition to resident MOF financial controllers, implementing agencies have internal auditors who mainly perform the job of internal/financial controllers. Internal audit activities are primarily confined to ex-ante review of receipts, expenditure vouchers, and disbursements. Internal audit activities are, in this case, not designed to comply with practices and standards promulgated by international standard setters. Ultimately, there appear to be numerous ex-ante controls by the MOF financial controllers and internal auditors, but with no indication of payment delay due to the latter.

**39. Internal audit activities are focused primarily on financial, legal, and administrative compliance.** Although there is a commitment to the application of international internal audit standards, the emphasis of work across the government tends still to be more on compliance rather than on the performance of systems and the assessment of risks.

**40. Given the extensive attention paid to pre-audit verification of payments, compliance rates with rules and procedures are found to be acceptable.** The Internal Control and Inspection Department of MOF in its monthly reports to the Assistant Secretary-General for Administrative Affairs (copied to the AB) identifies so-called "violations" of internal control procedures, which it gives line ministries the opportunity to correct. There are no problems regarding payments not following or seeking exceptions from prescribed procedures since GFMIS does not permit exemptions from its procedures. The MOF Internal Control and Inspection Department did not identify any material weaknesses in the Internal Controls of MOE or other IA in the latest monthly reports.

**41. The internal audit code requires Internal audit units in each implementing agency to set out their annual audit objectives and plans and submit detailed plans of IA engagements and timeline for issuing IA reports.** Material weaknesses and significant deficiencies found in examining transactions normally require corrective action within one or two weeks, while control deficiencies that require operational changes take longer to address. Follow-up on the implementation of recommendations ensues, and a quarterly report is submitted to the Inspection and Control Directorate of the Ministry of Finance, explaining the work and activities of the ICU during the period covered by the report, the violations discovered, and the measures taken by the concerned departments. MOE Internal Audit department submits its reports to the audit committee and other relevant committees and agencies, based on discussions with relevant departments and review of IC reports, no material observations or alarming concerns were flagged by the IA at



MOE in its recent reports. The World Bank will review the internal audit report as part of the supervision missions and follow up on any pending issues or previously flagged observations.

### *Payroll*

42. **Given that the program will heavily finance salaries and wages (refer to the PEF), an assessment was conducted for payroll HR systems at the implementing agencies and found acceptable.** The 2022 PEFA assessment confirmed that payroll controls are high in Jordan (A score). Payroll is administrated by the payroll department at the Directorate of Employees Affairs (HR) at each implementing agency. The payroll systems have a good degree of integration and reconciliation between the position controls, personnel records, and payroll registers. The payroll system in Jordan follows the Civil Service Bureau's instructions, and it is in line with the national financial law and internal controls regulation, as well as the instructions issued by the MOF. The HR department ensures the completeness of information and the data entry of related salary entitlements through an automated system and record archival in the system, as well as in paper files. HR input in the system is subject to both automated and human checks. A payroll schedule is prepared monthly and subject to several layers of approvals (payroll officer, head of payroll unit, the department manager [budget holder], Internal Control Department, MOF financial controller, and the financial management manager). Salaries are then transferred to employees' personal bank accounts. Monthly reconciliations are prepared in the system and shared with the internal control unit and the MOF representative. The database is audited by an internal audit mission within the Directorate of Employee Affairs to ensure that all changes are supported by appropriate documentation. Additionally, there is a regular validation of the number of staff. This falls under the responsibility of each directorate and district, and it is achieved through site visits by the internal audit unit that also checks the data quality. The Audit Bureau of Jordan also audits the data.

### **Program governance and anticorruption arrangements**

43. **The World Bank's Anticorruption Guidelines will apply to the Program.** Specific requirements of the World Bank's Guidelines on Preventing and Combating Fraud and Corruption in Program-for-Results Financing (2015) are the following:

- Sharing information regarding all allegations of fraud and corruption in connection with the Program, investigating all credible allegations received; reporting to the World Bank on actions taken, and cooperating in any inquiry that may be conducted by the World Bank into allegations or other indications of fraud and corruption in connection with the Program.
- Procurement entities shall abide by the World Bank's list of debarred/suspended firms on the World Bank's website (<http://www.worldbank.org/debarr>) and ensure that no contracts are awarded to such firms and individuals. It will be the responsibility of the internal audit function to monitor compliance with this provision in terms of verifying suppliers, contractors and subcontractors, consultants, and checking the names against the World Bank debarred/suspended list, and then reporting if any case is observed.
- Procurement entities shall ensure that fraud and corruption risk prevention measures are implemented throughout the Program, and that they will take timely and appropriate action to address issues.
- For every bidding opportunity under the Program, each participating bidder shall be required to submit (as part of their bid) a self-declaration that the firm/individual is not subject to debarment or has not been sanctioned under the World Bank system of debarment and cross-debarment.
- Regarding national regulations, debarment and anti-corruption in the procurement, according to Article 91(a), Procurement Bylaw No. 8/2022, the PPC shall validate the decisions made by the procurement committees based on the reports of investigation related to the debarment of the bidder, contractor, supplier, or consultant from participating in procurements for durations not exceeding two years in accordance with the instructions and in any of the cases listed therein. The departmental mechanism is covered under the Procurement Bylaw Articles 52, 53, 54, 91 and 92, and Appendix No. (3) of the Code of Ethics, Conduct Articles no. 1 and 2, and the procurement instructions, Articles 34-39.



- The implementing agencies are to check the suspension and debarment list before any contract is awarded, and the government is to report any fraud and corruption issues to the Bank.

44. **Since the ratification of the UN Convention on Anti-Corruption in 2005, Jordan has significantly strengthened its institutional and legal anti-corruption framework.** An Anti-Corruption Commission has been established in 2005 and later merged with the Ombudsman office; prosecuting authorities have been made independent from the government; bribery and illicit enrichment of public officials as well as embezzlement and misappropriation of public property have been criminalized; senior officials are required to declare their income, assets and financial interest to the Financial Disclosure Department of the ministry of Justice under the 2006 Financial Disclosure Law; anti-money laundering legislation was introduced in 2007 and a regime for the freezing, seizure and confiscation of assets has been adopted; whistleblower and witness protection has been introduced; the public procurement legal framework has been strengthened in 2019 and the audit bureau now attend procurement committees as an observer; the anti-corruption commission can request access to declarations of income, assets and financial interest by public officials for the purpose of its investigations, and mobilize the technical expertise or assistance of other oversight authorities, such as the Audit bureau.

45. **Regarding the 2022 Corruption Perception Index (CPI), Jordan ranks 61 worldwide with a score of 47, which is 12 points lower than in 2021 (58).** Jordan ranked fourth among the Arab countries after the United Arab Emirates, Qatar, and the Kingdom of Saudi Arabia. The GOJ launched several initiatives to strengthen the rule of law,<sup>87</sup> protect public money,<sup>88</sup> and combat corruption.<sup>89</sup> These are profound steps in the correct direction, yet there is still a need for a more holistic approach to enhance integrity and transparency in anti-corruption measures, including: (a) publishing periodic and updated public reports on the government's fulfillment of its commitments to fight corruption; (b) enforcing control and oversight over political money and funding; (c) exercising preemptive and periodic disclosures of cases that are referred to the competent courts with respect to corruption and misuse of public office by the relevant authorities; (d) publicizing financial disclosures and beneficial ownership, as well as limiting conflicts of interest; (e) disclosing the number of objections filed against tenders, as well as the measures taken to address those objections; in the event the objections are justified, it is necessary to clarify the corrective measures that are taken; (f) advancing the implementation of digitalization of public services; (g) promoting a deeper understanding of the concepts of integrity, transparency and accountability in order to combat corruption among school and university students through a specialized scientific curriculum; and (h) simplifying investment procedures through a reduction in the bureaucratic red tape that foreign and local investors encounter.

46. **The robustness of the anti-corruption framework reflects the outcome of criminal investigations as reported publicly by the Anti-corruption Commission (Jordan's Integrity and Anti-Corruption Commission, JIACC).** In its most recent annual report for 2022, the JIACC investigations resulted in referring to the Integrity and Anti-Corruption Public Prosecutor a total of 241 investigation cases, helping to recover around US\$22 million.

47. **The JIACC has also recently introduced preventive measures, such as corruption risk assessments and integrity ratings.** The JIACC recently developed a National Integrity System (NIS). The NIS is utilized to assess and rate the performance and compliance of entities regarding national integrity standards (rule of law, accountability, transparency, justice, equality and equal opportunities, and good governance). The JIACC also monitors compliance of the public administrations with the recommendations. In 2023, the Financial Action Task Force (FATF) announced the removal of

<sup>87</sup> Several laws were amended, including the Illegitimate Profit Law, the Audit Bureau Law, and the Integrity and Anti-Corruption Law.

<sup>88</sup> A new approach was adopted in screening the queries and violations listed in the Audit Bureau's report. Joint committees were established to follow up on recommendations and rectify the situation. In addition, cases were referred to the Integrity and Anti-Corruption Commission. The Unified Procurement Bylaw (Bylaw N. 8 of 2022) served to establish a unified, competent authority concerned with government tenders and procurement.

<sup>89</sup> The Council of Ministers has approved the Recruitment Bylaw for leadership position number 78 of 2019, which provided some procedures that enhance the principles of transparency, as well as the policy of open data and cloud computing.



Jordan's name from the list of countries under increased scrutiny in the fight against money laundering and terrorist financing, known as the 'gray list'. This is a recognition of Jordan's significant progress in combating money laundering, terrorist financing, and weapons proliferation by implementing effective strategies aligned with international standards.

**48. Based on this assessment of Jordan's anti-corruption framework and World Bank policy, the PIA's, in coordination with JIACC, will promptly share any reporting of allegations of corruption and subsequent actions.**

### Transparency

**49. Key institutions involved in public financial accountability have established elaborate public information-sharing arrangements on their websites:** a) The MOF publishes multi-year budget planning and execution reports, including key performance indicators covering all core ministries and departments; b) The Audit Bureau publishes its annual report covering the outcome of audits of all ministries covered in the Program; c) The JIACC publishes annual reports and has established a comprehensive mechanism for receiving, investigating, and reporting on all allegations received from the public; d) Procurement notices and contract awards are required to be published in accordance with the Procurement By-law No. 8/2022 using traditional and/or electronic means, and e) Procurement plans are also required to be published for the e-procurement portal, as well as for individual government agency websites.

**50. Public complaints handling (non-related to procurement).** A Central Government Complaints Management System is maintained in the Prime minister's office as a central entity for receiving and monitoring resolution of citizens' complaints directly with all concerned government agencies. The management and maintenance of the system are supervised by the PMO. The unit receives citizens' complaints on services provided by government departments, corporations, and municipalities and follows up with the National Contact Center. The system generates monthly reports that provide a basis for setting performance indicators and making appropriate decisions to reduce citizens' complaints and address negative trends in a practical and evidence-based approach, in line with the vision of the Borrower for better government services achieved by listening to citizens, taking their suggestions into account, and considering them as key partners in developing government services. The Central Government Complaints Management System serves as a central outlet that guarantees the confidentiality of complaints and ensures that they are handled in a professional and transparent manner upon verification of the complainant's identity through databases linked to the system.

**51. Public procurement complaint mechanism.** The PCC was established by the Prime Minister's decision in November 2019 and is located in the Legislation Opinion Bureau. The PCC handles procurement complaints per the Procurement By-law No. 8/2022 (Articles 50 to 53). On average, the PCC handles one complaint every two weeks and follows the defined timeline of the Procurement Bylaw for complaint resolution (around 24 days). Resolutions are published on the procuring entity's website. The JONEPS "Objection" module is developed and activated, but procuring agencies need to commit to closing the loop of objections electronically. The complaint module for escalating objections to the PCC is completed and awaiting launch by the PCC. Complainants who have used the complaint mechanism offline have expressed trust, even in cases where the resolution was not in their favor. The PCC is in the process of recruiting support and technical staff, as well as acquiring suitable offices, IT, and office equipment. Complaint records will be uploaded and published through the JONEPS platform.

**52. Code of ethics for public servants.** All implementing agencies follow the code of ethics for public servants. In general, the code of ethics sets the rules of behavior for employees. As such, it aims to strengthen public confidence in the professionalism and conduct of employees. The code defines relationships with citizens, professional behavior, conflicts of interest, relations with colleagues, personal behavior, and so on.

**53. Conflict of interest.** In addition, bidding documents for public procurement contain ethics clauses, which regulate interactions between the employer and the bidders regarding the process of bid examination, clarification, and evaluation;



conflict of interests; unlawful agreement with competitors or influence on the evaluation committee; and so on. Also, the requirement of this part of the bidding document is that the contractors shall act professionally, impartially, and in accordance with the code of ethics of their profession.

### **External Auditing**

**54. External auditing in Jordan is the responsibility of the Audit Bureau (AB), and its performance was found acceptable for the purpose of the Program.** The Audit Bureau of Jordan (AB) is a member of the International Organization of Supreme Auditing Institutions (INTOSAI) and the Arab Organization of Supreme Auditing Institutions (ARABOSAI). AB was created by article no (119) of the Jordan Constitution which states, “To be established in accordance with the Audit Bureau’s Law to supervise the revenues and expenditures of the state and ways of spending”.

**55. Jordan Audit Bureau audits several World Bank operations,<sup>90</sup> including PforRs, and its track performance is acceptable.** The Audit Bureau is a member of the International Organization of Supreme Auditing Institutions and the Arab Organization of Supreme Auditing Institutions. The Audit Bureau performs the external audit function applied to the general government public institutions.

**56. The MOF is required by law to submit the final account of each fiscal year to the Audit Bureau within not more than six months of the year-end date.** The government’s consolidated financial statements are prepared according to International Public Sector Accounting Standards (IPSAS) and audited by the Jordan Audit Bureau following ISSAI Standards. The latest annual consolidated financial statements for the year ending December 31, 2022, were submitted to the Audit Bureau without delay. The government’s consolidated financial statements are prepared according to International Public Sector Accounting Standards (IPSAS), and the Jordan Audit Bureau issues an audit opinion on those consolidated financial statements. There is a clear Audit Bureau opinion confirming that cash based IPSAS were applied. The government’s annual consolidated audited financial statements are published on the MOF website. The 2023 audited consolidated financial statements are still under progress.

**57. The AB or an audit firm will issue annual audited financial statements for the program under each implementing agency accompanied with a management letter.** For the program’s annual audit, each implementing agency will be responsible for preparing its annual financial information and reports and presenting them to the Audit Bureau for auditing. The MOE DCU will be responsible for coordinating the work with the Audit Bureau and submitting the audited financial statements by June 30 of each year.

**58. The IA will issue separate annual financial statements that are prepared using the IPSAS cash basis of accounting, those financial statements will be audited by AB or an audit firm, using the most suitable auditing standards.** AB is currently auditing several World Bank operations including PforRs and its performance is found to be Satisfactory. For the current active Bank PforR with MOE (P162407 - Jordan Education Reform Support Program), the AB has audited the 2023 financial statements of the Program included within the MOE financial statements and issued a clean audit opinion in April 14, 2024. AB also issued a nil management letter, with no observation or internal control weaknesses noted.

### **V. Program systems and capacity**

**59. The fiduciary capacity will need to be strengthened with FM and Procurement Managers and/or officers for the purpose of the Program.** The MOE DCU is the implementation unit and will be responsible for: a) coordination with Program implementing agencies, b) implementation progress monitoring and reporting both to political leadership at

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<sup>90</sup> Economic Opportunities for Jordanians and Syrian Refugees PFORR, Jordan Education Reform Support PFORR, Jordan COVID-19 Emergency Response IPF, Exploring High Value Socially Inclusive, and Water Efficiency Agriculture in Jordan IPF.





cabinet level and to the World Bank; c) technical assistance and capacity building to Program implementing agencies including by leveraging donor support; d) compliance with social and environmental safeguards including concerning stakeholder engagement, disclosure of information and grievance redress; e) Compliance with fiduciary requirements including on financial management, integrity, and procurement, and f) Report to the World Bank on a prompt basis on (i) any credible and material allegations and other indications of fraud and corruption under the Program that come to the attention of the Borrower during such period, (ii) any investigations launched by the JIACC, into such allegations, and (iii) any remedial or corrective actions taken or planned in response to such allegations or the findings of such investigations to the World Bank on corruption risks and vulnerabilities identified through its investigation within the Program boundaries, along with recommendations on risk mitigation.

60. **Procurement Capacity Assessment.** A procurement capacity assessment was conducted for the proposed implementing agency (MOE). The Program will involve an expansion of procurement activities at MOE in terms of number, and value, compared to earlier years. MOE’s procurement capacity will need to be strengthened to cope with program implementation requirements. This includes (a) hiring a full-time qualified and experienced procurement officer with knowledge of the new methods, techniques, and innovations introduced by the Procurement Bylaw and good procurement practices to support MOE in planning, implementing and monitoring of Program procurements; and (b) Specialized training of MOE staff and members of the STC, on procurement of works, goods and consultant services in the new methods, techniques, and innovations introduced in the procurement bylaw and in use of the national standard bidding documents, contract conditions and bid evaluation templates for various types of procurement, with the Bank’s support as required.

61. **MOE and MOPIC already have strong experience in coordinating the implementation of World Bank PFORR operations,** namely (a) Jordan Education Reform Support Program; (b) The Economic Opportunities for Jordanians and Refugees; and (c) the Jordan Transparent, Inclusive, and Climate Responsive Investment. The MOE DCU also manages the trust fund under the Jordan Education Reform Support Program, which provides support and RETA for the achievement of the Program targeted results as it already does for Jordan Education Reform Support Program PforR.

Table A3.1. Program Systems and Capacity Improvements

| Risks   | Potential Impact on Program  | Key Mitigation Measures  | Type of action |
|---|--|--|----------------|
| Budget preparation process is not efficient and sustainable   | Delay in flow of funds and therefore implementation  | An IT system will be introduced for budget planning, preparation, execution, monitoring and supervision streamlined in MOE. In addition to an updated manual of policies and procedures for the budget preparation and supervision process to ensure sustainability  | IPF TA         |
| FM and Procurement functions are not effectively managed.   | Delays in implementation, high fiduciary risk  | - Improve the capacity of the finance function at the MOE DCU by bringing in new staff and build the capacity of the fiduciary function through trainings and continuous support and providing the DCU with an acceptable accounting software.<br>- Building capacity of procurement departments in all involved institutions by having the procurement staff trained in public procurement bylaw no. 8/2022, including e-procurement (JONEPS), and on use of the new national standard bidding documents. | IPF TA<br>PAP  |
| Coordination on the Program results is challenged by complex implementation through multiple agencies   | Delays in the implementation   | Coordination and Integration of the Program by a central agency (DCU at MOE), especially for Results Areas that include multiple agencies.   | PAP            |
| Lack of procurement planning and systematic tracking and monitoring of procurement and contract performance throughout the procurement cycle from needs assessment to inventory management; | Program procurement performance monitoring will be weak and may lead to time and cost overrun. | Usage of JONEPS to upload procurement plans and process procurement transactions will allow monitoring efficiency of procurement transactions and timeliness. Procurement plans shall be developed and updated based on the annual work plans of different agencies.   | PAP            |
| Procurement process inefficiencies due to inappropriate procurement approach for simple and routine maintenance of schools  | Delays, high transaction cost, loss of economies of scale                                      | Usage of Framework Agreement for simple and routine maintenance.   | PAP            |



|  |   |   |     |
|--|---|---|-----|
| Absence of systemic collection and analysis of procurement data to monitor procurement performance | Effectiveness and efficiency of procurement systems that could affect the Program results | Submission of Quarterly Procurement Performance Monitoring Report with key data sets (planned vs actual no and value of procurements; average bid response, procurement lead time, average time and cost over runs, number of bid processes cancelled and rebid; and average time in payments to the contractors) | PAP |
|--|---|---|-----|

**Implementation support**

62. The fiduciary team will work with the Borrower to monitor implementation progress and address underperforming areas identified in the PAP. Fiduciary support includes:

- Reviewing implementation progress and working with the task teams to examine the achievement of Program results and DLIs that are of a fiduciary nature.
- Helping the Borrower resolve implementation issues and carry out institutional capacity building.
- Monitoring the performance of fiduciary systems and audit reports, including the implementation of the PAP.



## ANNEX 4. SUMMARY ENVIRONMENTAL AND SOCIAL SYSTEMS ASSESSMENT

### Introduction

1. The "Modernizing Education, Skills, and Administrative Reforms" Operation aligns with the Economic Modernization Vision's "Smart Jordan" pillar. This pillar aims to revamp the education sector with a focus on six key areas: early childhood care, basic education, higher education, technical and vocational training, research and innovation, and entrepreneurship, along with data management. Crosscutting support includes digitalization, governance, and legal framework enhancements. The government's program encompasses the first four pillars, and the "Smart Jordan" executive plan was developed through broad consultations with over 500 experts across various sectors, ensuring comprehensive reform implementation.

2. An Environmental and Social Systems Assessment (ESSA) has been prepared by the World Bank for the proposed PforR. The present Annex presents the summary of findings of the ESSA, through which the Bank assesses, at the Program level, the potential Environmental and Social effects (E&S Effects) of the PforR, including direct, indirect, induced, and cumulative effects as relevant. It also assesses the Borrower's capacity (legal framework, regulatory authority, organizational capacity, and performance) to manage those effects in line with the Core Principles of World Bank Policy on Program-for-Results Financing. Finally, it proposes measures to enhance both the E&S management systems and the E&S outcomes during implementation.

### ESSA Methodology and Core Principles

3. The ESSA was prepared through reviews of existing program materials, available policy documents, technical literature and interviews with government staff and key experts. The list of documents reviewed in the ESSA is presented in Annex 1 of the report. The PforR and relevant government systems were assessed against the following core environmental and social principles:

- Promote environmental and social sustainability in the PforR design; avoid, minimize, or mitigate adverse impacts, and promote informed decision-making relating to the PforR environmental and social impacts.
- Avoid, minimize, or mitigate adverse impacts on natural habitats and physical cultural resources resulting from the PforR.
- Protect public and worker safety against the potential risks associated with: (i) construction and/or operations of facilities or other operational practices under the PforR; (ii) exposure to toxic chemicals, hazardous wastes, and other dangerous materials under the PforR; and (iii) reconstruction or rehabilitation of infrastructure located in areas prone to natural hazards.
- Manage land acquisition and loss of access to natural resources in a way that avoids or minimizes displacement, and assist the affected people in improving, or at the minimum restoring, their livelihoods and living standards.
- Give due consideration to the cultural appropriateness of, and equitable access to, PforR benefits, as well as to the needs and/or concerns of vulnerable groups; and
- Avoid exacerbating social conflict, especially in fragile states, post-conflict areas, or areas subject to territorial disputes.

4. The ESSA comprises the following information: (a) a summary of environmental and social effects (impacts, risks and benefits) associated with proposed activities required to achieve the PDO and the Disbursement Linked Indicators (DLIs) for each Results Area; (b) an assessment of the Borrower's environmental and social management systems for managing the identified E&S effects, including reviewing practices and the performance track record applicable to these activities;



(c) an assessment of the extent to which the Borrower's environmental and social management systems are consistent with the World Bank's core environmental and social principles spelled out in World Bank policy and associated guidance materials; and (d) a set of recommendations and actions to address capacity for and performance related to policy issues and specific operational aspects relevant to managing the Program.

### ESSA Consultations

**5. The ESSA was formulated between end March and early April 2024, utilizing a combination of face-to-face consultations and Focus Group Discussions (FGDs) with relevant stakeholders, including all implementing agencies, government staff and experts, civil society, and vulnerable groups throughout the Program preparation. These consultations were integral to the DLIs. The consultation sessions were seeking to:**

- Provide a general overview of the Program.
- Introduce the purpose and scope of the ESSA.
- Obtain answers to prepared key questions around specific aspects of the Program and depending on the audience.
- Obtain feedback on the proposed design and suggested Results Areas (Ras)
- Discuss potential key social and environmental effects, including benefits and potential risks.
- Obtain suggestions for recommendations and actions, especially any negative E&S risks and impacts.

**6. The meetings started with a presentation about the Program, as well as the process and objectives for preparing the ESSA, followed by an open discussion whereby the participants were encouraged to give their feedback about the program.** A summary of the findings, concerns, questions, comments, and recommendations raised by participants, and how they have been incorporated, is available in the ESSA report.

### Environmental and Social Screening

**7. Program Environmental Effects:** The environmental risks of the proposed Program are deemed 'Moderate' due to the scale of construction and civil works for educational facilities, the expansion of vocational training centers, and associated occupational health and safety (OHS) concerns. These risks are exacerbated by the previous Education Reform Support Program's challenges in construction management, delayed actions, and insufficient environmental and social (E&S) capacity within the ministry. The growing demand for vocational training necessitates the construction and modernization of facilities across Jordan, which may lead to non-compliance with environmental safeguards, public health issues, and waste management challenges.

8. To address these risks, it is essential to maintain robust environmental capacity within the Development Coordination Unit (DCU) and other implementing agencies. The Program also offers an opportunity to incorporate environmental, climate change, and green economy concepts into vocational training, which can enhance environmental awareness, develop skills related to environmental priorities, and improve the capacity of employers in priority sectors to manage environmental risks and seize green opportunities. By providing qualifications that meet labor market demands, the Program can increase the appeal of vocational training to students and contribute to sustainable development goals.

**9. Program social effects.** The social risk of the proposed Program is rated as "Moderate," primarily due to potential land-related issues from the construction, expansion, and rehabilitation of KG and TVET facilities. The rating reflects concerns over land acquisition audits and the development of related SOPs, as well as broader social risks like inadequate social risk management systems, stakeholder engagement, social inclusion, and gender-based violence. Previous experiences with the ongoing PforR have shown delays in social actions and weak social risk management within MOE.



10. Despite these risks, the project promises substantial social benefits, such as increased educational access and inclusivity, improved early education, and alignment of TVET with job markets, which are expected to enhance graduate employability and prepare students for a digital world. School expansions are primarily planned on existing lands to minimize land acquisition. However, the program's success may be compromised by the lack of proper social impact assessments, community engagement, and effective social risk management, which could lead to resistance and unmet community needs.

### Grievance Mechanism

11. **The Complaints and Grievances Division (CGD) operates under the mandate of the Internal Control Unit**, which is directly linked to the Minister's office as stipulated by Bylaw No 124 of 2019, amending the MOE's Administrative Organisation System No 46 of 2001.

12. **The organisational structure** places the Internal Control Unit at a level equivalent to a directorate, directly reporting to the Minister. Under this unit are divisions of Financial Audit and Monitoring, Administrative Audit and Monitoring, Technical Audit and Monitoring, Complaints and Grievances, Quality and Standards, and Administrative Performance. The staff within the CGD, comprising a head, members, and a programmer, specialises in administrative science and follows specific job descriptions as per the Ministry's regulations.

### The MoE implements Grievance Mechanisms (GM) at two distinct levels:

13. **National-Level GM: "At Your Service"**: This GM facilitates interaction between the public and MOE through five channels: inquiries, suggestions, praise, complaints, and reports of corruption. It utilizes a mobile app, an e-government portal, and the National Information Center. A chatbot for the Prime Ministry's Facebook page is being developed. The platform processes are well-defined but lack detailed data segmentation by demographics like location, gender, or age, with anonymity preserved except for contact details. An optional GPS feature is available, but its precision is debatable. The platform has a structured protocol for handling complaints, including categorization, logging, and case referral, as per the Organizational and Procedural Regulations. Complaints are sorted by severity and type, and users receive SMS notifications throughout the resolution process. There's a system for the automatic escalation of unresolved issues, and a national dashboard documents all activities, with various metrics used for analysis and performance assessments. Complaint resolutions are communicated through updates, with cases marked as resolved, cancelled, or returned.

14. **MOE-Level GM**: This refers to mechanisms specific to MOE. The predominant tools employed by MOE for grievance redressal encompass a blend of digital and traditional mechanisms to ensure inclusivity and accessibility. Channels for Submitting Complaints are:

- a) **Educational Directorates** (42 Directorates and 20 Administrative Units within the Ministry): Complaints can be made in writing or verbally to the Director of Education at the directorates. A committee, including a representative from the control department, is formed within the directorate to address the complaint locally.
- b) **Ministry Center Complaints**: The complaints department processes these through an internal memo to the relevant department or provides direct instructions for the complainant to file a complaint directly with a particular division. His decision on either case is based on a personal assessment of the complaint format.
- c) **Direct Submission to High-Level Officials**: Complaints are sent directly to the minister, secretary-general, and audit bureau and sent to the complaint department to follow up with the relevant department.
- d) **Email**: A dedicated email address for submitting complaints.
- e) **Hotlines**: Separate hotlines are available for both the directorates and the ministry to facilitate the submission of complaints.



- f) **Complaint Boxes:** These are located at the department head's office for review at the Ministry. Within the directorates, each director is responsible for the review and resolution.
- g) **Insaf Platform (under improvement now):** Since its establishment in 2018, the "Insaf" platform has served as a dedicated electronic channel for both public and private sector teachers to voice their grievances and complaints. The platform seeks to streamline the resolution process, ensuring timely and quality responses to the issues raised. Integrated with the Ministry's Internal Control Unit, "Insaf" ensures strict confidentiality for all submissions, although it requires complainants to provide detailed personal information, limiting anonymity<sup>91</sup>. The World Bank, in line with the current "Education Reform Support Program for Results," has embarked on a comprehensive evaluation of the Ministry's GM) including "Insaf." This assessment aims to pinpoint potential improvements needed. The "Insaf" platform is under technical improvement now to evolve beyond merely receiving complaints from teachers; it is envisioned to streamline the entire process of addressing grievances within the internal framework of the Ministry of Education and its directorates. This enhancement aims to refine the integration of various complaint intake channels, including the "At Your Service" platform, facilitating a more efficient and cohesive handling of grievances.

15. **In 2021, The MOE has established a procedural manual for handling complaints and grievances**, which falls under the domain of the Internal Control Unit. The manual delineates the roles and procedures for processing complaints. It organises the flow from receipt to resolution, emphasising the swift and systematic handling of issues raised by employees, citizens, and other entities.

16. **Ongoing GM Assignment under the current PforR:** The World Bank, and under the current PforR is supporting a consultancy assignment to assess the existing system GM system at MOE with the following objectives:

- Assess the effectiveness, efficiency, accessibility, and transparency of the existing GM systems at the MOE, including INSAF platform (uptake channels, handling procedures, existing infrastructure, etc.).
- Prepare a list of recommendations with the proposed solutions to enhance the performance of the existing GM system at the MOE to be discussed with the Ministry to agree on the preferred option.
- Develop the Scope of Work lay-out of the preferred option for GM system enhancement after agreement with MoE.
- Prepare Standard Operating Procedures (SOPs) / Manual for handling complaints based on the agreed option with MoE

17. The assignment is still underway, and all the deliverables will be used under the new proposed MASAR PforR.

18. **The GM for the proposed program will be instituted by the MoE and operationalized through the Development Coordination Unit (DCU).** The MOE, along with the Vocational Training Corporation (VTC) and the Technical and Vocational Skills Development Commission (TVSDC), responsible for the three key Result Areas (RAs), will be required to channel all program-related complaints directly to the DCU. This approach ensures a cohesive and efficient grievance redressal process. The DCU will act as the central hub, coordinating with the VTC and TVSDC to gather all grievances lodged by the public and stakeholders concerning the project. It is recommended that the DCU Project Management Unit (PMU) appoints a dedicated GM Focal Point to oversee the project's GM. Similarly, it is advisable for the VTC and TVSDC to designate their GM Focal Points within each agency participating in the program. The primary GM Focal Point in the PMU will be responsible for compiling the project's GM reports, which are to be submitted to the Bank on a semi-annual basis.

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<sup>91</sup> Insaf Platform. Available at: <http://insaf.gov.jo/webform/default.aspx?lang=1>



ANNEX 5. PROGRAM ACTION PLAN

| Action Description  | Source            | DLI # | Responsibility | Timing    |                              | Completion Measurement   |
|---|-------------------|-------|----------------|-----------|------------------------------|--|
| Capacity building activities for procurement departments          | Fiduciary Systems | NA    | World Bank     | Other     | 120 days after Effectiveness | Training of procurement staff completed in public procurement bylaw no. 8/2022, including e-procurement (JONEPS), and on use of the new national standard bidding documents. |
| Use of JONEPS to upload procurement plans and process procurement | Fiduciary Systems | NA    | DCU            | Recurrent | Semi-Annually                | Report on usage of JONEPS for procurement processes  |
| Use Framework Agreements for simple and routine maintenance       | Fiduciary Systems | NA    | DCU            | Recurrent | Continuous                   | Report   |
| Carry out a Procurement Performance Monitoring Report             | Fiduciary Systems | NA    | DCU            | Recurrent | Quarterly                    | Submission of report with planned vs actual no and value of procurements; average bid response, procurement lead time, average time and cost over runs, number of bid        |



|   |                                  |    |                |       |                                 |   |
|---|----------------------------------|----|----------------|-------|---------------------------------|---|
|   |                                  |    |                |       |                                 | processes cancelled and rebid; and average time in payments to the contractors  |
| Adopt an Operations Manual, including technical, E&S and fiduciary aspects  | Technical                        | NA | MOE            | Other | 90 days after effectiveness     | OM approved by MOE with Bank no objection distributed to all program implementing entities  |
| Assign qualified E&S staff (E&S Focal Point) in the DCU to oversee the E&S aspects of program implementation and provide them with adequate training on E&S risk management and reporting as needed.  | Environmental and Social Systems | NA | MOE            | Other | Three months from Effectiveness | <ul style="list-style-type: none"> <li>- Recruit or assign a qualified E&amp;S Specialist within the DCU</li> <li>- Assign E&amp;S Focal Points in TVSDC and VTC</li> <li>-Assign interim E&amp;S arrangements until the recruitment of the E&amp;S Specialist</li> </ul> |
| Inclusion of E&S requirements including EHS measures, a CoC for workers in the SBDs for school expansion, rehabilitation & refurbishment works of other facilities, including TVET and all other documents related to carrying out civil works. | Environmental and Social Systems | NA | MOE,TVSDC,VT C | Other | Six months from Effectiveness   | <p>Before the start of any works on the ground:</p> <ul style="list-style-type: none"> <li>- Inclusion of E&amp;S in bidding documents related to expansion, refurbishment, rehabilitation</li> </ul>   |





|  |                                  |    |                |           |                                 |  |
|--|----------------------------------|----|----------------|-----------|---------------------------------|--|
|  |                                  |    |                |           |                                 | and maintenance<br>- Development of workers Code of Conduct (CoC)                                |
| Initiate policy dialogue with the Ministry of Labor (MoL) and the Ministry of Social Development (MoSD) to prepare an action plan to address child labor risk.   | Environmental and Social Systems | NA | MOE            | Other     | Three months from Effectiveness | Development of a coordination framework to address child labor risks to minimize school dropouts |
| Ensure incorporation of OHS, public health and safety, resource efficiency, and pollution prevention topics in vocational training materials   | Environmental and Social Systems | NA | MOE,TVSDC, VTC | Recurrent | Semi-Annually                   | Related topics are incorporated into training materials.   |
| The MOE develops and executes a comprehensive stakeholder engagement strategy that includes MOE staff across all levels, parents, and students in shaping and rolling out the new governance framework for the education sector. | Environmental and Social Systems | NA | MOE            | Recurrent | Continuous                      | Stakeholder Engagement Strategy developed, disclosed, and implemented                            |
| Coordination of the Program by DCU   | Fiduciary Systems                | NA | MOE            | Recurrent | Continuous                      | Report on implementation arrangements included in Program report.                                |



|  |   |    |     |               |        |  |
|--|---|----|-----|---------------|--------|--|
| Adopt and implement GM procedures developed under the current PforR and support the development and implementation of standard operating procedures (SOP) to tackle incidents of GBV | Environmenta<br>l and Social<br>Systems | NA | MOE | Recurren<br>t | Yearly | GM SOPs adopted and implemented; SOPs tackling incidents of GBV prepared, adopted, and implemented; anonymous reporting mechanisms for sexual harassment incorporated and enhanced across all channels; awareness around GBV hotline increased |
|--|---|----|-----|---------------|--------|--|



**ANNEX 6. IMPLEMENTATION SUPPORT PLAN**

**Main focus of Implementation Support**

| Time                | Focus  | Skills Needed  | Resources Estimate      | Partner Role |
|---------------------|--|--|-------------------------|--------------|
| First twelve months | Program readiness for implementation, including OM | Task team, operations specialist                             | Bank supervision budget |              |
| 12-48 months        | Technical review/Implementation support            | Task management, Operations specialist, Technical specialist | Supervision Bank budget |              |
|                     | FM and procurement monitoring and reporting        | FM specialists   | Supervision Bank budget |              |
|                     | E&S monitoring and reporting                       | E&S safeguards specialists                                   | Supervision Bank budget |              |

**Task Team Skills Mix Requirements for Implementation Support (Template)**

| Skills Needed                 | Number of Staff Weeks | Number of Trips | Comments             |
|-------------------------------|-----------------------|-----------------|----------------------|
| Team leader                   | 40                    | -               | Country office       |
| Co-Team leader                | 20                    | 4               |                      |
| Co-Team leader                | 20                    | 4               |                      |
| Economist                     | 10                    | 4               |                      |
| FM specialist                 | 8                     | 4               |                      |
| Procurement specialist        | 8                     | -               | Country office       |
| Social development specialist | 8                     | -               | Country office       |
| TVET specialist               | 8                     | 4               |                      |
| Governance Specialist         | 8                     | —               | Country Office based |



## ANNEX 7. INVESTMENT PROJECT FINANCING COMPONENT

1. A detailed description of the TA component is included in the OM. The TA includes, inter alia, support to carry out the following activities:

- RA1: (a) Supporting the design and monitoring of the KG PPP; (b) support to improve and design and evaluate interventions targeting foundational learning; and (c) work closely with UNHCR, community centers and NGOs to extend QAS in the camps and in districts with high concentration of refugees.
- RA2: (a) support the design of a Skills Development Fund (SDF) that stimulates private sector participation in TVET through competitive and performance-based financing skills and its external evaluation with multiple sources of financing and windows (e.g. apprenticeships, skills upgrading ); (b) communication campaign on the returns to TVET; (c) develop appropriate training programs and material for in-service training of vocational education teachers (including transferrable skills training using hybrid modalities –face-to-face and online); (d) develop job description and professional standards, based on those already drafted by TVSDC, for career guidance counselors that expands the current counseling service coverage from the exclusive focus on Clinic Psychology to include future-oriented personal development and career counseling; (e) develop training programs and provide in-service training to Field Directorate career guidance coordinators and school counselors; (f) develop a National Graduate Tracking system for all TVET programs and providers; (g) knowledge exchange and domestic and international partnerships to enhance career guidance services, including local universities, colleges and technical colleges that already have well-consolidated student orientation centers/services and promote a “twining scheme” with secondary schools in their catchment areas while ensuring gender balance in service provision;
- RA3: (a) support the implementation of the institutional restructuring including capacity building activities; (b) develop the communication and change management plan; (c) design of teacher policies based on best practices and international experience; (d) support the implementation of an IT system for budget planning, preparation, execution, monitoring and supervision streamlined in MOE; and (e) supporting inclusive education practices including for refugees.

### IPF component - Financial Management

2. **Implementation Arrangements and Staffing.** Fiduciary activities, including procurement and financial management will be handled by the project team at the MOE DCU. They will manage the day-to-day financial management aspects of the IPF component. The MOE DCU will report to the WB directly and will oversee the FM and disbursement arrangements of the IPF component, it will ensure that that the financial management arrangements under the IPF component is carried out in accordance with WB guidelines and procedures to ensure that the funds are used for the intended purpose. The current DCU at MOE has extensive experience in World Bank FM and disbursement guidelines, through implementing and managing the P162407 - Jordan Education Reform Support Program and it related IPF component and where their performance has been consistently Satisfactory.

3. **Staffing.** IPF component activities including financial management will be handled by the existing MOE DCU. The MOE DCU will keep all accounting records and ensure all transactions are recorded electronically using an acceptable accounting software and excel spread sheets. Currently the MOE DCU has one Finance Manager that manages several projects with several donors including the WB PFORR. It is recommended that an additional Finance Officer (FO) should be hired to support the current finance manager in implementing the FM and disbursement procedures and responsibilities of the IPF component. The Operations Manual (OM) will clarify how the MOE DCU time is utilized on ongoing projects and the proposed project and how the salaries will be financed from each project.



4. **IPF component FM risk.** Based on the initial FM assessment, the overall FM risk is “**Substantial.**” With mitigation measures in place, the IPF component will have acceptable project FM arrangements, and the residual FM risk rating will be “**Moderate.**” The FM risk is assessed as “Moderate” mainly due to.

#### **IPF component Risks**

- There is a risk that the objectives will not be met which will create ineligible expenditures and a risk of misappropriation of funds.
- The risk that the IPF component related activities, expenditures and accounts will be commingled with those of other projects and other donors, that are under the MOE DCU management and implementation.
- The risk arising from the lack of capacity of the current FM team at the MOE DCU considering the number of projects they supervise and the number of donors they deal with, each with different FM and disbursement requirements and reporting instructions.
- The risk arising from the complex nature of the processing of the project expenditures (i.e., program related expenditures vs. IPF expenditures) and the potential risk of lack of proper controls over the reporting and recording of those transactions.
- The risk that the accounting systems of the MOE DCU cannot generate the Semiannual IFRs per the World Bank guidelines, and other relevant financial reporting requirements.

#### **Mitigating Measures**

The following measures will mitigate FM-related risks: the FM arrangements were designed to mitigate the identified FM risks, which would suit the available capacity during implementation, including:

- The IPF component will be ring-fenced through the institutional set up. After declaration of effectiveness, a separate DA account will be opened for the IPF component and there will be no co-mingling of funds.
- The MOE DCU will open a separate cost center in the accounting system to separately account for the IPF component funds and expenditures incurred, in addition to using the accounting system for recording all necessary transactions and producing bank IFR reports.
- A US Dollar Designated Account (DA) will be opened at the Central Bank of Jordan (CBJ) to receive grant funds and to be managed by the MOE DCU, monthly bank reconciliation will be prepared and approved, in addition to the follow up on non-reconciling items.
- The MOE DCU capacity will be strengthened by hiring a Finance Office (FO), to support the current Finance Manager in handling the FM and disbursement arrangements of the PFORR and the IPF component. In addition to this the IPF component will support the MOE DCU by providing an accounting software to be used for all FM and disbursement related activities.
- A private sector audit firm acceptable to the Bank or the Jordan AB, will be hired on a competitive basis, to perform an annual external audit for the IPF component annual financial statements. The MOE DCU will be responsible for preparing the TOR for the audit engagement.
- Submission of semiannual IFRs and annual budgets will be generated in excel, which would allow the World Bank to follow up on the disbursement progress and address any bottlenecks on a timely basis.
- A detailed financial manual will be developed to meet the project’s FM and disbursement requirements as part of the OM.

5. **Project Planning and Budgeting.** The IPF component will not be included in the MOE's budget since grants are not included in the national budget. The MOE DCU will maintain a detailed annual disbursement plan. This plan will be developed based on the initial procurement plan, approved business plans for the IPF provisions, and/or based on the



schedule of outputs as defined in the implementation schedule and estimated payment cycles - revised upon need. It will be used as a monitoring tool to analyze budget variances and manage cash and will be fed into the semiannual IFRs. The budget for each quarter will reflect the detailed specifications for project activities by components, schedules (including the Procurement Plan), and expenditures on monthly and quarterly activities. The annual budget will be sent to the Task Team Leader (TTL) at least two months before the beginning of the fiscal year for review, only those activities that are included in an annual work plan and budget shall be eligible for financing out of the proceeds of the grant. Variance analysis will be provided along with the semiannual IFRs to be submitted by the MOE DCU. The annual work plans, budgets and cash forecasts may be revised during project implementation subject to the Bank's prior written approval.

**6. Accounting and Financial Reporting.** The IPF component accounts and financial statements will follow International Public Sector Accounting Standards (IPSAS) cash basis for accounting or the modified cash basis as deemed appropriate. The MOE DCU adopts a Chart of Accounts (COA) that is compatible for all ministries and related government entities. The MOE DCU uses an acceptable accounting software for all Bank funded projects, which will be used by the DCU to record all project transactions on daily basis. The MOE DCU will also use excel spread sheets for generating financial information and financial reports necessary to comply with the FM requirements of the project. Accounting records will be maintained in local currency (JOD) and USD.

**7. Financial Section of the OM:** The MOE DCU will develop and update a detailed FM section of the OM which will cover all administrative, financial, and accounting, budgetary, and human resources procedures relevant to all the project expenditures, processes and cycles and activities to be financed under the project. The OM should describe the payment procedures, including controls and oversight arrangements. A OM acceptable to the Bank should be submitted by the time of negotiations.

**8. Financial Reporting and Monitoring:** The MOE DCU will maintain their own accounting records and project financial information in a manner acceptable by the Bank. Specifically, the MOE DCU will be responsible for: (a) presenting the grant financial data; (b) preparing activity budgets (disbursement plan) quarterly as well as annually, monthly DA reconciliation statements, and periodic SOEs (if needed), withdrawal schedule for approval, semiannual IFRs (consolidated for all components) and annual financial statements; and (c) ensuring that the project's FM arrangements are acceptable to the World Bank.

The MOE DCU will produce semiannual and annual reports as outlined below and submit these to the Bank.

**Semiannual IFRs (submitted within 45 days after period-end):**

- Financial reports include a statement showing for the period and cumulatively (project life or year-to-date) inflows by sources and outflows by main expenditure classifications; opening and closing cash balances of the project; and supporting schedules comparing actual and planned expenditures with detailed deviation analysis between actual and budgeted figures.
- Contract listing, reflecting all signed contracts under the grant with the value of each amount disbursed under each contract as at the report date.
- DA statements and reconciliations showing deposits and replenishments received, payments supported by Withdrawal Applications, interest earned on the account, and the balance at the end of the reporting period.
- A reconciliation statement between the World Bank Client-Connection platform and the Project financial statements/information
- List of fixed assets (if any)



**Annual Project Financial Statements (submitted within six months after year-end):**

- A Statement of Sources and Uses of Funds (by category and component showing Bank and counterpart funds separately (if any).
- A Statement of Cash Position for the project's funds from all sources.
- Statements or disclosure notes reconciling the balances on the designated bank accounts to the bank balances shown on the Statement of Sources and Uses of Funds.
- Notes to the Financial Statements for significant accounting policies and all other relevant information

9. **Internal Controls.** The IPF's component expenditure cycle will follow the controls specified in the National Financial System of the Hashemite Kingdom of Jordan, which includes (a) technical approval of the department involved, (b) checking and approval by finance staff, (c) verification of the accuracy of the payments and its compliance with the applicable laws in Jordan and the World Bank procurement and FM procedures as well as the terms and conditions. Although the IPF component will follow the Government-applied controls set in the local laws, supplementary controls will be implemented for monitoring activities. An OM will be developed or updated that includes a financial management manual. This manual will document the IPF's implementation of internal control functions and processes and describe the roles and responsibilities of the staff and authorization and execution processes. The manual will also clearly describe the fiduciary responsibilities of the MOE DCU in relation to the financial procedures and controls to be set in place, as well as the required financial reporting obligations.

10. **External Auditing.** The Project's IPF component financial statements will be audited by a qualified private sector audit firm that should be a member of the Jordanian Association for Certified Public Accountants (JACPA) and acceptable to the Bank or the Jordan AB, the audited financial statements and related notes need to explicitly show sources and uses of funds relevant to the Bank. A copy of the IPF component's annual audited financial statements will be shared with the Bank team for review and comments and for no-objection as well. The Audit firm or AB will be asked to audit the IPF component's financial statements in accordance with the International Standards on Auditing (ISA) based on ToR acceptable to the Bank or based on the International Standards of State Audit Institutions (ISSAI). The MOE DCU team will be responsible for preparing the ToR for the audit assignment and submitting it to the Bank for no-objection. The project's audited financial statements will be due for submission within six months after the end of each calendar year. In addition to the audit report, the appointed auditor will be expected to prepare a Management Letter giving observations and comments, and recommending improvements in accounting records, systems, controls, and compliance with financial covenants in the Bank Grant Agreement (GA).

11. **Flow of funds and banking arrangements:** Bank financing will be a Grant to be disbursed through a project-specific Designated Account (DA) opened at the Central Bank of Jordan (CBJ) for the MOE DCU. MOPIC will open the DA which is denominated in USD into which replenishments from Bank resources will be transferred and will be used in financing the IPF component according to the approved budget.

- Withdrawal Applications submitted to the Bank will be prepared by the MOE DCU, final authorization and signatures sits with MOPIC before submission to the Bank. Project expenditures will be documented through IFRs.
- The MOE DCU will vest the sole responsibility to disburse on behalf of the project to suppliers, contractors, beneficiaries/civil servants, and consultants. Additionally, the MOE DCU will maintain a monthly reconciliation statement between their records and the Bank's records per the World Bank's Client Connection. Such reconciliation will set out the disbursements by category as well as the DA balance. Disbursement and payment requests will be based on approved contracts and services predefined in the project documents.
- DA bank account records will be reconciled with bank statements monthly by the MOE DCU. A copy of each bank reconciliation statement together with a copy of the relevant bank statement will be reviewed monthly by the Project



Financial Manager at the MOE DCU, who will investigate and resolve any identified differences. Detailed banking arrangements, including control procedures over all bank transactions (for example, check signatories, transfers, and so on), are documented in the Financial Section of the OM.

**12. Funds Flow and Disbursement Arrangements.** The proceeds of the Grant will be disbursed in accordance with the World Bank's disbursements guidelines. This will be outlined in the Disbursement and Financial Information Letter (DFIL) and in accordance with the Bank's Disbursement Guidelines for Projects (IPF). The Project will follow "Reporting-Based Disbursements" using IFRs as Withdrawal Application templates. Reimbursement, Direct Payments, and Special Commitment Issuance Applications can be accepted if the amount is above the "Minimum Application Size" as specified in the Disbursement Letter.

**13. Disbursement process documentation.** Requests for payments from the Grant will be initiated using Withdrawal Applications (WAs) using any of the disbursement methods stipulated in the disbursement and financial information letter (DFIL). The documentation supporting expenditures will be retained at the MOE DCU and readily accessible for review by the external auditors and Bank implementation support missions. All disbursements will be subject to the conditions of the Grant Agreement and disbursement procedures as defined in the DFIL.

**14.** There will be one USD DA account. There will be an advance amount specified in the DFIL that can be requested through the first WA. Subsequent disbursements into the DA will be requested through WAs, reconciled bank statements, copies of all bank statements and other necessary and related supporting documents. The supporting documentation for requests for direct payment should be records evidencing eligible expenditures (copies of receipt, suppliers' invoices). The DA will be held in USD. The ceilings of the DA will be stipulated in the DFIL.

**15.** E-disbursement will be used to submit WAs. Under e-Disbursement, all transactions will be conducted and associated supporting documents and IFRs scanned and transmitted online using the World Bank's Client Connection system. The use of E-Disbursement functionality will streamline online payment processing to: (a) avoid common mistakes in filling out WAs; (b) reduce the time and cost of sending WAs to the World Bank; and (c) expedite the World Bank processing of disbursement requests.

### **Procurement Implementation Arrangements**

**16. Procurement for the proposed IPF will support the implementation of the TA and will be implemented in accordance with the World Bank's "Procurement Regulations for IPF Borrowers" dated September 2023; and "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by International Bank for Reconstruction and Development (IBRD) Loans and International Development Association (IDA) Credits and Grants", dated October 15, 2006, revised in January 2011 and as of July 1, 2016.** The Project will use the Systematic Tracking of Exchanges in Procurement (STEP) to plan, record, and track procurement transactions.

**17.** The DCU will manage the IPF component, housed at the MOE, which has extensive prior experience in implementing WB-financed operations, including "REFP-PforR" A full-time Procurement Officer will be hired at the PMU to help the procurement specialist in handle the procurement and contract management arrangements of both the PforR and the IPF components.

**18.** The program will finance activities that contribute to improving efficiency of the planned program and the sustainability of results achieved and inform evidence-based policymaking through (a) consulting services, studies and evaluations to inform implementation; and (b) capacity building activities for MOE, VTC and TVSDC.





19. **Procurement Capacity Assessment.** A procurement assessment was conducted for the IPF proposed implementing agency (MOE). The procurement assessment will be finalized during the appraisal. Based on the initial procurement assessment, the overall procurement risk is “Substantial”. mainly due to (a) limitation of MOE’s technical capacity in selecting consultants and managing their contracts (b) inefficient bureaucratic procurement processing, (c) contract management and timelines continue to be challenged in terms of proactive monitoring of consultants and prompt issuance of contract amendments and termination (time, scope, and amount). With mitigation measures in place, the Program will have acceptable project procurement arrangements, and the residual procurement risk rating will be “**Moderate.**” mainly if: (a) the procurement staff in DCU are familiar with the World Bank Procurement Regulations; (b) Hire a full-time qualified procurement officer to help the DCU’s procurement specialist with procurement processing for the Program, including for the IPF component; (c) increase technical resources within the evaluation committees; (d) include in the assignments’ scope capacity building of MOE technical staff; (e) the procurement plan will be used as a monitoring tool for processing procurement activities in a timely manner; (f) close support and capacity building provided by the World Bank, at the initial stages of Program implementation particularly on the procurement of consultants’ services; and (g) all TOR

20. will be subject to the WB’s prior technical review and clearance.

21. **Mitigation of procurement risk.** The procurement-associated risk will be mitigated through the following measures: (a) a qualified procurement officer will be hired to support the current procurement specialist with procurement processing for the Program, including for the IPF component; (b) the procurement plan will be used as a monitoring tool for processing procurement activities promptly; (c) continuation the support and capacity building provided by the WB, at each stage of project implementation, and (d) all TOR will be subject to the WB’s prior technical review and clearance.

22. **Project Procurement Strategy for Development (PPSD).** The PPSD is an essential document that serves as a guide for the procurement process. It makes sure that the arrangements are designed to achieve value for money while effectively managing procurement risks, and that they are in line with the project's development objectives, market analysis, and operating context. MOE, with the Bank support, will prepare the draft PPSD which will be finalized after Board approval.



**ANNEX 8. GENDER GAPS AND ACTIONS**

| Gap  | Actions  | M&E (Included in the RF)  |
|--|--|---|
| <b>Women entering and completing labor market relevant TVET programs</b> | <ul style="list-style-type: none"> <li>• DLI 5. Providing career guidance by field of study to steer women towards degrees with better labor market prospects</li> <li>• DLI 5. BTEC specializations include practicum/apprenticeship components</li> </ul>  | Percentage of secondary education female students enrolled in vocational education programs (Baseline: 10.2 percent). |
| <b>Social gender norms</b>   | <ul style="list-style-type: none"> <li>• TA to design interventions to tackle gender norms</li> <li>• TA on the design of the skills development fund, which will include at least one window for female training opportunities in high priority sectors.</li> <li>• TA on the graduate tracking employability data disaggregated by gender and field of study to update and inform the career guidance system.</li> </ul> |   |



ANNEX 9. SUMMARY OF DLIS/DLRS CONTRIBUTING TO CLIMATE CHANGE ADAPTATION AND MITIGATION

| DLI   | Climate Activity  |
|---|---|
| <p><b>DLI 1.</b><br/>Increasing access to KG</p> <p>US\$57.6 million</p>                                | <ul style="list-style-type: none"> <li>This DLI will support climate <u>mitigation</u> by supporting KG facilities to incorporate green infrastructure measures. For KGs and Grades 1-3, classrooms can be retrofitted to improve energy efficiency by installing energy-efficient lighting<sup>92</sup>, heating, and air conditioning (HVAC) systems<sup>93</sup>, while also structurally upgraded to incorporate features like passive cooling systems<sup>94</sup> to cope with rising temperatures. It will also support climate change adaptations to ensure the safety and functionality of classrooms in the face of excessive heat and drought related crises. Private KGs will also be provided with guidance to implement green infrastructure measures against Jordan’s hot and arid climate context, most likely by employing passive cooling techniques like shading devices and natural ventilation, upgrading to energy-efficient HVAC systems, improving insulation, and utilizing thermal mass materials to stabilize indoor temperatures.</li> <li>This DLI will support the potential leveraging of KG classrooms as emergency shelters during climate catastrophes. This involves developing planning emergency protocols, ensuring safe infrastructure, and providing necessary supplies, as well as collaborating with authorities and engaging the community, which are key steps to proactive disaster preparedness.</li> </ul>   |
| <p><b>DLI 2.</b><br/>Strengthening the quality of early childhood education</p> <p>US\$57.6 million</p> | <ul style="list-style-type: none"> <li>This DLI will support climate <u>adaptation</u> through its development of a KG curricula, which will include climate and sustainability lessons. Age-appropriate lessons, e.g. lessons on food waste to climate smart food choices, will help children adopt pro-environmental behaviors, and develop resilience skills through practical activities. By fostering climate awareness, problem-solving abilities, and community engagement, it is expected that a climate-inclusive curricula will empower children to address climate-related challenges and contribute to the country’s climate transition efforts from a young age. Age-appropriate teaching materials and engaging resources will be utilized, including educational books and videos, interactive games, field trips to conservation sites, nature exploration kits, art activities, gardening supplies, and other activities that connect real-world climate challenges. In all, this component demonstrates how the education sector has a major role to play in facilitating the transition to a resilient and low carbon development path, from an early age. This DLI aims to ensure that the workforce of the future is equipped with the skills required by the growing green industry and services sectors, all the while being prepared with appropriate awareness and behaviors related to climate action.</li> <li>This DLI will support climate mitigation measures by supporting rehabilitation of classrooms. In addition to the measures mentioned under DLI 1, early learning classroom facilities will be equipped with energy efficient mitigation standards that ensure all ICT equipment meets or exceeds energy efficient standards set by authorities or certifications such as ENERGY STAR. Equipment where energy consumption will be reduced include 1) energy efficient routers, switches, and Wi-Fi access points with built-in power saving features 2) low-power computing devices for teachers 3) LED projectors for interactive learning experiences 4) solar-powered charging stations to reduce reliance on grid electricity.</li> </ul> |
| <p><b>DLI 3.</b><br/>Strengthening foundational literacy skills</p> <p>US\$57.6 million</p>             | <ul style="list-style-type: none"> <li>This DLI will increase awareness on climate resilience among students as an <u>adaptation</u> effort. Reading learning materials for grades 1-3 will include real-world scenarios related to climate change, allowing students to develop foundational skills while learning about real-world issues and fostering environmental awareness.</li> <li>Teaching materials for grades 1-3 will include guidance to incorporate climate change issues in literacy, raising teacher knowledge on these topics, and awareness in students using the curriculum (e.g. include environmental themes into reading assignments, such as novels, short stories, and poetry that explore issues like sustainability, conservation, and the impact of human activities on the environment). Climate emergency toolkits that offer teacher training and manuals on emergency response proceedings, would be provided to ensure that schools are equipped with the necessary knowledge and resources to appropriately respond to climate-related emergencies.</li> </ul>  |
| <p><b>DLI 4.</b><br/>Creating, expanding, and funding pathways from TVET to further education</p>       | <ul style="list-style-type: none"> <li>It is expected at least 30 percent of supported students will be in the green economy sectors, related to both climate mitigation and adaptation (DLRs 4.2, 4.3, 4.4).</li> <li>DLI 4.1 supports implementation of DLI 4.2-4.5.</li> <li>This DLI will support climate mitigation and adaptation efforts by providing career guidance systems to steer TVET students to priority sectors and degrees, based the EMV and evolving labor market needs. Individualized career guidance will help students diversify their skills, move into climate priority sectors (including renewable energy, construction, transport etc.), while also allowing for monitoring and tracking. The latter is important as it provides a possibility to estimate the number of graduates</li> </ul>   |

<sup>92</sup> LED lightning, daylight harvesting systems, occupancy sensors, high-efficiency fixtures, etc. to enhance sustainability, improve lighting quality, and support educational goals.

<sup>93</sup> HVAC systems with energy star certification or compliance with energy efficiency ratings, such as SEER, EER, or IEER

<sup>94</sup> Passive cooling systems for school facilities employ natural elements and architectural features to regulate indoor temperatures without relying on mechanical cooling. Strategies include maximizing natural ventilation through well-placed openings, utilizing shading devices to block direct sunlight, incorporating thermal mass materials for temperature stabilization, and cool roofing and natural landscaping to reduce heat absorption.



|  |  |
|--|--|
| <p><b>and to the labor market</b></p> <p><b>US\$96 million</b></p>                                 | <p>entering green economy sectors. By utilizing career guidance in this sense, this DLI will be better able to measure student’s potential for higher employability and support growth in climate-resilient sectors within the green economy sectors.<sup>95</sup></p> <ul style="list-style-type: none"> <li>• This DLI is helping to address vulnerability to climate change by incentivizing careers focusing on climate change mitigation and adaptation sectors and that supports the country’s climate transition. For TVET, these sectors include renewable energy (solar energy, wind power, other renewable energy technologies), as well as energy efficiency (energy efficient building design, HVAC systems, appliance efficiency). To effectively steer TVET students to climate pathways, partnerships and collaborative projects with industry stakeholders will be utilized to promote careers in sector critically linked to climate resilience.</li> <li>• TVET students will receive counseling, training, and partnerships with industry stakeholders in climate adaptive sectors such as water management (water conservation, wastewater treatment, irrigation efficiency), green construction (sustainable materials use, energy-efficient construction techniques, green infrastructure), agricultural practices (sustainable farming, agroforestry), disaster risk reduction (disaster preparedness, emergency response) and environmental management (conservation, pollution control).</li> <li>• This DLI will seek to integrate both climate-related adaptation and mitigation into Jordan’s BTEC curriculum to ensure all vocational education students are equipped with essential knowledge and skills. Specifically, BTEC programs in Environmental Sustainability, Renewable Energy, Construction and Built Environment, Agriculture and Land Management, and Travel and Tourism offer comprehensive training in climate change awareness, facilitating a proactive approach to climate resilience in various sectors. Through such initiatives, this DLI seeks to foster a workforce prepared to address climate challenges.</li> </ul>   |
| <p><b>DLI 5. Enhancing access to labor market relevant TVET</b></p> <p><b>US\$38.4 million</b></p> | <ul style="list-style-type: none"> <li>• It is expected that at least 30 percent of all students supported and trained will be in green economy sectors.</li> <li>• Accredited TVET programs (DLR 5.1) will involve green economy programs and will support the implementation of DLI 5.2.</li> <li>• DLI 5 will contribute to climate change mitigation efforts by steering students to learning pathways related to climate awareness and action, developing the skills and workforce in green sectors. This aims to foster student proactive mindsets and skills for sustainability, while also improving labor market outcomes. To incentivize expansion, a comprehensive approach will be employed that involves offering financial incentives such as scholarships and grants for students pursuing relevant training. Schools will be encouraged to integrate career development programs and apprenticeships to provide hands-on experience and mentorship opportunities. Student counseling and awareness campaigns can highlight the opportunities of careers in these sectors, while partnerships with industry stakeholders ensure that learning pathways align with industry needs.</li> <li>• The SDF will be instrumental to support skilling, reskilling and upskilling of students to enhance their employability in green sectors. This includes training in green industries like renewable energy and sustainable agriculture, equipping students with skills relevant to climate change mitigation and sustainability. Additionally, courses covering environmental stewardship and sustainable development practices raise awareness and promote eco-friendly practices. Training in green technologies (i.e. solar energy installation) is another pathway provided to meet the growing demand for sustainable solutions.</li> <li>• In terms of climate <u>adaptive</u> efforts, this DLI will complement DLI 4 by enhancing skills and employment focused on GH-emissive sectors or activities. TVET students will receive labor market relevant counseling, training, and partnerships with industry stakeholders in climate adaptive sectors.</li> <li>• TVET expansion activities will be accompanied by additional climate mitigation measures such as integration of energy-efficient infrastructure and technology as outlined in DLI 1 and DLI 2. Taken together, these measures will equip students with necessary green skills and learning environments.</li> </ul> |

<sup>95</sup> These include water resources management, agriculture and food security, natural resource management, renewable and clean energy, infrastructure and urban resilience, and health and social protection.