



Business Environment Reform Facility

Assessment of Business Environment Reform in Jordan

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About Business Environment Reform Facility (BERF)

BERF is funded by the UK Department for International Development (DFID) under the Business Environment for Economic Development (BEED) Programme. BERF is a central facility responding to demand from the DFID's priority Country Offices and stakeholders to initiate, improve and scale up business environment reform programmes. BERF is managed by a consortium led by KPMG LLP. The programme started in January 2016 and will finish in January 2019.

We provide expert advice, analysis of lessons learned, policy research about what works and what doesn't and develop innovative new approaches to involving businesses and consumers in investment climate reform.

BERF has a strong emphasis on strengthening the Business Environment for women and girls, as well as for young adults more generally. It is also aiming to improve the relationship between business and the physical environment including where relevant through linkage to climate change analysis. BERF recognises the need for appropriate political economy analysis in order to underpin business environment reform processes and interventions.

About this Report

Research for this study was conducted by Lara Goldmark and Mohammad Amawi between April and July 2017.

The views contained in this report are those of the authors and do not necessarily represent the views of any BERF consortium member or DFID or any of their professional advisers. This is a working paper shared for discussion purposes only. No reliance should be placed upon this report.



Acronyms and Abbreviations

BER	Business Environment Reform
BERF	Business Environment Reform Facility
CIC	Chamber of Industry and Commerce
CIO	Chief Information Officer
CLC	Central Licensing Committee
CNEA	Comité National de l'Environnement des Affaires
DB	Doing Business
DBI	Doing Business Indicators
DCED	Donor Committee Enterprise Development
DFID	Department for International Development
DLI	Disbursement-Linked Indicator
DOS	Department of Statistics
EBRD	European Bank for Reconstruction and Development
EBS	European Budget Support
EGP	Economic Growth Plan
EOJSR	Economic Opportunities for Jordanians and Syrian Refugees
ESCBA	Energy Sector Capacity Building Activity
EU	European Union
FCO	Foreign & Commonwealth Office
FDI	Foreign Direct Investment
GAM	Greater Amman Municipality
GDP	Gross Domestic Product
GIS	Geographic Information Systems
GoJ	Government of Jordan
IBCM	Improving the Business Climate in Morocco program
IBRD	International Bank for Reconstruction and Development
ICT	Information and Communications Technology
IFC	International Finance Corporation
ILO	International Labour Organisation
IRC	International Rescue Committee
ISTD	Income Sales Tax Department
JC	Jordan Customs
JCI	Jordan Chamber of Industry
JCP	Jordan Competitiveness Program
JEGP	Jordan Economic Growth Plan
JELR	Journal of Energy Law & Resources
JERC	Jordan Electricity Regulatory Commission
JFRBA	Jordan Fiscal Reform Bridge Activity
JIC	Jordan Investment Commission
JIM	Joint Inspection Mechanism
LOB	Legislation & Opinion Bureau
MoAG	Ministry of Agriculture



MoF	Ministry of Finance
MoFA	Ministry of Foreign Affairs
MoIT	Ministry of Information Technology
MoITS	Ministry of Industry, Trade and Supply
MoMD	Ministry of Modernisation and Development
MoPIC	Ministry of Planning and Cooperation
MoTA	Ministry of Tourism & Antiquities
NCHRD	National Center for Human Resources Development
NEET	Not in Education, Employment or Training
NEPCO	National Electric Power Company
NGO	Nongovernmental Organisation
NPE	National and Public Entities
PAP	Pre-Arrival Processing
PforR or P4	Program for Results (World Bank)
PLO	Palestinian Liberation Organisation
PMDU	Prime Minister's Delivery Unit
RD	Regulatory Delivery
ROO	Rule of origin
SADC	Southern Africa Development Community
SME	Small and medium enterprises
TCGP	Trade and Competitiveness Global Practice
UK	United Kingdom
UNHCR	United Nations High Commissioner for Refugees
USAID	United States Agency for International Development
WB	World Bank
WCO	World Customs Organisation
WDI	World Development Indicators
WSR	Whole System in the Room
WTO	World Trade Organisation



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Executive Summary

Purpose

This assessment aims to recommend substantive interventions by the United Kingdom (UK) to support the Government of Jordan (GoJ) in identifying, designing and implementing specific reforms to improve the business environment. The research was conducted by DAI at the request of the Department of International Development (DFID) under the Business Environment Reform Facility (BERF). The report aims to answer the following questions.

- What are the main business environment constraints in Jordan?
- Why have prior (or current) government and donor initiatives to support business environment reform not made more progress?
- What approaches can be recommended that might be different, innovative and more effective?
- How can the UK support existing commitments in partnership with the GoJ and other donors?

Constraints

The most oft-cited business environment constraints in Jordan are a lack of predictability and transparency, labour restrictions, burdensome approvals needed for business registration and investment, high costs, and for some industries, price controls. While this situation is not uncommon for the region, in Jordan's case there are specific historical and political antecedents that contribute to the entrenched nature of the challenges. First, it must be understood that due to geopolitical considerations, the Jordanian government sees its primary role as that of maintaining stability. Second, the country has a deeply established tribal tradition. Since its establishment in the 1920s, the Hashemite Kingdom of Jordan has had an unwritten compact with its people, which was renewed following armed conflicts between the Jordanian government and the Palestinian Liberation Organization (PLO) in the 1970s. The understanding that keeps the peace is that the East Bank tribes run the government, and Palestinians run the private sector economy, without a whole lot of trust between the two groups. The result has been an unsustainable fiscal burden, an uncompetitive private sector, and an inability to articulate and agree on a clear set of policies that will drive economic growth.

Jordan experienced more than a decade of strong economic performance and poverty reduction during the late 1990s and early 2000s. During the high growth period, reform proposals moved quickly through the law-making circuit. Often, however, the new laws were not fully communicated through the government hierarchy, and many have still not been fully implemented at the regulatory and administrative procedure levels. The logical continuation of the reform process was deprioritised as the country faced a series of shocks beginning in 2008 with the global financial crisis; a rise in oil and food prices; the Arab spring; border closures



with major trading partners Iraq and Syria, and massive refugee inflows relative to the size of the population.

At the “Supporting Syria and the Region” conference held in London on 4 February 2016, Jordan requested that donors provide a holistic response to the refugee crisis, offering support for Jordan’s economy and Jordanian citizens as well as Syrian refugees. The Government of Jordan (GoJ) committed to issue more than 130,000 Syrian work permits, advance business environment reform activities, and support investment facilitation and promotion. In return, the World Bank and other donors pledged \$40 billion in aid, with the World Bank Programme for Results (P4R) illustrating the donors’ latest thinking on dealing with refugee crises, i.e. an approach that prioritises economic development, recognising that refugees need jobs and that host country governments will need resources to invest in building infrastructure and delivering social services to long-term displaced populations. The Bank has set up a Project Management Unit (PMU) in the Ministry of Planning and International Cooperation (MoPIC) to track results and coordinate donor activities related to the Compact. MoPIC and the PMU would be a natural partner for the activities recommended in this report.

Findings

Our research found a disconnect between the international rankings used by the GoJ to organise and track business environment reforms (i.e., Doing Business and World Economic Forum), the activities supported by donor programmes, the instructions issued by the Prime Minister’s office, and the relevance of the above to business and investor concerns. Donor programmes often have multiple goals, and though they may use the international rankings to measure progress, their work is not necessarily designed to directly impact them. Of sixteen activities implemented by nine donor programmes aiming to improve the business enabling environment, only two, which are discussed in the report, were identified as likely to have a direct impact on the rankings¹.

The Prime Minister’s office, conscious of the need to improve Jordan’s score, coordinates with donors to issue instructions to ministries and agencies, but the instructions are not sufficiently detailed to result in concrete actions. Meanwhile, government ministries, primarily the Ministry for Public Sector Development, tasked with improving the business environment see the donor programmes, and even the higher-level instructions, as only partial to their mandate – which they view as achieving improvements at scale, to what they call government services. Actions taken by the ministries do not correspond to any change in the international rankings, and the lack of a structured public-private dialogue or mechanism by which to communicate progress means that hard work (such as a process led by the Ministry of Public Sector Development to harmonise over 2,000 procedures) is not publicised, recognised or appreciated.

¹ One activity did pay off, a joint effort between IFC and the USAID-funded Jordan Competitiveness Program to develop a collateral registry in Jordan. Jordan rose 30 points in the ranking this year, with 25 attributable to that work.



Recommendations

The research conducted for this assessment identifies an immediate opportunity to focus on the stock of already mandated reforms, by systematically channelling them through existing committees, set up with the purpose of improving the business environment.

Committees that could be candidates for hosting such a reform process could be the “ReDo” committee, which sits under the Economic Policy Council that reports directly to the Royal Court; the Cluster Committee, under the Competitiveness Council of the Ministry of Planning and International Cooperation, or even the Central Licensing Committee. Reform proposals could be selected from the categories defined in the World Bank’s Program for Results (P4R), the European Union’s budget support program, and existing donor projects including those funded by the United States International Agency for Development (USAID). It is recommended to select pending reforms at the lowest level and to address them as a group. For example, the World Bank Group’s International Finance Corporation (IFC) technical assistance team has inventoried 156 procedures including sectoral and vocational licenses and pre-approvals that businesses need to go through before registering their company.

The committee chosen to host the process will then need to form a working group consisting of representatives of the entities affected by the specific reform, assign a neutral facilitator, and task the group to come up with agreed-upon simplifications to the procedures. Out of this discussion will come a list of actions needed on the part of each government entity to make the reforms a reality. For example, in the case of the 156 procedures, the outcome might be to remove 20 entirely, and to streamline the other 136. While this particular outcome might seem like a minor victory, the existence of a sustained process to advance reform proposals is critical to the government’s credibility vis-à-vis the private sector, donors, and citizens. Experience shows that over time, the benefits of dynamic reform processes accumulate in the form of greater transparency, investment, and jobs.

Some donors have pointed to the need for a consultative process which would allow the public to comment on, and oppose, unnecessary new laws and regulations. While this could be a useful process to introduce, the challenge today is first to review and clean up the old stock of pending regulatory and administrative actions that would make investors’ lives easier, before embarking on a new wave of legislation. The discrepancies between stated high-level objectives and lackluster implementation abound. A simple “notice and comment” function associated with the committees’ work would be enough to inform the public and allow for any major concerns to be shared.

Others propose that reform advocacy and proposal development be organised by sector. In the same “less is more” spirit as the proposal above, we argue that in Jordan today, to set up and maintain a whole new set of industry-specific dialogue processes would be more work than merited, given the cross-cutting nature of many needed reforms, and the tendency to distract from pragmatic actions that is caused by the highly politically sensitive nature of some industry-specific debates (for example, minimum wage for apparel manufacturing).



By working through existing committees to address the pending stock of already proposed regulatory and administrative simplifications and instituting a simple public notice and comment system, the GoJ would achieve compliance with two of the World Bank P4R disbursement-linked indicators (3.1 regulatory reform and 3.2 predictability index). This work is a necessary prerequisite to achieving longer-term goals, such as His Majesty's declared objective to have a paperless government by 2020.

Additional recommendations are detailed in the report, all with a common theme of providing clarity for the private sector in its dealings with government. The introduction of e-Government services would require the creation of detailed procedures and minimise the disparity between quality of services delivered; the introduction of a coordination with the UK's Regulatory Delivery, would help provide coherence in the process by which the government manages the stock and flows of reforms. The outsourcing of investment facilitation services would address the immediate need for increased investment, and a focus on customs improvements would provide a proof of concept for Jordan to apply cutting edge technologies to introduce service delivery improvements. Finally, efficiency improvements in communications between the Ministry of Labour and its Directorates as well as a concerted effort to match available jobs with job seekers would address the critical objective of increasing employment.

1. Introduction

1.1 Purpose of the Study

This assessment aims to recommend substantive interventions by the UK to support the Government of Jordan (GoJ) in identifying, designing and implementing specific reforms to improve the business environment. The assignment was conducted by the Business Environment Reform Facility (BERF) for DFID and FCO Jordan. The report aims to answer the following questions:

- What are the main business environment constraints in Jordan?
- Why haven't prior (or current) government and donor initiatives to support business environment reform made more progress?
- What approaches can be recommended that might be different, innovative and more effective?
- How can the UK support existing commitments in partnership with the GoJ and other donors?

Recommendations are designed to align with donor interventions and take as their starting point the commitments Jordan has already made *vis-à-vis* the international community.

1.2 Methodology

This study uses the Donor Committee Enterprise Development (DCED) definition of the business environment.² The analytical approach was chosen in response to the nature of Jordan's business environment challenge: a persistent inability to fully implement top-down strategies and policies.³ First, we review the economic context and identify the business environment constraints. Then, we highlight the political economy drivers and map and discuss the institutions involved with the development, formulation and implementation of reforms. We review the government's policies and strategies, the stock and flow of pending reforms, and current donor activities. Recognising that institutional change is a long-term process and that Jordan is short on time, we identify ways to accelerate the implementation of existing strategies. Specifically, we highlight immediate opportunities to advance the business environment agenda by addressing the body of pending reforms at the lowest of four levels: (i) policies, (ii) laws, (iii) regulations, and (iv) administrative procedures. Our recommendations emphasise the potential for simplification and removal of existing procedures, rather than the development of new functions, controls or approaches to regulating business. The suggested strategy is designed to achieve maximum results in the

² "The business environment is "a complex of policy, legal, institutional, and regulatory conditions that govern business activities. It is a sub-set of the investment climate and includes the administration and enforcement mechanisms established to implement government policy, as well as the institutional arrangements that influence the way key actors operate, e.g. government agencies, regulatory authorities, business membership organisations, civil society organisations, etc". <http://www.enterprise-development.org/page/business-environment-reform>

³ By implement we mean three things: (i) turn plans into action, (ii) communicate the details of that action to the public and (iii) apply the action consistently.



shortest period possible, with institutional reforms to follow. Where we suggest new or high-level approaches (see Sections 4.4-4.8 below), these are predicated on making incremental progress and are linked to existing goals and measurement targets adopted by the GoJ in collaboration with international donors.

1.3 Key Definitions and Concepts

Business environment reform is associated with streamlining or simplifying inconsistent, out-dated and needlessly complex regulations that constrain businesses and facilitate corruption. However, the goal is not always less regulation; it is “better” regulation. In some cases, reform efforts involve building institutional capacity or ensuring proper safety measures (i.e. the modernisation of commercial courts or review of architectural plans for construction licensing). The better regulation approach in Jordan is illustrated by a decade-long effort to streamline and reorganise multiple types of business inspections. Supported by the International Finance Corporation (IFC), this work brings best-practice concepts to bear, such as risk-based monitoring. However, full implementation requires institutional capacity building and the development of additional functions, as well as mind-set and behaviour change.

Definitions

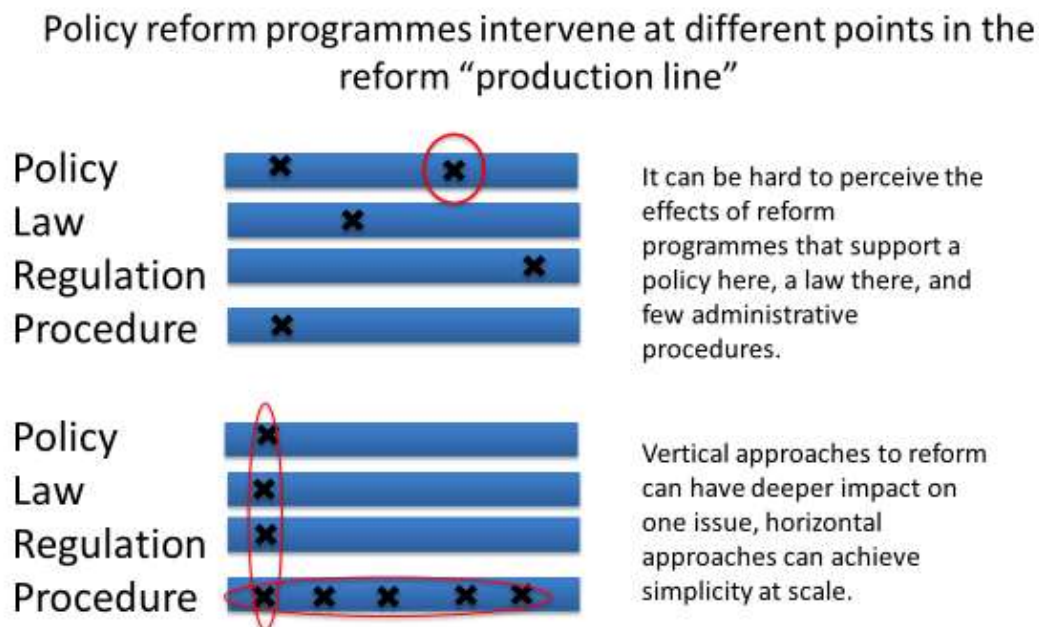
The four levels of business environment reform referred to in this report are (i) policies, ii) laws, (iii) regulations – which in Jordan may be by-laws or instructions, and (iv) administrative procedures. Another dimension treated separately has to do with the *institutions* involved with the development, formulation, and implementation of reforms.

A key principle that underpins this study is clarity in defining what is meant by “reform.” Figure 1 below shows two approaches to business environment reform. In the upper sketch, an apparently random set of policies, laws, regulations, and procedures are impacted, resulting in a few “reforms achieved”. This type of approach, taken often by donor-supported projects, lacks a clear narrative to articulate progress and too often fails to deliver tangible improvements in business’ or investors’ experience. The red circle around one of the policies highlights the reality that certain reforms may be targeted because they are politically or economically convenient to donors, rather than because they represent the highest priority for a developing country’s government or private sector.

The lower sketch depicts a more targeted set of reforms, in which a particular objective is selected and all of the associated polices, laws, regulations, and administrative procedures are addressed. The vertical alignment, for example, could represent the reforms associated with the creation of a registry for moveable collateral or a specific set of reform actions to promote the competitiveness of the garment sector. The horizontal alignment, in turn, depicts a group of administrative procedures that cuts across multiple sectors but is associated with a specific type of business regulatory area (for example, investment applications).



Figure 1 Where and how to focus the reform process



At the procedural level, reform initiatives should try to ensure that the net effect of changes is to *remove* steps, not add them.

In this assessment we define reform as an improvement at one of the four levels above, and suggest that there is an opportunity to make significant progress at the procedures level.⁴ Administrative procedures, due to their mundane and detailed nature, are often the lowest profile of reform targets. Serious efforts to address procedures, however, are needed to lay the groundwork for sustainable improvements to the business environment.

⁴ We recognize that the need for institutional reform also exists but do not make specific recommendations in this area. We argue that in the Jordanian context, positive progress towards existing goals will serve as the best stimulus for needed institutional reforms.

2. Assessment of Business Environment Reform (BER) in Jordan

2.1 Economic Context

Jordan experienced more than a decade of strong economic performance and poverty reduction during the late 1990s and early 2000s. Since 2009, however, Jordan has faced significant challenges: the global financial crisis; the Arab Spring; a rise in oil and food prices; border closures with Iraq and Syria; and massive refugee inflows relative to the size of the population. These events have combined to place immense stress on Jordan's social, political and economic fabric. Public debt has increased faster than national output and foreign direct investment (FDI) and portfolio investments have declined. Unemployment has risen,⁵ with the situation particularly acute among youth (34 percent for ages 15–24), raising concerns about social and political stability.⁶ Labour participation rates for women in Jordan, already low, have declined even further (see Gender section).

As recently as five years ago, economic development efforts were focused on Jordan's promising "knowledge economy" sectors: medical services, clean technology and information and communications technology (ICT). Today, there has been a shift in attention towards the manufacturing sector, with the goal of expanding employment options rapidly. The overall objective remains increased employment but the mix of sectors must change, due to the influx of 1.2 million Syrian refugees with low-level skills and the prevalence of informal economic activity. Jordan faces an important trade-off between more jobs today versus better jobs over the long term.⁷

As shown in Figure 2, Jordan's real GDP growth has averaged between 2 and 3 percent over the last six years, well below the annual average during the rapid growth period, which rose above 8 percent. Drivers of job creation included the number of new enterprises, economic activity and foreign aid (see details in Appendix 1). Jobs are negatively impacted by political instability in bordering countries, the influx of refugees and foreign direct investment (FDI). Most foreign investment flows into sectors that are not labour intensive, such as banking and technology.

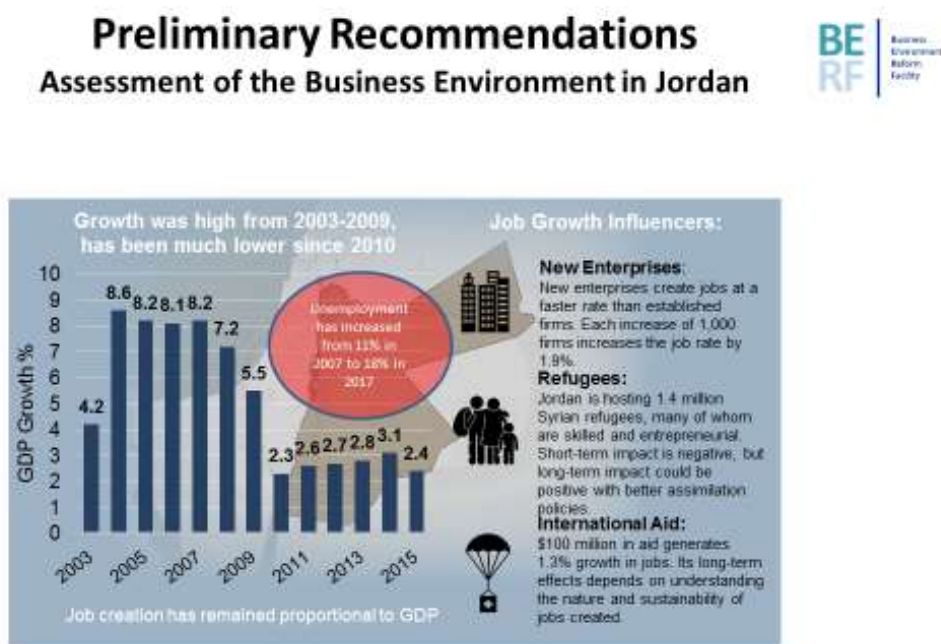
⁵ Employment has been one of the main economic challenges in Jordan for the past 10 years. Jordan has one of the lowest participation rates in the world, with around 40 percent (67 percent for males and 18 percent for females), or 1.5 million economically active people.

⁶ See <http://www.gsdr.org/document-library/youth-unemployment-education-and-political-instability-evidence-from-selected-developing-countries-1991-2009/> for a discussion of the linkages between youth unemployment and political instability in developing countries.

⁷ Forthcoming under DFID's business-enabling environment scoping exercise is an analysis conducted in partnership with the Jordan Strategy Forum, highlighting the optimal mix of sectors should the government wish to (i) promote immediate large scale employment only (with a potential drag on country competitiveness); (ii) aim for long-term growth in sophisticated sectors (limited number of jobs in the short term); or – most likely – (iii) choose the optimal mix of the two.



Figure 2 Jobs, Jobs, Jobs



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In Jordan, each addition of 1,000 new firms leads to an almost 2 percent increase in jobs economy-wide. This is a change lever that could be activated — i.e. a policy goal should be to raise this percentage *and* the number of firms added. It is well documented in the international literature that the age of firms is a better job growth predictor than their size. In either case, job growth in the small (or new) firm segment is fuelled by a small group of high-performance firms — so called “gazelles.” Whether or not new firms are likely to grow, and therefore create jobs, depends on several factors including the quality of the business environment.

Finally, the anticipated positive effect of GDP growth on job creation supports the argument for private-sector-focused growth policies, since the government already represents a disproportionately high share of employment and output and, in times of fiscal tightening, has limited ability to continue to drive growth.

Turning to the negative influencers, regional conflict appears to impact jobs from a couple of angles. First, instability in neighbouring countries like Syria and Iraq led to dramatic reductions in trade and investment with these countries over the past two years. For example, overland trade with Iraq has suffered from frequent border closures, with exports to Iraq dropping from



US\$1.16 billion in 2014 to US\$690 million in 2015. Instability also discourages international investors, who lose wholesale confidence in the region. The model shows that on average, for each neighbouring country in conflict, an annual 16 percent decline in jobs can be expected. Second, the analysis suggests an 8 percent decrease in jobs for every 100,000 immigrants. The impact of the refugee influx on job creation is discussed in more detail in the cross-cutting section.

2.2 Business Enabling Environment Constraints

During Jordan's high growth period (2000–09) and immediately afterwards, the government was receptive to technocratic solutions, many diagnostics were conducted, reforms were designed and proposals moved quickly through the law-making circuit, and many legal and regulatory reforms were passed. With the possible exception of the privately-operated special development zones, however, these reforms have failed to result in a streamlined government-business interface. Specifically, business environment reforms either (i) have not been fully implemented, (ii) have not been clearly communicated through the government hierarchy or (iii) are hostage to turf battles, overlapping mandates and multiple and conflicting priorities. It is widely recognised that excessive and opaque administrative requirements imposed by government agencies directly affect businesses' daily operations and ability to invest, hire and grow. Based on a review of the literature and interviews with investors and government officials, the following figure categorises the most-cited constraints (see Figure 3).

A New Approach

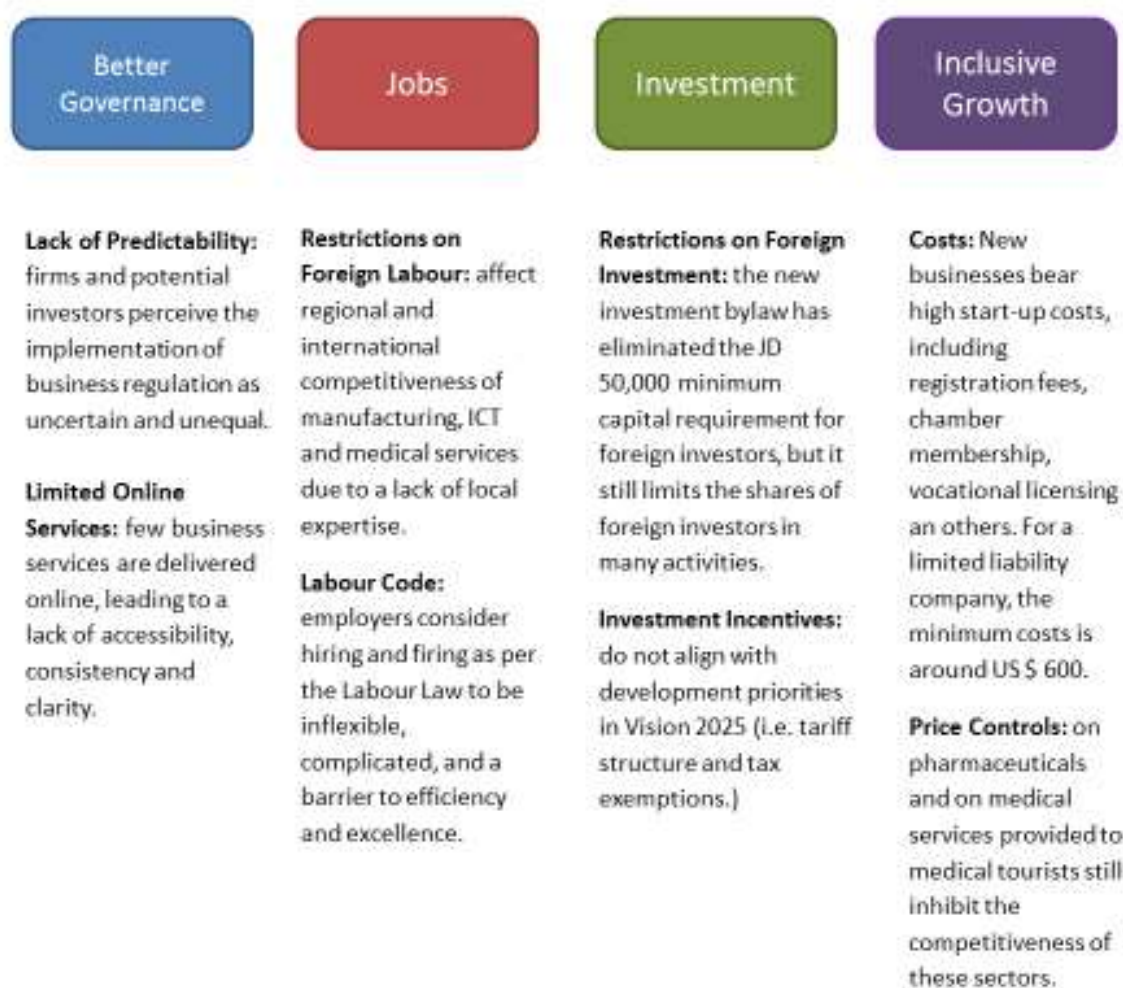
Announced at the London Conference in February 2016, the Jordan Compact called for 'a new paradigm...promoting economic development and opportunities in Jordan to the benefit of Jordanians and Syrian refugees.' (Government of Jordan)

We defined the four outcomes or policy goals in the top boxes in Figure 3 below as follows.

- 1) **Better Governance**: The ability of the government to develop and enforce equitable laws, regulations and procedures equally and consistently.
- 2) **Jobs**: Creating quality jobs for Jordanians and supporting the development of a competent workforce.
- 3) **Investments**: The ability to attract value-adding investments as well as retaining the existing ones.
- 4) **Inclusive Growth**: Fostering a business environment that addresses the needs of business owners and entrepreneurs with a focus on those that have fewer resources to navigate the system and that allows for growth for all sectors and businesses.

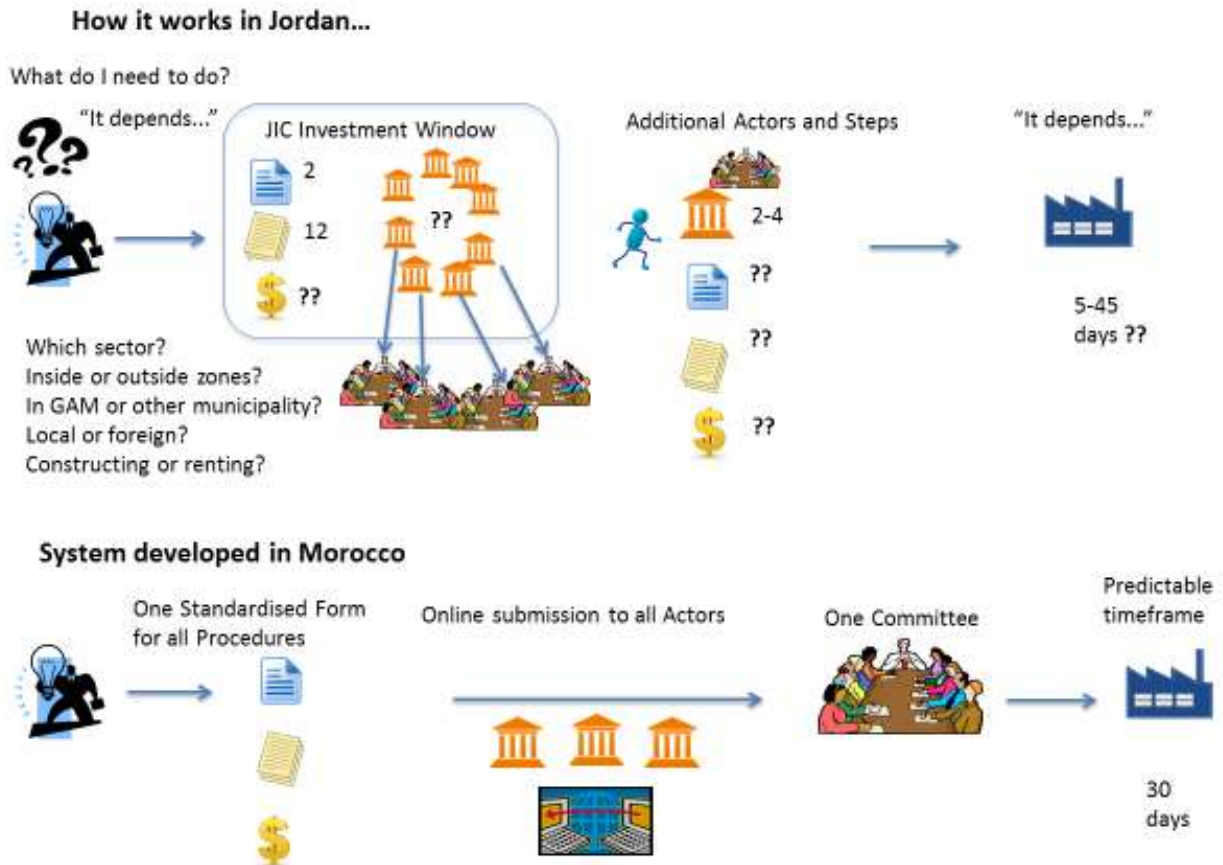


Figure 3 Most-cited Specific Business Environment Constraints in Jordan



These specific constraints, however, do not tell the whole story. From the team’s desk research, stakeholder consultations and practical experience, it became clear that there are two overarching constraints that permeate every aspect of the business environment. One is evident at the business-facing level, while the other is with government: there are multiple approvals and verifications that plague businesses at every stage, and information about procedures is not published in the gazette or available online. To give an example, the answer to questions posed by investors at the Jordan Investment Commission (JIC) one-stop-shop is often “it depends.” Figure 4 below shows the experience of a visitor to the JIC, in contrast to a similar service offered by Morocco’s regional investment centres.

Figure 4 The Key to a Successful One-stop-shop is Standardising Administration



The Morocco example highlights the importance of administrative coordination, which is the second constraint affecting Jordan’s business environment — the lack of inter-agency protocols, or agreements, to define the approval and review processes needed for each type of business or investment project. JIC is just one agency that is struggling to offer streamlined services to businesses despite donor support to automate functions, develop guidebooks, and perform other activities. The lack of administrative agreements and protocols among Jordanian government bodies is the outcome of a political and economic factors and the delicate internal balance of power.

2.3 Government of Jordan Business Environment Reform Agenda

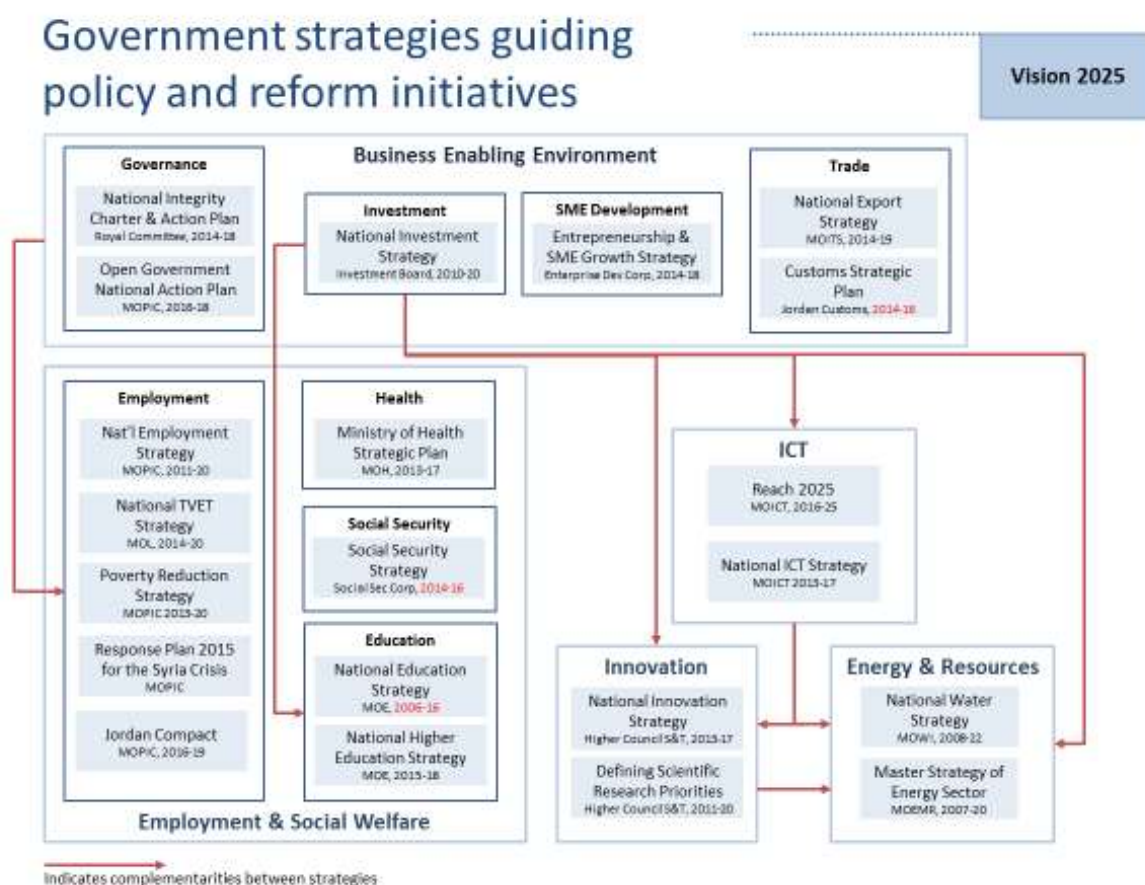
Jordan has experienced difficulty in following through on the implementation of high-level policies and strategies. The number of plans that have been developed is quite extensive for a small country.

Figure 5 sets out the GoJ strategies that guide the country’s policies for the business enabling environment, employment and social welfare (health, social security, and education), ICT,



innovation, and energy and resources. All of these strategies are official publications.⁸ All are currently in effect with two exceptions: Customs and Social Security, both of which ended in 2016.

Figure 5 Current GoJ Strategies and Plans



Vision 2025 and the more recent Jordan Economic Growth Plan (JEGP) are multi-sectoral with cross-governmental implications.⁹ Vision 2025 includes about 400 policy priorities and government initiatives, while the EGP identifies 95 policy actions (reforms), 85 government projects, and 27 private sector investment opportunities. Neither document addresses how the reforms and initiatives will be implemented. The chart signals, through blue lines for Vision 2025 and red lines for the JEGP, which topics are covered by each plan.

In the past five years, the GoJ has enacted a number of reforms to address fiscal imbalances, attracting investment and creating jobs. However, these have yet to be fully implemented and

⁸ Most of these strategy documents, including Vision 2025, are available in English, on the Ministry of Planning and International Cooperation's "Open Government" website: inform.gov.jo. The economic growth plan (EGP) is available at rh.c.jo/sites/default/files/JEPGReportEn.pdf.

⁹ Among the JEPG's 95 policy actions, 85 government projects, and 27 investment opportunities are some that pertain to BER in general, some that will impact BER in specific sectors (e.g. energy and health), and others that would have only an indirect or no impact on BER. Based on a review of the report, about one-third of the policy actions have a direct impact on the BER, and about 15 percent of the government projects would have an impact.



thus have not demonstrated impact. During 2016 and 2017, a plan was developed consisting of 44 activities divided into seven main areas, roughly associated with the World Bank's *Doing Business* indicators (Obtaining Construction Permits, Starting a Business, Registering Property, Access to Finance, Contract Enforcement, Dealing with Insolvency, Protecting Minority Investors).

Each activity has a deadline and a responsible agency, but the activities are described at a high level, without details or a clear mechanism for implementing them]. The competitiveness team at MoPIC is responsible for monitoring the implementation of the plan, but there isn't a clear monitoring and evaluation framework.

An additional challenge for the GoJ is reducing fees related to business procedures because of budget constraints and the need to reduce the deficit. This affects Jordan's *Doing Business* ranking, but it also increases the overall cost of starting and operating a business, and it is one of the reasons Jordan has a large informal business sector, estimated to employ 44 percent of the country's total workforce. The overlapping mandates of government entities involved in business environment reform and the plethora of committees have led to a dynamic where turf battles are common (both between and within government entities) and activity does not necessarily lead to measurable progress.

2.4 Political Economy Drivers

Jordan has had a similar political and economic trajectory to that of its neighbours. Starting with the overthrow of the Egyptian monarchy in the 1950s by a military junta, the economic landscape in many Arab countries started to take on more of a command economy structure. In keeping with the Arab nationalist currents that were so prevalent in those years, many large enterprises were nationalised in Jordan starting in the 1960s and only reverted back to private sector ownership in the early 2000s.

Historically, the Hashemite Kingdom of Jordan has had an unwritten compact with its people starting with the establishment of the Kingdom in the 1920s. This compact has become more critical at the current stage of Jordan's political development. This agreement in effect guarantees East Bank Jordanians of tribal origins jobs in both the civilian and security services in return for their absolute loyalty and allegiance to the monarchy. This state of affairs was solidified during the civil war in Jordan in 1970s when the Jordanian Armed Forces managed to overwhelm militias of the PLO, which aimed to overthrow the monarchy. Palestinians now run the private sector economy, as Government jobs are not an option for them, and the East Bank Jordanians run the Government. The historic distrust by the GoJ of the Palestinian-run private sector has created the chronic drag on economic growth.

The GoJ's critical challenge at this stage is that it cannot fiscally bear the weight of a growing public sector. The strain is becoming more and more obvious with every passing year. The GoJ is now burdened with the objective of attempting to increase donor flows directly to the Treasury to cover public sector salaries.

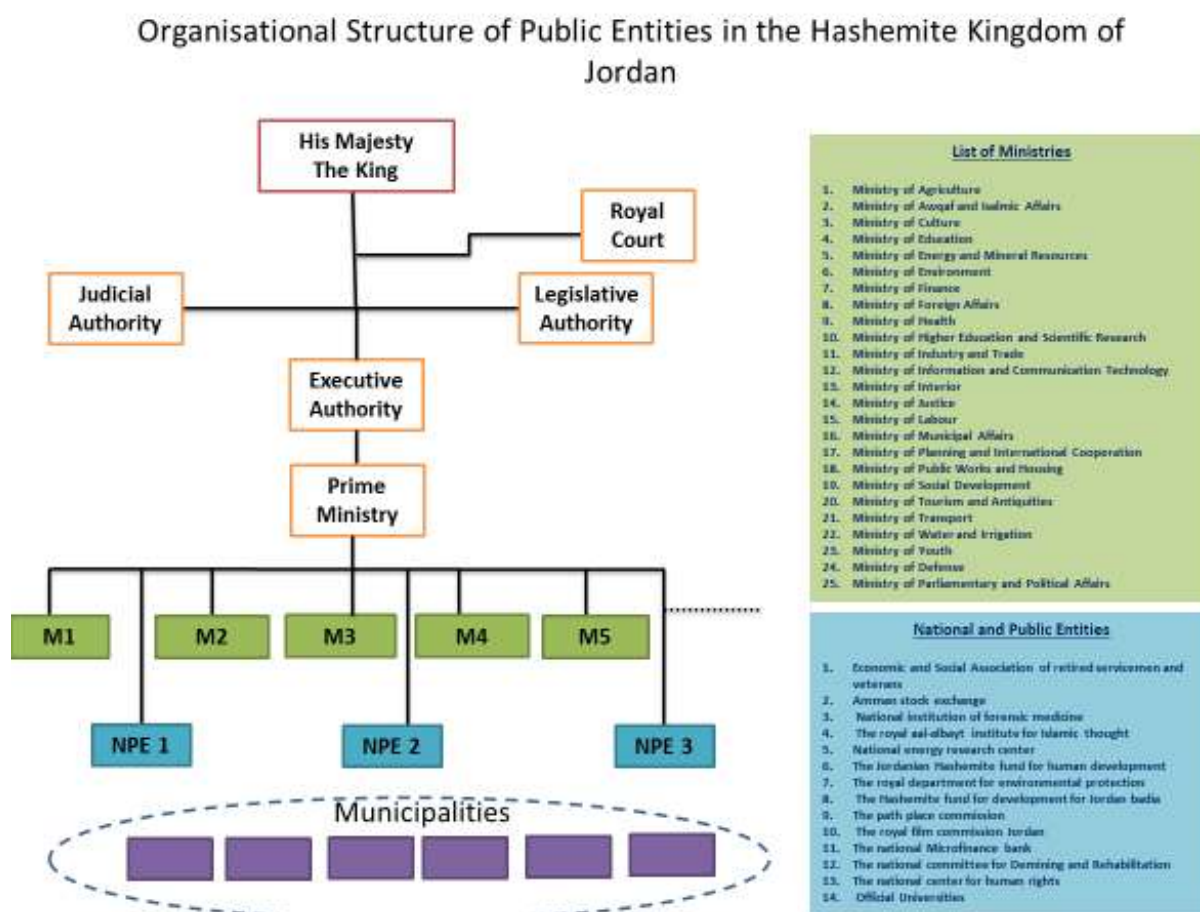


2.5 Government of Jordan Structure

Jordan is a constitutional monarchy, with the king as the chief executive. The king exercises his executive authority by appointing the prime minister, who then organises a cabinet of ministers to be appointed by the king. The prime minister in this capacity is the head of the executive branch, and the administration of all internal and external Jordanian affairs is entrusted to the prime minister and the cabinet, or Council of Ministers.

Figure 6 shows the organisational structure for the GoJ and its different components. The government consists of 25 line ministries, many of which have departments or commissions that report to them. In addition, there are several independent entities which either report to a line minister or the prime minister directly. In addition, state ministers are part of the cabinet: they are ministers who are assigned certain roles and work from the Prime Ministry. They are not permanent and change from one cabinet to another.¹⁰

Figure 6 Organisational Structure of Government of Jordan



¹⁰ The most recent example of this is the recently appointed Head of JIC, Muhanned Shehadeh, whose position was recently upgraded to become a Minister of State.



A number of these ministries are involved in regulating the business environment - for any given area of regulation, there are at least two or three entities responsible. Table 1 provides a list of the government entities and the role they play in regulating the different components of the business environment in Jordan.

Table 1. Government Entities Involved in Business Environment

Government Entities Involved in Business Environment	
Entity	Mandate
Ministry of Planning & International Cooperation	<ul style="list-style-type: none"> ▪ Providing, coordinating and managing the necessary funding for development projects from different funding sources ▪ Developing aid coordination mechanisms in addition to the financial management of funds directed at development programmes and projects in accordance with national priorities and strategies of donors ▪ Working as a liaison between donors and international financing institutions, and the ministries and government institutions ▪ Participating in the formulation of the economic and social general policy, and to develop the programmes and plans that are needed to implement it ▪ Developing programmes and mechanisms to build the institutional capacities of the ministries and government institutions that are involved in the implementation of development programmes and projects on the national and local levels in the governorates and municipalities to ensure the consistency and implementation of the national plans and programmes ▪ Improving the competitiveness of Jordanian economy.
Ministry of Industry & Trade	<ul style="list-style-type: none"> ▪ Contributing to promote a stimulating environment for economic and investment activity ▪ Maximizing the commercial and industrial performance ▪ Organising the internal and external trade and control ▪ Enabling the national economy to absorb the growing annual flow of the Jordanian labour.
Ministry of Municipal Affairs	<ul style="list-style-type: none"> ▪ Supporting municipalities to be able to assume their developmental role ▪ Assisting in providing the necessary financing for vital projects, be they service-oriented or developmental, which the special budgets of municipalities cannot afford ▪ Supporting the building of capacity of local councils to strengthen their developmental role.
Ministry of Labour	<ul style="list-style-type: none"> ▪ Regulating the Jordanian labour market and putting in place the instructions necessary for providing job and employment opportunities for Jordanians inside and outside the Kingdom in cooperation with specialized parties. ▪ Contributing to the promotion of education and vocational training in a manner that guarantees raising the self-efficiency and productivity of the worker, as well as establishing and supervising training institutes for this purpose.
Ministry of Environment	<ul style="list-style-type: none"> ▪ Monitoring the compliance of different entities with different environmental standards and regulations, and mitigating the impact of business activities on the environment.
Ministry of Public Sector Development	<ul style="list-style-type: none"> ▪ Improving delivery of services to individuals and businesses.
Ministry of Information & Communication Technology- E-Government Program	<ul style="list-style-type: none"> ▪ Improving service delivery ▪ Raising the productivity and efficiency of public sector ▪ Providing better services to individuals and business.

Government Entities Involved in Business Environment	
Entity	Mandate
Jordan Investment Commission	<ul style="list-style-type: none"> ▪ Promoting Jordanian exports on the global stage through a programme of exhibitions ▪ Stimulating growth and ensuring the distribution of development across all governorates of the Kingdom ▪ Encouraging the growth of a modern and attractive investment environment.
Greater Amman Municipality (and other municipalities)	<ul style="list-style-type: none"> ▪ Regulating businesses through ensuring their compliance with zoning, structural, environmental and health regulations.

It should be noted that there are non-governmental entities that are involved in regulating businesses in Jordan as well, such as municipalities, which are independent civil entities that regulate businesses through the issuance of municipal (vocational) and health licences. Professional business membership organisations (such as Jordan Engineers Association and Bar Association) also play a role in that area through the issuance of approvals, permits and sectoral licences for professions related to their areas of work.

2.6 How Reforms Enter and Progress through the Pipeline

The need for a specific business environment reform is typically identified through public-private dialogue, studies, international surveys (e.g. *Doing Business*), national and sectoral strategies, as well as international treaties. Some of these reforms require changes in the relevant legal instruments (laws, statutes, instructions or procedures) and when this is the case the path through which the change takes place depends on the level of the legal instrument. This section provides a brief description of the steps taken to pass reforms in Jordan.

2.6.1 Laws

Laws usually stipulate authorities, general rules and terms, fees and taxes, and sanctions. Changes in laws or the introduction of new laws can be proposed by the government or parliament.

2.6.2 Statutes

Statutes (also known as bylaws) usually stipulate details of the legal and technical conditions of the corresponding law. Changes in statutes, or the introduction of new ones, are the exclusive responsibility of the Cabinet.

2.6.3 Instructions

Instructions provide details of the procedures, requirements and documents needed to implement a law or bylaw. They are more detailed, and they are issued by the relevant minister or head of a government entity. Instructions are not necessarily published in the Official Gazette.



2.6.4 Procedures

While not a legal tool, procedures provide the details on how a process is implemented, including the objectives of the procedure, the steps, person/entity in charge, and the required documents, forms and associated fees. While some of this information might exist in the instructions, procedures are more specific and detailed and delineate responsibilities more clearly. There is no specific process for developing procedures, as they are usually issued by the implementing entity and are endorsed by the Minister or head of entity.

2.7 Role of Committees

Committees are part of the business licensing system in Jordan. They help bring people from different entities together when a joint decision is needed or when more than one entity is involved in regulating a business activity. Committees are also formed to develop policies and strategies, and while there is no inventory that comprises a complete list of these entities, we were able to identify four main types of business-related committees divided into two main categories, high level and operational.

2.7.1 High-Level Committees

Policy Committees: These are usually high-level committees comprised of Ministers or Secretary Generals and are mandated with developing policies and strategies and overseeing their implementation. Examples of these committees are the Economic Policy Council, Investment Council and Competitiveness Council.

Executive Committees: These are also high-level committees that report to the policy committees and which are concerned with the implementation of the policies and strategies formed by the Policy Committees and reporting their progress. They are usually comprised of high-level government officials. Examples include the ReDo Committee and the Chief Information Officer (CIO) Council.

2.7.2 Operational Committees

Licensing Committees: These are committees that are in charge of approving the issuance of different types of licenses for business activities, and they are comprised of representatives of different entities in charge of approving the license. The members are usually decision makers in their entities, and the meetings may be held based on a specific frequency or as needed. There are numerous committees. Examples include the Central Licensing Committee and District Committees.

Technical Committees: These are committees that assess and review applications for licensing submitted by economic activities and issue the appropriate recommendations to the higher licensing committee. These committees are usually comprised of technical employees from the different entities involved.

Figure 7 Structure of Committees

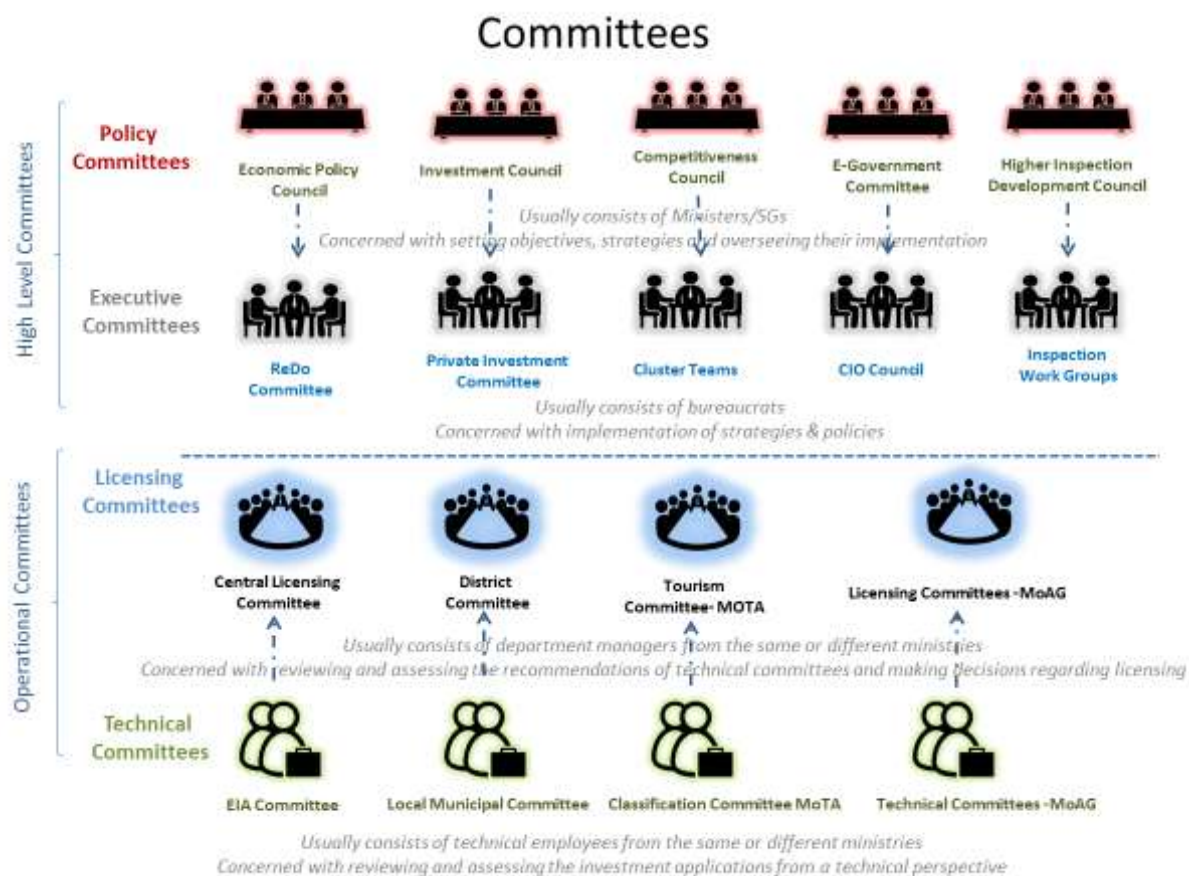


Figure 9 illustrates the structure of these committees, and Appendix 2 provides more details about a selected group of them including the names of individual members.

Committees are suitable forums for making decisions or developing policies and overseeing their implementation, especially when decisions require multiple inputs. Most countries that are serious about business environment reform have established a national, fast track committee to review and advance reform proposals. In Jordan, we identified several challenges with the current committee structure¹¹, however despite this we recommend using the existing committee structure as an entry point. Inventory of Pending Reforms

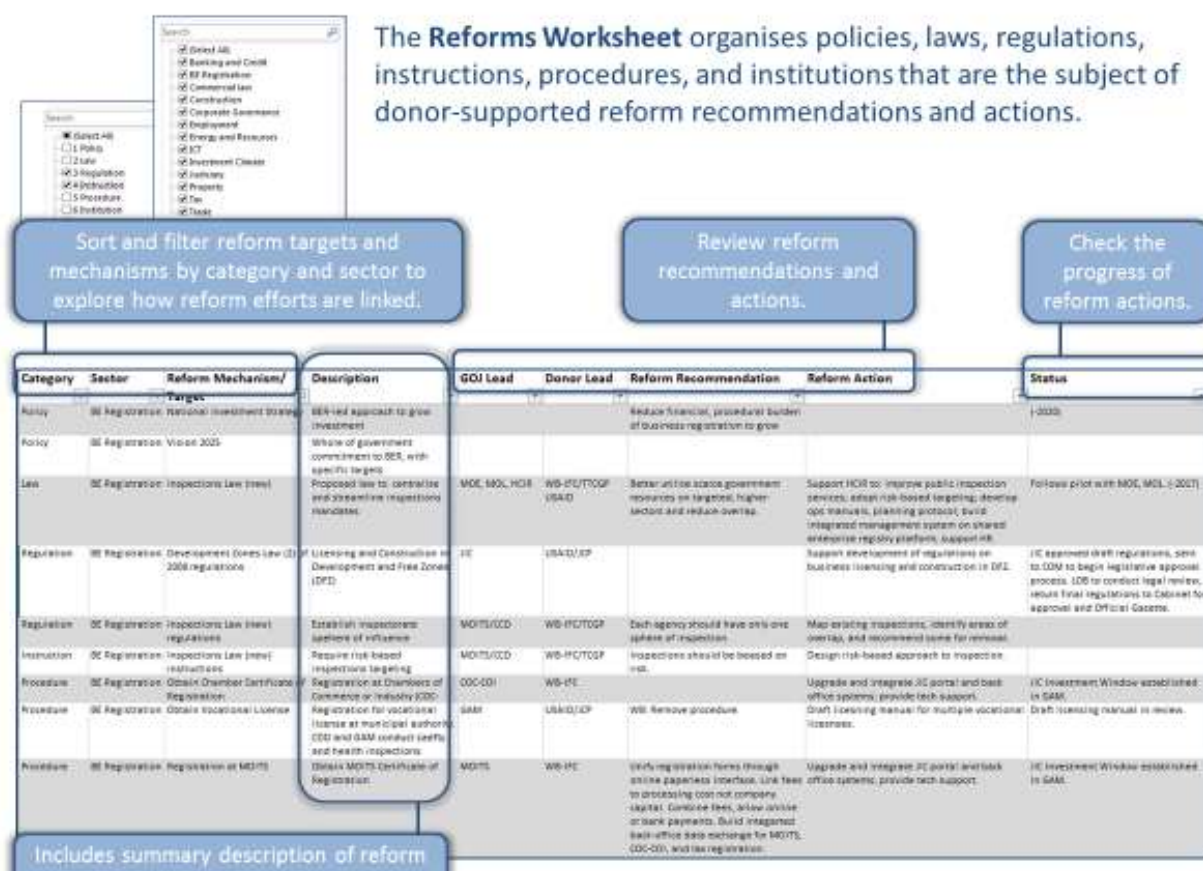
¹¹ Issues included (1) Unclear mandates: Many of these committees are established through a Cabinet decision or ministerial decrees that don't provide sufficient details about their mandates and objectives. In many cases, the committees remain established even after fulfilling their essential purpose. (2) Lack of governance: This includes a decision-making process and clear responsibilities of their members, as well as a conflict resolution mechanism. (3) No clear base for establishment: There are no clear criteria or base for when a committee should be established. In most cases, committees are established in response to a certain problem or challenge, but there is no evidence that the committees provided the appropriate answer to this challenge, or if other mechanisms were considered. (4) Lack of established procedures: There are usually no processes or procedures that define how the committees operate and how they monitor their performance and impact.



For this assessment we conducted an inventory of all (or most) business environment reforms recently undertaken, recommended, or currently underway, has been categorised according to their level (policy, law, regulation, procedure).

The Reforms Worksheet (Figure 8) includes a description of proposed or recently passed policies, laws, regulations, instructions, procedures, and institutions relating to business regulation. The complete worksheet is presented in Appendix 3. In addition to falling into one of these six categories, each entry in the worksheet also lists the specific area of regulation (e.g. business registration, investment climate, commercial law, etc.); the responsible government and supporting donor entities; their recommendations and actions (i.e. programmes and interventions); and a status update on recent progress. Users can sort and filter the entries to focus on a category, sector, government agency, or donor programme, or any combination thereof, and review all of the related recommendations, actions, and status of these actions. Furthermore, users can see the links between policies and strategies, the laws, regulations, and instructions of the business environment, and the procedures facing business owners, employers, entrepreneurs, and investors.

Figure 8 The Current Stock of Pending Reforms



The Procedures Worksheet, shown in Figure 9, is a partial inventory of administrative procedures related to doing business in Jordan (mostly those that link to the *Doing Business* indicators). Each entry provides a category for the procedure (e.g. business registration, construction, hiring, paying taxes, etc.), and lists and describes the required interactions with a government entity, the name of that entity, a description of the forms and accompanying documents submitted to that entity, the number and amount of fees paid to that entity and a description of those fees, any entity actions (e.g. inspections), and any documents (e.g. certificates) the entity provides upon completion of the procedure.

Figure 9 Partial Inventory of Administrative Procedures

The **Procedures Worksheet** is an inventory of the time & motion procedures related to doing business.

Each entry references required **interactions** with a government entity, the number and description of **forms** and accompanying documents to be submitted, the number and amount of **fees** to be paid, any **actions** (e.g. inspections) undertaken by the entity as part of this procedure, and the documents provided by the entity upon completion of the procedure.



Indicator	Procedure	Time (days)	Gov. Interactions	Entity	Forms to entity	Form description	Other docs	Docs description	Fees to entity	Fee breakdown	Entity actions	Description of action	Docs from entity	Docs description
Starting a Business	1 Register at Ministry of Industry and Trade	1		AMIT	1	Completed application for company registration		Making and attestation of incorporation form, registration receipt, Copy of ID card		Registration fee (2.0% of company capital in USD, 200)				Certificate of Registration
Starting a Business	2 Obtain a tax ID number at register for tax	1 (No. 1,2)		Tax Office	1	Completed tax number application								Unique tax ID #
Starting a Business	3 Register at Chamber of Commerce and/or Chamber of Commerce	1 (No. 1,3)		CCC/COC	1			A Multi function application identifying members of incorporation		Chamber of Commerce Registration (COC/CS Chamber of Commerce)				Certificate of Registration
Starting a Business	4 Obtain occupational license from (JAMC)	4		JAMC, ICD	1	Completed license application		Pre-application SAM planning location map SAM occupational permit		Not spec. Fee, JCD 200		Inspection (SAM office verifies other licenses in attested in right licensing)		Professional Occupational License
Starting a Business	5 Register for occupational license	1 (No. 1,4)		Local Security Office	1									

The two worksheets show the link between different pending reforms and serve as a starting point for selecting key groups of procedures (such as investment-related, *Doing Business*-related, sectoral, etc.) in order to address reforms in a systematic way at scale. In the recommendations section, we outline how this inventory could be used to populate a Reform Tracker designed to help GoJ authorities manage reform more effectively.



2.8 Effectiveness of Donor Business Environment Reform Initiatives

As discussed above, the GoJ has organised its business environment reform work along the lines of the *Doing Business* indicators. However, progress is slow. We believe this is in large part due to a workflow issue within the government: pending reforms are not addressed in a systematic way by level. Meanwhile, the disconnect between what is measured by the international rankings and what the central issues are for Jordanian businesses and international investors in Jordan means that donor projects find themselves adjusting their activities along the way in order to remain relevant. We analysed 17 donor activities to identify whether they were likely to impact the *Doing Business* rankings: nine were rated “no,” six “maybe,” and only two “yes.”

There are some important distinctions between the different types of *Doing Business* indicators. *Legal indicators* measure the existence of provisions in written laws and regulations and their effect on a business or individual. *Time and motion* indicators measure the “efficiency and complexity of achieving a regulatory goal” (World Bank, 2017) — for example, Registering a Business, as determined by the time and costs associated with completing the required number of steps and procedures. Some indicators — for example, Enforcing Contracts — combine legal and time and motion elements in a composite index. The distribution is shown in Table 2 below. Generally, it is accepted that time and motion indicators affect businesses more directly and can be addressed more rapidly, while legal indicators take years to address.

Table 2: Types of Doing Business Indicators

Types of Doing Business Indicators		
Time and Motion	Legal	Hybrid
Starting a Business	Getting Credit	Paying Taxes
Dealing with Construction Permits*	Protecting Monitoring Investors	Enforcing Contracts
Getting Electricity		Resolving Insolvency
Registering Property		
Trading across Borders		

* About 4 percent relates to legal

Depending on how “visible” improvements are and how quickly they can be accomplished, some of the indicators receive more attention than others. For example, the Starting a Business indicator gets a lot of attention because it is perceived to be key to investor perception — the “entry point”, so to speak, for foreign firms. The score can be improved via relatively simple technical solutions, yet the coordination required among different government actors tends to make the solutions difficult to agree on and implement.

Current donor efforts in Jordan centre on reducing the number of days needed to register a business, yet the major variable affecting the ranking is the cost. In addition, the most bothersome of the processes to register a business is obtaining sectoral and vocational licenses, yet these don’t weigh very heavily on the ranking. Getting rid of the sectoral and vocational licenses would dramatically improve the business perception of hassle (and would

require a major effort to coordinate among government agencies) but would only impact the ranking slightly.

Some *Doing Business* indicators appear to measure simplicity yet in reality require sophisticated institutional capacity and the addition of procedures. Obtaining a construction permit is an example and tends to be better addressed based on an analysis of in-country needs rather than an international indicator. Likewise, legal indicators like getting credit, solving insolvency, and protecting investor rights are built around very specific definitions (such as whether the country has a registry for moveable collateral that works in a specific manner) that arguably do not get at the heart of investor or business challenges in Jordan.

For these reasons, while the *Doing Business* indicators are a useful way to put pressure on governments and to reward successful business environment reform efforts with good publicity, they are not the best organising principle for a government to manage the stock and flow of reforms. Table 3 below lists the main donor initiatives to support business environment reforms in Jordan, briefly describing their goals and activities and commenting on whether these are likely to affect the *Doing Business* indicator scores.

Table 3: Donor Projects to Support Business Environment Reform in Jordan

Donor Projects to Support Business Environment Reform in Jordan	
Project and Description of BER activities	Improvements to <i>Doing Business</i> (DB) Indicator scores?
<p>USAID/Joint Competitiveness Program (JCP)</p> <p>Advance competitiveness in select knowledge economy sectors. Program anticipates achieving three goals: 40,000 new jobs, US\$700 million in foreign direct investment, and a 25 percent average increase in exports in targeted sectors.</p> <p><u>Starting a business</u></p> <p>JCP is supporting JIC in the drafting of 13 substantive regulations pursuant to the Investment Law (11 have been passed). JCP produced, and has updated, a licensing guide that clarifies requirements and serves as a useful aid to counsellors at the JIC investor window.</p> <p><u>Trading Across Borders</u></p> <p>JCP supported inter-ministerial cooperation between JIC and the Ministry of Foreign Affairs (MoFA) for export promotion, including a WTO-compliant industry support program.</p> <p><u>Getting Credit</u> (with IFC)</p> <p>JCP and IFC are worked with MoITS to draft a comprehensive Secured Lending Law (consolidating and updating multiple existing laws) and to develop the online collateral registry (a legal and institutional framework to facilitate the use of movable property as collateral). Regulations are being developed to allow financial institutions to have access to the collateral registry system.</p> <p><u>Protecting Minority Investors</u></p> <p>JCP has conducted capacity building workshops for the JIC on investment dispute settlement and prevention.</p>	<p><u>Starting a business</u> – NO</p> <p>The case study firm is not in a development zone. Also, the guide doesn't streamline or eliminate any of the required steps, and JIC has been unable to ensure the necessary level of inter-agency collaboration to do so.</p> <p><u>Trading Across Borders</u> – NO</p> <p>Jordan is already the regional leader in this category. It is unclear whether a WTO-compliant industry support program would effectively reduce the number of hours and total costs.</p> <p><u>Getting Credit</u> – MAYBE</p> <p>When the law is passed, the regulations are written, and the online collateral registry is fully operational., then and only then will the score be affected via the strength of legal rights index (currently zero), which awards points related to having a unified legal framework for secured transactions and a modern collateral registry.</p> <p><u>Protecting Minority Investors</u> - NO</p> <p>Workshops, as an isolated "product", have mixed records of affecting policy and worse records of affecting procedures.</p>

Donor Projects to Support Business Environment Reform in Jordan

Project and Description of BER activities	Improvements to <i>Doing Business</i> (DB) Indicator scores?
<p>USAID/Energy Sector Capacity Building Activity (ESCBA)</p> <p>Work with Jordanian energy sector partners to cultivate effective policies and decision-making in the energy sector, and to build sustainable institutional and organisational capacity to increase the adoption of renewable energy and energy efficiency technologies and practices.</p>	<p><u>Getting electricity</u> - NO</p> <p>Project activities could impact the reliability of electricity supply and tariff transparency by improving the total score. Specifically, this includes reducing the duration and frequency of outages (from 2 to 3) and paying compensation to customers if outages exceed a certain cap (from 0 to 1).</p>
<p>USAID/Jordan Fiscal Reform Bridge Activity (JFRBA)</p> <p>Support the GoJ's economic reform efforts by strengthening fiscal policy formulation, implementation, and public financial management, and facilitating trade.</p> <p><u>Paying taxes</u></p> <p>JFRBA supports Jordan's Income and Sales Tax Department (ISTD) in strengthening tax administration and tax reforms and improving the overall efficiency of the country's tax system.</p> <p><u>Trading Across Borders</u></p> <p>JFRBA has supported Jordan Customs' (JC) Regional Training Centre, enabling it to receive accreditation from the World Customs Organisation (WCO) and conduct training on international best practices in customs processes and trade facilitation for customs officers, partner government agencies, and private sector. JFRBA also supports JC in implementing Pre-Arrival Processing (PAP) and the Joint Inspection Mechanism (JIM) at the Aqaba Customs House, which will allow for faster inspection and processing of cargo and relieve congestion at the Aqaba Container Terminal.</p>	<p><u>Paying taxes</u> - NO</p> <p>JFRBA is designed to meet the needs of government, and not necessarily of the private sector. The priorities for the Ministry of Finance, and therefore the project, are to raise tax revenue. The project's contract does not cover reducing the costs of business compliance with tax procedures. In fact, some recommendations could weaken the DB score, which is calculated based on the perspective of the tax-paying business.</p> <p><u>Trading Across Borders</u> - YES</p> <p>Improving the skills of customs officers, port authorities, and other agents involved in cross border trade facilitation could potentially reduce processing times for border and documentary compliance, improving the overall score, as better trained officers are likely to be more efficient. The implementation of PAP and JIM at Aqaba Customs House should have a positive impact on the DBI score, as the case study firm imports and exports through Aqaba.</p>
<p>WB/Journal of Energy Law & Resources (JELR)</p> <p>Review selected business laws and regulations and produce an inventory of formalities governing selected areas of entrepreneurial activities including and a review of the process of how economic legislation is initiated and managed through the decision-making process.</p> <p><u>Starting a Business</u></p> <p>JELR plans to identify what it considers "low-risk" activities and will merge the vocational licensing requirements for these activities with other business registration activities, as a first step towards waiving vocational licenses.</p> <p><u>Enforcing Contracts</u></p> <p>The project is reviewing 13 laws and accompanying regulations to recommend to MOPIC areas for reform, including the Company's Law (22) of 1997, Commercial Law of 1966, Competition Law (33) of 2004, and the Unfair Competition and Trade Secrets Law (15) of 2000, which cover aspects of enforcing contracts. WB has also issued several recommendations that, if followed, would streamline court processes and reduce delays.</p> <p><u>Resolving Insolvency</u></p>	<p><u>Starting a Business</u> – YES</p> <p>Vocational licensing is the most time-consuming step in Starting a Business, encompassing 8 of the total 12 days. Shortening or removing some of the approvals and steps required for obtaining a license will improve the score for this indicator by lowering the total number of days required to register a business.</p> <p><u>Enforcing Contracts</u> - MAYBE</p> <p>Efforts that improve the efficiency of the courts process, through introducing new regulations, developing systems, or training staff, are likely to have an impact on the length of time required to enforce contracts. Jordan's score for quality of judicial process (7/18) would improve if several conditions, recommended and support by the WB, were met. This includes introducing designated commercial courts or divisions of courts dedicated solely to commercial cases, regulating a maximum number of adjournments, improving court performance monitoring and access to</p>



Donor Projects to Support Business Environment Reform in Jordan	
Project and Description of BER activities	Improvements to <i>Doing Business</i> (DB) Indicator scores?
<p>The World Bank has provided several recommendations that, if followed, could improve Jordan's low ranking on this indicator.</p>	<p>performance information, introducing pre-trial conferences, and introducing online tools.</p> <p><u>Resolving Insolvency</u> – MAYBE</p> <p>The draft Insolvency and Restructuring Law has been in circulation since at least 2011 but has yet to be passed. If updated to include provisions that would allow, for example, more opportunities for reorganisation, as opposed to focusing exclusively on liquidation, passing this law would improve multiple components of the insolvency framework score.</p>
<p>WB/IFC: One Stop Shop</p> <p>Support the JIC in launching its e-investment portal to improve its services and interactions with the private sector, with a focus on attracting investment, increasing transparency, and improving business regulations.</p> <p><u>Starting a Business</u></p> <p>Developing the One Stop Shop's core functionalities through enhanced ICT systems, integrating and upgrading back office systems (including data exchange among MOITS, Tax Office, and Chambers of Industry and Commerce), and providing support to simplify and standardise business registration. The work has not yet addressed harmonising and unifying forms and payments.</p>	<p><u>Starting a business</u> - MAYBE</p> <p>The ICT support and technical assistance to the OSS, if it were to achieve unified forms and payments, would improve the DBI score by reducing the number of steps (consolidating steps 3, 4, and 5) and, in theory, by reducing the costs for applicants, if and only if fees were reduced as a result of lower back office administrative costs in the government. This is not likely to reduce the time required, which is currently a single day for steps 3, 4, and 5 combined.</p>
<p>WB/IFC Trade & Competitiveness Global Practice: Inspection Reform Project</p> <p>The WB/Trade and Competitiveness Global Practice (TCGP) is supporting Jordan's National Inspection Reform Program.¹² The objective of this program is to support the government in building efficient, high quality inspection services that more selectively target inspections based on risk assessment. The program covers multiple inspection areas.</p>	<p><u>Dealing with Construction Permits</u> – MAYBE</p> <p>It is possible that by streamlining inspections procedures, reducing overlap among inspectorates, and introducing a risk-based inspection protocol one could reduce the number of days required for obtaining a construction permit. This reform should also increase the predictability, transparency, and relevance of inspections. This reform is not likely to have a significant impact on costs, however, as government inspections don't incur costs. There would also be a minimal or zero direct impact on the building quality control index.</p> <p><u>Starting a Business</u> – MAYBE</p> <p>The program could potentially reduce the number of days required for steps 6 and step 7 from current 8 days to lower number.</p>
<p>WB/International Bank for Reconstruction and Development (IBRD): Energy and Water Development</p> <p>Provide concessional finance to improve the efficiency of Jordan's energy sector and support reforms aiming to ensure efficient management of resources and equitable distribution of costs.</p>	<p><u>Getting Electricity</u> - NO</p> <p>Ultimate improvements and their impacts on daily service quality remain to be seen.</p>
<p>WB/Economic Opportunities for Jordanians and Syrian Refugees (EOJSR): Customs Golden List</p>	<p><u>Trading across Borders</u> - NO</p>

¹² IFC has been supporting inspections reform in Jordan since 2009, when the government launched the National Strategy for Improving Business Inspections.



Donor Projects to Support Business Environment Reform in Jordan

Project and Description of BER activities	Improvements to <i>Doing Business</i> (DB) Indicator scores?
Support the Customs Department of the Ministry of Finance to increase the number of firms on this list, which includes firms who have met criteria allowing them fast-tracked clearance of imports and exports.	The expected impact can't be predicted because the DBI ranking is based on a specific but hypothetical firm profile. It is not clear if the hypothetical DBI company which exports fertilizers to India and imports car parts from Germany would be on this list. In addition, the private sector reports that right now, being on the list is not that much of an advantage – not even worth registering to be on the list. So, unlikely.
<p>EBRD/Jordan Electricity Regulatory Commission (JERC)</p> <p>Support the JERC in updating energy sector regulations and recovering losses by the state power company, National Electric Power Company (NEPCO). Also, the European Bank for Reconstruction and Development (EBRD) 2014 Strategic Plan for Jordan, under the theme of “Enabling dynamic, private sector-led, inclusive growth” indicates that the Bank will be “working with all stakeholders to enhance investor protection, corporate governance, support streamlining of licensing...and build capacity and enforcement capabilities of the Competition Authorities.”</p>	<p><u>Getting Electricity</u> - NO</p> <p>The impact of reforms on “last mile” improvements for businesses remains to be seen.</p> <p><u>Protecting Minority Investors</u> – NO</p> <p>Additional information is needed on the specific EBRD efforts and initiatives that will enhance investor protection.</p>

2.9 Additional Projects and Initiatives

For the Enforcing Contracts indicator, a Royal Committee was assigned to develop a plan for modernising and upgrading the legal system in Jordan and in February 2017, issued comprehensive and detailed recommendations. These may be supported by the USAID Rule of Law project.

Two additional initiatives aim to affect the *Doing Business* ranking globally: USAID budget support and the European Budget Support programme. We identified a working group linked to USAID budget support and comprised of representatives from the Ministry of Modernisation and Development, the Company Controller’s Office and Ministry of Information Technology that is addressing the Starting a Business indicator (including working on a unified form).

The European Union Budget Support programme is organised into Strategic Areas, Target Areas and Actions. Actions constitute the specific criteria that trigger payments of tranches of support. Several target areas aim to support business environment reform and are clearly aligned with the DLIs, with one directly mentioning the *Doing Business* indicators.

These provisions serve to add pressure to make progress and in principle make resources available to do so, but they do not clarify the how or provide measurements beyond the international indicators. However, the programme does anticipate a flexible technical assistance mechanism focused on monitoring and evaluation, which could provide a useful framework and set of tools to help the Prime Minister’s Delivery Unit (PMDU) oversee the reform process more effectively.

2.10 Results of the Stocktaking Exercise

Our assessment found a disconnect between the international rankings used by the GoJ to organise and track business environment reforms (i.e. *Doing Business* and World Economic Forum rankings), the activities supported by donor programmes, the instructions issued by the Prime Minister’s office, and the relevance of the above to business and investor concerns. It is true that originally the *Doing Business* rankings were developed based on the common-sense principle, “What gets measured gets done,” and indeed these rankings can serve as a useful point of departure. However, it is necessary for each country to further define the universe of addressable laws, regulations, and procedures based on a contextual analysis of the state of current regulation and the reality faced by most local businesses (and/or concerns voiced by international investors). This refining process has not been done in Jordan. Understandably, some donor projects did redefine the scope of their activities as they discovered during implementation that some reforms that had nothing to do with the international rankings might be more useful to focus on, and vice versa.

The most problematic area is the lack of a consistent approach on the part of the Jordanian government. Some entities, like the MoPIC competitiveness committee, use the international rankings as their sole guideline for tracking. The Prime Minister’s office, conscious of the need to improve Jordan’s score, issues instructions linked to the rankings without detailing them sufficiently. Meanwhile others, like the Ministry of Information Technology (MoIT) and the Ministry of Public Sector Modernisation, consider the international rankings and the instructions emanating from the Prime Minister’s officer as only a part of their mandate, something to be considered but not the driving force of their actions. These ministries are technically correct: they are approaching the reforms with the goal of working at scale in a consistent fashion across several procedures (they refer to them as services). Unfortunately, due to confusing communications and lack of coordination, the efforts of these Jordanian government actors — like those of some donor projects — are neither recognized nor properly supported. Meanwhile, Jordan’s ranking stays the same or worsens, the obstacles faced by businesses and investors remain high, and most stakeholders are frustrated.

3. Cross-Cutting Issues

3.1 Conflict

There is high awareness in Jordan of the relationship between regional conflict, refugees, and the scarcity of employment options. As noted above, regional conflict has had a significant negative impact on jobs, through border closures, reduced investment and immigration. Two factors appear to link the increase in refugees with reduced job creation. First, refugees place a strain on local public resources, as about 90 percent of them do not stay in refugee camps but rather live and work — or at least attempt to — in the local economy. This represents a fiscal burden and reduces the government's ability to invest in growth-oriented activities.¹³ Second, many refugees are active in the informal sector. Informal employment, though it represents an opportunity for refugees to engage in productive activity and earn income, is likely to crowd out formal employment opportunities, keeping unemployment figures high.

Throughout history, countries with business-friendly policies and access to capital have benefited from immigration, including the Netherlands (1700s), the United States (early 1900s), Israel and Singapore (late 1900s), and more recently places like Dubai. In the US, as of 2015, 40 percent of Fortune 500 companies were founded by immigrants or their children, and 75 percent of patents developed in American universities had immigrant participation. Jordan is no newcomer to refugee inflows and has experienced the long-term economic effects of integrating these populations into the economy — beginning with Palestinians in 1948 and 1967, followed by Lebanese and Iraqis fleeing war in the 1980s, 1990s, and early 2000s.¹⁴ Today Palestinians represent the backbone of the Jordanian private sector. Lebanese and Iraqis are also well integrated into the Jordanian economy. However, those achievements have come at a cost, and while this is not openly discussed in Jordan, there are still tensions under the surface. Today, there is anecdotal evidence that most of the Syrians in Jordan come from the agrarian south of Syria, and their education levels tend to be lower than those of Jordanians. They are more skilled in areas such as construction and farm work, and to a lesser extent in services such as restaurant and retail. Meanwhile, Syrians who fled to Turkey are said to be highly skilled investors and entrepreneurs. There are stories of entire factories being dismantled and set up again in Eastern Turkey. Turkey has welcomed the relocation of Syrian productive facilities, and with this example in mind the Jordanian government is actively courting the Syrian diaspora and considering offering incentives to formally encourage Syrian investment and entrepreneurship.

Refugees face particular constraints with respect to their ability to work. While Jordan is not a signatory of the 1951 Refugee Convention, the United Nations High Commissioner for Refugees (UNHCR) operates in the country under a 1998 Memorandum of Understanding with the government. The government has rejected the UNHCR term “refugee,” referring instead to “guests” — a term that has no legal meaning. Syrians therefore exist in an

¹³ Healthcare, education, transportation and municipal service costs associated with refugee inflows have been estimated at \$6.6 billion.

¹⁴ See the Migration Policy Institute (2010): <http://www.migrationpolicy.org/article/jordan-refugee-haven>.



ambiguous legal framework. As the crisis in Syria evolved and the number of refugees increased, the government's stance has undergone several significant shifts, from initially rejecting encampments to establishing camps, from a liberal employment policy for Syrians to a stricter one; and from permeable borders to virtually closed ones.

Approximately 21 percent of Syrian refugees are in six camps in the north, including Zaatari, Azraq, the Jordanian Emirati camp, King Hussein Park and the Cyber City. Most refugees have settled in the host communities in cities and towns in north and central Jordan: Amman, Irbid, Mafrqa and Zarqa. Jordan's entry policies have had the effect of keeping out young men travelling on their own, as well as Palestinian Syrian refugees. While men still represent almost half of the adult Syrian refugee population, they are almost all with their wives, children, parents and other relatives. There is a fairly even gender balance, and 51 percent of the registered refugee population is younger than 17. Below are the five main reasons why refugees' work participation rates remain low:

1) Policy Environment

- Despite recent progress on relaxing work permits for Syrians, the opaqueness of the administrative procedure remains a deterrent to many. While the Ministry of Labour has waived the costs of obtaining a permit since April 2016, informal fees, barriers and hidden costs* continue to cause problems.
- Economy-wide informality (estimated at 44 percent) has impeded refugees from obtaining work permits, especially in agriculture and construction. **
- Work permits are tied to a specific employer and are valid for one year.
- Restrictions imposed by the government on foreign labour.

2) Inconsistent Information and Misinformation

- The lack of easy-to-access information on how to identify job opportunities is common in Jordan. For Syrian refugees, the problem is compounded by their lack of knowledge of the country and their fear of entering the formal economy. Many refugees believe that having a formal job would deprive them of getting aid from international aid agencies and nongovernmental organisations (NGOs) and reduce their chances of emigrating to other countries.
- The vast majority of refugees search for jobs through friends, community members and NGOs. Low levels of integration between Syrian refugees and Jordanians, as well as poor public opinion of Syrians by Jordanians, make it difficult for refugees to find in- or out-of-network job opportunities.

3) Bargaining Power and Safety

- Many refugees claim that the main deterrent in searching for jobs is the potential for workplace harassment or abuse, especially in the informal sector where employers can go unchecked.
- General fears over public authorities, public services and forums for justice undermine the safety valves that exist in face of workplace exploitation; such fear is amplified by rumours of refugee harassment.

4) Gender

- Female refugees face cultural barriers, such as the norm prohibiting women from working in certain professions and in public spaces with men.
- Females are also penalised for their commitment to non-income generating household work. These constraints influence the forms of work they can undertake.
- Many female refugees are also fearful of workplace sexual harassment and gender-based violence.

5) Material Obstacles

- Cost of and inability to access childcare services.
- Transportation costs and the safety concerns generated by distant work locations.***

Source: Gordon, G. (2017). Solving the Refugee Employment Problem in Jordan: A Survey of Syrian Refugees. International Rescue Committee (IRC).

* Refugees must obtain an ID card, proof of residency and medical certificate, all of which generate costs.

** Creative solutions are being identified by ILO and local sectoral cooperatives and associations with the GoJ to formalize these jobs and allocate labour permits to Syrian refugees in these two sectors.

*** These are obstacles that the Jordanian workforce also encounters, especially women, and hinder their participation in the work place, yet it is more profound among refugees because they don't have access to social networks that provide support in these areas.

3.2 Gender

Jordan has always had extremely low female participation in the workforce. According to the Department of Statistics, the contribution of women to the overall economic activity in Jordan in 2014 amounted to a mere 12.6 percent of the total — roughly the same as in 1995. Meanwhile, university enrolment rates in Jordan stood at 51.7 percent for women compared to 48.3 percent for men, a significant leap from the mid-1990s, when women's enrolment was 42 percent. Thus we see that the women's participation rate has been actually declining, once the numbers are corrected for educational attainment.

Of economically active women, more than 41.8 percent of working women are engaged in the education sector, 15.3 percent in health and social services, 12 percent in social security and



public administration, 6.6 percent in the industrial sector, 5.5 percent in trade, and the remaining 0.4 percent in home and tourism services. Women occupy almost half of the jobs in the public sector but only 10 percent of leadership positions. In the private sector, where male workers make up 86.4 percent of the workforce, women represent only 13.6 percent of workers.

The primary reason for the low participation of women in the labour market, and the sectoral and leadership distribution described above, is a set of social norms that consider the main role of women to be associated with family management, and therefore consider their participation in outside economic activities as secondary. Other barriers include social insurance legislation that treats women as dependents rather than independent workers even when they work. The highly protective legislation on women's working conditions and maternity leave lead employers to avoid hiring married women. Often, employers discriminate against married women out of a conviction that their marital responsibilities would prevent them from being as committed to their jobs as men or young unmarried women.

The number of women pursuing self-employment in Jordan is still very low, and while there is no substantial literature that explores the reason behind this, focus group meetings that were conducted by the Al-Manar Project of the National Centre for Human Resources Development in Jordan (NCHRD) conclude that women were neither aware of opportunities to set up their own enterprises nor enthusiastic about the prospect. Women in the governorates pursuing their own economic activity often have trouble navigating the complex procedures required to formalize their businesses. Information is not clearly displayed in municipal offices, and women do not always feel comfortable asking for help.

3.3 Youth

The younger generation in Jordan is highly influenced by history and tradition. The successive waves of refugees, and political and social tensions that accompanied them, continue to shape the socioeconomic expectations of young Jordanians. Identity is linked to where your parents and grandparents were born. Those with parents born outside of Jordan may not see the country as their true home. Jordanians of tribal origin typically expect to work for the public sector (especially in the governorates, where economic activity is not very developed). Seeing their fortunate relatives emigrate, some young people dream of one day going to live and work in the Gulf region or in Europe. Not much glamour is associated with working to build one's own business close to home, and the university system caters primarily to regional job markets or to the public sector. As expectations are not aligned with local options, and schools and families generally do not encourage experimentation and initiative-taking in the world of work, many youths find themselves disconnected from the labour market.

The population of Jordan is one of the youngest among countries in its income category, and the growth rate between 1981 and 2011 was an average of 5.6 percent per year, much higher than the region's average rate and well above the world's. Despite a high education enrolment



rate (more than 40 percent of young people are enrolled in tertiary education),¹⁵ youth unemployment is high (33.9 percent in 2016)¹⁶ and long-term unemployment (1 year or more) affects more than half of those. The share of youth neither in employment nor in education or training (NEET) decreased slightly between 2012 and 2015 from 29 to 28.7 percent. The share among young women was almost triple that of young men in 2015 at 43.8 and 14.5 percent, respectively, and is explained primarily by the obligation of many young women to remain outside of the labour force to tend to family responsibilities.

Business owners are reluctant to hire youth, citing first their lack of soft skills, followed by lack of qualifications. Other reasons include not having a university degree and the availability of non-Jordanians at lower wages. For young men in Jordan, investing in education brings a return in terms of finding employment: male unemployment rates decrease as the level of education of the young person increases. Unfortunately, the same cannot be said for young women, where the unemployment rate remains stubbornly above 40 percent regardless of the level of education attained.

More than half of employed youth hold informal wage jobs in the formal sector. They therefore hold contracts, including contracts of long duration, but such contracts do not give them access to benefits such as paid sick leave, paid annual leave and pension contributions. The majority of working youth receive a below-average wage. An analysis of working hours shows that the largest share of employed youth, in relative terms, work 40–49 hours per week, and 21.9 percent of young men and 10.8 percent of young women work an excessive number of hours — more than 60 hours per week.

¹⁵ Survey conducted by the International Labour Organisation, 2014.

¹⁶ ILO, 2013b.



4. Recommendations

This section provides a number of recommendations; with special focus on the opportunity to simplify GoJ administrative procedures. Designed to address the twin constraints of economy-wide operational hassles and administrative inability to coordinate, such an effort would help MoPIC achieve two of the World Bank P4R program's DLIs (No. 3.1 regulatory reform and No. 3.2 predictability index) and could be designed and implemented promptly through existing GoJ committees. **We recommend that the UK support a substantive intervention to support the GoJ in simplifying administrative procedures** (see Section 4.3 for a proposed approach for such an intervention). Procedures simplification is a critical first step, but it will not be sufficient to transform Jordan's business environment and generate the needed level of investment and jobs. The momentum generated by the regulatory simplification can, however, serve to support more ambitious strategies already in the pipeline (such as e-government and customs reform).

4.1 Prioritisation of Business Environment Reforms

Given the large number of strategies, plans, committees, and the overlapping mandates of government ministries and agencies, **a prioritisation exercise is recommended**. A transparent, evidence-backed analysis that reconciles the original vision developed through the Jordan 2025 process and the more recently issued Jordan Economic Growth Plan (JEGP) with the Jordan Compact, the World Bank's P4R, and MoPIC's efforts to coordinate donor and NGO activities could be useful in linking sector priorities to cross-cutting business environment reform necessities. The exercise could also help donors and NGOs better synchronise their assistance. Much of the analytical work has already been done but has not been shared. Some may need updating or revisiting, depending on the outcomes the Government wishes to prioritise (i.e. employment, investment, inclusive growth). A second approach would be to conduct a full-blown economic constraints analysis using the methodology developed by Dani Rodrik at Harvard University, which has been adapted by both USAID and DFID to focus on inclusive growth and jobs, respectively. It is possible that one or both of these donors will conduct such an analysis in the near future. If so, it would be useful to link it to the existing work cited above and invest in stakeholder consultations to ensure there is agreement on the top opportunities and constraints.

4.2 Outreach Strategy

BERF recommends a proactive outreach strategy as part of any UK intervention to support business environment reform in Jordan. Key stakeholder groups include (i) the donor community, (ii) GoJ government and private sector actors, and (iii) UK and third-party (such as Morocco) regulatory bodies willing to engage in mutual exchange or mentoring arrangements with the GoJ. Implementation of the procedures simplification exercise above would require regular committee and working group meetings. Prior to organising working meetings, it would be important to hold consultations aimed at developing an understanding of participants' interests and motivations. This would allow interaction on a personal and long-



term, goal-oriented level beyond the short-term achievement of targets linked to the programme.

4.3 Simplification of Procedures

The approach we recommend using in Jordan to simplify procedures is based on this assessment and experience implementing similar initiatives, including a successful business environment reform initiative in Morocco — one that began in 2006 and continues to generate legal, regulatory and procedural improvements more than ten years later. Jordan exhibits some important similarities to Morocco, then and now: an energy-dependent economy, a monarchy, a government that announces its intention to improve the business climate but does not seem to follow up, a legal system characterised by burdensome controls, and a Muslim majority combined with a complex, heterogeneous social fabric that requires continuous negotiation of power among stakeholders.

In 2009, with support from USAID/Morocco's Improving the Business Climate in Morocco (IBCM) and the World Bank, Morocco's Ministry of Economic and General Affairs set up a high-profile body called the *Comité national de l'environnement des affaires* (CNEA) to fast-track all types of business environment reforms. Since that time, the committee has remained active, Morocco has moved up 47 places in the international *Doing Business* ranking, and the country attracts consistent flows of foreign direct investment (>US\$3.2 billion/year).

There were three key components of reform that merit consideration in the Jordanian context. First, there should be a focus on administrative procedures, as the most visible level of government regulation, encountered by businesses in their day-to-day operations. Work on procedures should include an effort to **clearly define** and then **harmonise a number of procedures at a time**, grouped by type as they relate to business needs (i.e. procedures related to investment, or to obtaining a construction permit).¹⁷ Second, the process of streamlining procedures should be **viewed from the perspective of the investor** (i.e. the investor-facing materials were developed first and the back-office reengineering flowed from that logic). Third, a national fast-track reform committee should institutionalise the **process** of reform, guaranteeing sustainability.

The three components of an administrative procedure are: (i) a form to fill out, with associated documentation, (ii) a fee to pay, and (iii) an interaction with the government. This breakdown is fundamental to any administrative simplification process, which should include developing a consistent definition, building an inventory, harmonising the procedures, and then reengineering. Once this is done it is possible to tackle the challenges of providing online access, payment and approvals. The advantage to using a standard definition for an administrative procedure is that it no longer needs to be treated individually and can be grouped and treated at scale.

¹⁷ Procedures included, but were not limited to, those counted in the *Doing Business* ranking. For example, investment procedures included registering a business, buying land, getting an alcohol license, opening a hotel, obtaining a zoning variance and applying for a mining permit.



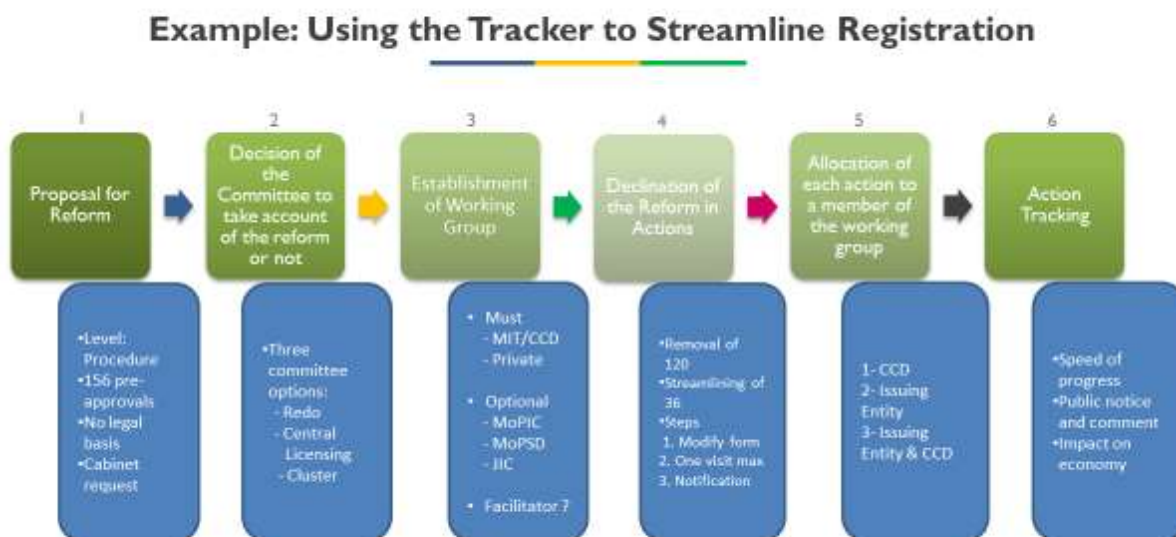
It is helpful to draw a distinction between controversial business environment reforms that risk upsetting the power balance between stakeholder groups, and those about which there is general agreement but a lack of clarity in how to move forward. For the latter group, we recommend a methodical approach building on the inventory exercise whereby bundles of administrative procedures that directly affect businesses and potential investors are defined, harmonised, and eliminated or simplified. For more controversial or ambitious reforms, a case-by-case approach is recommended, with intentional stakeholder engagement.

Figure 14 illustrates the framework we suggest be used for managing the stock and flow of reforms, facilitating their identification, advancement and completion. The graphic is a stylised depiction of the specifications for a software that is being implemented in two countries by the World Bank (Djibouti and Algeria) and was designed using lessons learned from the Morocco procedure simplification and reform fast-tracking. No software is needed or recommended yet for Jordan. The first step is simply to initiate the reform-tracking process. This exercise, described in detail below, serves to lay the foundation for two subsequent phases: (i) opening selected portions of the tracker to public view (for example, via an online version of the tracker), thus building confidence in the business environment reform process, and (ii) building on the incremental progress to address higher-stakes issues through bold changes that allow Jordan to make progress in adjacent high priority areas, such as security and customs reform, e-government or job matching.

The first step is to select reform proposals. This would correspond with the language in the P4R project document and in the documentation for the EU budget support programme that refers to the “identification of reforms.” In most cases in Jordan, diagnostics have already been undertaken and numerous business environment reforms have already been identified; the problem is that progress is not being made to advance them, and, as discussed above, because the reforms are not organised by category (such as laws or procedures), it is hard to manage them in a consistent way or achieve scale in their treatment.

In Figure 10 below we illustrate the recommended process in the reform for a group of administrative procedures, specifically the pre-approvals that businesses need to go through before registering their company. These have recently been inventoried through an exercise conducted by IFC at the same time and in coordination with this assessment. In total, there are 156 procedures including pre-approvals, sectoral and vocational licenses. Any one business may need up to two or three such approvals. Many of these have no legal basis, and there has been a Cabinet request to review the vocational licenses.

Figure 10 Implementing a Reform Tracking System



Multiple Actions Can Move through Existing Committees at a Rapid Pace

The next step is for the reform committee to decide whether to advance these proposed reforms. In most countries this would be a national reform committee, set up to fast-track actions. In the case of Jordan, rather than creating yet another committee at this time, we recommend beginning first with existing committees, depending on the nature of the reform proposals. Over time, as the process gains momentum, it may make sense to convert the most active committee(s) into a national fast-track reform committee. For now, it makes more sense to allow existing committees to participate and gain credit for their work, rather than trying to override or duplicate their mandates. Reform proposals can be triaged into different committee mandates. For example, a proposal to streamline and/or eliminate sectoral licenses could be reviewed by the Redo Committee, the Central Licensing Committee, or the Cluster Committee. These particular decisions will be important to make carefully and in conjunction with key stakeholders, in order not to disturb the delicate balance of power among government actors. Note that the work is done by working group members: the committee ratifies decisions and takes overall credit.

Regardless of the committee, a working group will need to be formed comprising representatives of the entities affected by the specific reform: in this case, the Ministry of Industry and Trade, the Company Control Department, and a private sector representative

(perhaps through sectoral associations). Additional working group members could include representatives of JIC, MOPIIC, and the Ministry of Public Sector Development. A neutral facilitator should be named to manage the dialogue and workflow. This working group will collaborate to come up with agreed-upon changes to the procedures, model their impact on each organisation's back office function, and define the terms of any collaboration required among the concerned agencies. Out of this discussion will come a list of actions needed on the part of each entity (and any other government entity) to make the reforms a reality. Note that in this example, the actions would affect all 156 procedures (for example, the committee might call for removal of 20 and streamlining of 136). Finally, each action is allocated to a member of the working group, and actions are tracked.

This systematic process can be used by different committees concurrently or sequentially to treat procedures, laws, bylaws and other types of reform proposals. The clarity and predictability of the process helps depoliticise discussions and allows for focus on efficiency and practicality. As noted, the reform tracker can be used simply as an organising framework and implemented manually, or it can be formatted as a software tool that helps policymakers manage their subordinates (i.e. the Minister can log-in to see who is supposed to do what next). Finally and most importantly, the framework allows for selected information (such as what is in the pipeline at what stage) to be shared with the public, as a first step in opening up government reform processes and building credibility by demonstrating progress.

Broader public-private consultation can also be organised at any stage; the idea is to use the tracker to support a basic notice and comment function, which is the minimum requirement for a predictability framework according to the World Bank. The implementation of this tracker would support GoJ in achieving significant, immediate progress under the World Bank P4R DLIs No. 3.1 and No. 3.2 (regulatory simplification and the establishment of a predictability process). These DLIs and selected others are shown below in Figure 11.

Figure 11 Additional Recommendations Organised by DLI

Using Programmes for Results as an anchor

DLI	Incremental Approach	High Profile Goals
3.2 Key reform identified, measurement system prepared, baseline	1. Horizontal simplification of administrative procedures	2. E-government
3.1 Reform establishing a predictability process	3. Reform tracker as a prerequisite to consultative mechanism	4. Work with UK RD to develop
5 Number of investments benefiting from investment facilitation	5. Identification and development of services for specific investor segments	6. Outsource work of JIC
4 Increase in the number of enterprises on the Customs Golden List	7. Harmonisation of customs data	8. Block chain to upgrade Jordanian customs in partnership with UK customs upgrading
1 Labour permits	9. Simplification of labour permit process	10. Sustainable job matching services Redefining what is a job

4.4 E-government

His Majesty King Abdullah has announced a paperless government by 2019, and the Ministry of Information Technology and the Ministry of Public Sector Development are already working on a plan to dematerialise government services. Procurements are in the pipeline at the Ministry of Finance for private sector providers to undertake this work, and it will require the provision of IT services. Our recommendation is to ensure that the process (i) respects the principles of consistency in the re-engineering processes that have been laid out above, and (ii) engages the private service providers, through clear incentives, in the process of ensuring the quality and transparency of services. This could include results-based portions of public contracts that provide a mechanism for users to provide feedback and address complaints, compensating the firms in relation to satisfaction with services. It could also include experimentation with new technologies and platforms in partnership with international firms in a way that encourages Jordanian firms to modernise their capabilities and that makes training and capacity building available to public sector officials using back office functions and to private citizens and businesses accessing services online and through mobile devices.

4.5 Coordination with UK Regulatory Delivery

The UK's Regulatory Delivery (RD) serves as a cross-cutting regulatory advisory agency, directly covering certain topics and, in other cases, coordinating with the relevant UK regulatory body to improve the design of regulations and their implementation — specifically



as regards the government-business interface. For example, RD directly oversees consumer standards, yet for actions linked to business registration or customs, it coordinates with the relevant entities. Through a mechanism called IFUSE (which is no longer in place), and in collaboration with the World Bank/IFC, RD has provided technical assistance to a number of developing country regulatory reform initiatives, including the effort to streamline inspection reform in Jordan. Services include high-level strategic advice, training and capacity building for regulators, as well as specialised technical assistance upon request, in coordination with the appropriate UK regulatory agency. Recognising that the process to develop a full-fledged predictability framework will be a long-term endeavour, and that an intentional engagement strategy is recommended overall to advance and sustain business environment reform in Jordan, we propose bringing RD to the table early on. RD could offer Jordan a light-touch option to facilitate either the overall consultation process as it emerges, or respond to specific technical needs as they arise. Given the depth of expertise real regulators offer, it is judged that this option should allow for greater quality than the current reliance on an assortment of donor consultants. In this respect, we also recommend carefully screening and testing donor consultants before engaging them in Jordan's BER initiatives.

4.6 Support to JIC regarding Investment Facilitation and Promotion

Just as the reform tracker above clearly defines and categories pending reforms and enumerates the treatment they should receive, our recommendation for the investment facilitation under DLI No. 5 begins with a clear segmentation by investor type, business purpose, deal size and other characteristics such as sector of activity. A rough segmentation of past and current investments in Jordan yields the following four categories.

- 1) International investors, usually multinationals: These may represent large investments such as those made by Orange Telecom and La Farge cement (more than US\$100 million) or smaller more symbolic investments such as those by Nike and Microsoft (US\$10–20 million).
- 2) Regional investors, including banks and funds from the Gulf as well as groups from neighbouring countries such as Lebanon (i.e. food processing groups): This segment should include Syrian diaspora, currently being actively courted by the GoJ with support from the World Bank.
- 3) Large Jordanian groups such as CCC or Arab Bank.
- 4) Small and medium enterprises (SMEs) with much lower investment capacity (US\$4–5 million).

The investment promotion strategy developed for JIC, and most of the donor capacity building that has taken place, has been supply-driven, focused on setting up the infrastructure and systems to allow JIC to facilitate investment (and, as noted above, the most challenging aspect to implement has been the one-stop-shop where coordination between the government entities issuing approvals is lacking and makes JIC unable to deliver a true one-stop service).



Focusing on the investment facilitation piece, however, JIC would do well to analyse specific segments, prioritise those with the ability to generate local jobs, and develop specific offerings tailored to those customers' needs.

While JIC is building its capacity to analyse investor segments and developing a tailored service offering, specialised firm(s) should be brought in on performance-based contracts to cultivate deals. DAI has worked with such firms before on our East and Southern Africa Trade Hub projects funded by USAID. In the Eastern Africa region, the firm has succeeded in closing US\$83 million in deals and has another US\$150 million in the pipeline. These firms typically employ former fund managers and their approach is to serve as an honest broker, working to advance both sides of the deal by helping capital sources like banks or investment firms become familiar with the local market and assisting local firms who may be unfamiliar with the requirements for presenting financial information and structuring investments.

4.7 Harmonising Customs Information

Similar to using the reform tracker to address procedures in a consistent manner and working with JIC to develop investor segments, there is a need to harmonise the basic data handled by customs (for example, product codes). An earlier experience of this nature in Jordan under the USAID-funded AMIR II programme facilitated agreements among multiple government agencies about data protocols so that trade data could be properly recorded and compared. A similar exercise is needed with regard to product codes, which have political reasons for being unique in Jordan (linked to the governance of the Jordan Chamber of Industry, or JCI). A skilfully facilitated process, however, might be able to overcome this obstacle and move customs towards a system that can communicate fluidly with other GoJ agencies (currently not the case).

4.8 Blockchain Technology to Upgrade Jordanian Customs

The UK is revisiting its customs operation. Jordan needs a better customs operation. Several African regional economic communities are implementing new trade facilitation strategies (such as the Southern Africa Development Community, SADC). In the private sector, large logistics firms are starting to explore working with Blockchain, as a highly secure transaction registry. This is just one example of a number of opportunities that could be explored as Jordan seeks to upgrade its trade infrastructure and enhance trade linkages.

4.8.1 About Blockchain

Blockchain, the distributed ledger technology that supports crypto-currencies like bitcoin, is also being adapted and utilised for other development initiatives to address anti-corruption, land titling, identification (including refugee identification), education portability and tracking support benefits, services and payments. Blockchain's distributed database is used to maintain a continuously growing list of records, called blocks, that are time-stamped and linked to a previous block, making them inherently resistant to modification. Once recorded, the data in a block cannot be altered retroactively without the alteration of all subsequent



blocks and the collusion of the network. Blockchains are secure by design, with decentralised consensus providing that security. Being tamper-proof, transparent, and traceable makes them potentially suitable for a variety of records including birth certificates, medical records, and other records management activities, identity management, and transaction processing. For financial services, the use of blockchain also eliminated the need for third parties, like bank clearing houses and settlement organisations, that provide costly and time-consuming delays to the financial transfers process. There is significant experimentation currently taking place around blockchains. One significant disadvantage of blockchain systems is its complexity.

4.9 Coordination between Ministry of Labour and Directorates

Recent interviews and visits to labour directorates charged with allocating labour permits have shown that procedures are not consistent, and instructions are not flowing from the Ministry of Labour to the Directorates. The labour permit granting procedure would be a good candidate for inclusion in the reform tracker for simplification and streamlining.

4.10 Sustainable Job Matching Model.

A separate study has been commissioned by DFID to review the status of workforce development efforts in Jordan, thus this assessment did not cover that area in detail. It is worth noting, however, that a Tunisian social enterprise recently visited Jordan to investigate whether its sustainable (self-funded after two years) job-matching model could be implemented. Funding comes from employers and a range of government agencies or donors, but it is not dependent on a single source. It was determined that indeed this type of model could be viable as long as the matching platform generated value-added services in response to employer needs, in partnership with an entity like the Jordan Chamber of Industry. Further measures could include the issuance of more flexible work permits (allowing for part-time employment and work with multiple employers), expanding job matching and career counselling programmes, as well as partnerships with employers to invest in on-the-job training, leading to higher retention and productivity in the workplace. MoPIC has received a number of proposals for job-matching and employment service programmes, including some which would operate inside the Directorates of the Ministry of Labour, where permits are distributed. There is a risk that multiple models will be put into place at the same time, in a way that is not synergistic. As part of the outreach strategy recommended above, service models could be tested and input gathered from employers, youth, women, and Syrian refugees about the degree to which they are useful, appropriate, accessible, and successful in delivering results.

Appendix 1 Explanation of Jobs Data and Analysis

As background to this assessment, the BERF team conducted an econometric study to identify which factors influence job growth in Jordan. Findings are detailed in the report; meanwhile, the technical details are summarised below.

Model Summary

The team's analyst ran a fixed-effects regression model, with the dependent variable being the log of the number of jobs in an industry-year, corresponding to data provided by the Jordan Department of Statistics (DOS). The analyst used the log of the number of jobs to transform the data into a distribution appropriate for a regression model.¹⁸ There are almost certainly some data quality concerns (e.g. odd discrepancies within some industries from year-to-year, odd classifications, etc.) that the team attempted to correct to the best of its ability, so as not to overstate its findings.

There was also evidence of serial autocorrelation (correlation between effects within industries by year), so the analyst controlled for this potential issue in the model. Serial autocorrelation means that the jobs in construction in 2004 might have an impact on the jobs in construction in 2005. A first-order autoregressive model helps correct for this issue. Ignoring it could introduce bias in results.

Explanatory Variables

- 1) Number of firms in sectors: This variable measures the number of firms operating in a given sector/industry in Jordan.
- 2) Number of Syrian refugees in Jordan: This variable, gathered from the UNHCR, measures the number of Syrian refugees (including Syrians in refugee-like situations).
- 3) Number of Iraqi refugees: Similar to above. Jordanians have noted that the two major refugee crises in the past 15 years in the country had different effects. Iraqi refugees did not hamper the economy to the extent Syrian refugees did, because many of them came in less dire straits and often ran businesses.
- 4) Number of neighboring countries having conflicts: this variable, from the UCDP/PRIODATASET, is commonly used for conflict measurement. The analyst took every contiguous country and measured the number having both conflicts and outright war in 2000-2014. The analyst opted for the conflict data because there was greater variation. This data measures conflict as 25 or more battle deaths in a calendar year (war = 1,000 or more battle deaths). At least one of the parties in the battle must be the state.

¹⁸ For a regression model, the dependent variable should have a normal distribution. Logging dependent variables is a common technique used to achieve this result when dependent variables are not normally distributed, as was the case here.



- 5) Total amount of official development assistance to Jordan. Relying on World Bank World Development Indicators (WDI) data, this measures the amount of development aid to Jordan.
- 6) Labour force size: Relying on WDI data, this measures the size of the labour force in Jordan.
- 7) MENA GDP change: Using WDI data, this measures the change in GDP over the previous year of all Middle East/Northern Africa countries.
- 8) Log GDP: Using WDI data, this takes the log of Jordan GDP.
- 9) Portfolio net investment inflows: Using WDI data, this measures the net inflows of portfolio investments into Jordan (measured at the national level; data was unavailable at the industry level).

Model Results:

The following variables had a significant and negative impact on jobs: number of Syrian refugees, number of neighbours in conflict, labour force size, and net portfolio investments.

The following variables had a significant and positive impact on jobs: number of firms in a sector, total amount of official development assistance, and log GDP.

Table 4 shows the specific model results.

Table 4: Determinants of the Log of Jordanian Jobs, 2000-2014

Determinants of the Log of Jordanian Jobs, 2000-2014	
Variables	Coefficients
Number of firms in sector	1.93e-05*** (2.40e-06)
Number of Syrian refugees	-8.19e-07** (3.18e-07)
Number of Iraqi refugees	-2.87e-07 (1.93e-07)
Number of bordering countries in conflict	-0.164*** (0.0623)
Net official development assistance and official aid received (current US\$)	1.30e-10** (6.57e-11)
Size of labour force	-4.19e-06*** (1.47e-06)
Percentage GDP growth in MENA from previous year	0.00908 (0.0135)
Log of GDP	6.642*** (2.089)
Portfolio investment inflows	-3.49e-10** (1.40e-10)



Determinants of the Log of Jordanian Jobs, 2000-2014	
Variables	Coefficients
Constant	-142.0*** (11.60)
Observations	173
Number of industries	15
Industry fixed effects	YES
Rho transformation for intra-industry time correlation	YES

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

This is a first-order, autoregressive, fixed-effects model that accounts for both industry-specific effects, as well as models for correlation of effects over time within industries.

Effects

While the sign of coefficients and statistical significance of specific variables are easy to interpret, the size of the effects are not, since the dependent variable is logged (necessary for a regression model with the jobs variable, since it requires a near-normal distribution for the dependent variable, and the log transformation was the straightforward way to achieve that). As such, the following table illustrates some effects of the main explanatory variables.

Table 5: Effects of Main Explanatory Variables

Effects of Main Explanatory Variables		
Variable	Change in Variable	Change in % of Jobs
Syrian refugees	Increase in 100k Syrian refugees	8.19% DECREASE in jobs
Number of firms in a sector	Increase in 1000 firms	1.93% INCREASE in jobs
Number of bordering countries in conflict	Increase in 1 bordering country having conflict	16.4% DECREASE in jobs
Total development assistance/aid	Increase in US\$100 million in aid	1.30% INCREASE in jobs
Size of labour force	Increase in 10,000 in labour force	4.19% DECREASE in jobs
Total net portfolio inflows	Increase in US\$100 million in net portfolio inflows	3.49% DECREASE in jobs

The results make sense in a variety of ways. For one, it should be expected that the number of firms in a sector and the size of a country's economy (log GDP) *should* have a positive impact on jobs. Foreign aid should also (ideally) have a positive impact on jobs. In the current model, an increase in foreign aid by US\$100 million would lead to a 1.30 percent increase in the number of jobs in Jordan. An increase in 1,000 firms would lead to an increase in the number of jobs by 1.93 percent. Jordan has seen a decline in firms, from a consistent 12,000 to 10,000 in the past several years, so this would help depress job growth numbers.

In terms of the negative variables, an increase in Syrian refugees by 100,000 (for reference, Jordan went from 193,000 to 238,000 Syrian refugees in 2012, 585,000 in 2013, and 623,000 in 2014) would result in an 8.19 percent decrease in jobs. The Syrian refugee crisis has had



a major impact on Jordan's economy, and many in the country noted the difference between the Syrian crisis and the Iraqi refugee crisis a decade ago (with many Iraqi refugees in Jordan being able to start businesses, whereas Syrian refugees are far more limited and curtailed in their economic activities). It is also unsurprising that the number of border countries experiencing conflicts has had a negative impact on jobs — if for no other reason, it could scare business away from the region. It could also lead to a rise in refugees and limit cross-border trade, as has occurred with Jordan, harming exporters. This would likely impact jobs in a negative manner. Finally, the negative impact of the labour force size and net portfolio investments may seem surprising, but — given the team's research in Jordan — it should not be. The private sector labour market appears to be heavily saturated. The academic background of cab drivers is an informative anecdotal proxy for this, as is the proportion of young recent college graduates unable to find jobs. Finally, the sectors in which foreign investors are likely to invest in Jordan (ICT, clean technology, etc.) are not those that will produce a high number of jobs, at least not initially. Investments have come heavily in these areas, as well as the knowledge economy in general, and none of this leads to a large increase in the number of jobs in the short-term, so the negative coefficient on portfolio investments is unsurprising.

Appendix 2 List of Committees and Their Members

Central Licensing Committee

Date formed: 1998

Formed by: Cabinet Decree

Meeting frequency: Weekly (on Mondays)

Composition	Mandate	Achievements/Reforms completed
<ol style="list-style-type: none"> 1. Ministry of Environment (head) 2. Ministry of Industry & Trade 3. Ministry of Water & Irrigation 4. Ministry of Agriculture 5. Ministry of Municipal Affairs 6. Ministry of Health 7. JFDA 8. Energy & Minerals Regulatory Commission 9. GAM 10. RSCN 11. Environmental Rangers 	<ol style="list-style-type: none"> 1. Issuing site approvals for agricultural, industrial, commercial, industrial and environmental projects. 2. Issuing licenses for projects that require Environmental Impact Assessment studies. 	<p>They review the applications for around 50 projects every week, and issue their decisions regarding them accordingly.</p>

CIO Council

Date formed: 2013

Formed by: Cabinet Decision

Meeting frequency: Bi-weekly

Composition	Mandate	Achievements/Reforms completed
<p>15 members</p>	<ol style="list-style-type: none"> 1. Coming up with the best approach to use the available technology. 2. Filtering technical plans. 3. Following up with the implementation of plans. 	<p>Beginning the automation of the 10 most important services to citizens.</p>

District Committees

Date formed: 1966

Formed by: Law organising cities, villages, and buildings No. 70 of 1966

Meeting frequency: Weekly

Composition	Mandate	Achievements/Reforms completed
<ol style="list-style-type: none"> 1. Minister of Municipals Affairs (head) 2. The Greater Amman municipality 3. Ministry of Public Works and Housing 4. Housing and Urban Development Corporation 	<ol style="list-style-type: none"> 1. Announce, expand and modify city planning areas. 2. Approval of regional and structural planning schemes. 3. Amend or cancel any license issued under this law if it is found to be illegally issued or contrary 	<p>District committees around Jordan are the ones responsible, among other things, for issuing construction permits and</p>



5. Jordan Construction Council	to the reconstruction plans, regulations, orders, and instructions.	vocational licenses outside the zoned areas of their respective districts, therefore all these permits and licenses are issued by them.
6. Public Prosecution		
7. Organisation of cities and villages		
8. Ministry of Health		
9. Jordan Engineers Association		
4. Amend or cancel any license issued for construction on land to the extent it deems appropriate, found in the following cases.		
	<ul style="list-style-type: none"> • Where the license relates to the construction of buildings or any other operations prior to the completion of such operations. • Where the license relates to a change in the use of the land, provided that such amendments or cancellations do not radically affect the construction or any other process. 	
	5. Consider appeals against the decisions of the committee.	
	6. Issuing construction permits and vocational licenses for buildings and businesses outside the zoning areas.	
	7. Monitor the compliance of construction activities and professions with the conditions of the issued construction permits and vocational licenses.	

Economic Policy Council

Date formed: June 26th, 2016

Formed by: Royal Decree

Meeting frequency: Not specified

Composition

Operating under the supervision of His Majesty King Abdullah II, the members include stakeholders from the executive and legislative branches and private sector. The members are as follows.

1. The Prime Minister
2. Governor of the Central Bank of Jordan
3. President of the Social Security Investment Fund
4. President of the Financial and Economic Committee at the Senate
5. President of the Economic and Investment Committee at the House of Deputies

Mandate

Support the government in discussing economic plans by establishing an effective public private partnership that enables the government and all stakeholders to work collectively and overcome economic challenges.

Mission:

1. Discuss economic policies, programmes and development plans across various sectors on a strategic level.
2. Identify main constraints impeding economic growth.
3. Purpose solutions to overcome those constraints.

Achievements/Reforms completed

Issued the Economic Growth Plan for the period from 2018 to 2022. The plan aims at putting Jordan on a sustainable growth trajectory and ensure its economic resilience in the face of regional turmoil. The plan is comprised of economic, fiscal and sectoral strategies that outline the vision and policies pertaining to each sector. It further identifies the required policy



6. President of the Jordan Chamber of Industry	4. Enhance competitiveness of Jordan's economy to create job opportunities and alleviate poverty.	interventions, public projects and private investments that must be undertaken to realize these sectoral visions.
7. President of the Jordan Chamber of Commerce		
8. Dr. Salaheddine Mohammad Al-Bashir		
9. Mr. Munir Yousef Nassar		
10. Mr. Mazen Samih Darwazeh		
11. Mr. Yazid Adnan Al-Mufti		
12. Eng. Ayman Eid Mazahreh		
13. Eng. Firas Omar Abu Wishah		
14. Mr. Shahem Munib Al-Werr		
15. Director of the Department of Economic and Social Development at the Royal Hashemite Court (Rapporteur)		

EIA Technical Committee

Date formed: 2005

Formed by: Bylaw no. 37/2005

Meeting frequency: Upon invitation from the Head of the Committee whenever necessary

Composition	Mandate	Achievements/Reforms completed
<ol style="list-style-type: none"> Secretary General (head) Ministry of Environment Ministry of Planning and International Cooperation Ministry of Municipal Affairs Ministry of Health Ministry of Agriculture Ministry of Industry and Trade Ministry of Energy and Mineral Resources Ministry of Water and Irrigation Ministry of Tourism and Antiquities Ministry of Public Works and Housing Any other relevant entity decided by the Minister 	<p>The technical committee shall study the reference bases provided by the owner of the project and review the study of the Environmental Impact Assessment and submit its recommendations to the Minister to take the necessary decisions.</p>	<p>Not yet available.</p>

E-government Ministerial Steering Committee

Date formed: 2013

Formed by: Cabinet decision

Meeting frequency: Quarterly

Composition	Mandate	Achievements/Reforms completed
<ol style="list-style-type: none"> Secretary General of the Ministry of Communications and Information Technology (Committee Secretary) Minister of Health Minister of Education 	<ol style="list-style-type: none"> Setting strategic direction for the e-government programme in Jordan. Revise reports produced by the CIO council on the progress of implementation of e-government. 	<p>Issuing the e-Government Strategy for 2014-2016 and monitoring its implementation.</p>



4. Minister of Higher Education
5. Minister of Justice
6. Minister of Industry and Trade
7. Minister of Communication and Information Technology
8. Minister of Planning and International Cooperation
9. Minister of Public Sector Development
10. Minister of Finance

Higher Inspection Development Council

Date formed: 2012

Formed by: Prime Ministerial Decree

Meeting frequency: Hasn't meet since 2015

The higher inspection has the authority to form Working Groups/ Technical Committees or to discuss certain reform areas with a list of considerations when doing so. There isn't, however, any information as to whether any of these groups/ committees have been formed.

Composition	Mandate	Achievements/Reforms completed
<ol style="list-style-type: none"> 1. Minister of Industry and Trade (co-chair) Minister of Public Sector Development (co-chair) 2. Secretary General of Ministry of health 3. Secretary General of Ministry of Trade and Industry 4. Secretary General of Ministry of Agriculture 5. Secretary General of Ministry of Municipal affairs 6. Secretary General of Ministry of Tourism 7. Secretary General of Ministry of Environment 8. Secretary General of Ministry of Labour 9. Mayor of Greater Amman 10. Director General of Civil Defense Department 11. Director General of Standards and Metrology 12. Director General of Jordan Food and Drug Administration 13. Representative of Ministry of Planning and International Cooperation 	<ol style="list-style-type: none"> 1. The HC/ICB will be the national reference point and the sole entity responsible for the inspection reform in Jordan. 2. Set the inspection reform strategic plan in line with the inspection leading practices. 3. Enforce implementation of reform among participating inspectorates. 4. Monitor performance and ensure plans are being implemented. 	<ol style="list-style-type: none"> 1. Deployment and Implementation of Standard Operating Procedures 2. The Inspection Management System: <ul style="list-style-type: none"> • High Level Design of Inspection Management System (IMS) and ICT Requirements reports • Prepare IMS implementation tender documents 3. The Legal Review 4. Capacity Building

Investment Council

Date formed: 2014

Formed by: Investment Law No. (30) of 2014

Meeting frequency: Last meeting was held in December 2016; next meeting to be held in April 2017



Composition	Mandate	Achievements/Reforms completed
<ol style="list-style-type: none"> 1. The Prime Minister (head) 2. HE Minister of Trade and Industry 3. HE Minister of Finance 4. HE Minister of Works 5. HE Minister of Planning and International Cooperation 6. Chairman of the Jordan Investment Authority 7. Governor of the Central Bank of Jordan 8. Chairman of the Jordan Chamber of Industry 9. Chairman of the Jordan Chamber of Trade 10. Mr. Hamdi Tabaa' 11. Mr. Ahmad Armoush 12. Mr. Mousa Shehadeh 13. Ms. Suhair Al-Ali 	<ol style="list-style-type: none"> 1. Recommending to the Cabinet of Ministers draft legislations of national strategies and policies on investment. 2. Approve the annual work plans of the Commission and make the necessary recommendations for them and appoint a legal auditor and determine his fees. 3. Approve the final financial statements of the Commission and submit them to the Cabinet of Ministers for approval. 4. To study the obstacles facing the economic activities and to identify ways to address them and to guide the Commission towards the appropriate mechanisms of doing so. 5. Supervising the work of the Commission, monitoring and follow-up implementations of plans and programmes related to investment. 	<p>USD 1.5 billion Dead Seas tourism project</p>

Joint Labour Permits Council

Date formed: 2016

Formed by: Prime Ministerial Decree

Meeting frequency: No specific frequency. Has met at least four times since establishment

Composition	Mandate	Achievements/Reforms completed
<ol style="list-style-type: none"> 1. Secretary General of Ministry of Labour (head) 2. Central Intelligence Department 3. Ministry of Agriculture 4. Ministry of Interior 5. Department of Statistics 6. Aqaba Special Economic Zones Authority 7. Central Bank of Jordan 8. Residence & Borders Directorate, Public Security Department 	<ol style="list-style-type: none"> 1. Establishing coordination mechanisms between the entities involved in regulating the foreign labour in Jordan. 2. Trying to estimate the number of foreign workers in Jordan. 	<p>Issued recommendations to the prime minister with a unified reference (mechanism) for an identification reference for foreign labour. The recommendation was endorsed by the PM, and a decision was issued.</p>

Local Committees

Date formed: 1966

Formed by: Law organising cities, villages, and buildings No. 70 of 1966

Meeting frequency: Weekly



Composition	Mandate	Achievements/Reforms completed
<p>According to the law, the Local Committee would consist of the following members.</p> <ol style="list-style-type: none"> 1. The governor (president) 2. The head of the local council. 3. Representative(s) named by the local council. 4. Representative(s) named by the district committee. 5. Representative of the Ministry of Health. 	<ol style="list-style-type: none"> 1. Prepare the structural and detailed organisation plans for cities and towns. 2. Ratification of the division plans according to the prescribed planning schemes. 3. Issuing construction and building permits in accordance with the law. 4. To monitor the construction and construction work within its area and to ensure that it conforms to the licensed conditions and the provisions of this law. 5. Issue and ensure implementation of implementation notifications. 6. Organising the construction and demolition of buildings and the expansion or coordination of roads and other matters stipulated in the provisions of this law. 7. Issuing the vocational licenses for professions within the zoned districts. 8. Monitor the compliance of the professions with the conditions of the issued licenses. 	<p>Local committees around Jordan are the ones responsible –among other things- of issuing construction permits and vocational licenses within the zones of their respective districts, therefore all these permits and licenses are issued by them.</p>

National Competitiveness and Innovation Council

Date formed: 2008

Formed by: Prime Minister's Decision

Meeting frequency: Not determined (last time a meeting was held was in 2015)

Composition	Mandate	Achievements/Reforms completed
<ol style="list-style-type: none"> 1. Prime Minister (president) 2. Council members from the private sector: <ul style="list-style-type: none"> • Mr. Nael Kabariti • His Excellency Adnan Abul Ragheb • Mr. Maher Matalqa • Mr. Bashar Hawamde • Mr. Mousa Shehade • Mr. Zuhair Juweiha • Dr. Fawzi Al-Hammour • Mr. Michael Nazzal • Mr. Mohammad Ali Shaheen • Mr. Fawwaz Al-Hasan • Mr. Wael Touqan • Mr. Sami Shrem • Mr. Nabil Al-Khatib 	<ol style="list-style-type: none"> 1. To follow up the competitive performance of the Jordanian economy, whether at the regional or international level, and to formulate recommendations that will enhance the competitiveness of the national economy by gaining consensus on these procedures and recommendations in order to create a conducive business environment with high productivity. 2. Identify areas of reform needed to enhance the competitiveness of the national economy, its weaknesses and strengths as well as the opportunities and risks 	<p>While the recommendations of the Council are not binding, yet there were a number of recommendations that were approved by the government and implemented. Examples include the following.</p> <ol style="list-style-type: none"> 1. Extending the tax exemptions on the exports of the industrial sector until 2020.



- Mr. Omar Abu Wishah
 - Ms. Haifa Al Najjar
 - Mr. Saeed Abu Jaber
 - Ms. Leena Hendeeleh
 - Mr. Laith Al Qassim
 - His Excellency Hamdi Al Tabaa'
 - His Excellency Eng. Majed Al Tabaa'
3. Council members from the public sector:
- HE the Deputy Prime Minister
 - HE Minister of Agriculture
 - HE Minister of Planning and International Cooperation
 - HE Minister of Tourism and Antiquities
 - HE Minister of Municipal Affairs
 - HE Minister of Energy and Mineral Resources
 - HE Minister of Public Works and Housing
 - HE Minister of Health
 - HE Minister of Industry and Trade
 - HE Minister of Higher Education and Scientific Research
 - HE Minister of Communication and Information Technology
 - HE Minister of Finance
 - HE Minister of Transport
 - HE Mayor of Amman
 - HE Governor of Central Bank of Jordan
 - Secretary General of the Higher Council for Science and Technology
- facing the Jordanian economy, in order to highlight the advantages of the Jordanian economy and turning them into competitive advantages.
3. To determine the competitive position of the Jordanian economy and to make recommendations to enhance its ability to face all changes at the local and global levels and to increase the opportunities of Jordanian products and services to access export markets.
 4. Follow up on the government's plan of action with regards to the legislative procedures related to enhancing the competitiveness of the Jordanian economy and evaluating the measures taken periodically and continuously in partnership with the private sector.
 5. Assess the impact of the procedures, laws, legislations, and agreements taken by the Government on various economic activities to identify the gaps and work to address them.
 6. Enhancing the underlying areas of the economy represented by innovative energy, technology, human capital and infrastructure, and exploiting these to promote and sustain the development process.
 7. Supervising the preparation of the national competitiveness reports, which aim to compare the competitive performance of the national economy with regional and global economies through the analysis of the various institutions, in addition to studying the competitive obstacles that limit the competitiveness of the national economy as well as determining the policies to be followed to remove these obstacles which are prepared by the national competitiveness team.
 8. Organising seminars, workshops, conferences and lectures with the aim of involving all groups of society in formulating reform policies and strategies to achieve the highest competitive ranks.
2. Streamlining and simplifying the issuance of foreign labour permits.
 3. Accelerating the issuance of visit visas for foreign patients who visit Jordan for medical treatment, and exempting some nationalities from the visa.
 4. Issuing the legal instructions that govern exempting the renewable energy projects from custom duties.

Private Investment Committee



Date formed: 2016

Formed by: Prime Ministerial Decision, endorsed by the Cabinet

Meeting frequency: Weekly

Composition	Mandate	Achievements/Reforms completed
<ol style="list-style-type: none"> 1. Secretary General of the Jordan Investment Commission (head) 2. The Commissioner of the Ministry of Interior at JIC (Supervisor) 3. The commissioner of Companies Control Directorate 4. Three members of the Jordan Investment Committee 	<ol style="list-style-type: none"> 1. Reviewing business applications of investors from restricted nationalities. 2. The committee issues decisions about applications submitted by investors from the restricted nationalities, and the representative of the Ministry of Interior issues the security approval/rejection afterwards (within 3 working days). 	<p>The Committee has approved around 150 applications so far.</p>

Appendix 3 Inventory of Pending Reforms

Inventory of Pending Reforms							
Category	Sector	Reform Mechanism/Target	Description	GOJ Lead	Donor Lead	Reform Action	Status
Policy	Business Registration	Vision 2025	Whole of government commitment to BER, with specific targets	MOPIC and others	USAID/JCP	USAID/JCP providing TA to MOPIC.	USAID/JCP provided TA on GOJ preparation of JV25. Since launch, JCP's Supporting Enabling Environment (SEE) team has directly supported MOPIC etc. to implement JV25 reform initiatives. SEE engaged a local expert to work with GoJ (mainly MOPIC) to identify and address the priorities, needs and gaps of MOPIC etc. to draw action plan.
Policy	Investment climate	Development & free zones Policy	New policy in development	JIC	USAID/JCP	Formulate "Development Zones and Free Zones Policy" to guide establishment of new zones.	
Policy	Investment climate	Investment Promotion Strategy		JIC	USAID/JCP	Assisting JIC with drafting and then implementing the Investment Promotion Strategy.	USAID/JCP developed JIC Investment Promotion Strategy, and is now looking for a partner to help JIC implement. The draft text was prepared and circulated to stakeholders and a public-private consultation session was held on 4 May 2016. JIC and JCP staff collected feedback, refined the draft, and presented it to the Investment Council for review and adoption on 31 August 2016. The Investment Council approved the

Inventory of Pending Reforms							
Category	Sector	Reform Mechanism/Target	Description	GOJ Lead	Donor Lead	Reform Action	Status
Policy	Investment climate	Patent Cooperation Treaty	International agreement (151 states) mandating compliance on patent application procedures, including external review. Streamlines process of securing patents in multiple countries by eliminating duplicate filing.	MOITS, IPPD	USAID/JCP	USAID/JCP provides recommendations on streamlining trademark and patent registration processes and helps organise workshop to raise awareness about PCT.	draft and raised it to the Council of Minister for adoption. JCP analyzed registration processes for trademarks and patents and presented recommendations. Jordan signed the PCT on 6/9/17. In FY 17 Q2, JCP, MOITS, and WIPO convened the first national PCT workshop to raise awareness on filing process and related requirements. Public organisations, universities, IP agents, sector associations, and innovation and entrepreneurship support organisations attended.
Policy	Trade	Export Promotion Strategy		JIC, MOFA	USAID/JCP	JCP support JIC and MOFA to design and draft MOUs for an inter-organisational cooperation mechanism for investment promotion and export support.	
Law	Business Registration	Inspections Law (NEW)	Proposed law to centralize and streamline inspections mandates.	MOE, MOL, HCIR	WB-IFC/TCGP/IRPT	Support HCIR to: improve public inspection services; adopt risk-based targeting; develop ops manuals, planning protocol;	Follows pilot with MOE, MOL. (-2017)

Inventory of Pending Reforms

Category	Sector	Reform Mechanism/Target	Description	GOJ Lead	Donor Lead	Reform Action	Status
						build integrated management system on shared enterprise registry platform, support HR.	
Law	Corporate governance	Competition Law (NEW)	Updates 2004 law to apply to all production, commerce, and service provision activities, and to any economic activities occurring outside Jordan and having an effect inside Jordan (art 3), including: prices of products and services (art 4); anti-competitive practices (art 5-8); economic concentration (art 9-26).	MOITS	WB/JELR	Assessing legal framework on competition and select sectors best suited for piloting reforms.	Drafted and under review.
Law	Credit	Secured Lending Law / Secured Transactions Law (NEW)	The principal sources of secured transactions legislation in Jordan can be found in the Jordanian Civil Code, The Law Concerning the Mortgage of Movable Properties in Security to Debts (1) of 2012, The Commercial Law (12) of 1966 and	MOITS	USAID/JCP IFC	Working with MOITS on collateral registry and enactment of Secured Lending Law.	USAID/JCP provided training to leasing companies, which included entering 185 transactions into registry (January 2017). USAID/JCP collaborating with IFC, which has also been working to support passage of this law since at least 2010.

Inventory of Pending Reforms							
Category	Sector	Reform Mechanism/Target	Description	GOJ Lead	Donor Lead	Reform Action	Status
			The Law of Execution (25) of 2007.				
Law	Energy & resources	Electricity Law (NEW)	Proposed law	MEMR/EMRC MOMA	USAID/JCP	Support law drafting and approval processes.	Supported. Discussion in the legal committee in the Prime Ministry – many items are still under discussion, mainly related to land use issues raised by MOMA and discussed with EMRC. Potentially linked to Getting Electricity.
Law	Energy & resources	Energy and Minerals Law (NEW)	Opens hydrocarbon sector to local and foreign investment.	EMRC	USAID/JCP	Support law drafting and approval processes.	Supported. Under parliamentary review.
Law	Energy & resources	Mineral Resources Law (NEW)	Proposed law		USAID/JCP	Support law drafting and approval processes.	Supported. Under discussion with the parliamentary energy committee.
Law	Energy & resources	Petroleum Law (NEW)	Proposed law	OPM/Legal Committee	USAID/JCP	Support law drafting and approval processes.	Completed. Discussions were held in the legal committee in the Prime Ministry and the law is ready to be sent to the Parliament for discussion and approval.
Law	Investment climate	Investment Law (30) of 2014	Consolidates existing legislation, repealing 5 existing laws and provisions of 2 other laws. New law expands investment, business incentives; consolidates authority and responsibility (through formation of JIC); streamlines		USAID/JCP	Prepare a package of draft regulations required under the law.	There are 13 sets of regulations under different staffs of review and approval by government.

Inventory of Pending Reforms

Category	Sector	Reform Mechanism/Target	Description	GOJ Lead	Donor Lead	Reform Action	Status
			processes; and provides rights and increased security for investors.				
Law	PPP	Public Private Partnership Law (31) of 2014	Creates new PPP Unit in MOF. Encourages private sector participation, provides legislative framework for joint government/private sector projects. Identifies sectors open to private participation, designing agencies responsible for approving projects or contracts, clarifying rules for contract amendments and termination, ensuring competitive bidding and other procurement related provisions, and defining availability of dispute settlement, especially international arbitration.		USAID/JFRBA EBRD	Build MOF/PPP Unit capacity to promote transparency. (USAID/JFRBA) Facilitate public private dialog related to infrastructure and energy PPPs and provide advisory services. (EBRD)	
Regulations	Business Registration	Development Zones Law (2) of 2008 regulations	Licensing and Construction in Development & Free Zones (DFZ)	JIC	USAID/JCP	Support development of regulations on business licensing	JIC approved draft regulations, sent to COM to begin legislative approval process. LOB to conduct legal review, return final



Inventory of Pending Reforms							
Category	Sector	Reform Mechanism/Target	Description	GOJ Lead	Donor Lead	Reform Action	Status
						and construction in DFZ.	regulations to Cabinet for approval and Official Gazette.
Regulations	Business Registration	Inspections Law (NEW) regulation	Establish inspectorate sphere of influence	MOITS/CCD	WB-IFC/TCGP	Map existing inspections, identify areas of overlap, and recommend some for removal.	
Regulations	Business registration	Investment Law (30) of 2014 regulations	Business registration procedures		USAID/JCP	Support regulations drafting and approval processes.	Regulations have been drafted and are awaiting approval.
Regulations	Development & free zones	Development Zones Law (2) of 2008 regulations	Income Tax in Development & free zones	JIC	USAID/JCP	Support regulations drafting and approval processes.	Draft was raised by JIC Chairman to the Investment Council, which approved it and raised to the Council of Ministers to go through the legislative approvals process, which includes referral of the text to the Legislative and Opinion Bureau for legal review, before returning to the Cabinet for approval and publication in the Official Gazette.
Regulations	Development & free zones	Development Zones Law (2) of 2008 regulations	Establishing, promoting, and building in Development Zones	JIC	USAID/JCP	Support regulatory reform to establishment, promote, and build in Development Zones.	
Regulations	Development & free zones	Development Zones Law (2) of 2008 regulations	Recovery of land in Development & free zones	JIC	USAID/JCP	Support regulations drafting and approval processes.	Supported and Approved. Draft was raised by JIC Chairman to the Investment Council, which approved it and raised to the Council of Ministers to go through

Inventory of Pending Reforms							
Category	Sector	Reform Mechanism/Target	Description	GOJ Lead	Donor Lead	Reform Action	Status
							the legislative approvals process, which includes referral of the text to the Legislative and Opinion Bureau for legal review, before returning to the Cabinet for approval and publication in the Official Gazette.
Regulations	Energy & resources	Renewable Energy and Energy Efficiency Law of 2012 regulations	Recovering losses from state power company		EBRD	Support Jordan's Electricity Regulatory Commission to update energy sector regulations and recovering losses by the state power company (NEPCO).	
Regulations	Investment climate	Investment Law (30) of 2014 regulations	Investor legal protections	JIC	EBRD	Support JIC in developing regulations providing legal protections for investors.	
Regulations	Investment climate	Investment Law (30) of 2014 regulations	Investment Window		USAID/JCP	Support regulations drafting and approval processes.	Regulations drafted and approved.
Regulations	Investment climate	Investment Law (30) of 2014 regulations	Investment Incentives Reg 33 of 2015		USAID/JCP	Support regulations drafting and approval processes.	Regulations drafted and approved.
Regulations	Investment climate	Investment Law (30) of 2014 regulations	Income tax incentives		USAID/JCP		

Inventory of Pending Reforms							
Category	Sector	Reform Mechanism/Target	Description	GOJ Lead	Donor Lead	Reform Action	Status
Regulations	Labour	Development Zones Law (2) of 2008 regulations	Residency and Labour Regulations	JIC	USAID/JCP	Support regulations drafting and approval processes.	Supported and Approved. Draft was raised by JIC Chairman to the Investment Council, which approved it and raised to the Council of Ministers to go through the legislative approvals process, which includes referral of the text to the Legislative and Opinion Bureau for legal review, before returning to the Cabinet for approval and publication in the Official Gazette.
Regulations	PPP	Public Private Partnership Law (31) of 2014 regulations	Specific sector provisions (e.g. National Broadband Network)	MOICT	USAID/JCP	Develop PPP framework for the National Broadband Network (NBN) Project.	From latest JCP performance report: "Activities designated to report against this indicator have not been implemented or are in initial stages of implementation." Currently reviewing consultant CVs.
Regulations	Tax	Investment Law (30) of 2014 regulations	Taxation procedures			Support regulations drafting and approval processes.	New regulations on taxation procedures have been drafted and are awaiting approval.
Regulations	Trade	Customs regulations for Free Zones		Customs	USAID/JCP	Support development of customs regulations for Free Zones.	Developed and passed in Feb 2017.
Regulations	Trade	Investment Law (30) of 2014 regulations	Customs procedures		USAID/JCP	Support regulations drafting and approval processes.	New regulations on customs procedures are drafted and are awaiting approval.

Inventory of Pending Reforms							
Category	Sector	Reform Mechanism/Target	Description	GOJ Lead	Donor Lead	Reform Action	Status
Instruction	Business Registration	Inspection Law (NEW) instructions	Require risk-based inspections targeting	MOITS/CCD	WB-IFC/TCGP	Design risk-based approach to inspection.	
Instruction	Development & free zones	Development Zones Law (2) of 2008 instructions	Multiple	JIC	USAID/JCP	Support JIC in drafting instructions.	Completed.
Instruction	Development & free zones	Development Zones Law (2) of 2008 instructions	Urban Planning and Licensing of Building in Development & free zones and basic Instructions		USAID/JCP	Support regulations drafting and approval processes.	The urban regulation has been drafted and it was raised by JIC Chairman to the Investment council on 3/12/2016 for their review and approval.
Procedure	Business Registration	Obtain Chamber Certificate of Registration	Registration at Chambers of Commerce or Industry (COC-COI)	COC-COI	WB-IFC	Upgrade and integrate JIC portal and back office systems; provide tech support.	JIC Investment Window established in GAM.
Procedure	Business Registration	Obtain Vocational License	Registration for vocational license at municipal authority. CDD and GAM conduct safety and health inspections.	GAM	USAID/JCP	Draft licensing manual for multiple vocational licenses.	Draft licensing manual in review.
Procedure	Business Registration	Registration at MOITS	Obtain MOITS Certificate of Registration	MOITS/CCD	WB-IFC	Upgrade and integrate JIC portal and back office systems; provide tech support.	JIC Investment Window established in GAM.
Procedure	Business registration	Obtain tax ID number and register for VAT	Applicant for tax registration (corporate tax, income tax, VAT)	Tax Department	WB-IFC	Optimize OSS by upgrading JIC portal, developing core	



Inventory of Pending Reforms

Category	Sector	Reform Mechanism/Target	Description	GOJ Lead	Donor Lead	Reform Action	Status
			at Companies Register at JIC window and obtains a unique tax ID number.			functionalities of OSS, and integrating and upgrading back office systems; provide technological support to simplify and standardise business registration function.	
Procedure	Business registration	Register for social security	Registration to enable business to make social security, unemployment insurance, and maternity insurance payments.	Social Security Office	WB-IFC	Optimize OSS by upgrading JIC portal, developing core functionalities of OSS, and integrating and upgrading back office systems; provide technological support to simplify and standardise business registration function.	
Procedure	Business registration	Register commercial name	Application to register a commercial name	MOITS	USAID/JCP	Making available at JIC investment window.	In progress, expected by Jun 2017.
Procedure	Business registration	Obtaining a license (sectoral)	All sectoral licensing procedures		USAID/JCP	Enhance and expand licensing manual, including investor procedures for each sector, with updated information on licensing for business in	

Inventory of Pending Reforms

Category	Sector	Reform Mechanism/Target	Description	GOJ Lead	Donor Lead	Reform Action	Status
						development zones, free zones, and for export to EU (Rules of Origin).	
Procedure	Business registration	Obtaining a license (sectoral)	All sectoral licensing procedures	Depends on sector (e.g. MOA for fertilizer production)	WB/JELR	Compile list of sector-specific license requirements and identify overlaps with other license requirements; eliminate requirement for low risk activities; provide on-site agents at One-Stop-Shop.	
Procedure	Business registration	SME registration			USAID/LENS	Improve efficiency of M/SME registration, providing guidance materials for entrepreneurs and upgrading the Companies Control Department's server.	
Procedure	Credit	Accessing credit	Collateral registry	MOTIS	USAID/JCP, IFC	Implement online Collateral Registry.	Launch in March 2017 pending enactment of Secured Lending Law.
Procedure	Investment climate	Registering a patent	Process is based on 1970 Patent Cooperation Treaty and the 1983 Paris Convention for the	MOTIS/Patents Registrar	USAID/JCP	Design, develop and commission online submission, e-pay, and management services for	



Inventory of Pending Reforms

Category	Sector	Reform Mechanism/Target	Description	GOJ Lead	Donor Lead	Reform Action	Status
			Protection of Industrial Property and is compliant with WTO agreement on Trade Related Aspects of Intellectual Property Rights. Government grants a patent certificate to protect new inventions. Protection is limited to Jordan and is valid for 20 years. Applicant must pay fees on annual basis to retain protection.			registration of patents at IPPD/MOTIS.	
Procedure	Trade	Securing documentary compliance / exports	Includes obtaining, preparing, and submitting documents during transport, clearance, inspections and port or border handling: customs export declaration; certificate of origin; commercial invoice.	Customs, border agents, JIC	USAID/JCP	Develop online portal for EU Rules of Origin Agreement	
Procedure	Trade	Securing documentary compliance / imports	Includes obtaining, preparing, and submitting documents during transport, clearance, inspections and port or border	Customs, border agents, MOICT, MOITS		Support development of customs regulations for Free Zones.	Developed and passed in Feb 2017.



Inventory of Pending Reforms							
Category	Sector	Reform Mechanism/Target	Description	GOJ Lead	Donor Lead	Reform Action	Status
			handling: customs import declaration, certificate of origin, commercial invoice, packing list, delivery order, importer number.				
Institution	Business registration	Ministry of Industry and Trade / Inter-agency - inspections		Multiple GOJ	WB	Develop an IT support system to manage inspections on inter-agency basis.	
Institution	Credit	Ministry of Finance (Secured Transactions / Collateral Registry)			USAID/JCP	Design and launch the modern secured transactions registry.	
Institution	Investment climate	JIC		JIC	USAID/JCP	Support JIC in design and setup of Export Support Framework.	This activity has been changed from "Support to the JIC to Develop the Export Support Function" to "Support the JIC in the Design and Setup of its Export Support Framework". The STA has been hired in March 2017 with total 40 LOEs over 5 months. SOW approved, looking for consultant. Identifying type and scope of tools and services for exporters.
Institution	Investment climate	JIC		JIC	USAID/JCP, OECD	Build JIC capacity to resolve investment disputes	

Inventory of Pending Reforms							
Category	Sector	Reform Mechanism/Target	Description	GOJ Lead	Donor Lead	Reform Action	Status
Institution	Investment climate	JIC (Investment Promotion Directorate)		JIC	USAID/JCP	Establish Investment Promotion Directorate at JIC.	Completed set up of Investment Promotion Directorate at JIC. Draft SOW for one-year subcontract prepared.
Institution	Multiple	Legislation and Opinion Bureau	Predictability framework		WB/EOJSR, WB/JELR	Identify ways to improve predictability, transparency of regulatory changes that impose mandatory compliance on business through legislation. Requires PM decree and mod to Reg No. 1 for 1993 and 2012 amendment.	Identifying consultants, due June 2017.
Institution	Trade	Ministry of Finance (Customs)		Customs, MOITS, MOICT	WB/EOJSR	Provide guidance on building up more reliant data on size of exports and imports in the country, and apply more security controls without delaying the trading process.	
Institution	Trade	Ministry of Finance (Customs)		MOF/Customs	WB/EOJSR	Support MOF (Jordan Customs) to increase number of	



Inventory of Pending Reforms

Category	Sector	Reform Mechanism/Target	Description	GOJ Lead	Donor Lead	Reform Action	Status
						enterprises on Customs Golden List, a fast-track customs clearance for import and export.	
Institution	Trade	Ministry of Industry and Trade		MOITS	USAID/JCP	Support MOITS to design industry support programme consistent with WTO.	

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Appendix 5 List of Stakeholders Consulted

Stakeholders		
Name	Position	Organisation
Susan Razzaz	Labour Policy Consultant	Free Lance
Monther Hassouneh	Director of Technology and Supporting Services	Ministry of Information & Communication Technology (MoICT)
Manal Jarrar	Project Manager- Director of Technology and Supporting Services	Ministry of Information & Communication Technology (MoICT)
Linda Tubeishat	PMU	Ministry of Planning and International Cooperation (MoPIC)
Bassem Kanáan	Head of Competitiveness Department	Ministry of Planning and International Cooperation (MoPIC)
Dr. Mukhallad Al Omari	Secretary General	JIC
Eng. Ezzat Abu Hamra	Head of Central Licencing Department	Ministry of Environment
Eng. Nayef Al Bakheet	CEO	Daman Development Co.
Dr. Salah Eddin Al Bashir	Member	Economic Policy Council
Daifallah Olaimat	Head of Service Improvement Directorate	Ministry of Public Sector Development
Jamal Al-Jabiri	Head of Project Management Unit	Ministry of Planning and International Cooperation (MoPIC)
Ferraj, Advisor	Advisor	JCP
Dana Al Zoub	Director, Economic Policy	Ministry of Industry and Trade
Mukhallad Omari	Secretary General	Jordan Investment Commission
John Speakman	Practice Manager	World Bank, Trade and Competitiveness
Abeer Kamal Shalan	Project Manager	World Bank, Trade and Competitiveness
Wafa Aranka	Investment Climate	World Bank, Trade and Competitiveness
Benjamin Herzberg	Public Private Dialogue	World Bank, Trade and Competitiveness
Joseph Saba	Consultant	World Bank, Trade and Competitiveness

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