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**President's report**

**Proposed loan**

**Hashemite Kingdom of Jordan**

**Rural Economic Growth and Employment  
Programme Upscaling (REGEP-UP)**

Project ID: 2000005157

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**Action:** The Executive Board is invited to approve the recommendation contained in paragraph 56.

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Map of the programme area



The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.  
Map compiled by IFAD | 22-07-2025

## Financing summary

<b>Initiating institution:</b>	IFAD
<b>Borrower/recipient:</b>	Jordan
<b>Executing agency:</b>	Jordan Enterprise Development Corporation
<b>Total programme cost:</b>	EUR 41.786 million
<b>IFAD loan 1 under the performance-based allocation system (PBAS):</b>	EUR 4.288 million (equivalent to US\$5 million)
<b>IFAD loan 2 under the Borrowed Resource Access Mechanism (BRAM):</b>	EUR 8.577 million (equivalent to US\$10 million)
<b>Terms of IFAD loan:</b>	Ordinary terms
<b>Cofinancier:</b>	Agricultural Credit Corporation
<b>Amount of cofinancing</b>	EUR 10.177 million
<b>Cofinancier:</b>	Islamic Development Bank
<b>Amount of cofinancing:</b>	EUR 9.165 million
<b>Contribution of borrower/recipient:</b>	EUR 0.511 million
<b>Contribution of beneficiaries:</b>	EUR 5.637 million
<b>Amount of IFAD climate finance:</b>	EUR 7.54 million (of which EUR 0.69 million is a climate top-up)
<b>Cooperating institution:</b>	IFAD

# I. Context

## A. National context and rationale for IFAD involvement

### National context

1. The Hashemite Kingdom of Jordan is a stable country in a fragile region, yet it faces severe water scarcity and climate change impacts, which undermine rural agriculture. Poverty has risen to 24.1 per cent, with 35 per cent of the population living below the poverty line due to unemployment and rising costs. Though agriculture employs only 2.5 per cent of the workforce, it remains vital for rural livelihoods and refugees, many of whom depend on farming. Smallholders, mostly engaged in rainfed farming, face high vulnerability and uneven poverty levels, often relying on agriculture for subsistence and supplementary income.
2. The agricultural sector suffers from underinvestment and fragmented policies. Irrigation subsidies promote water-intensive crops, although no integrated natural resource strategy exists. Jordan is moderately food-secure but heavily import-dependent for wheat and barley, making it vulnerable to shocks. Refugees are disproportionately food-insecure.
3. National strategies emphasize poverty reduction and food security, but food systems are increasingly shaped by supermarkets and fast-food expansion. Gender disparities are severe: women's unemployment is 33 per cent versus 18 per cent for men, and rural women earn up to 50 per cent less than men. Unemployment is nearly 50 per cent among young people and higher still for women, despite strong education. Agriculture is projected to create 11,000 green jobs by 2030.
4. Key actors include the Jordan Enterprise Development Corporation (JEDCO), the Islamic Development Bank (IsDB) and UN Women. Multisectoral platforms coordinate resilience and rural development.

### Special aspects relating to IFAD's corporate mainstreaming priorities

5. In line with IFAD's mainstreaming commitments, the programme has been validated as:
  - ☒ Including climate finance
  - ☒ Gender-transformative
  - ☒ Nutrition-sensitive
  - ☒ Youth-sensitive
  - ☒ Including adaptive capacity
6. **Climate vulnerability.** Rising temperatures, erratic rainfall and aquifer depletion threaten productivity. On-farm water efficiency is only 60 per cent due to outdated irrigation, underlining the need for conservation and resilience.
7. **Gender.** Jordan ranks 123<sup>rd</sup> out of 146 in the 2024 Global Gender Gap Report. While education parity exists, women face deep gaps in employment, wages and asset ownership. Social norms reinforce men's economic control.
8. **Nutrition.** Undernourishment stands at 3 per cent nationally but 21 per cent among refugees. Anaemia affects 37.7 per cent of women of reproductive age, diabetes 18.9 per cent, and obesity nearly half of adults. Rising prices make healthy diets unaffordable, while food imports heighten vulnerability.
9. **Youth.** Nearly half of young people aged 15 to 24 are unemployed, with refugee youth especially vulnerable. Agriculture offers potential for green jobs if adequately supported.

### **Rationale for IFAD involvement**

10. Jordan's key challenges include water scarcity, rural poverty and high youth unemployment. Poverty is deepest in the southern governorates, while female labour participation remains low.
11. IFAD can leverage its comparative advantage in water accountability and climate-resilient agriculture by promoting water measurement, efficiency, and informed decision-making.
12. IFAD's inclusive finance expertise, demonstrated with the Central Bank of Jordan, will expand financial services for small and medium-sized enterprises (SMEs) and women- and youth-led enterprises. The programme will also build capacity in production and financial literacy, expand entrepreneurship models and promote gender norm change.

### **B. Lessons learned**

13. The Rural Economic Growth and Employment Programme Upscaling (REGEP-UP) design draws on key lessons from IFAD's experience in Jordan and similar initiatives. A major lesson is the need for secure, sustainable access to water, markets and finance for successful value chains. REGEP showed that how these resources are provided is critical, as reflected in exceeding targets for beneficiaries, particularly women and youth, and creating new jobs.
14. Challenges included limited outreach to Syrian refugees and low participation in climate-resilient training due to delays in updating curricula. These highlight the importance of timely curriculum updates and targeted outreach.
15. Another lesson concerns crop and value chain selection. Decision delays caused inefficiencies, underscoring the need for criteria prioritizing high water efficiency crops. Market studies and consultations are vital, with high-value-per-drop crops like greenhouse cucumbers and tomatoes proving most successful.
16. Market access efforts showed that Global GAP certification<sup>1</sup> was unviable for smallholders. REGEP-UP will instead target domestic markets and local food standards, which effectively differentiate products and attract buyers, reducing reliance on public agencies and fostering sustainable markets.

## **II. Programme description**

### **A. Objectives, geographical area of intervention and target groups**

17. The programme aims to enhance climate adaptation and resource efficiency through improved soil and water management practices and the adoption of climate-resilient inputs and technologies. It seeks to increase the adoption of nutrition-sensitive production and processing technologies to support market-based agribusiness development, enhance smallholders' market access and improve dietary diversity. Additionally, the programme will improve access to inclusive finance for micro, small and medium-sized enterprises (MSMEs), strengthening their integration into value chains. It will also influence policy and inform programme governance through data capture, knowledge generation and advocacy on inclusive and sustainable value chains contributing to food security.

### **B. Components, outcomes and activities**

18. The programme comprises three components: (i) resilient and inclusive value chain development; (ii) inclusive rural finance; and (iii) programme management and policy engagement. Component 1 focuses on developing agricultural value chains for selected crops, such as vegetables, fruits and herbal medicinal plants, to

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<sup>1</sup> A voluntary farm assurance programme that certifies that agricultural products have been produced to high standards of food safety, environmental protection and worker welfare.

increase household incomes, improve livelihoods and enhance access to nutritious foods. Activities include promoting climate-resilient agricultural practices, supporting microenterprises in food processing and improving market access for smallholders. Subcomponent 1.1 targets poor households, providing technical support, grants and business mentoring to develop sustainable microenterprises. Subcomponent 1.2 aims to enable SMEs and agricultural producers to improve yields, reduce post-harvest losses and create jobs, with a focus on water-efficient practices and market access.

19. Component 2 (inclusive rural finance) aims to improve access to finance for MSMEs and strengthen the technical capacity of participating financial institutions (PFIs). Subcomponent 2.1 establishes credit lines to address financing gaps for MSMEs, particularly in agriculture, with a focus on inclusion and affordability. Subcomponent 2.2 (inclusive rural finance) provides technical assistance to PFIs to enhance their capacity for agricultural lending, and focuses on improving financial literacy among rural residents, especially women and youth, through community-based education sessions.
20. Component 3 involves programme management and policy engagement, supporting the Government of Jordan in updating the National Food Security Strategy (2021–2030) and designing a successor to the National Plan for Sustainable Agriculture. Activities include policy dialogue on nutrition, food safety and quality standards, and contributing to the development of a new agricultural strategy with a focus on climate change adaptation. The programme aims to reduce rural poverty and food insecurity, increase resilience to economic and climate challenges, and improve productivity and incomes for smallholders.

### **C. Theory of change**

21. The proposed solution aims to address the structural barriers faced by MSMEs and farmers in Jordan, particularly in accessing affordable finance and integrating into agricultural value chains. The theory of change assumes that by providing targeted financial instruments, training and infrastructure support, the productivity and profitability of rural poor people and MSMEs will improve. This will enhance their adaptive capacity and market access, fostering integration into competitive and resilient agrifood systems.
22. The first pathway focuses on climate resilience, where grants and training in climate-resilient practices will improve resource efficiency and sustainable agricultural production. The second pathway emphasizes economic resilience, providing training and technology to enhance productivity and market engagement, particularly in nutrient-rich value chains. The third pathway involves policy engagement, using field data to influence national strategies and policies, promoting inclusive business models and water-saving technologies.
23. The fourth pathway targets empowerment of women and young people, offering training and mentorship to overcome gender and age-specific barriers, enhancing their roles in local food systems and value chains. This will lead to increased incomes and market access for women and youth-led agribusinesses. Improved nutrition outcomes are expected through training on healthy diets and strengthening value chains for nutrient-dense crops.
24. These outcomes rely on the assumptions of political and economic stability in Jordan, a supportive policy environment for financial inclusion, and the willingness of financial institutions to offer tailored financial products to smallholder farmers and MSMEs.

### **D. Alignment, ownership and partnerships**

25. REGEF-UP is strongly aligned with Jordan's national and international development priorities. It supports the United Nations Sustainable Development Cooperation Framework 2023–2027 and contributes to Sustainable Development Goals 1, 2, 5,

- 10 and 11. Fully consistent with IFAD's country strategy note, it aims to enhance smallholder productivity, resilience and market access, with a strong focus on youth and innovation. REGEP-UP also aligns with Jordan's Economic Modernization Vision (2022), which targets 1 million new jobs by 2033, including for youth and women, especially through entrepreneurship and green employment.
26. In the climate domain, REGEP-UP supports key strategies such as the National Climate Change Adaptation Plan (2021), National Water Strategy (2023–2040) and Jordan's Nationally Determined Contributions. The programme promotes efficient water use, climate-resilient agriculture and drought adaptation. Its rural finance components align with the National Financial Inclusion Strategy (2023–2028), focusing on underserved segments, especially women and youth, and addressing the financing gap for MSMEs.
  27. The programme supports the National Food Security Strategy (2021–2030) and the National Nutrition Strategy (2023–2030), contributing to sustainable food production, healthier diets and resilient value chains. REGEP-UP also aligns with national strategies on women's and youth empowerment, including the Strategic Plan for Water Harvesting and Empowerment of Youth and Women, and the national strategies for women and youth, supporting inclusive leadership, participation and skills development.
  28. Scaling up will be achieved through strong partnerships with both existing and new actors, including IsDB and UN Women, who support a shared vision for climate-resilient and inclusive rural development. These partnerships, secured by showcasing REGEP's success, aim to reduce onboarding and transaction costs. REGEP-UP is also part of the Royal Initiatives aligned with the vision of the King of Jordan to improve living conditions. With a six-year duration and a total budget of EUR 41.78 million, with EUR 12.87 million provided by IFAD, the programme will be implemented by JEDCO, which also led the previous REGEP initiative.

## **E. Costs, benefits and financing**

### **Programme costs**

29. REGEP-UP will be cofinanced by a mix of domestic financial institutions, the local private sector, beneficiaries, the Government of Jordan and IsDB. The Agricultural Credit Corporation (ACC) will contribute EUR 10.177 million, while IsDB will provide EUR 9.165 million. The Government of Jordan will contribute EUR 0.511 million, and beneficiaries will contribute EUR 5.637 million. The total financing gap stands at EUR 3.431 million. IFAD will provide climate finance amounting to EUR 7.539 million, representing 58.6 per cent of IFAD's total programme contribution.



Table 1

**Programme costs by component and subcomponent and financier**

(Thousands of euros)

<i>Component/subcomponent</i>	<i>IFAD PBAS</i>		<i>IFAD BRAM</i>		<i>IsDB</i>		<i>ACC</i>		<i>Borrower</i>		<i>Beneficiaries</i>		<i>Financing gap</i>		<i>Total</i>	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
<b>1. Resilient and inclusive value chain development</b>	<b>4 288</b>	<b>34</b>	<b>3 405</b>	<b>27</b>	-	-	-	-	<b>403.8</b>	<b>3</b>	<b>1 242</b>	<b>10</b>	<b>3 376</b>	<b>27</b>	<b>12 714</b>	<b>30</b>
1.1. Microentrepreneurs production and processing	3 854	53	530	7	-	-	-	-	309	4	265	4	2 279	31	7 237	17
1.2. Value chain and SME development	434	8	2 874	52	-	-	-	-	95	2	976	18	1 097	20	5 477	13
<b>2. Inclusive rural finance</b>	-	-	<b>3 481</b>	<b>13</b>	<b>8 736</b>	<b>33</b>	<b>10 177</b>	<b>38</b>	<b>35.0</b>	-	<b>4 395</b>	<b>16</b>	-	-	<b>26 824</b>	<b>64</b>
2.1. Inclusive rural finance	-	-	3 481	13	8 736	33	10 177	38	35	-	4 395	16	-	-	26 824	64
<b>3. Programme management and policy engagement</b>	-	-	<b>1 692</b>	<b>75</b>	<b>429</b>	<b>19</b>	-	-	<b>72.0</b>	<b>3</b>	-	-	<b>55</b>	<b>2</b>	<b>2 247</b>	<b>5</b>
3.1. Programme management unit	-	-	1 627	77	429	20	-	-	49	2	-	-	-	-	2 105	5
3.2. Policy engagement	-	-	64	45	-	-	-	-	23	16	-	-	55	39	142	0.3
<b>Total programme costs</b>	<b>4 288</b>	<b>10</b>	<b>8 577</b>	<b>21</b>	<b>9 165</b>	<b>22</b>	<b>10 177</b>	<b>24</b>	<b>511</b>	<b>1</b>	<b>5 637</b>	<b>13</b>	<b>3 431</b>	<b>8</b>	<b>41 786</b>	<b>100</b>

Table 2

**Programme costs by expenditure category and financier**

(Thousands of euros)

<i>Expenditure category</i>	<i>IFAD PBAS</i>		<i>IFAD BRAM</i>		<i>IsDB</i>		<i>ACC</i>		<i>Borrower</i>		<i>Beneficiaries</i>		<i>Financing gap</i>		<i>Total</i>	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
<b>I. Investment costs</b>																
Equipment	-	-	99	84	-	-	-	-	19	16	-	-	-	-	118	0
Consultancies	1 440	41	740	21	429	12	-	-	492	14	-	-	451	13	3 552	8
Grants and subsidies	2 849	28	3 120	31	-	-	-	-	-	-	1 242	12	2 980	29	10 190	24
Credits	-	-	3 249	12	8 548	32	10 177	39	-	-	4 395	17	-	-	26 369	63
<b>Total investment costs</b>	<b>4 288</b>	<b>11</b>	<b>7 209</b>	<b>18</b>	<b>8 977</b>	<b>22</b>	<b>10 177</b>	<b>25</b>	<b>511</b>	<b>1</b>	<b>5 637</b>	<b>14</b>	<b>3 431</b>	<b>9</b>	<b>40 229</b>	<b>96</b>
<b>II. Recurrent costs</b>																
Salaries and allowances	-	-	1 368	88	188	12	-	-	-	-	-	-	-	-	1 556	4
<b>Total recurrent costs</b>	-	-	<b>1 368</b>	<b>88</b>	<b>188</b>	<b>12</b>	-	-	-	-	-	-	-	-	<b>1 556</b>	<b>4</b>
<b>Total programme costs</b>	<b>4 288</b>	<b>10</b>	<b>8 577</b>	<b>21</b>	<b>9 165</b>	<b>22</b>	<b>10 177</b>	<b>24</b>	<b>511</b>	<b>1</b>	<b>5 637</b>	<b>13</b>	<b>3 431</b>	<b>8</b>	<b>41 786</b>	<b>100</b>

Table 3

**Programme costs by component and subcomponent and programme year (PY)**

(Thousands of euros)

Component/subcomponent	PY1		PY2		PY3		PY4		PY5		PY6		Total
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount
<b>1. Resilient and inclusive value chain development</b>	<b>635</b>	<b>5</b>	<b>2 188</b>	<b>17</b>	<b>2 675</b>	<b>21</b>	<b>3 000</b>	<b>24</b>	<b>2 883</b>	<b>23</b>	<b>1 334</b>	<b>10</b>	<b>12 714</b>
1.1. Microentrepreneurs production and processing	155	2	1 301	18	1 464	20	1 527	21	1 506	21	1 284	18	7 237
1.2. Value chain and SME development	480	9	887	16	1 210	22	1 473	27	1 377	25	49	1	5 477
<b>2. Inclusive rural finance</b>	<b>309</b>	<b>1</b>	<b>5 272</b>	<b>20</b>	<b>5 273</b>	<b>20</b>	<b>5 274</b>	<b>20</b>	<b>5 347</b>	<b>20</b>	<b>5 348</b>	<b>20</b>	<b>26 824</b>
2.1. Inclusive rural finance	309	1	5 272	20	5 273	20	5 274	20	5 347	20	5 348	20	26 824
<b>3. Programme management and policy engagement</b>	<b>475</b>	<b>21</b>	<b>338</b>	<b>15</b>	<b>341</b>	<b>15</b>	<b>394</b>	<b>18</b>	<b>408</b>	<b>18</b>	<b>292</b>	<b>13</b>	<b>2 247</b>
3.1. Programme management unit	419	20	292	14	301	14	394	19	408	19	292	14	2 105
3.2. Policy engagement	56	39	46	32	40	28	-	-	-	-	-	-	142
<b>Total programme costs</b>	<b>1 419</b>	<b>3</b>	<b>7 798</b>	<b>19</b>	<b>8 289</b>	<b>20</b>	<b>8 668</b>	<b>21</b>	<b>8 638</b>	<b>21</b>	<b>6 974</b>	<b>17</b>	<b>41 786</b>

**Financing and cofinancing strategy and plan**

30. The total cost of the programme is estimated at EUR 41.786 million, which includes physical and price contingencies. The base cost is EUR 40.189 million, with contingency allowances of EUR 1.597 million. Taxes and foreign exchange account for 1.4 per cent and 5.2 per cent of the total programme cost, respectively. The programme is structured around three main components: inclusive rural finance, with a base cost of EUR 26.801 million, resilient and inclusive value chain development at EUR 11.353 million, and programme management and policy engagement at EUR 2.035 million.
31. The financing plan for the programme includes contributions from multiple sources. IFAD will provide EUR 12.865 million, which constitutes 31 per cent of the total financing. This includes EUR 4.288 million from the Thirteenth Replenishment of IFAD's Resources (IFAD13) performance-based allocation system (PBAS) and EUR 8.577 million from the Borrowed Resource Access Mechanism (BRAM). IsDB will cofinance EUR 9.165 million, representing 22 per cent of the total costs. ACC will contribute EUR 10.177 million, accounting for 24 per cent of the total costs. The Government of Jordan will provide EUR 0.511 million, covering taxes, which is about 1 per cent of the total costs. Beneficiaries will contribute EUR 5.637 million, making up 13 per cent of the total costs. There is a financing gap of EUR 3.431 million, which is 8 per cent of the total costs.

**Disbursement**

32. REGEF-UP will use advances to the designated account and direct payment as its main disbursement methods. The programme management and coordination unit (PMCU) will withdraw funds from IFAD loans through quarterly interim financial reports and the proceeds of both IFAD loans will be deposited into a pooled designated account denominated in euros at the Central Bank of Jordan (CBJ), managed by the JEDCO PMCU. Funds will then be transferred to a pooled operating account in Jordanian dinar to cover programme expenses. Payments to partners and service providers will follow contract terms and the approved annual workplan and budget (AWPB). For the rural finance component, separate credit line accounts will be opened by CBJ and ACC to receive funds from IFAD using the direct payment method. These funds will be then onlent to PFIs and beneficiaries. IsDB financing will be managed through its own designated account, independently but in alignment with the overall objectives of the programme.

### **Summary of benefits and economic analysis**

33. The economic and financial analysis of REGEP-UP was conducted, using methodologies consistent with Gittinger (1982), Belli et al. (2001) and recent best practices. The financial analysis, conducted from the beneficiaries' perspective, is complemented by an economic analysis that applies shadow pricing to key inputs and outputs. A total of 27 financial models were developed: 11 agricultural models based on one-hectare plots, which informed six integrated farm models, and 10 models for agribusiness and MSMEs. Results show that the programme's activities are financially viable and economically sound, with an economic internal rate of return of 23.11 per cent and a net present value of EUR 25.362 million. Sensitivity analysis confirms the programme's robustness to changes in benefits, costs, timing and adoption rates. Sustainable value chain investments, especially in the dairy sector, are highlighted as critical to ensuring the programme's long-term success and impact.

### **Exit strategy and sustainability**

34. The programme exit strategy focuses on enhancing sustainability through capacity development, institutional strengthening and empowering community organizations. By training and mentoring farmers, MSMEs and implementing partners, the programme aims to build self-sufficiency and maintain long-term benefits. Strengthening community-based organizations and farmers' groups fosters collaboration and financial sustainability. The programme promotes suitable irrigation technologies and market-driven approaches to ensure economic viability. Institutional sustainability is achieved by aligning with national frameworks and by transitioning interventions into enduring processes led by capable Jordanian institutions. This comprehensive approach ensures lasting benefits and development processes without external support.

## **III. Risk management**

### **A. Risks and mitigation measures**

35. The programme has an overall moderate inherent risk rating, primarily due to procurement challenges. Key risks include the limited use of e-procurement, absence of strategic procurement planning, and dilution of responsibilities among multiple committees. These factors could potentially affect the implementation and sustainability of development outcomes.
36. To mitigate these risks, the programme will adhere to national procurement regulations aligned with IFAD's guidelines. For procurements exceeding international competitive bidding thresholds, IFAD's Project Procurement Handbook will be followed. Additionally, all procurement documents will clearly reference IFAD policies, and the IFAD reporting hotline will be included in grant and bidding documents to ensure transparency and accountability.
37. The programme will also require procurement and Social, Environmental and Climate Assessment Procedures (SECAP) staff to be certified within the first year by the BUILDPROC procurement capacity-building programme and the SUSTAIN programme,<sup>2</sup> which builds borrower capacity on environmental, social and climate best practices. This certification process aims to enhance capacity and ensure compliance with IFAD standards. These measures, in collaboration with the Government and other partners, are designed to address procurement risks and support the successful implementation of the programme.
38. The programme also faces substantial financial management risks with responsibilities dispersed across multiple entities with varying systems and procedures and large amounts of financing allocated to credit lines and grants, which complicates internal controls and compliance with IFAD eligibility criteria. To

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<sup>2</sup> Strengthening Borrowers' Capacity on Environmental, Social and Climate Best Practices.

mitigate these risks, the PMCU will recruit a dedicated finance specialist and an accountant, and strengthen both internal and external audit and monitoring functions. Both auditors will include sample-based verification of loans and grants to end beneficiaries.

Table 4

**Overall risk summary**

<i>Risk areas</i>	<i>Inherent risk rating</i>	<i>Residual risk rating</i>
Country context	Moderate	Moderate
Sector strategies and policies	Moderate	Moderate
Environment and climate context	Moderate	Moderate
Programme scope	Low	Low
Institutional capacity for implementation and sustainability	Moderate	Moderate
Financial management	Substantial	Substantial
Project procurement	Moderate	Moderate
Environment, social and climate impact	Moderate	Moderate
Stakeholders	Low	Low
<b>Overall</b>	Moderate	Moderate

**B. Environment and social category**

39. REGEP-UP is classified as **moderate risk** for environmental and social impacts based on IFAD's SECAP screening. Component 1 promotes water-efficient, sustainable agricultural practices and supports women and youth through improved market access for small businesses. Environmental risks are site-specific and mainly relate to increased water use, energy and agrochemical application from newly granted assets. These will be mitigated through capacity-building and coaching on climate-resilient practices. Rural finance activities will undergo environmental and social risk screening to exclude high-risk ventures. Technical assistance will strengthen the ACC and CBJ environmental and social systems, aligning with their environmental and social action plans.

**C. Climate risk classification**

40. Using IFAD's climate risk screening methodology, REGEP-UP is assessed as having a **moderate** climate risk. While implementation will span all 12 governorates with varying exposure levels, national trends show increasing water scarcity, drought, river floods and rising temperatures with more frequent heatwaves. These hazards pose significant risks to agriculture, including reduced yields, soil degradation and heightened water stress, particularly impacting rainfed areas and rural livelihoods. REGEP-UP aims to enhance adaptive capacity through livelihood diversification, improved market access, support for microenterprise development and climate-targeted financing, thereby helping rural communities adapt to water scarcity and climate variability.

**D. Debt sustainability**

41. Jordan faces a moderate overall risk of sovereign debt stress. The country's debt-to-GDP ratio stood at approximately 89.6 per cent in 2023 and is expected to remain high in the near term due to continued fiscal pressures and limited space for rapid fiscal consolidation. While the Government has implemented measures to improve revenue generation and control expenditures, debt levels are projected to remain elevated before gradually declining over the medium term. Jordan's economic growth is forecast at around 2.6 per cent in 2024, with modest improvements anticipated in subsequent years, supported by structural reforms and targeted investments in priority sectors.

## IV. Implementation

### A. Organizational framework

#### **Programme management and coordination**

42. JEDCO will lead REGEP-UP implementation, leveraging its strong performance in prior phases and alignment with IFAD standards. The PMCU, based in Amman, will manage daily operations with a multidisciplinary team recruited competitively. Key roles include programme manager, finance coordinator, and specialists in value chains, monitoring and evaluation (M&E), rural finance and procurement. UN Women and IsDB will enhance staffing, including a gender and inclusion expert and technical support for rural finance. Office infrastructure is secured at JEDCO's headquarters, with additional support from IsDB. Mobile field specialists will extend outreach to rural areas. Governance includes a programme steering committee chaired by the Ministry of Planning and International Cooperation, a technical committee for monthly coordination, and a donor coordination committee with IFAD, IsDB and UN Women. Component-specific partnerships including CBJ, ACC and the Development and Employment Fund will support delivery for financial services. The programme implementation manual outlines roles, ensuring accountability and enabling inclusive, adaptive management across diverse regions.

#### **Financial management, procurement and governance**

43. The financial management of the programme will be decentralized, with the PMCU at JEDCO overseeing budgeting, fund flow coordination, financial reporting and audit follow-up. The PMCU will be supported by a finance specialist and an accountant, with additional oversight from JEDCO's Finance Manager and Internal Auditor. Implementing partners like the ACC and NGOs will assign accounting staff to manage financial transactions. The programme will adhere to International Public Sector Accounting Standards (IPSAS-cash basis) and utilize dedicated accounting software for real-time financial reporting. External audits will be conducted by the Audit Bureau of Jordan in line with International Organization of Supreme Audit Institutions standards.
44. Procurement implementation will be guided by a risk assessment and will rely on the country's procurement systems where feasible. The procurement risk matrix has been developed to address key risks, and the programme implementation manual will outline specific procurement procedures. The PMCU will ensure compliance with IFAD's Project Procurement Guidelines, with additional oversight mechanisms in place to monitor procurement activities.
45. Governance will be supported by a programme steering committee chaired by the Ministry of Planning and International Cooperation. A two-tier grievance redress mechanism will be established, with focal points trained to handle complaints through various channels. The Audit Bureau of Jordan will conduct external audits, and internal audits will complement these to enhance assurance. Whistle-blower protection and complaint mechanisms will be in place, aligning with IFAD's policies on preventing fraud and corruption.

#### **Target group engagement and feedback and grievance redress**

46. The programme will employ a participatory approach to ensure accountability in delivering interventions. Regular consultations with target groups will be conducted to gather feedback and assess satisfaction with programme activities. Feedback mechanisms will include community meetings, surveys and suggestion boxes, allowing beneficiaries to voice concerns and suggestions. A grievance redress system will be established, providing a transparent process for addressing complaints. This system will include a dedicated hotline and local grievance committees to ensure timely resolution of issues. These mechanisms are designed to be proportionate to the programme's scale, ensuring effective stakeholder engagement and accountability.

### **Grievance redress**

47. REGEUP-UP will follow IFAD's Complaints Procedures to ensure individuals and communities can report concerns if negatively affected by the programme's non-compliance with IFAD's social and environmental policies. A two-tier grievance redress mechanism (GRM) will be implemented: one at the programme level through JEDCO, and a second via implementing partners such as the Jordan River Foundation, which already has established GRMs. If concerns are not addressed or retaliation is feared, complaints can be raised directly to IFAD. The programme will also adhere to IFAD's policies on preventing sexual harassment/sexual exploitation and abuse, and will follow IFAD's zero-tolerance anticorruption policy, with secure reporting channels.

### **B. Planning, monitoring and evaluation, learning, knowledge management and communications**

48. The programme will implement a comprehensive knowledge management and communication strategy to support decision-making, adaptation and reporting. This strategy will focus on capturing and disseminating field-based learning from inclusive value chain interventions, particularly in climate-smart agriculture and rural finance. The programme will generate evidence to inform operations and policy, aligning with Jordan's national priorities. A participatory process will guide the preparation of the AWPB, ensuring alignment with the programme's strategy and logical framework. Results-based AWPBs will be developed in coordination with stakeholders and validated by the programme steering committee. Knowledge products will be tailored to inform policy decisions and operational learning, with dissemination through workshops, dialogues and multimedia tools. This approach will support policy engagement and scaling up of successful innovations.

### **Innovation and scaling up**

49. REGEUP-UP builds on successful REGEUP interventions by scaling up support for savings and credit groups, farmer field schools and rural finance, with further potential in areas like women-targeted grants and drought-resilient crops. However, REGEUP's limited policy influence, due to weak technical assistance, highlights the need for stronger technical assistance in REGEUP-UP, especially for strategic policy engagement. Mainstreaming youth, gender, nutrition and climate themes will enhance impact and sustainability by fostering inclusive, resilient and healthier rural communities.
50. Key innovations under REGEUP-UP include:
- **Inclusive green finance** targeting women, youth and MSMEs for climate adaptation and job creation;
  - **Smart grants** promoting drought-resilient crops, efficient irrigation and renewable energy;
  - **Digital platforms** for registration, training, market access and climate information;
  - **Bundled support** combining grants, finance, coaching and technical assistance;
  - **Innovation hubs** for piloting and scaling climate-smart agribusinesses;
  - **Gender-transformative approaches** supporting women's entrepreneurship and empowerment;
  - **Nutrition-sensitive value chains** to improve diets and reduce food loss;
  - **Green job creation** for rural youth through sustainable agriculture services; and

- **Policy engagement** to inform national strategies and enable system-level change.

## **C. Implementation plans**

### **Implementation readiness and start-up plans**

51. To ensure implementation readiness, the programme implementation manual will be finalized, serving as the main reference for programme execution. Key oversight bodies, including the programme steering committee and technical committee, will be established. Financial management arrangements will be set up, including bank accounts and accounting software. A comprehensive M&E plan and a custom M&E information system will be developed. Initial procurement plans and agreements with financial intermediaries will be finalized. A knowledge management and communication strategy will be crafted to support programme activities.

### **Supervision, midterm review and completion plans**

52. The programme will be directly supervised by IFAD in collaboration with the Ministry of Agriculture, with annual support missions to enhance implementation and impact. A joint midterm review will take place by 2028, based on surveys and IFAD guidelines. After completion, the Ministry of Agriculture will prepare a final report, supported by an impact evaluation by JEDCO.

## **V. Legal instruments and authority**

53. A financing agreement between the Hashemite Kingdom of Jordan and IFAD will constitute the legal instrument for extending the proposed financing to the borrower/recipient. A copy of the negotiated financing agreement is attached as appendix I.
54. The Hashemite Kingdom of Jordan is empowered under its laws to receive financing from IFAD.
55. I am satisfied that the proposed financing will comply with the Agreement Establishing IFAD and the Policies and Criteria for IFAD Financing.

## **VI. Recommendation**

56. I recommend that the Executive Board approve the proposed financing in terms of the following resolution:

RESOLVED: that the Fund shall provide a loan on ordinary terms to the Hashemite Kingdom of Jordan in an amount of four million two hundred and eighty-eight thousand euros (EUR 4,288,000) (equivalent to US\$5 million) and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

RESOLVED FURTHER: that the Fund shall provide a loan on ordinary terms to the Hashemite Kingdom of Jordan in an amount of eight million five hundred and seventy-seven thousand euros (EUR 8,577,000) (equivalent to US\$10 million) and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

Alvaro Lario  
President

# Negotiated financing agreement

## FINANCING AGREEMENT

Loan No: \_\_\_\_\_

Loan No: \_\_\_\_\_

Programme name: *Rural Economic Growth and Employment Programme Upscaling* ("the REGEP-UP"/ "the Programme")

The Hashemite Kingdom of Jordan (the "Borrower")

and

The International Fund for Agricultural Development (the "Fund" or "IFAD")

(each a "Party" and both of them collectively the "Parties")

**WHEREAS** the Borrower has requested a loan from the Fund for the purpose of financing the Programme described in Schedule 1 to this Agreement;

**WHEREAS** the Programme will build on the lessons and achievements of the previous phase (REGEP), by adjusting and upscaling successful engagements, targeting specific value chains, and extending outreach spatially and numerically;

**WHEREAS**, the Programme shall be co-financed by the Islamic Development Bank (IsDB). The Borrower and IsDB have entered into or will enter into a Financing Agreement to provide financing for the Programme;

**WHEREAS**, the Fund has agreed to provide financing for the Programme;

**NOW THEREFORE**, the Parties hereby agree as follows:

### Section A

1. This Agreement comprises the following: the Main Document (Whereas and Sections A-E), the Programme Description and Implementation Arrangements (Schedule 1), the Allocation Table (Schedule 2) and the Special Covenants (Schedule 3).

2. The Fund's General Conditions for Agricultural Development Financing dated 29 April 2009, amended as of December 2022, and as may be amended hereafter from time to time (the "General Conditions") are annexed to this Agreement, and all provisions thereof shall apply to this Agreement. For the purposes of this Agreement the terms defined in the General Conditions shall have the meanings set forth therein, unless the Parties shall otherwise agree in this Agreement.

3. The Fund shall provide the loans in Ordinary terms (the "Financing") to the Borrower which the Borrower shall use to implement the Programme in accordance with the terms and conditions of this Agreement.

### Section B

1. A. The amount of the PBAS Loan is four million two hundred and eighty-eight thousand Euros (EUR 4 288 000).



B. The amount of the BRAM Loan is eight million five hundred and seventy-seven thousand Euros (EUR 8 577 000).

2. The Financing is granted on ordinary terms and shall be subject to interest on the principal amount outstanding of the Loan at a rate equal to the IFAD Reference Interest Rate including a variable spread, payable semi-annually in the Loan Service Payment Currency, and have a maturity period of 30 years, including a grace period of 5 years, starting from the date as of which the Fund has determined that all general conditions precedent to withdrawal have been fulfilled.

3. The Loans Service Payment Currency shall be in Euros.

4. The first day of the applicable Fiscal Year shall be 1 January.

5. Payments of principal and interest shall be payable on each 31 March and 30 September.

6. There shall be a pool Designated Account in Euros, for the exclusive use of the PBAS and BRAM Loans opened in the Central Bank of Jordan. The Borrower shall inform the Fund of the officials authorized to operate the Designated Account.

7. There shall be a pool Programme Account in Jordanian dinar (JOD), to receive funds from the loans pool designated account, opened in a commercial Bank.

8. The Borrower shall provide counterpart financing for the Programme in the amount of approximately five hundred and eleven thousand Euros (EUR 511 000) equivalent in the form of taxes and duties.

## **Section C**

1. The Lead Programme Agency shall be the Jordan Enterprise Development Corporation (JEDCO).

2. Additional Programme Parties are described in Schedule 1 Part II, paragraph 9.

3. A Mid-Term Review will be conducted as specified in Section 8.03 (b) and (c) of the General Conditions; however, the Parties may agree on a different date for the Mid-Term Review of the implementation of the Programme.

4. The Programme Completion Date shall be the sixth (6) anniversary of the date of entry into force of this Agreement and the Financing Closing Date shall be 6 months later, or such other date as the Fund may designate by notice to the Borrower.

5. Procurement of goods, works and services financed by the Financing shall be carried out in accordance with the provisions of the Borrower's procurement regulations, to the extent such are consistent with the IFAD Procurement Guidelines.

## **Section D**

1. The Fund will administer the Loan and supervise the Programme.

**Section E**

1. The following are designated as additional grounds for suspension of this Agreement:
  - (a) The PIM and/or any provision thereof, has been waived, suspended, terminated, amended or modified without the prior agreement of the Fund and the Fund, after consultation with the Borrower, has determined that it has had, or is likely to have, a material adverse effect on the Programme.
  - (b) In the event that the Borrower did not request a disbursement of the Financing for a period of at least 12 months without justification.
2. The following are designated as additional grounds for cancellation of this Agreement:
  - (a) In the event that the Borrower did not request a disbursement of the Financing for a period of at least 12 consecutive months without justification subsequent to the first eighteen (18) months from the entry into force of the Agreement.
3. The following are designated as additional (general) conditions precedent to withdrawal:
  - (a) The IFAD no objection to the Programme Implementation Manual (PIM) shall have been obtained.
  - (b) Programme Management Coordination Unit (PMCU) is established within JEDCO and Key Programme Personnel has been appointed as per part II paragraph 8 of Schedule 1 of this Agreement.
4. The following are designated as an additional specific condition precedent to withdrawal from the Credit & Guarantee Fund category:
  - (a) Two separate subsidiary agreements for the Credit lines shall be signed by Ministry of Planning and International Cooperation, one with Agricultural Credit Corporation (ACC) and another with Central Bank of Jordan (CBJ). Both agreements shall be subject to the approval of IFAD.
5. This Agreement is subject to ratification by the Borrower.<sup>3</sup>
6. The following are the designated representatives and addresses to be used for any communication related to this Agreement:

For the Borrower:

The Minister  
Ministry for Planning and  
International Co-operation  
of the Hashemite Kingdom  
of Jordan  
P.O. Box 555 Amman 11118  
Hashemite Kingdom of Jordan

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<sup>3</sup> To check with the Borrower if this is applicable according to their national legislation

For the Fund:

The President  
International Fund for Agricultural Development  
Via Paolo di Dono 44  
00142 Rome, Italy

[If applicable, The Parties accept the validity of any qualified electronic signature used for the signature of this Agreement and recognise the latter as equivalent to a hand-written signature.]

This Agreement has been prepared in the English language in two (2) original copies, one (1) for the Fund and one (1) for the Borrower.

HASHEMITE KINGDOM OF JORDAN

\_\_\_\_\_  
"[Authorised Representative Name]"  
"[Authorised Representative title]"

Date: \_\_\_\_\_<sup>4</sup>

INTERNATIONAL FUND FOR  
AGRICULTURAL DEVELOPMENT

\_\_\_\_\_  
"[Authorised Representative Name]"  
"[Authorised Representative title]"

Date: \_\_\_\_\_

\_\_\_\_\_  
<sup>4</sup> In case the FA is not signed in IFAD HQ

## Schedule 1

### *Programme Description and Implementation Arrangements*

#### I. Programme Description

1. *Target Population.* The programme aims to prioritising poor rural households, vulnerable smallholders, and commercially oriented smallholders.
2. *Programme area.* The Programme will operate across all 12 governorates of Jordan, focusing on areas with specific development needs in irrigated, rainfed, and agropastoral zones (the "Programme Area").
3. *Goal.* The overarching goal of the Programme is to reduce rural poverty and nutrition insecurity, while simultaneously increasing household resilience to the intertwined economic and climate-related challenges prevalent in Jordan's water-scarce context.
4. *Objectives.* The programme's development objective is to improve the productivity and incomes of poor smallholders and to generate sustainable employment. This will be achieved through tailored support to various actors within selected value chains, including rural MSMEs, thereby strengthening their integration into competitive and resilient agri-food systems. The Programme aims to improve soil and water management, adopt climate-resilient practices, enhance agribusiness development, and support inclusive financing for MSMEs. Additionally, it seeks to inform policy through data, knowledge, and advocacy for sustainable value chains. The Programme's duration is six years. A minimum of 30% of the Programme is earmarked for initiatives that directly contribute to climate adaptation or mitigation.
5. *Components.* The Programme shall consist of the following Components:
  - 5.1 *Component 1: Resilient and Inclusive Value Chain Development.* This component aims to ensure the adoption of sustainable and climate-adaptive practices, inputs, and technologies. The objectives are to strengthen climate resilience in water-scarce environments, enhance food production and nutrition by supporting sustainable family-based enterprises in food processing, and improve smallholders' access to markets. It will also focus on generating jobs in rural Small and Medium-sized Enterprises (SMEs) and supporting value addition in longer, commercially viable value chains.
    - 5.1.1 *Sub-Component 1.1: Microentrepreneurs Production and Processing.* This sub-component targets poor and vulnerable households with limited landholdings (less than 1 hectare), with a focus on women, youth, and refugees. It seeks to enhance their climate resilience and income-generating potential through technical support, grant resources, business mentoring, and marketing support.
    - 5.1.2 *Sub-component 1.2: Value Chain and SME Development.* This sub-component focuses on developing inclusive and efficient value chains for selected commodities through building the capacity of agro-processors and off-takers (SMEs/MSMEs) and improving the agricultural production efficiency and productivity of medium scale producers. The selected value chains include, but not limited to fruits (dates, olives, citrus), vegetables (tomatoes, peppers, zucchini, eggplants, okra), and Herbal Medicinal and Aromatic Plants (HMAPs) such as thyme and sage
  - 5.2 *Component 2: Inclusive Rural Finance.* This component is designed to improve access to finance for MSMEs, strengthen the technical capacity of Participating Financial Institutions (PFIs), and enhance financial literacy among rural populations.
    - 5.2.1 *Sub-component 2.1: Improved access to finance for MSMEs.* Access to finance will be facilitated through two primary channels. SME loans will be provided via the CBJ financing facility, targeting growth-oriented SMEs. For smaller enterprises, microloans will

be available via the Agricultural Credit Corporation (ACC) offering more affordable interest rates.

5.2.2 Sub-component 2.2: *Strengthened technical capacity of PFIs*. Targeted technical assistance (TA) will be provided to PFIs to build their expertise in agricultural lending. This includes training on analysing agricultural businesses, applying appropriate risk management strategies, developing tailored loan products that accommodate agricultural specificities, and utilizing "technological maps" for standardized assessment and monitoring of agricultural enterprises.

5.2.3 Sub-component 2.3: *Improved financial literacy among rural residents*. Financial literacy programs will be developed. A Training of Trainers (ToT) program will equip local facilitators to lead community-based financial education sessions. Innovative delivery methods will be employed, and materials will be disseminated nationally in collaboration with the CBJ.

5.3 Component 3: *Policy Support and Programme Management*. This component concentrates on engaging with policy development, generating and managing knowledge, and ensuring the overall effective coordination and management of the Programme.

## II. Implementation Arrangements

6. *Lead Programme Agency*. The Jordan Enterprise Development Corporation (JEDCO) will serve as the lead implementing agency for the Programme.

7. *Programme Oversight Committee*. The existing Programme Steering Committee (PSC), chaired by the Ministry of Planning and International Cooperation (MoPIC), will continue to oversee strategic decision-making. The PSC could include, but is not limited to, representatives from JEDCO, the Ministry of Agriculture (MoA), the Central Bank of Jordan (CBJ), the Agricultural Credit Corporation (ACC), the National Agricultural Research Institute (NARC), the NGOs, and private sector entities including farmers' organizations, and other relevant partners. The Programme Manager will serve as the secretary to the PSC, ensuring timely coordination and reporting.

8. *Programme Management Unit*. The Program Management and Coordination Unit (PMCU) (already established for the Original Financing) situated within JEDCO's structure in Amman, under the overall supervision of the JEDCO CEO. The PMCU staff shall be the Program manager, Finance coordinator, and various specialists and officers, (Key Programme Personnel) and will be functionally structured to promote cross-component integration. The Programme Manager shall report to the CEO, JEDCO. The Programme Manager may be changed only with IFAD no objection.

A dedicated Technical Committee chaired by the Programme Manager will convene monthly and include PMCU technical staff and representatives from key implementing partners. This forum will ensure operational coordination, adaptive decision-making, and inclusive implementation. Meetings will alternate between Amman and programme sites to ensure regional issues are systemically addressed and feedback from local stakeholders is integrated. The PMCU will be responsible for overall management, coordination and monitoring of Programme implementation including: (i) developing the Programme Implementation Manual; (ii) compiling Annual Work Plans and Budgets (AWPBs) for submission to the PSC and to IFAD; (iii) financial management (managing the Designated Account and the Programme Account, disbursement, preparation of withdrawal applications); (iv) procurement, contracting and contract management; (v) ensuring the Programme benefits reach the target group; (vi) monitoring and evaluation, progress reporting on Programme implementation, and knowledge management; (vii) preparing consolidated financial statements (including financial information from the implementing partners) on the full activities of the Programme (viii) organising the annual Programme audit; (ix) coordination and liaison with the Government and other implementing partners and IFAD. Provisions will be made for studies, surveys and technical support for design and

installation of the Programme M&E system to monitor Programme implementation and assess impact.

In addition, and as required, a Donor Coordination Committee will include IFAD, the Islamic Development Bank (IsDB), and potentially UN Women and the Italian Agency for Development Cooperation—The Programme’s primary external financiers. This body will align the partners’ technical and financial support and ensure that joint programming and resource pooling are sustained throughout implementation.

9. *Programme Parties.* The Programme will formalize a partnership, when required, with NARC, the Central Bank of Jordan (CBJ) and Agricultural Credit Corporation (ACC) and other relevant public entities through Memoranda of Understanding.

Selected civil societies and research organizations will serve as key implementing partners for training and outreach, especially to women and youth. The Programme will also engage private sector actors to expand market access, co-invest in value chains, and deliver sustainable employment opportunities.

10. *Monitoring and Evaluation.* The Programme will establish a robust M&E system to track the implementation, outcomes and impact of all programme interventions. The Programme M&E unit will be comprised of an M&E Specialist forming the Central M&E Unit, and M&E units with each Programme Implementation Partner (PIPs). These units will coordinate closely with the Central Unit to ensure data collection and verification, support beneficiaries, disseminate information, and report progress. The M&E Specialist will oversee day-to-day M&E activities, quality assurance, data analysis, and reporting. A custom-made, cloud-based Monitoring and Evaluation Management Information System (M&E MIS) will be developed to ensure systematic, consistent, and digitalized data collection and management across all components.

The programme will have both internal and external reporting and reflection mechanisms. Internally, monthly performance reports will be consolidated by JEDCO and prepared by implementing parties. These reports will cover implementation progress against planned targets. In addition, the PMU will submit semi-annual/annual progress reports, presenting implementation progress against annual and appraisal targets.

11. *Knowledge Management.* The programme will systematically generate, manage, and disseminate evidence to inform operations, influence policy processes, and contribute to IFAD’s knowledge base.

12. *Programme Implementation Manual.* The Programme Implementation Manual provides a comprehensive organizational chart and further defines the roles and responsibilities of each actor, ensuring clarity of functions and accountability lines. This structure supports both robust oversight and flexible field-level delivery essential for reaching remote households, generating cross-sectoral learning, and achieving the Programme’s inclusive rural transformation goals. The PIM will be updated during the start-up phase and adjusted as needed throughout implementation.

**Schedule 2***Allocation Table*

1. *Allocation of Loan Proceeds.* (a) The Table below sets forth the Categories of Eligible Expenditures to be financed by the Loans and the allocation of the amounts to each category of the Financing and the percentages of expenditures for items to be financed in each Category:

<b>Category</b>	<b>PBAS Loan Amount Allocated in EUR</b>	<b>BRAM Loan Amount Allocated in EUR</b>	<b>Percentage</b>
Equipment & materials		90 000	100% net of taxes
Consultancies	1 295 000	666 000	100% net of taxes and other co-financiers
Grants & Subsidies	2 564 000	2 808 000	100% net of beneficiaries' contributions
Credit & Guarantee Fund		2 925 000	100% net of beneficiaries' contributions and other co-financiers
Salaries & allowances		1 231 000	100% net of other co-financiers
Unallocated	429 000	857 000	
<b>TOTAL</b>	<b>4 288 000</b>	<b>8 577 000</b>	

## Schedule 3

### *Special Covenants*

#### **I. General Provisions**

In accordance with Section 12.01(a)(xxiii) of the General Conditions, the Fund may suspend, in whole or in part, the right of the Borrower to request withdrawals from the Loan Account if the Borrower has defaulted in the performance of any covenant set forth below, and the Fund has determined that such default has had, or is likely to have, a material adverse effect on the Programme:

1. Within 6 months of entry into force of the Financing Agreement, the Programme will procure and install a customized accounting software as it is the practice in IFAD on-going supported programmes, to satisfy International Accounting Standards and IFAD's requirements.
2. *Planning, Monitoring and Evaluation.* The Borrower shall ensure that (i) a Planning, Monitoring and Evaluation (PM&E) system shall be established within twelve (12) months from the date of entry into force of this Agreement.
3. *Gender.* The [Borrower] shall ensure that the Programme will address gender and age-specific barriers through improved access to productive assets, employment opportunities, adaptive practices, labour-saving technologies and entrepreneurship development.
4. *Land tenure security.* The Borrower shall ensure that the land acquisition process has already been completed and that compensation processes were consistent with international best practice and free prior and informed consent principles.
5. *Anticorruption Measures.* The Borrower shall comply with IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations.
6. *Sexual Harassment, Sexual Exploitation and Abuse.* The Borrower and the Programme Parties shall ensure that the Programme is carried out in accordance with the provisions of the IFAD Policy on Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse, as may be amended from time to time.
7. All goods, services, equipment, and vehicles financed by the Financing shall be used exclusively for the purposes of the Programme under PMCU director's responsibility.
8. *IFAD Client Portal (ICP) Contract Monitoring Tool.* The Borrower shall ensure that a request is sent to IFAD to access the programme procurement Contract Monitoring Tool in the IFAD Client Portal (ICP). The Borrower shall ensure that all contracts, memoranda of understanding, purchase orders and related payments are registered in the Programme Procurement Contract Monitoring Tool in the IFAD Client Portal (ICP) in relation to the procurement of goods, works, services, consultancy, non-consulting services, community contracts, grants and financing contracts. The Borrower shall ensure that the contract data is updated on a quarterly basis during the implementation of the Programme.
9. *The Key Programme Personnel:* In order to assist in the implementation of the Programme, the Programme Manager, Financial Specialist, Monitoring and Evaluation, Knowledge Management, Procurement, Social Inclusion and Gender Specialist, value chain specialist, and rural finance specialist, unless otherwise agreed with IFAD, shall employ or cause to be employed, as required, key staff whose qualifications, experience and terms of reference are satisfactory to IFAD. Key Programme Personnel shall be seconded to the [PIU/PMU] in the case of government officials or recruited under a consulting contract following the individual consultant selection method in the IFAD Procurement Handbook, or



any equivalent selection method in the national procurement system that is acceptable to IFAD. The recruitment of Key Programme Personnel is subject to IFAD's prior review [as is the dismissal of Key Programme Personnel]. Key Programme Personnel are subject to annual evaluation and the continuation of their contract is subject to satisfactory performance. Any contract signed for Key Programme Personnel shall be compliant with the national labour regulations or the ILO International Labour Standards (whichever is more stringent) in order to satisfy the conditions of IFAD's updated SECAP. Repeated short-term contracts must be avoided, unless appropriately justified under the [Programs]'s circumstances.

## **II. SECAP Provisions**

1. For programmes presenting high or substantial social, environmental and climate risks, the Borrower/Recipient shall carry out the implementation of the Programme in accordance with the measures and requirements set forth in the [Environmental and Social Impact Assessments (ESIAs)/Environmental, Social and Climate Management Frameworks (ESCMFs) and/or Resettlement Action Plans/Frameworks (RAPs/Fs) and Environmental, Social and Climate Management Plans (ESCMPs) for high risk programmes and Abbreviated ESIAs and/or Abbreviated RAP/F and ESCMPs for substantial risk programmes and Free, Prior and Informed Consent (FPIC) Plans, FPIC Implementation Plans, Indigenous Peoples Plans (IPPs), Pesticide Management Plans, Cultural Resources Management Plans and Chance Finds Plans] (the "Management Plan(s)"), as applicable, taken in accordance with SECAP requirements and updated from time to time by the Fund.

The Borrower shall not amend, vary or waive any provision of the Management Plan(s), unless: (i) agreed in writing by the Fund and (ii) Borrower has complied with the requirements applicable to the original adoption of the Management Plan(s).

2. The Borrower shall not, and shall cause the [Executing Agency, all its contractors, its sub-contractors, and suppliers] not to commence implementation of any works, unless all Programme affected persons have been compensated and/or resettled in accordance with the specific RAP/Abbreviated RAP, FPIC and/ or the agreed works and compensation schedule.

3. The Borrower/ shall disclose the draft and final ESIA reports and all other relevant Management Plan(s) with Programme stakeholders and interested parties in an accessible place in the Programme-affected area, in a form and language understandable to Programme-affected persons and other stakeholders. The disclosure will take into account any specific information needs of the community (e.g. culture, disability, literacy, mobility or gender).

4. The Borrower shall ensure [or cause the Executing Agency and Implementing Agency to ensure] that all bidding documents and contracts for goods, works and services contain provisions that require contractors, sub-contractors and suppliers to comply at all times in carrying out the Programme with the standards, measures and requirements set forth in the SECAP 2021 Edition and the Management Plan(s), if any.

5. This section applies to any event which occurs in relation to serious environmental, social, health & safety (ESHS) incidents (as this term is defined below); labor issues or to adjacent populations during Programme implementation that, with respect to the relevant IFAD Programme:

- (i) has direct or potential material adverse effect;
- (ii) has substantially attracted material adverse attention of outside parties or create material adverse national press/media reports; or

(iii) gives rise to material potential liabilities.

In the occurrence of such event, the Borrower shall:

- Notify IFAD promptly;
- Provide information on such risks, impacts and accidents;
- Consult with Programme-affected parties on how to mitigate the risks and impacts;
- Carry out, as appropriate, additional assessments and stakeholders' engagements in accordance with the SECAP requirements; and
- Adjust, as appropriate, the Programme-level grievance mechanism according to the SECAP requirements; and
- Propose changes, including corrective measures to the Management Plan(s) (if any), in accordance with the findings of such assessment and consultations, for approval by IFAD.

**Serious ESHS incident** means serious incident, accident, complaint with respect to environmental, social (including labor and community), health and safety (ESHS) issues that occur in the context of the loan or within the Borrower's activities. Serious ESHS incidents can comprise incidents of (i) environmental; (ii) occupational; or (iii) public health and safety; or (iv) social nature as well as material complaints and grievances addressed to the Borrower (e.g. any explosion, spill or workplace accident which results in death, serious or multiple injuries or material environmental contamination, accidents of members of the public/local communities, resulting in death or serious or multiple injuries, sexual harassment and violence involving Programme workforce or in relation to severe threats to public health and safety, inadequate resettlement compensation, disturbances of natural ecosystems, discriminatory practices in stakeholder consultation and engagement (including the right of indigenous peoples to free, prior and informed consent), any allegations that require intervention by the police/other law enforcement authorities such as loss of life, sexual violence or child abuse, which (i) have, or are likely to have a material adverse effect; or (ii) have attracted or are likely to arouse substantial adverse attention of outside parties or (iii) to create substantial adverse media/press reports; or (iv) give, or are likely to give rise to material potential liabilities).

6. The Borrower shall ensure [or cause the Executing Agency, Implementing Agency, contractors, sub-contractors and suppliers to ensure] that the relevant processes set out in the SECAP 2021 Edition as well as in the Management Plan(s) (if any) are respected.

7. Without limitation on its other reporting obligations under this Agreement, the Borrower shall provide the Fund with:

- Reports on the status of compliance with the standards, measures and requirements set forth in the SECAP 2021 Edition, ESCMPs and the management plan (if any) on a semi-annual basis - or such other frequency as may be agreed with the Fund;
- Reports of any social, environmental, health and safety incidents and/accidents occurring during the design stage, the implementation of the Programme and propose remedial measures. The Borrower/Recipient will disclose relevant information from such reports to affected persons promptly upon submission of the said reports; and
- Reports of any breach of compliance with the standards, measures and requirements set forth in the SECAP 2021 Edition and the Management Plan(s) (if any) promptly after becoming aware of such a breach.

8. In the event of a contradiction/conflict between the Management Plan(s), if any, and the Financing Agreement, the Financing Agreement shall prevail.

## Logical framework

### Logical Framework

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
Outreach	1. Persons receiving services promoted or supported by the project				M&E System	Semi-annual/Annual	PMCU, M&E Unit, Implementation Partners, Component leads	
	Males - Males	0	3394	8485				
	Females - Females	0	2263	5657				
	Young - Young people	0	1697	4243				
	Total number of persons receiving services - Number of people	0	5657	14142				
	1.a Corresponding number of households reached				M&E System	Semi-annual/Annual	PMCU, M&E Unit, Implementation Partners, Component leads	
	Women-headed households - Households	0	0	3535				
	Households - Households	0	5657	14142				
	1.b Estimated corresponding total number of households members				M&E System	Semi-annual/Annual	PMCU, M&E Unit, Implementation Partners, Component leads	
	Household members - Number of people	0	26587	66467				

<b>Project Goal</b> To reduce rural poverty, food insecurity and increase households’ resilience to economic and climate related challenges in water scarce context	<b>Reduction in the prevalence of food insecurity measured with Food insecurity experience scale (FIES)</b>				COI Survey (FIES methodology)	Baseline, Mid-term and Completion	PMCU, M&E Unit (Baseline, Mid-term and Impact assessment contractors)	Political and economic stability will prevail in Jordan
	Percent reduction - Percentage (%)	0	5	15				
	<b>Households reporting an increase in resilience measured through the ability to recover from shocks (ATR)</b>				COI Survey	Baseline, Mid-term and Completion	PMCU, M&E Unit (Baseline, Mid-term and Impact assessment contractors)	
	Household - Percentage (%)	0	10	25				
	Household - Number	0	1414	3535				
	<b>Households experiencing upward economic mobility (proxied by asset indicators i.e. household and productive assets)</b>				COI Survey	Baseline, Mid-term and Completion	PMCU, M&E Unit (Baseline, Mid-term and Impact assessment contractors)	
	Household - Percentage (%)	0	10	20				
Household - Number	0	1414	2828					
<b>Development Objective</b> To improve the productivity and incomes of the smallholders and generate sustainable employment through tailored support to actors in the selected	<b>2.2.1 Persons with new jobs/employment opportunities</b>				M&E System, COI Survey	Baseline, Mid-term and Completion	PMCU, M&E Unit, and IPs (Baseline, Mid-term and Impact assessment contractors)	
	Males - Males	0	880	2200				
	Females - Females	0	880	2200				
	Young - Young people	0	528	1320				
	Total number of persons with new jobs/employment opportunities - Number of people	0	1760	4400				

value chains, including rural MSMEs, to strengthen their integration into competitive and resilient agri-food systems.	<b>Small scale farmers and MSMEs reporting at least 20% increase in incomes deriving from agriculture-based activities in the target value chains</b>				COI Survey	Baseline, Mid-term and Completion	PMCU, M&E Unit (Baseline, Mid-term and Impact assessment contractors)	
	Small scale farmers - Number	0	880	2200				
	MSMEs - Number	0	674	1686				
	<b>Percentage increase in total factor productivity</b>				COI Survey, M&E System	Baseline, Mid-term and Completion	PMCU, M&E Unit (Baseline, Mid-term and Impact assessment contractors)	
	Percentage - Percentage (%)	0	5	15				
<b>Outcome</b> 1.1 Improved soil and water management practices, and adoption of climate-resilient inputs and technologies to enhance climate adaptation and resource efficiency.	<b>3.2.2 Households reporting adoption of environmentally sustainable and climate-resilient technologies and practices</b>				COI Survey	Baseline, Mid-term and Completion	PMCU, M&E Unit (Baseline, Mid-term and Impact assessment contractors)	Capacity building results in adoption of climate-resilient inputs and technologies
	Total number of household members - Number of people	0	3910	7825				
	Households - Percentage (%)	0	40	80				
	Households - Households	0	832	1665				
	<b>3.2.1 Tons of Greenhouse gas emissions (tCO2e) avoided and/or sequestered<sup>5</sup></b>				FAO Ex-act methodology	Completion	IFAD/FAO PMCU M&E unit	
	Hectares of land - Area (ha)	0	280	401				

<sup>5</sup> These targets are based on previous REGEP ex act (ex -post) analysis which concluded in project negative GHG emission. Results showed a total carbon balance of – 4,633 tCO<sub>2</sub>-eq over 20 years (10 years of implementation and 10 years of capitalization) due to the implementation of project activities, for a total area of 401 hectares. The project hence contributed to increased carbon sequestration. As REGEP up will have similar mitigation activities, previous REGEP exact analysis has been used as end line reference for REGEP UP. Main activities which will contribute to GHG sequestration and so climate mitigation include better soil carbon sequestration capacity through resilient agricultural practices in annual and perineal crops, efficient used of fertilizer and access to energy efficient technologies. REGEP UP ex post amount of GHG emissions will be re-assessed at MTR.

	tCO2e/20 years - Number	0	1853	4633	COI Survey	Baseline, Mid-term and Completion	PMCU, M&E Unit (Baseline, Mid-term and Impact assessment contractors)
	tCO2e/ha - Number	0	4.6	11.6			
	tCO2e/ha/year - Number	0	0.2	0.4			
	<b>1.2.3 Households reporting reduced water shortage vis-à-vis production needs</b>						
	Households - Percentage (%)	0	40	80			
	Households - Households	0	272	544			
	Total number of household members - Number of people	0	1029	2557			
	<b>Increase in crop value/unit of water</b>						
	Ratio - Percentage (%)	0	1.1	1.1			
<b>Output</b> 1.1.1 Farmers equipped with climate-resilient inputs and technologies, and capacitated in adaptive agricultural practices and	<b>3.1.4 Land brought under climate-resilient practices</b>				M&E system	Semi-annual/Annual	PMCU, M&E Unit, Implementation Partners, Component leads
	Hectares of land - Area (ha)	0	420	1050 <sup>6</sup>			
	<b>3.1.3 Persons accessing technologies that sequester carbon or reduce greenhouse gas emissions</b>				M&E system	Semi-annual/Annual	PMCU, M&E Unit, Implementation Partners,
	Males - Males	0	412	1029			

<sup>6</sup> 2081 households benefitting.

water use efficiency	Females - Females	0	274	686			Component leads	
	Young - Young people	0	206	515				
	Total persons accessing technologies - Number of people	0	686	1715				
	<b>1.1.2 Farmland under water-related infrastructure constructed/rehabilitated</b>				M&E system	Semi-annual/Annual	PMCU, M&E Unit, Implementation Partners, Component leads	
	Hectares of land - Area (ha)	0	292	730 <sup>7</sup>				
<b>Outcome</b> 1.2 Increased adoption of improved and nutrition-sensitive production and processing technologies and practices to support market-based agribusiness development, enhance smallholders' market access, and improve dietary diversity.	<b>1.2.4 Households reporting an increase in production</b>				COI Survey	Baseline, Mid-term and Completion	PMCU, M&E Unit (Baseline, Mid-term and Impact assessment contractors)	Capacity building results in adoption of enhanced and nutrition-sensitive production and processing techniques
	Total number of household members - Number of people	0	5034	12584				
	Households - Percentage (%)	0	40	70				
	Households - Households	0	1071	2677				
	<b>1.2.2. Households reporting adoption of new/improved inputs, technologies or practices</b>							
	Total number of household members - Number of people	0		14382	COI Survey	Baseline, Mid-term and Completion	PMCU, M&E Unit (Baseline, Mid-term and Impact assessment contractors)	Willingness of target groups to invest in new technologies and/or
	Households - Percentage (%)	0		80%				
	Households - Households	0		3060				

<sup>7</sup> 680 Households benefiting (600 households benefiting from small grants for water infra under subcomponent 1.1, 80 households benefiting from grants under subcomponent 1.2)



<b>Households reporting at least 20% reduction in post-harvest losses for target value chain commodities</b>				COI Survey	Baseline, Mid-term and Completion	PMCU, M&E Unit (Baseline, Mid-term and Impact assessment contractors)	production practises
Households - number	0	320	800				
Households - percentage (%)	0	40	80 <sup>8</sup>				
Total number of households members - number of people	0	1504	3760				
<b>1.2.8 Women reporting minimum dietary diversity (MDDW</b>				COI Survey	Baseline, Mid-term and Completion	PMCU, M&E Unit (Baseline, Mid-term and Impact assessment contractors)	
Women Number	0	1540	3850				
Women Percentage (%)	0	40	70				
Households (number) - Households	0	1540	3850				
Households (%) - Percentage (%)	0	40	70				
Household members - Number of people	0	7238	18095				
<b>IE.2.1 Individuals demonstrating an improvement in empowerment</b>				COI Survey	Baseline, Mid-term and Completion	PMCU, M&E Unit (Baseline, Mid-term and Impact assessment contractors)	
Total persons - Percentage (%)	0	25	50				
Total persons - Number of people	0	3536	7072				

<sup>8</sup> 80% of 1000 households accessing post-harvest infrastructure.

	Females - Percentage (%)	0	25	50							
	Females - Females	0	1768	3536							
	Males - Percentage (%)	0	25	50							
	Males - Males	0	1768	3536							
	<b>SF.2.1 Households satisfied with project-supported services</b>								COI Survey and M&E System	Mid-term and Completion	PMCU, M&E Unit (Mid-term and Impact assessment contractors)
	Household members - Number of people	0	4243	49850							
	Households - Percentage (%)	0	30	75							
	Households - Households	0	19940	10607							
<b>Output</b> 1.2.1 Capacity and knowledge of small-scale producers and rural MSMEs enhanced	<b>1.1.4 Persons trained in production practices and/or technologies</b>				M&E System	Semi-annual/Annual	PMCU, M&E Unit, Implementation Partners, Component leads, Service providers delivering the trainings				
	Men trained in crop - Males	0	1070	2677							
	Women trained in crop - Females	0	459	1148							
	Young people trained in crop – Young people	0	459	1148							
	Total persons trained in crop - Number of people	0	1529	3825							
	<b>Persons trained in small-scale home processing</b>				M&E System	Semi-annual/Annual	PMCU, M&E Unit, Implementation Partners, Component leads, Service providers				
	Women trained in processing - Number	0	1000	2500							
	Young people trained in processing - Number	0	500	1250							

Total persons trained in processing - Number of people	0	1000	2500			delivering the trainings
Women headed households trained in processing - Number	0	250	625			
<b>2.1.2 Persons trained in income-generating activities or business management</b>				M&E System	Semi-annual/Annual	PMCU, M&E Unit, Implementation Partners, Component leads, Service providers delivering the trainings
Males - Males	0	940	2350			
Females - Females	0	1410	3525			
Young - Young people	0	940	2350			
Persons trained in IGAs or BM (total) - Number of people	0	2350	5875			
<b>Persons trained in post-harvest handling</b>				M&E System	Semi-annual/Annual	PMCU, M&E Unit, Implementation Partners, Component leads, Service providers delivering the trainings
Males - Number			600			
Females - Number			400			
Young - Number			300			
Persons trained in post-harvest handling (total) - Number of people			1000			
<b>Processing and storage facilities rehabilitated and equipped</b>				M&E System	Semi-annual/Annual	PMCU, M&E Unit, Implementation Partners, Component leads
Total number of facilities	0	20	50			

	Processing facilities reconstructed/equipped	0	5	14				
	Storage facilities reconstructed/equipped	0	15	36				
	<b>2.1.1 Rural enterprises accessing business development services</b>				M&E System	Semi-annual/Annual	PMCU, M&E Unit, Implementation Partners, Component leads, Service providers delivering the trainings	
	Rural enterprises - Enterprises	0	20	50				
	<b>1.1.8 Households provided with targeted support to improve their nutrition</b>				M&E System	Semi-annual/Annual	PMCU, M&E Unit, Implementation Partners, Component leads, Service providers delivering the trainings	
	Total persons participating - Number of people	0	2200	5500				
	Males - Males	0	880	2200				
	Females - Females	0	1320	3300				
	Households - Households	0	2200	5500				
	Household members benefitted - Number of people	0	10340	25850				
	Young - Young people	0	880	2200				
<b>Output</b> 1.2.2 Matching grants for production and	<b>1.1.3 Rural producers accessing production inputs and/or technological packages</b>				M&E System	Semi-annual/Annual	M&E Unit, Component leads and IPs	
	Males - Males	0	210	525				
	Females - Females	0	210	525				

processing provided to enhance inclusive and climate resilient value chains	Young - Young people	0	168	420	M&E System	Semi-annual/Annual	M&E Unit, Component leads and IPs	
	Total rural producers - Number of people	0	420	1050				
	<b>Value of matching grants for value chain enhancement and climate resilience</b>							
	Amount disbursed on VC enhancement - Money (USD' 000)	0	437	2234				
	Amount disbursed on climate resilience - Money (USD' 000)	0	371	1889				
	<b>Value of grants for production and small-scale processing</b>				M&E System	Semi-annual/Annual	M&E Unit, Component leads and IPs	
	Amount disbursed - Money (USD' 000)	0	1932	5100				
<b>Outcome</b> 2 Improved access to inclusive finance for MSMEs strengthening their integration into value chains.	<b>1.2.5 Households reporting using rural financial services</b>				COI survey	Baseline, Mid-Term and Completion	PMCU, M&E Unit (Baseline, Mid-term and Impact assessment contractors)	Interest of Partner Financial Institutions (PFI) and MSMEs in participating in the project
	Total number of household members - Number of people	0	5137	12850				
	Households - Percentage (%)	0	40	80				
	Households - Households	0	1093	2734				
	<b>1.2.6 Partner financial service providers with portfolio-at-risk ≥30 days below 5%</b>				M&E System	Semi-annual/Annual	PMCU, M&E Unit, Component lead and PFIs	Supportive policy environment for financial inclusion
	Percentage - Percentage (%)		90	90				
<b>Output</b> 2.1 Tailored	<b>Value of loans to Micro, Small, and Medium Enterprise</b>				M&E System		PMCU, M&E Unit,	

financial services delivered and financial literacy improved	Value of loans to microenterprises - Money (USD' 000)	0	9492	23730		Semi-annual/Annual	Component lead and PFIs
	Value of loans to SMEs - Money (USD' 000)	0	700	1890			
	<b>1.1.5 Persons in rural areas accessing financial services</b>				M&E System	Semi-annual/Annual	PMCU, M&E Unit, Component lead and PFIs
	Men in rural areas accessing financial services - credit - Males	0	956	2392			
	Women in rural areas accessing financial services - credit - Females	0	410	1025			
	Young people in rural areas accessing financial services - credit - Young people	0	546	1367			
	Total persons accessing financial services - credit - Number of people	0	1366	3417 <sup>9</sup>			
	<b>1.1.7 Persons in rural areas trained in financial literacy and/or use of financial products and services</b>				M&E System	Semi-annual/Annual	PMCU, M&E Unit, Component lead and Ips, Service providers
	Males - Males	0	1400	3500			
	Females - Females	0	600	1500			
	Young - Young people	0	800	2000			

<sup>9</sup> SME loans – 27, including 30% women, 40% youth and Microloans - 3390, including 30% women, 40% youth.

	Persons in rural areas trained in FL and/or use of FProd and Services (total) - Number of people	0	2000	5000			delivering the trainings	
<b>Output</b> 2.2 Technical capacity building of PFIs	<b>1.1.6 Financial service providers supported in delivering outreach strategies, financial products and services to rural areas</b>				M&E System	Semi-annual/Annual	PMCU, M&E Unit, Component lead and PFIs, Service providers delivering the TA	
	Service providers - Service Providers	0	6	6 <sup>10</sup>				
<b>Outcome</b> 3. Influencing policy and informing programme governance through, knowledge generation, and advocacy on inclusive and sustainable value chains that contribute to food security.	<b>Policy 3 Existing/new laws, regulations, policies or strategies proposed to policy makers for approval, ratification or amendment</b>				M&E System	Semi-annual/Annual	PMCU M&E Unit, Component lead, KM Officer	Willingness of policy makers to develop/adopt new policies
	Number - Number	0	1	1				
	<b>SF.2.2 Households reporting they can influence decision-making of local authorities and project-supported service providers</b>				COI Survey and M&E System	Mid-term and Completion	PMCU, M&E Unit (Mid-term and Impact)	COI Survey and M&E System
	Household members - Number of people	0	4243	49850				

<sup>10</sup> Includes 5 Banks and the ACC.

	Households - Percentage (%)	0	30	75			assessment contractors)	
	Households - Households	0	19940	10607				
<b>Output</b> 3.1 Evidence and knowledge products on successful inclusive value chain models and their contribution to food security and nutrition outcomes produced	<b>Policy 1 Policy-relevant knowledge products completed</b>				M&E System	Semi-annual/Annual	PMCU M&E Unit, Component lead, KM Officer	
	Number - Knowledge Products	0	1	2				



## Integrated programme risk matrix

Risk Categories and Subcategories	Inherent	Residual
<b>Country Context</b>		
Political Commitment	Low	Low
<b>Risk:</b> Nearly 1.5 million voters (31% voter turnout) cast their ballots on September 10, 2024, to elect members of the House of Representatives. These elections were the first to be held under the new party and electoral laws that were adopted after Jordan's King Abdullah II formed a royal commission to modernize the political system in 2021. The Islamic Action Front (IAF), the political arm of the Jordanian Muslim Brotherhood, made significant gains in the country's parliamentary elections, it won 31 seats (out of 138), up from the seven seats it had in the previous parliament. Although the voter turnout is as low as the elections held during the COVID-19 virus, the overall political situation in the country remains stable. This is in addition to the fact that the political commitment to IFAD's interventions has always been very positive, with a strong standing relationship of over 40 years and nine programmes successfully implemented; include REGEF phase 1 and 2, which the government has now requested to be scaled up, thus further emphasizing its commitment to this programme.	Low	Low
<b>Mitigations:</b> Continue to monitor for any changes in the political situation.		
Governance	Moderate	Moderate
<b>Risk:</b> Overall, Jordan has a stable and well-established governance structure. Jordan is ranked 47th on the list of transparency international in 2023. In World Bank's Governance Indicators Jordan generally performs well in Government Effectiveness and Rule of Law, indicating a relatively efficient and reliable public sector and judicial system compared to regional peers in MENA. It also scores above the regional average in Control of Corruption, corroborating the findings of Transparency International.	Moderate	Moderate
<b>Mitigations:</b> Will ensure guidance and supervision of e.g. procurement, financial management, recruitment and grant ward processes.		
Macroeconomic	Substantial	Substantial
<b>Risk:</b> Jordan has been grappling with high levels of public debt, which have been exacerbated by regional instability, economic slowdowns, and the costs associated with hosting a large number of refugees. As of 2023, Jordan's public debt stands at approximately 110% of GDP. Jordan's economy is heavily dependent on external aid and remittances, which make it vulnerable to external shocks. The unemployment rate stood at 24.8% in 2022, with youth unemployment much higher at around 47%. Jordan relies heavily on energy imports to meet its domestic energy needs, making it susceptible to global energy price fluctuations. Jordan is one of the most water-scarce countries in the world, which poses a significant risk to agricultural productivity, human health, and overall economic stability. Finally geopolitical risks and instability in the region may negatively impact Jordan's economy, particularly tourism and investor confidence	Substantial	Substantial
<b>Mitigations:</b> The financing structure of REGEF-UP will consist of at least 25% grant financing to reduce the implications of the high debt distress facing the country. The programme will also focus on generating employment for women and youth in rural areas. The programme will also focus on promoting renewable energy use and climate resilient practices that focus on natural resource management, with strong emphasis on water scarcity.		
Fragility and security	Low	Low
<b>Risk:</b> Jordan is not on the World Bank's list of fragile countries, and it is a center of stability and peace in a volatile region. However, geopolitically, the intensifying levels of conflict in Jordan's neighbouring countries of Palestine and Lebanon, has placed Jordan in a precarious situation, which increases the risk of unintentional collateral damage. Nonetheless, the overall risk of a significant deterioration in the security situation in the country remains low and the country is expected to maintain its neutral stance on regional disputes.	Low	Low

<b>Mitigations:</b> Closely monitor the situation in close collaboration with IFAD security and UNDSS		
<b>Sector Strategies and Policies</b>		
Policy alignment	Moderate	Moderate
<b>Risk:</b> There is a risk that Jordan's future strategies and policies governing the rural and agricultural sector will not sufficiently pro-poor and aligned with IFAD inclusiveness priorities (e.g. on land, environment, climate, gender, nutrition, youth, private sector engagement), undermining REGEP-UP implementation and the achievement of programme development objectives. This is especially pertinent as the current national agricultural strategy of the government expires in 2025 as does the green growth national action plan.	Moderate	Moderate
<b>Mitigations:</b> REGEP-UP focus on inclusive and water efficient rural development will likely continue to align to governments priorities, also post 2024. However, IFAD and its partners in Jordan (JEDCO and UNCT) continues to monitor the situation with FAO also engaged in the policy formulation process.		
Policy development & implementation		
<b>Risk:</b> That up-scaling efforts will be reduced by limited by low capacity of domestic partners to ensure widespread and substantial uptake outside programme areas. Especially the extension service has displayed outreach constraints.	Moderate	Moderate
<b>Mitigations:</b> The REGEP-UP will engage with both public and private service providers with a view to diversify risks and also to ensure commercial sustainability. However, concerted efforts will be devoted to ensuring that core public institutions, including the extension service, will be engaged proportionally to their capacities.		
<b>Environment and Climate Context</b>		
Programme vulnerability to environmental conditions		
<b>Risk:</b> The key environmental issues that are pertaining to the programme scope and targeted groups include: land degradation, degradation of natural habitat, overexploitation of water resources, soil, water and air pollution, inadequate waste treatment at farms and MSME level waste, and limited coordination in environmental and climate change governance.	Moderate	Moderate
<b>Mitigations:</b> The programme is expected to mainstream environmental sustainability considerations in its value chain approach and rural finance component through the promotion of integrate natural resources management practices including: i) supporting better water management at farm level through rain water harvesting ii) promote soil enrichments through the use of organic fertilizer and compost to reduce chemical and provide guidance on correct application of pesticides and fertilizer iii) Support micro entrepreneurs in businesses increasing food security and requiring minimal land and water resources		
Programme vulnerability to climate change impacts		
<b>Risk:</b> The programme will be implemented in all 12 governorates, which can have varying exposure levels to hazards and climate variability. However, the trends indicate that the country will face increased water scarcity and drought, river floods, greater variability and decreases in precipitation, and increases in temperature accompanied by more frequent heat waves. These hazards will expose the agricultural sector to significant risks, including reduced crop yields, heightened water stress, increased soil degradation, and challenges in maintaining productivity due to extreme weather conditions. Furthermore, they may exacerbate the vulnerability of rural communities reliant on rainfed agriculture, intensify competition over limited water resources, and increase the cost of irrigation, threatening both food security and livelihoods.	Moderate	Moderate
<b>Mitigations:</b> To increasing the adaptive capacity of targeted rural population REGEP UP will: Prioritize support to water crop saving with high water economical productivity, t; support dissemination and capacity building of climate resilient practices in irrigated and rain fed horticulture and, including water-use efficient drip irrigation systems and optimal maintenance and management of these infrastructures and systems. invest in close field, water l harvesting and field level conservation infrastructures, monitoring and documentation with farmers of socioeconomic and adaptation benefits of water saving, productivity and soil conservation.		

<b>Programme Scope</b>		
Programme relevance	Low	Low
<b>Risk:</b> Risk that REGEP UP objectives and interventions are not well aligned with national development and IFAD priorities or are not sufficiently relevant or responsive to the needs and priorities of the intended target group.	Low	Low
<b>Mitigations:</b> REGEP – UP will continue to align closely with relevant government policies and also engage in the policy conversation shaping the overall regulatory and legal framework for inclusive development. It will support Jordan's ambitions to transition small-scale producers and processors into resilient and commercially viable entrepreneurs in ways that enhance resilience and ensures better management of natural resources in general and water in particular.		
Technical soundness	Low	Low
<b>Risk:</b> The risk that technical design factors, such as over-complexity, over - ambition or innovativeness, inadequate incorporation of lessons learned and good practices, may undermine programme implementation and achievement of inclusiveness ambitions.	Low	Low
<b>Mitigations:</b> REGEP-UP builds on the lessons from the previous phase and has explicitly adjusted design to improve technical robustness in three core spaces: <ol style="list-style-type: none"> <li>1. Increased simplicity of design: The most sophisticated, complex and capital-intensive investment proved to have limited scalability. These will be avoided, and priority will be granted to innovations that are cost-effective, scalable for all segments of the target group and with limited up-front capital investments, the latter especially for grants.</li> <li>2. Better targeting: REGEP UP will use a more granular approach with the rural poor benefiting more from the grant investments through carefully calibrated targeting criteria. Better off groups will benefit from e.g. technical advisory services and improved access to loan finance. In addition, some of the activities will be accessible only to youth entrepreneurs and women.</li> <li>3. More resilience: The REGEP UP also has a technically well-proven emphasis on increasing especially smallholders' resilience in particular concerning access to water and efficient use hereof.</li> </ol>		
<b>Institutional Capacity for Implementation &amp; Sustainability</b>		
Implementation arrangements	Moderate	Low
<b>Risk:</b> The risk that the Programme Management Coordination Unit (PMCU) is not adequately structured and lacks the needed human resources, especially in regard to financial management and knowledge management, as experienced in the past. Furthermore, the implementation of the RF component requires technical expertise which PMCU may be lacking. Another risk and a lesson learnt from REGEP is the need to sequence the RF activities, having the provision of TA before lending activities.	Moderate	Low
<b>Mitigations:</b> The programme design team has factored-in additional "dedicated" financial management and KM human resources, in addition to budgeting for upgraded systems for both financial management and M&E. The capacity risk for RF component implementation will be mitigated through ensuring the presence of technical expertise through hiring qualified consultancy. To ensure effective sequencing of RF activities, a thorough plan will be developed at the outset to ensure recruitment of TA providers prior to launching lending activities.		
M&E arrangements	Moderate	Moderate
<b>Risk:</b> Risk that programme executing entity's and/or implementing partners (IPs) M&E systems are below standard.	Moderate	Moderate
<b>Mitigations:</b> The programme design team has factored-in the cost of an M&E MIS for the executing entity (PMCU), although the current system used by the PMCU is rated moderately satisfactory. As for the IPs, most of the envisaged IPs in this new phase are the same IPs during phase 1 and 2 of REGEP and their M&E systems are up to standard using MIS in most cases.		
<b>Programme Financial Management</b>		
Programme Organization and Staffing	Substantial	Substantial

<b>Risk:</b> The absence of full-time financial management staff and coordination challenges among implementing partners may undermine effective financial oversight and control.		
A centralized PMCU will continue to operate within JEDCO, with the recruitment of a full-time Finance Specialist and Accountant dedicated fully to the programme. This core team will be supported by JEDCO's Finance Manager and Internal Auditor to ensure effective financial oversight, coordination, and compliance with financial management requirements		
Programme Budgeting	Moderate	Moderate
<b>Risk:</b> Lack of familiarity with IFAD budgeting standards; risk of delays and unrealistic budgets.		
<b>Mitigations:</b> The Annual Work Plan and Budget (AWPB) should be submitted at least two months prior to the start of the financial year. In addition, the programme will establish a mechanism for systematic monitoring of budget versus actuals, with timely adjustments made as needed to ensure budget realism and alignment with programme activities.		
Programme Funds Flow/Disbursement Arrangements	Substantial	Substantial
<b>Risk:</b> Complex fund structure; risk of delays; flow of funds from different sources.		
<b>Mitigations:</b> <ul style="list-style-type: none"> <li>Quarterly Interim Financial Reports (IFRs) together with a cash flow forecast and Withdrawal Applications (WAs) to enable timely disbursements and effective liquidity planning.</li> <li>A separate ledger will be maintained for each source of financing, with monthly reconciliations conducted to ensure accurate financial tracking and reporting across all funding streams.</li> <li>Signed subsidiary agreements between the Ministry of Planning and International Cooperation (MoPIC), JEDCO, and both ACC and CBJ will be required prior to any disbursement</li> </ul>		
Programme Internal Controls	High	High
<b>Risk:</b> <ul style="list-style-type: none"> <li>Inconsistent internal controls across entities—due to system differences, capacity gaps, and complex fund flows—pose risks of financial mismanagement and weak supporting documents and fiduciary oversight.</li> <li>Limited internal audit capacity at JEDCO due to resource constraints may hinder timely identification of control weaknesses and limit assurance on the use of Grants and Loan extended to end beneficiaries for intended purposes.</li> </ul>		
<b>Mitigations:</b> <ul style="list-style-type: none"> <li>Adherence to the Financial Control By-law (2011) and its Amendment (2015) to guide control processes and segregation of duties. Adopt the Financial management of the PIM, which has been prepared during design</li> <li>Where feasible, include verification of a sample of loans and grants disbursed to end beneficiaries as part of internal audit annual workplan</li> <li>Include in the annual external audit Terms of Reference (ToR) a requirement for sample-based verification of grants and loans to end beneficiaries.</li> </ul>		
Programme Accounting and Financial Reporting	Substantial	Substantial
<b>Risk:</b> Inadequate accounting systems, limited staffing, and inconsistencies in accounting standards required by different financiers may result in delays, reporting errors, and reduced transparency in financial reporting		
<b>Mitigations:</b> <ul style="list-style-type: none"> <li>Implement an appropriate accounting software system</li> <li>Adopt IPSAS basis for the programme's accounts</li> <li>Monitor systematically the actual expenditures incurred by implementing partners and credit lines capture and record domestic contributions</li> <li>Timely submission of the quarterly interim financial reports</li> </ul>		
Programme External Audit	Substantial	Substantial

<b>Risk:</b> Non-adherence to the audit scope outlined in the approved Terms of Reference (ToR) and delays in the submission of external audit reports may compromise accountability and fiduciary compliance.		
<b>Mitigations:</b> Engage the Audit Bureau of Jordan to perform an external audit and discuss the audit schedule before the end of the financial year. Conduct pre-and post-audit meeting with auditor to discuss the TORs and the draft audit report		
<b>Programme Procurement</b>		
<b>PART A of the PRM</b>	M	M
<b>Pillar I – Legal, regulatory and policy framework</b>	M	M
<b>Risk:</b> The legal system is modern (2022) but is a hybrid model with decentralization (up to a certain threshold) and centralization (above the threshold). Multiple committee and stakeholders engage in procurement execution and there is no thorough manual or guidance. There are very few procurement templates in use. Granting is not regulated nationally and needs to follow clear and transparent procedures.		
<b>Mitigations:</b> The Programme shall use the IFAD templates for all procurement activities except NCB and Shopping. ICB and consulting services will follow IFAD procedures and templates. A detailed PIM covering procurement and grant procedures should be developed including a RACI matrix for roles and responsibilities. A Procurement strategy is elaborated to design critical procurement activities and grant schemes and shall be updated annually.		
Pillar II: Institutional Framework and Management Capacity	M	M
<b>Risk:</b> Absence of strategic procurement planning, high PIU procurement staff turnover, involvement of a large number of committees and outside of PIU staff in evaluations, ambiguous role of central regulatory and oversight entities, and alignment between AWPB and PP are the major risks.		
<b>Mitigations:</b> The Programme will use OPEN for procurement planning and to align with the AWPB; to apply the PAL thresholds; Training in BUILDPROC and SUSTAIN and to enhance procurement capacity in donor funded programme for PIU and committees' staff; IFAD startup, supervision and support missions will assess the programme's performance during procurement implementation. RACI within the PIM will elaborate the roles and responsibilities, and committee staff should be well acquainted with the PIM and IFAD templates.		
Pillar III – Procurement Operations and Market Practices	S	<u>S</u>
<b>Risk:</b> The risk for Public Procurement Operations and Market Practices is "Substantial" due to the weaknesses noted about lack of statistical information about Contract management, limited dialogue and partnerships between public and private sectors, absence of strategic market engagement.		
<b>Mitigations:</b> The PIU will elaborate a robust CM framework in the PIM including a detailed RACI matrix. The procurement strategy should include thorough market analysis and engagement approaches. IFAD will support programmes to apply to its SECAP requirements.		
Pillar IV – Accountability, Integrity and, Transparency of the Public Procurement System	M	M
<b>Risk:</b> Key risks include ambiguity in control, audit and review functions with respects to IFAD programmes, limited involvement of civil society, and unclear performance of anticorruption mechanisms.		
<b>Mitigations:</b> The PIM will outline clear roles and responsibilities with respect to internal control, external control, audit and review. IFAD's cross-debarment and reporting hotlines will be adopted for all procurement and grant opportunities.		
<b>PART B of the IPRM</b>		
<b>Assessment of Programme Complexity</b>	L	L
<b>Risk:</b> None		
<b>Mitigations:</b> Not Applicable		

Assessment of Implementing Agency Capacity	M	M
<b>Risk:</b> JEDCO is well experienced in REGEP; however, challenges persist with respect to control and supervision of grants, procurement and competitiveness in consulting services, effectiveness of audit functions, adoption and updating of PS, and integration of SECAP requirements in grants.		
<b>Mitigations:</b> JEDCO shall elaborate a clear RACI matrix for the different phases of the grants cycle; JEDCO shall also sensitize the consulting services market as soon as the programme starts and try to engage consulting firms more effectively and competitively. The startup workshop shall include a deep-dive into the PS which shall be updated immediately thereafter and annually.		
<b>Environment, Social and Climate Impact</b>		
Biodiversity conservation		
<p><b>Risk:</b> It is unlikely that REGEP-UP will have major impact on Jordan's biodiversity. REGEP-UP will support horticulture farming and related off farm businesses. These activities may have impact on soil, underground and surface water such as rivers through chemical pollution and overuse if not managed sustainably. The conversion or degradation of biodiversity may eventually occur due to infrastructures installation and/or expansion of agricultural activities.</p> <p>Medium to Small-scale rural and processing infrastructures, as greenhouses, water conservation facilities and machineries, as well as agricultural inputs such as small materials, seeds, plants will be supported by the programme grants and loans. These items will involve the procurement of natural resources material such as sand, cent, gravel, plants.</p>	Moderate	Moderate
<p><b>Mitigations:</b> The geographical clusters of intervention within each governorate once identified will be reviewed to ensure that activities proposed do not have any impact on protected areas. The programme will avoid genetically modified organisms (GMOs), which are rare in Jordan, and instead promote drought-resistant plant varieties developed through conventional breeding to meet local climate challenges. Small-scale rural infrastructure, such as greenhouses and water harvesting facilities, will be constructed or rehabilitated, ensuring they do not require the clearing of natural habitats (e.g., tree removal) and are established in pre-designated agricultural areas e. To mitigate natural habitat pollution which include soil and water these risks, the programme will emphasize sustainable agricultural practices to reduce environmental impacts (see below section for additional details). . Due diligence and IFAD exclusion list will apply for the loans delivered through the credit line to ensure no financing is directed to programmes with potential negative impacts on biodiversity, habitats, or ecosystem.</p> <p>To address the procurement related environmental risks, the programme will aim to suggest a list of sustainable suppliers to beneficiaries, committed to minimizing environmental impact whenever feasible. For procurement handle directly at PMU level procurement will Favor suppliers that can demonstrate that they are not contributing to significant conversion or degradation of Natural or Critical Habitats. Upon agreement, Banks may impose to large loan borrower to give preference to buying from a member of the United Nations Global Compa. The level of risk related to procurement of natural resources is considered as moderate.</p>		
Resource efficiency and pollution prevention		
<p><b>Risk:</b> Jordan faces significant challenges with soil and water pollution due to limited water availability, agricultural runoff, and industrial activities. The programme risk associated with resource use and pollution is moderate. The programme will focus on the horticulture value chain and involve the primary production of living natural resource through cultivation of fruits and vegetables. The sector has led to the release of pollutant including, plastic residue, poorly treated wastewater, chemical fertilizer and pesticides which have caused water and soil pollution. Consequently, there may be a possible and moderate risk associated with nutrient leaching or wastewater release due to production and transformation activities supported by the programme,</p>	Moderate	Moderate

<p>particularly through autonomous use of fertilizer, insecticides or pesticides and small food and dairy processing.</p> <p>The programme will procure pesticides and chemical fertilisers for demonstration plots to demonstrate proper dosage. Although the programme will include pesticides products as part of the exclusion list for grants support, chemical fertilizers will be eligible. Loans may be used to purchase both pesticides and fertilizers. Risk of autonomous overuse of these highly concentrated products can therefore be a risk for Human health and the environment.</p>		
<p><b>Mitigations:</b> . The programme will through its capacity building activities promote appropriate dosage of agrochemical, the use of practices for better soil and water conservation including the use of organic fertilizer, compost, integrated pest management, improved water treatment and soil cover techniques. The programme may also support maximum level residue testing and when relevant certification obtention support. Purchase of pesticides will be excluded from the grants however will be eligible for loans. As part of the grants eligible criteria, water storage infrastructures shall be supplied by sustainable surface water source, reused water or direct rainwater harvesting. Farmers relying on mix water source including groundwater may benefit from water saving technologies if they are willing to convert to high water productivity crop, rely on a permitted water source, and don't foresee expansion. Following programme's objective to support water saving practices, before investment is provided, the programme will support beneficiaries through capacity building on climate smart agriculture practices to maximize agriculture water use through water efficient crops selection, water conservation technique, improved irrigation design and practices and support to evaluate return per cubic meter of water used (i.e. Economic water productivity).</p> <p>Any chemical fertilisers and pesticides purchased by the programme for demonstration plots or grants (pesticides are excluded from project grants) will be under the supervision of extension services which will provide guidance on the correct application and dosage. Alternatively, the programme will also promote Integrated Pest management and demonstrate practices to avoid agrochemicals including the use of biopesticides and organic fertilizers</p>		
Cultural heritage		
<p><b>Risk:</b> The risk rating is Low. Given the nature of the programme and the lack of infrastructure components, risk of unintended negative impact on sites of cultural values is not envisaged. With regard to intangible cultural heritage such as production of traditional food processing practices, which might have a cultural value, no specific risks have been identified. The programme intends to support women producers and entrepreneurs to invest and add value to their traditional food processing practices, but this is unlikely to undermine traditional food practices, given the local and small-scale nature of these investments.</p>	Low	Low
<p><b>Mitigations:</b> The programme will invest in small-scale, home-based activities.</p>		
Indigenous Peoples		
<p><b>Risk:</b> Bedouins of Jordan origins are not included in the target group and the nature of the intervention is not expected to endanger their resource rights. Therefore, the risk rating is low.</p>	Low	Low
<p><b>Mitigations:</b></p>		
Labour and working conditions		
<p><b>Risk:</b> With regard to Occupational Health and Safety (OSH) no major issues have been identified during field visits. Yet, agricultural workers in the country often face unsafe and precarious labor conditions, which require the implementation of adequate mitigation strategies Risks related to: OSH and law wages, of rural labourers, might especially affect women and refugees; minor risk of child labour in agriculture have been identified. considering that the agricultural sector is the second-largest industry that employ children in Jordan, accounting for 27.5% of the total child workers in the country. The incidence of child labour is higher in remote rural areas. Children engaged in agricultural work are exposed to hazardous conditions such as handling dangerous machinery, exposure to harmful pesticides, and performing</p>	Moderate	Moderate

physically demanding tasks. Risk of forced labour, under REGEUP is extremely unlikely, considering that civic work for infrastructure development is not envisaged under the programme.		
<b>Mitigations:</b> The programme will sensitize rural producers and entrepreneurs on the importance that they comply with national legislation on labor conditions, minimum wage (260 JD per month) and OSH standards when hiring workers. This will be considered as a condition to access programme's support. Risk of child labor in agriculture will be mitigated through the implementation of dedicated awareness-raising activities on the impact of labour on children and on the provisions of the law during training activities. Safe labour practices will be promoted among small and medium enterprises (SMEs) working in food production and processing, through the implementation of dedicated training and awareness raising on OSH standards including the use of protective equipment, and first aid boxes. REGEUP will also replicate the experience of REGE, which has promoted a decent work environment in home-based micro-enterprises, mostly dominated by women. This included the provision of training and financial resources to ensure a clean, hygienic and safe working environment.		
<b>Community health and safety</b>		
<b>Risk:</b> The major risk in terms of human health is the exposure to pesticides and agro chemicals that might be purchased by farmers or applied by farm workers, sometimes without wearing adequate protective equipment. Related is the danger of ground water pollution from these chemicals. Unintended negative impact on nutrition is not envisaged. Many of the target value-chains are nutrition-sensitive (e.g. horticulture, olive oil, etc.) and the programme's interventions, especially those targeting women small-scale producers support the processing of healthy and nutritious food to be sold in local markets. These includes dried or canned fruits and vegetables, aromatic herbs such as thyme and origan, and traditional medicinal plants. In addition, the programme will deliver training to support behavioural changes in nutrition habits especially aimed at promoting women's dietary diversity and addressing micronutrient deficiencies and obesity, which are common among women. Enterprise development activities targeting women and girls and fostering women's economic empowerment processes might unwittingly generate intra-household tensions, which could escalate into domestic violence (GBV). According to REGEUP implementing partners this risk is low. In fact, male family members, especially from low-income families and Syrian refugees, tend to support women's participation in economic activities outside of the household since they perceive the benefits of an additional income stream for the whole family.	Moderate	Moderate
<b>Mitigations:</b> Risk of exposure to chemical pesticides will be mitigated through the delivery of training and sensitization on the potential negative health impact of pesticides. This will be integrated in the training curriculum of FFSs and is a core component of the programme's strategy to promote climate-resilient agriculture in the programme's area. The programme will minimize risk of GBV by integrating gender norms dialogue sessions and GBV sensitization in social mobilization and training activities. The Jordanian River Foundation, which is one of the programme's implementing partners has a consolidated experience in integrating GBV sensitization in their operations. A Grievance Redress Mechanism (GRM) system will also be in place to report cases of GBV.		
<b>Physical and economic resettlement</b>		
<b>Risk:</b> Given the nature of the intervention and the lack of large-scale infrastructure components, the risk rating is low.	Low	Low
<b>Mitigations:</b>		
<b>Financial intermediaries and direct investments</b>		
<b>Risk:</b> Component 2 of the programme aims to enhance access to rural finance through a dedicated credit line managed by a well-established national financial partners institution. The Central Bank of Jordan and Agriculture Credit Cooperation will be the primary financial intermediaries and facilitate lending through their rural finance facility. Other Commercial banks and microfinance institutions will then be involved as secondary intermediaries to provide loans directly to agricultural SMEs and individuals. ACC and CBJ partners adhered to guidelines ensuring ethical and legal financial operations, but the institutions are still in the process to establish an environmental and social management system (ESMS) to assess, manage and monitor the risks and impact of their	Moderate	Moderate



<p>investments. Consequently there could be a risk of loan financing with negative climate, environmental and social impact</p> <p>A risk to effective loan disbursement under the programme stems from the widespread issue of over-indebtedness and the severe legal consequences for loan default in Jordan. The country remains one of the few globally where failure to repay even small debts can result in imprisonment (though recently there has been a relaxation of punishment for women). This legal environment creates a chilling effect on both borrowers and lenders. According to estimates, there may be up to quarter of a million Jordanians facing complaints related to debt delinquency, with approximately 2,630 individuals – 16% of the prison population – imprisoned for nonpayment of loans or bounced cheques.<sup>11</sup> Alarming, 68% of the 158,000 individuals facing charges in 2023 owed less than JOD 5,000,<sup>12</sup> highlighting the scale of financial vulnerability and the risk of exacerbating borrower distress through additional credit.</p>		
<p><b>Mitigations:</b> To ensure that ACC and CBJ operate in alignment with IFAD's SECAP principles and apply adequate environmental and social due diligence to loan requests, the agreements signed between the programme and these financial institutions will include a dedicated Environmental and Social Action Plan (ESAP). The ESAP is designed to strengthen and enhance the Environmental and Social Management Systems (ESMS) of both ACC and CBJ. Its implementation will be supported by REGEP-UP through the technical assistance provided under Sub-Component 2.2. Further information on the current status of each institution's ESMS and the corresponding ESAP actions can be found in the ESCMP and its annexes.</p> <p>To mitigate the over-indebtedness risk, the programme will implement strict loan underwriting procedures, which will be documented in the PIM. These procedures will require the PFIs to assess borrower creditworthiness through comprehensive checks of credit history and debt exposure prior to loan approval.</p>		
<b>Climate change</b>		
<p><b>Risk:</b> The programme intervention areas expect to face high risk of hazard in the following areas: river flood, landslide, Water scarcity, extreme heat and wildfire. The programme will target areas in valleys, semi-arid regions, and riverbanks, which are particularly vulnerable to the climate hazards. The horticulture and agriculture sectors are expected to experience significant challenges due to climate change. Increased drought and decrease in rainfall will reduce water availability while raising agricultural water demand, negatively affecting productivity. Higher temperatures during the growing season are projected to have a severe impact on yields, as short-term temperature extremes, particularly during flowering, can drastically reduce output. Rising temperatures will intensify heat stress on crops and increase water loss through evaporation.</p>	Moderate	Moderate
<p><b>Mitigations:</b> The programme will include : i) Support to crop with high water productivity iii) Investment in water harvesting and conservation storage infrastructure, iv) investment in protected vegetable production, v) Support rural entrepreneur in businesses increasing food security and requiring minimal land and water resources (such as mushroom production, hydroponics, processing of dry and canned fruits and vegetables)</p>		
<b>Stakeholders</b>		
Stakeholder engagement/coordination		
<p><b>Risk: No risk is envisaged.</b> There is no risk that the key stakeholders involved in the programme will show little interest in or commitment to the programme's objectives and activities. Local Implementing partners have a demonstrated capacity to engage with the target group and mobilise their participation in programme's activities. Building on the success of past operations, the programme's activities and delivery mechanisms will be designed in a way to meet the interests and demand of all target groups, including women, youth and the poorest refugees.</p>	Low	Low
<b>Mitigations:</b>		
Stakeholder grievances		

11 <https://www.abi.org/feed-item/human-rights-watch-on-imprisonment-for-debt>

12 [https://www.petra.gov.jo/Include/InnerPage.jsp?ID=49640&lang=ar&name=en\\_news](https://www.petra.gov.jo/Include/InnerPage.jsp?ID=49640&lang=ar&name=en_news)

<b>Risk:</b> Ineffective grievance/complaint redress processes (including on allegations of non-compliance with IFAD's SECAP standards, fraud, corruption, or SEA), can lead to unaddressed stakeholder grievances potentially impacting on achievement of REGEF UP objectives. Moreover, poorly designed GRM system, might be inaccessible to more vulnerable groups, such as women and refugees.	Low	Low
<b>Mitigations:</b> the programme will raise awareness among stakeholders about the complaints and grievance mechanisms available through the establishment of a PMU-led Grievance Redress Mechanism. Redress Mechanism shall be fully accessible to all target groups and well explained to stakeholders during the programme's start-up workshop and to beneficiaries during the programme's activities. An information campaign will be implemented in partnership with local Implementing partners to ensure that all target groups are aware of the GRM system.		