



Joint Programme 2021 Annual Progress Report

SDG Financing Portfolio - Component 1

Cover page

UNCT/MCO: Jordan

Reporting Period: 1 January - 31 December 2021

JP title: Accelerating Jordan's Progress towards SDGs by Establishing Building Blocks of an Integrated Financing Framework

PUNOs: UNDP, UNICEF, UN-Women

Government partner: Ministry of Planning and International Cooperation

Target SDGs: SDGs 5, 6, 12, 13, 17

Gender Marker: 3

Approved budget: USD 1,000,000

Co-funding: USD 268,000

Total Disbursement by 2021: USD 1,000,000

Total estimated expenditures: USD 262,330.9 (est. Delivery rate: 26.2%)

Total estimated commitments (including expenditures): USD 494,902 (est. Committed rate: 49.5%)

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Executive Summary

The JP initiated several key analyses to strengthen the evidence base and inform key building blocks for an integrated national financing framework with an initial focus on climate and gender. This included a national consultation process for a climate public expenditure review, the first of its kind in the region, reaching national consensus on the scope and objective of the exercise as well as its policy implications, an analysis of the national climate change policy and a national vulnerability analysis. All climate adaptation interventions in Jordan were mapped based on a gender continuum tool adapted to the Jordanian context. Further, following the DFA methodology, a mapping of climate related financing flows has been initiated with a specific emphasis on private related financing flows. All these activities are supporting stronger linkages between planning, budgeting and financing in support of Jordan's climate commitments, its green recovery strategy and contribute to accelerate progress towards the SDGs. To support businesses and investors in aligning investment and business strategies to the SDGs, an impact management and measurement (IMM) curriculum based on the SDG Impact Practice Standards and the Women's Empowerment Principles has been developed and trainers have been accredited to roll this out. The first training

included the top 20 listed companies on the Amman Stock Exchange (ASE). ASE has made sustainability reporting mandatory for the ASE20 companies from 2022 and for all other listed companies from 2023. The JP contributed to developing sustainability reporting guidelines that inform the reporting process. The JP also engaged with the pension fund, Jordan's largest domestic investor on introducing IMM and conducting a baseline assessment for its portfolio. While Jordan's impact investment ecosystem is still nascent, policy dialogue on improving the impact investment ecosystem has led to strong momentum and interest in creating a National Advisory Board of the GIN.

Annual Progress

Overall JP self-assessment of 2021 progress:

Satisfactory (majority of expected results achieved; 1 to 3 months delay in implementation)

Comments on self-assessment: Despite the challenging overall context, implementation is picking up. Core activities have been launched and are on track to be achieved by the revised end date of the JP. Financial delivery is also accelerating. The approval of the JP coincided with the peak of the first wave of the COVID-19 pandemic with Jordan implementing one of the strictest movement restrictions globally. The government has been heavily focused on the COVID-19 response and addressing the immediate impacts on the economy and society. Parliamentary elections were held in late 2020 and a new Government was appointed which delayed the formation of JP related committees, the endorsement of the workplan and overall project progress. Several changes in top government positions including multiple cabinet re-shuffles affected the ability to conduct strategic policy dialogue related to financing for sustainable development. However, above also provided an opportunity for continuous consultation with Government and development partners to ensure alignment with new policies such as the green recovery strategy, the update of the climate change policy and the US\$ 750 million World Bank/ Asian Infrastructure Development Bank Programme for Results that focuses on climate change and provides strong momentum for the JP's overall objectives.

Overall progress and key developments to date (3 key JP milestones)

The JP contributed to creating a strong evidence base for stronger strategy, budget and financing linkages with a focus on climate and gender. While these assessments are still being finalized, the following progress has been made:

- As part of the national consultation process for the Climate Public Expenditure Review, the first of its kind in Jordan and the Arab region, three milestones were achieved: (1) extensive stakeholder consultation to reach a national consensus on the scope and objective of the exercise including policy implications; (2) a national climate change policy analysis; and (3) a national vulnerability assessment and an initial expenditure review of the budgets of key line ministries. The policy analysis and vulnerability assessments are key to support the process of assessing the alignment between public expenditures and policies related to climate and expected outcomes for sectors and targeted groups including the most vulnerable. In addition, a Jordan specific methodology and initial review and validation of the budget of key line ministries has been initiated to quantify climate related expenditures. This will be validated in a national workshop in 2022.
- The mapping of climate adaptation interventions based on a UN Women's gender continuum tool was completed in close coordination with national and international stakeholders.
- A concept note that includes a road map for introducing gender coding was developed based on discussions with the General Budget Department and the Jordanian Commission for Women. The concept note was received with hesitance from the national partners. Policy dialogue and follow-up support will be provided in 2022.

Capacity building for key stakeholders • In partnership with the UN Global Compact Network in Jordan and Social Value International, the JP developed an impact management and measurement (IMM) curriculum based on the SDG Impact Practice Standards and the Women's Empowerment Principles. The training material is available in English and Arabic. A train the trainer programme was held and trainers were accredited by SVI to continue to roll out the training.

- The top 20 companies listed on the Amman Stock Exchange (ASE 20) were trained in IMM. ASE has made sustainability reporting mandatory for the ASE20 companies from 2022 and for all other listed companies

from 2023. The JP contributed to developing sustainability reporting guidelines that inform the reporting process.

- The JP also provided capacity building to senior technical staff of the Social Security Investment Fund (SSIF), Jordan’s largest domestic investor, on IMM and the importance of aligning investments to impact with a specific focus on gender. Support to establish a baseline of SSIF’s investment portfolio in terms of alignment to ESG and SDGs is ongoing. This support provides strategic entry points for the PUNOs to influence and support a shift towards sustainable investments.

Policy dialogue to improve impact investment ecosystem

- The policy dialogue on improving Jordan’s impact investment ecosystem is continuing with key stakeholders and with a growing number of private sector and other ecosystem players. This has also been partially facilitated by the preparatory work for Jordan’s submission for Component II of the SDG Joint Fund. There is growing momentum behind establishing a National Advisory Board of the GIN.

Changes made to JP: The JP was revised in late 2021 to account for the delays in implementation explained previously and in consultation with all concerned stakeholders. The overall theory of change and results framework remain in place. The workplan and budget was updated with all activities now expected to be completed by end 2022 (an extension of 6 months). The changes were signed off by all heads of PUNOs as well as the Government.

Some activities were adjusted to account of changing priorities mentioned earlier and complementary support provided by other development partners. This includes conducting an SDG-alignment/ ESG alignment baseline assessment for SSIF instead of developing SDG impact criteria based on WEPs as well as greater emphasis on the policy dialogue for improving the impact investment ecosystem.

Main Challenges: The focus on addressing the impact of COVID-19 is affecting ownership on issues like climate change and gender. Government capacity particularly on steering discussions around F4D remain weak while many development partners focus on the humanitarian response. Changes in key counterparts affect the continuity of strategic policy dialogue. This is affecting scaling current activities, initiating the development of an INFF roadmap and setting up the national oversight committee. The UNCT is currently reviving the F4D working group to help scale our efforts. On the private sector side, there is limited awareness of the business case for aligning investments and business strategies to impact and the impact investment ecosystem is nascent. The JP and discussions during the preparatory phase of Component 2 provided some momentum and entry points. There is an urgent need to invest in follow-up to seize on this momentum so it can contribute also to the recovery agenda.

Updates on SDG financing framework

	Assessment		Monitoring	Governance
Inception phase	Diagnostics	Financing Strategy	Review	Coordination
Planned (0%)	Emerging (1-49%)	Planned (0%)	Planned (0%)	Emerging (1-49%)

Descriptions on progress by INFF building blocks

Inception Phase: N/A

Assessment & Diagnostics: N/A

Financing Strategy: N/A

Monitoring & Review: N/A

Governance & Coordination: N/A

Priority Cross-cutting Issues

How did the JP adapt to the COVID-19 context

The policy dialogue around the climate public expenditure review, mapping of climate related financing flows and other analyses closely coordinates with the team developing the national green recovery strategy and the team leading the Programme for Results focusing on climate to ensure alignment and to contribute to building forward better. The work on gender responsive budgeting contributes to making fiscal stimulus packages more gender aware by providing the necessary information about how allocations are distributed. The policy dialogue on the impact investment ecosystem is taking into account the impact of COVID-19 on investor and investment priorities.

How did the JP apply the Gender Marker

- Applied the gender lens in the design of the climate public expenditure review's approach that aims to provide data on sex disaggregated public expenditure, where feasible.
- In partnership with the National Women's Machinery, JNCW worked with the Ministry of Finance on developing and discussing the road map to introduce a gender aware classification and coding into the budget circular.
- The programme developed a gender aware curriculum for Impact Measurement Management for the private sector in collaboration with the UN Global Compact Network in Jordan and Social Value International. The programme provided training for 20 companies listed on the ASE. The gender aware sustainability reporting guidelines was shared and discussed with ASE to guide sustainability reporting of listed companies (mandatory from 2022 for ASE20 and from 2023 for all listed companies).
- Four trainers were successful in completing the gender aware IMM train the trainer – 75% women and 25% men and have been accredited by Social Value International to roll out SDG Impact/ WEP based training.
- UN Women concluded the mapping of all available climate adaptation interventions in Jordan based on a gender equality continuum tool adapted to Jordan's context.
- The JP had strong engagement with SSIF, Jordan's largest domestic investor. Our engagement included building the capacity of the fund's senior technical staff about gender aware IMM and agreed to conduct a gender focused SDG Impact investing baseline assessment for part of its portfolio.

Estimated % of overall disbursed funds spend on gender: 100%

Alignment with cross-cutting UN issues (e.g. human rights, decent work, inclusion, LNOB)

Inclusion, gender and the ambition of leaving no one behind is an integral part of several assessments and processes facilitated by the JP. For instance, the Climate Public Expenditure Review includes a vulnerability assessment to establish linkages between climate related public expenditures with outcomes for different sectors and groups including the most vulnerable.

Inclusion and leaving no one behind are also at the heart of activities related to gender responsive budgeting and building the case for gender aware climate change interventions.

Activities and partnerships with the private sector on rolling out impact management and measurement and creating awareness of the importance of aligning investments and business models to the SDGs have a strong focus on gender and decent work including through the promotion of the Women's Empowerment Principles (WEPs) and the SDG Impact Practice Standards. These efforts are being rolled out in partnership with the UN Global Compact Network in Jordan and build on the role of businesses in human rights.

How did the JP work to build ownership and buy-in of key stakeholders

Activities supported by the JP related to the climate public expenditure review and efforts to strengthen linkages between planning, budgeting and financing related to climate and gender are conducted jointly and with consultation with government stakeholders through MoPIC and the General Budget Department and the Ministry of Environment including line ministries. The mapping of financing flows is being conducted with private sector partners. This is in addition to ongoing coordination with development partners to align technical assistance in these

areas. Gender responsive budgeting efforts are fully done in partnership with national stakeholders with an aim to localize and institutionalize the work to maintain its sustainability and national ownership. In partnership with the UN Global Compact and Social Value International we are building the capacity of local trainers and staff of the Amman Stock Exchange and SSIF to introduce impact management and measurement building on the SDG Impact Practice Standards and the Women's Empowerment Principles. While all our activities seek to build national ownership, they are only at this stage aiming to establish some of the building blocks of an SDG financing strategy. Efforts at this stage are not yet sustainable and resources for follow-up activities remain to be mobilized and partnerships in particular with IFIs still need to be strengthened.

Annual Reporting on Results

Results achieved in promoting the priority thematic SDG agendas

Our activities at this stage are focused on analysis, policy dialogue and capacity building so measuring contributions to accelerating progress towards specific SDGs and targets is premature.

The JP's priority SDG focus includes SDG 1, 5, 6, 12, 13 and 17. As our main focus is on climate and gender, both cross cutting issues the JP will also impact on other goals and targets.

Partnerships underpin much of the work we do, so SDG 17 is at the core of our financing work. In particular we have strengthened partnerships with private sector actors including around the Women's Empowerment Principles, policy dialogue focusing on the impact investment ecosystem and the roll-out of impact management and measurement with key ecosystem players such as the ASE and SSIF.

JP contributions to the Joint SDG Fund's global results (especially around Outcome 2 & Output 4)

Not applicable at this stage.

Progress against JP-specific outcomes

See Annex 1.2 as well as executive summary and other sections above.

Progress against JP-specific outputs

See Annex 1.2 as well as executive summary and other sections above.

JP contributions to strengthening UN coherence, partnerships and reducing duplications of efforts

Being part of the JSDGF, the process, proposal and implementation have created a solid case for other UNCT members to join forces in coherence and joint partnerships initiatives to avoid duplications and rather benefit from each others' expertise in different areas. It has also empowered the RCO in facilitating and coordinating the work of the PUNOs and UNCT to that regard.

Strategic Partnerships, Documents and Communications

How did the JP facilitate collaboration with diverse stakeholders in the SDG financing space

Collaboration with diverse stakeholders is integral to many activities including: • Climate public expenditure review. The inception phase included extensive consultations and stakeholder meetings to facilitate dialogue mainly

on climate action and financing. These consultations brought together key line ministries with relevant development agencies, bilateral as well as multilateral, IFIs and the UN. These collaborations will be strengthened throughout the analyses and policy dialogue phase. • Mapping of climate related financing flows is building a strong network, in particular with the private sector to explore the sustainability of tracking private contributions to climate finance. • Policy dialogue on improving the impact investment ecosystem is building a network of key ecosystem players from government, investors to business players. • For the development of the IMM curriculum and the roll out we have partnered with the UN Global Compact Network in Jordan, Social Value International, the Amman Stock Exchange and the Social Security Investment Fund.

Did the JP secured additional financing (co-funding/co-financing) from the following stakeholders:

Government	Donors & IFIs	Private Sector	PUNOs	Other Partners
No	No	No	No	No

Comments on additional financing secured: Collaboration with diverse stakeholders is integral to many activities including: • Climate public expenditure review. The inception phase included extensive consultations and stakeholder meetings to facilitate dialogue mainly on climate action and financing. These consultations brought together key line ministries with relevant development agencies, bilateral as well as multilateral, IFIs and the UN. These collaborations will be strengthened throughout the analyses and policy dialogue phase. • Mapping of climate related financing flows is building a strong network, in particular with the private sector to explore the sustainability of tracking private contributions to climate finance. • Policy dialogue on improving the impact investment ecosystem is building a network of key ecosystem players from government, investors to business players. • For the development of the IMM curriculum and the roll out we have partnered with the UN Global Compact Network in Jordan, Social Value International, the Amman Stock Exchange and the Social Security Investment Fund.

JP organized events in 2021

JP Launch Event	Annual Donor Event	Partners Event
Organized in 2020	No	No

Number of strategic documents produced by the JP: 3

Number of strategic documents contributed by the JP: 0

Number of communication materials produced: 1

2022 Plans & Way Forward

JP priority activities & expected results for 2022

We will focus on completing key analyses informing the initiation of an INFF. This includes the completion of a Climate Public Expenditure Review which will establish linkages between public spending on climate, the policy landscape and implications for vulnerable groups and a complementary mapping of climate related financing flows. Capacity building and technical assistance to facilitate institutionalizing the integration of climate action into national budget and planning processes will be provided. This will include gender perspectives and lessons for social protection responses in relation to climate shocks. Technical assistance will support SDG budgeting.

An impact assessment of cost-efficiency of gender aware climate change interventions to create the evidence base for financing gender equality will be finalized. This will be complemented by an advocacy campaign concerning public investment in climate and gender and a discussion series on financing for gender equality.

The IMM will be rolled out further with companies. We will continue to engage with SSIF to establish a baseline of SSIF’s investment portfolio in terms of alignment to ESG and SDGs and the introduction of IMM. In partnership with other ecosystem players policy dialogue on improving the impact investment ecosystem will be facilitated through a national advisory board.

3 major transformative results that will be achieved by the end of the JP

Through the CPER, knowledge on how much Jordan spends on climate as part of its GDP and public expenditure will have been mapped, reviewed, tagged, and made available, for the first time in Jordan, providing a unique opportunity to enhance climate mitigation and adaptation and to enhance social protection responses. Through trends and identification of gaps, policy recommendations will be made to enhance efficiency and effectiveness of public expenditure on climate with linkages to the policy landscape. The programme will support initial steps towards integrating climate change into the national budgeting system, contribute to initiating the introduction of gender budget classification as well as explore entry points for introducing SDG budgeting. This will be complemented by a mapping of climate related private, domestic and international financing flows. The JP will also provide the necessary evidence to build the case for gender aware climate change adaptation interventions as an approach for all stakeholders active in the field, whether government or national and international agencies. All these efforts will provide momentum for greater coherence between climate related policy, planning, budgeting and financing. By the end of the JP the ecosystem for impact investment will have been strengthened with the establishment of a National Advisory Board of the GIN and the implementation of mandatory sustainability reporting for ASE listed companies. IMM based on the SDG Impact Practice standards and the WEPs will be rolled out further in partnership with the UN Global Compact Network in Jordan and Social Value International as well as other partners. Jordan’s largest domestic investor, SSIF will start introducing ESG and establish a baseline for part of its portfolio with a view towards shifting some of its investments towards the SDGs. This will create a strong momentum for aligning business and investment strategies to the SDGs.

Estimated rate of completion for each result as of 31 Dec 2021

Result.1	Result.2	Result.3
Completed (100%)	Completed (100%)	Completed (100%)