



MINISTRY OF PLANNING AND INTERNATIONAL COOPERATION



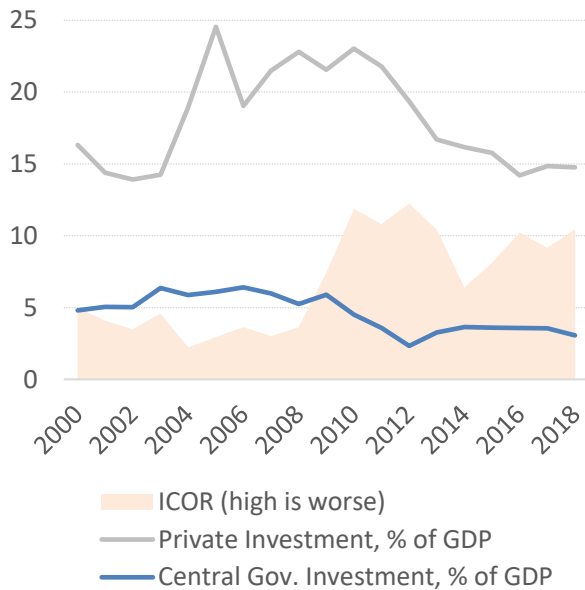
FIVE-YEAR REFORM MATRIX

Progress Update - 11 Sep 2019

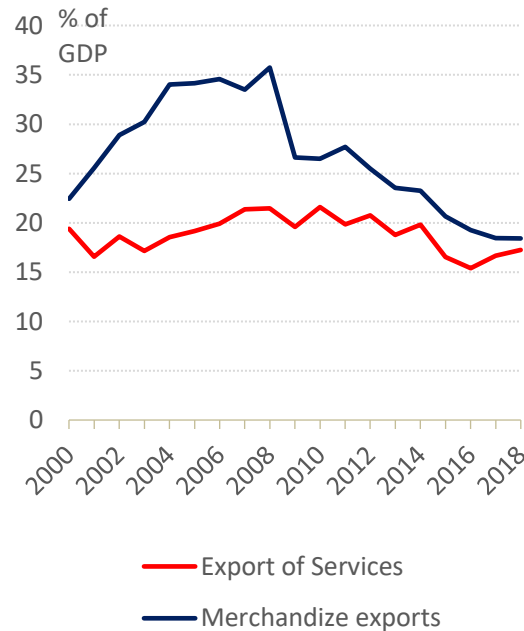


CLEAR MESSAGES FROM DATA ANALYSIS FOR SUSTAINABLE GROWTH

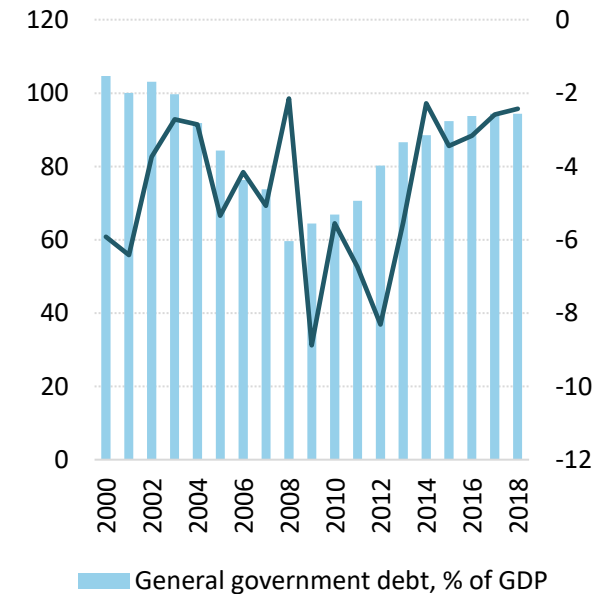
Investment: Improve quantity, quality, & efficiency



Exports: Increase, Focus on Services



Fiscal Adjustment: Maintain fiscal gains and advance them

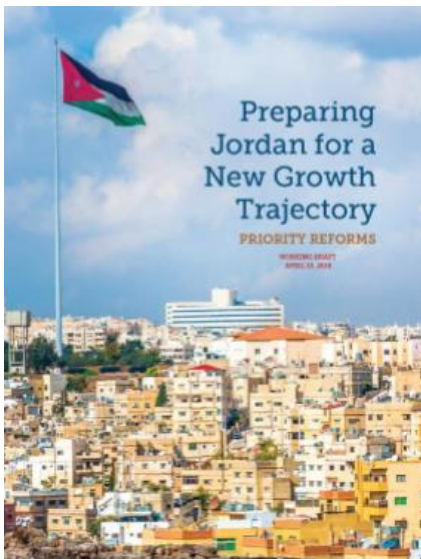




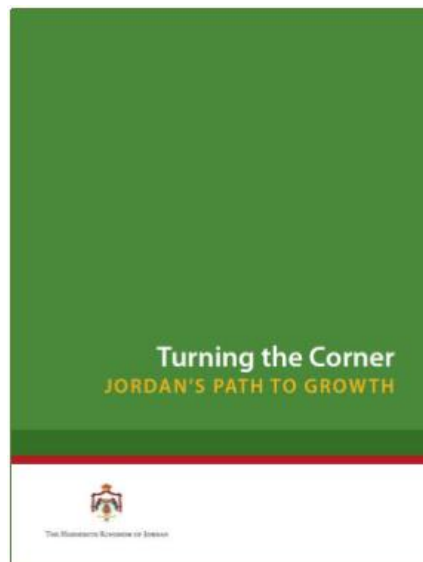
WHERE ARE WE NOW?

Foundations have been set, implementation is underway

April 2018



February 2019



**Implementation, learning
and fine-tuning**



NINE PILLARS OF THE REFORM MATRIX

HORIZONTAL
REFORM PILLARS



1. PURSUE MACROECONOMIC ADJUSTMENT
Narrow imbalances, manage risks, and improve public sector efficiency



2. REDUCE BUSINESS COSTS, IMPROVE REGULATORY QUALITY, AND INCREASE COMPETITION



3. DRIVE FDI AND PROMOTE EXPORT DEVELOPMENT OF PRODUCTS, SERVICES, AND MARKETS



4. DEEPEN ACCESS TO FINANCE FROM BANKS AND NON-BANK FINANCIAL INSTITUTIONS



5. CREATE MORE FLEXIBLE LABOR MARKETS FOR JOB CREATION



6. EXPAND AND IMPROVE SOCIAL SAFETY NETS TO BETTER PROTECT THE POOR AND VULNERABLE



7. IMPROVE PUBLIC TRANSPORT EFFICIENCY AND ACCESS



8. INCREASE ENERGY EFFICIENCY AND ACCESS



9. PROMOTE WATER SECURITY AND AGRIBUSINESS

Achieved Reforms

Ongoing / Future Reforms

VERTICAL
REFORM PILLARS





MINISTRY OF PLANNING AND INTERNATIONAL COOPERATION

HORIZONTAL
REFORM PILLARS





1

PURSUE MACROECONOMIC ADJUSTMENT

Narrow imbalances, manage risks, and improve public sector efficiency



Achieved Reforms

- **Revenue Generation**
 - **Endorsed a new Public Finance Management Strategy (2018 – 2021).**
 - **Adopted the Financial Inclusion Strategy (2018 – 2020).**
 - **Passed the 2018 Income Tax Law.**
- **Public Sector Efficiency**
 - **Enacted a new Audit Bureau Law (2018)** to strengthen the Bureau performance, capacity and independence.
 - **Approved a new Unified Public Procurement Bylaw (2019)** provides for the establishment of a Central Policy and Oversight Unit and an Independent Complaints-Handling Unit which will include a complaint mechanism.
- **PIM/PPP Reform**
 - **Approved Public Investment Management – Public-Private Partnership Policy Note** and endorsed the **PIM - PPP Governance Framework (2019).**
- **Debt Management**
 - **Updated the Debt Management Strategy (2019 – 2023).**



1

PURSUE MACROECONOMIC ADJUSTMENT

Narrow imbalances, manage risks, and improve public sector efficiency



Ongoing / Future Reforms

- **Fiscal Framework Formulation**
 - **Strategy for Fiscal Consolidation** (*by end of 2020*).
- **Revenue Generation**
 - **Approve the Medium Term Domestic Revenue Mobilization Policy**, based on holistic approach to development strategy and competitiveness (*by 2020*).
 - **Improve Tax Administration** (*by 2020*).
- **Public Sector Efficiency**
 - **Launch the Jordan's e-Government Procurement** (e-GP) system (JONEPS) (*by 2020*).
- **PIM/PPP Reform**
 - **Introduce a new PPP Law** including the establishment of a Project Development Fund to package and prepare a pipeline of ready to invest PPPs (*by 2019 and implementation by 2020*).
 - **Set up a National Registry of Investment Projects** (NRIP) (PIM Framework) (*by mid-2020*).
 - **Operationalize a Public Investment Unit** at MoPIC and a **PPF Unit** at PMO (*by end of 2019*).



1

PURSUE MACROECONOMIC ADJUSTMENT

Narrow imbalances, manage risks, and improve public sector efficiency



Ongoing / Future Reforms

- **Debt Management**
 - **Publish annual reports on outstanding debt, risks and implementation** of the medium-term debt management strategy (*annually*).
 - **Adopt and enforce Electricity Bill Recovery Mechanism** to settle the issue of arrears (as part of Roadmap for Financial Sustainability of the Electricity Sector) (*by end of 2019*).
 - **Approve NEPCO's Debt Optimization Implementation Plan** (as part of Roadmap for Financial Sustainability of the Electricity Sector) (*by end of 2019*).



2

REDUCE BUSINESS COSTS, IMPROVE REGULATORY QUALITY, AND INCREASE COMPETITION



Achieved Reforms

- **Good Regulatory Practices (GRP) to Increase Predictability of the Business Environment**
 - **Adopted and started enforcing a Regulatory Predictability Framework** to improve the overall governance of private sector-related policymaking, reduce regulatory uncertainty, and enhance predictability (2018). Six pilot GoJ entities started implementation as of 1 September 2019.
- **Inspection, Business Registration, and Licensing Reform**
 - **Initiated the Investor Journey Reform:**
 - **Starting a business: Automation of key business registration services** (2019) allowing electronic retrieval of owners data, generation of a tax ID number, registration with Social Security Corporation, and opening bank accounts.
 - **Municipal License: A new Vocational License Law** for Amman was submitted to the Parliament this year, and merged all of types of vocational licenses issued by both GAM and MoMA under one license (2019).
 - **Environmental Licenses: Reduced the number of days required to grant environmental approvals for low risk economic activities** from 10 to 7 days (2019).
 - **Sectoral License: Policy Note was approved** (2019) to reform the sectoral licensing regime to be compliant with Regulatory practices.



2

REDUCE BUSINESS COSTS, IMPROVE REGULATORY QUALITY, AND INCREASE COMPETITION



Achieved Reforms

- **Inspection, Business Registration, and Licensing Reform**

- **Initiated the Investor Journey Reform:**

- **Construction Permits: Cancelled the steps of obtaining approvals for water, electricity, and telecommunication authorities (2019).**
- **Extension of the validity period of Occupancy Permit to become five years for completed buildings and two years for uncompleted buildings (2019).**
- **The Greater Amman Municipality reduced the fees associated with obtaining building permits for “light industries” from \$9.8 per square meter to \$4.2 per square meter (2019).**
- **Inspection-related requirements: Enacted the Law and Bylaws of Monitoring and Inspection on economic activities (2019).**



2

REDUCE BUSINESS COSTS, IMPROVE REGULATORY QUALITY, AND INCREASE COMPETITION



Ongoing / Future Reforms

- **Good Regulatory Practices (GRP) to Increase Predictability of the Business Environment**
 - **Further streamline and or cancel specific sectoral licenses** (food manufacturing, pharmaceutical manufacturing, kindergartens, and private schools) *(by 2020)*.
 - **Establish and operationalize an online portal for public consultation and e-Registry of all business regulation** *(by 2020)*.
 - **Abolish the 1953 Crafts and Industries Law and revise secondary regulations** *(by mid-2020)*.



3

DRIVE FDI AND PROMOTE EXPORT DEVELOPMENT OF PRODUCTS, SERVICES, AND MARKETS



Achieved Reforms

- **Increase Trade in Services Through FDI**
 - **Amended the Non-Jordanian Investment Bylaw (2019)** to fully liberalizes 22 economic activities and services to 100% foreign investment from a previous maximum ceiling of 50%.
- **Improve Investment Promotion and Facilitation**
 - **Launched a new e-filing system for patents and trademarks (2018).**
- **Enhance Export Competitiveness and Promotion**
 - **Export Jordan established and is currently being structured in partnership with the private sector to promote Jordanian exports (2019).**
- **Digital Economy**
 - **Adopted a roadmap for digitizing Government payments (National Aid Fund, Bread Subsidy, Transport and Health). Implementation to start as of 1 January 2020.**
 - **Authorized the Ministry of Digital Economy and Entrepreneurship to enter into agreements with private sector to lease excess capacity of the national broadband network, based on a PPP model (2019).**



3

DRIVE FDI AND PROMOTE EXPORT DEVELOPMENT OF PRODUCTS, SERVICES, AND MARKETS



Achieved Reforms

- **Digital Economy**
 - Automated a number of legal procedures such as electronic notifications, registration of cases and objectives (2018 – 2019).
 - Digitization of key government payments and filing of taxes (2019).
- **Enhance Trade Infrastructure and Facilitation**
 - Amended Customs Law (2018) to include establishing one-stop-shop procedures, integrating export controls and automating a number of procedures.
 - Launched the Jordan Customs Golden List ++ Program to facilitate the movement of exports and imports (2018).
 - Implementation of the National Single Window System which aims to streamline various procedures that include export and import clearance procedures, custom declarations, accounting, guarantees, legal cases, complaints, and others (several phases were completed, while the remaining are ongoing).



3

DRIVE FDI AND PROMOTE EXPORT DEVELOPMENT OF PRODUCTS, SERVICES, AND MARKETS



Ongoing / Future Reforms

- **Improve Investment Promotion and Facilitation**
 - Investment Promotion function and services to investors provided by JIC (*ongoing*).
 - Enhancing the Investor Grievance Redress Mechanism (*by end of 2019*).
- **Digital Economy**
 - Adopt a **model for the introduction of 5G** (*by 2020*).
 - Work is being done to **unify customs rates for non-top grossing items across geographical zones and items** (*by 2020*).
 - Expand e-payments to all Government entities (*by 2021*).
- **Enhance Trade Infrastructure and Facilitation**
 - Review and expand FTAs to maximize export promotion (*by 2020*).



4

DEEPEN ACCESS TO FINANCE FROM BANKS AND NON-BANK FINANCIAL INSTITUTIONS



Achieved Reforms

- **Improve the Credit Infrastructure Framework**
 - Enacted Insolvency Law (2018) and Bylaws (2019).
 - Enacted Secured Transaction Law and Bylaws (2018).
 - Launched the Collateral Registry for Movable Assets (2018).
- **Increase the Contribution of Capital Markets to Financing the Economy**
 - Enacted a new Venture Capital Bylaw (2018) following the enactment of amendments to the 1997 Companies Law that introduced venture capital firms as a new type of company.



4

DEEPEN ACCESS TO FINANCE FROM BANKS AND NON-BANK FINANCIAL INSTITUTIONS



Ongoing / Future Reforms

- **Improve the Credit Infrastructure Framework**
 - **Implementation of the Insolvency Regulation (2018):**
 - **Establishing the Insolvency electronic insolvency Registry (by 2020).**
 - **Forming the Insolvency Committee (by 2020).**
 - **Licensing and training of insolvency practitioners (by 2020).**
 - **Capacity building for judges (by 2020).**
- **Diversify Sources of Financing for SMEs, Level the Playing Field, and Rationalize and Strengthen SME Support Functions**
 - **Develop policy framework and infrastructure to provide a conducive environment for the development of digital financial service (by 2020).**



5

CREATE MORE FLEXIBLE LABOR MARKETS FOR JOB CREATION



Achieved Reforms

- **Increase Access to Job Opportunities for Female Workers**
 - **Approved the flexible work systems** (including part-time work) **and instructions** (2019).
 - **Removed occupational, sector and night shift restrictions to women in the workplace** in the Labor Law and regulations (2018).
 - **Introduced Public Transportation and Workplace Code of Conducts** to identify unacceptable gender-based behavior and enforce penalties (2019).
 - **Issued Bylaws and Instructions** (2019) that **reduce procedural steps for registration and licensing of nurseries**.
 - **Enforced involuntary retirement for those above 30 years of service and voluntary retirement for those between 20 (women) and 25 (men) years of service (buyout)** (2019).
 - **Amended the Social Security Law**, which included **providing exemption of fees for the youth for the first five years of their employment** (2019).
- **Reduce Job Informality and Respond to Market Demand with Skilled Foreign Workers**
 - **Allowed hiring of non-Jordanians in highly specialized occupations and positions** (2019).
 - **Introduced flexible work permit scheme for foreign labor** in specific occupations in the construction sector (2019).



5

CREATE MORE FLEXIBLE LABOR MARKETS FOR JOB CREATION



Ongoing / Future Reforms

- **Increase Access to Job Opportunities for Female Workers**
 - Amend Labor Law to introduce risk based occupational health and safety measures *(by 2019)*.
- **Reduce Job Informality and Respond to Market Demand with Skilled Foreign Workers**
 - Issue IDs for foreign workers that will be required for them to access basic services *(by 2019)*.
- **Improve Access to Job Opportunities for Youth**
 - Conduct a study on options for temporarily lowering payroll taxes for women and the youth and identifying offsetting parametric changes in the pension system *(by 2020)*.
 - Study lowering labor costs via creative Social Security Schemes to incentivize formalization of workforce *(by 2020)*.



6

EXPAND AND IMPROVE SOCIAL SAFETY NETS TO BETTER PROTECT THE POOR AND VULNERABLE



Achieved Reforms

- **Expand and Improve Cash Transfers for the Poor**
 - **Initiated multiyear expansion of NAF's cash transfer program** to cover at least 85,000 additional households over (2019-2021). **Implementation started with 35,000 households in 2019.**
- **Improve the Coordination, Coverage, and Impact of Social Safety Nets**
 - **Developed a pilot project for mobile payment distribution for NAF beneficiaries** as of 2019.
 - **Adopted a new targeting mechanism for NAF** (2018).
 - **Launched a new Social Protection Strategy** (2019 – 2025).



6

EXPAND AND IMPROVE SOCIAL SAFETY NETS TO BETTER PROTECT THE POOR AND VULNERABLE



Ongoing / Future Reforms

- **Improve Protection of Poor Household Against Tariff Increases**
 - **Approving a targeting mechanism for delivering electricity support benefits** that will help in providing social protection to the poor (*by end of 2019*).
 - **Implementation of Social Protection Strategy** (*ongoing*).



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VERTICAL REFORM PILLARS





IMPROVE PUBLIC TRANSPORT EFFICIENCY AND ACCESS



Achieved Reforms

- **Coordinate and Manage Services to Clients**
 - **Approved the licensing of ride hailing applications** such as Uber (2018).
- **Enhance Women's Mobility and Access to Employment Opportunities, Markets, and Services**
 - **Revised public transport regulation to cover prohibition of gender harassment; adopt Code of Conduct for zero tolerance to gender harassment; and establish an effective Grievance Redress Mechanism for women** (2019).



IMPROVE PUBLIC TRANSPORT EFFICIENCY AND ACCESS



Ongoing / Future Reforms

- **Enhance Women's Mobility and Access to Employment Opportunities, Markets, and Services**
 - **Expand the Public Transportation Code of Conduct to regulate the passenger, driver, and operator of public transportation (*by 2020*).**



8

INCREASE ENERGY EFFICIENCY AND ACCESS



Achieved Reforms

- **Establish a Competitive Electricity Market**
 - Approved the "Roadmap for Financial Sustainability of the Electricity Sector" (2019).
 - NEPCO Board adopted an Action Plan to establish strategic business units for various business lines (2019).
- **Strengthen Regulatory Processes**
 - Revoked COM Decision on exempting water and energy projects (2019).
 - Amended the Climate Change Bylaw (2019).
- **Address Excess and High-cost Contractual Obligations**
 - MEMR secured an international agreement on reviving natural gas imports from Egypt (2019).



8

INCREASE ENERGY EFFICIENCY AND ACCESS



Ongoing / Future Reforms

- **Establish a Competitive Electricity Market**
 - Approve NEPCO's Debt Optimization Implementation Plan *by end of 2019*).
 - Explore (electricity exports to neighboring countries *ongoing*).
- **Enhance Energy Security**
 - Adopt Electricity Bill Recovery Mechanism to achieve reduction in distribution companies' receivables from electricity bills of the public sector *(by end of 2019)*.



9

PROMOTE WATER SECURITY AND AGRIBUSINESS



Ongoing / Future Reforms

- **Improve Water Tariff Structure and Adjust Tariff Levels and Identify and Address the Potential Welfare Impact of Tariff Adjustments**
 - **Conduct a study to determine welfare impact of tariff adjustments on households (especially poor and vulnerable households) (by 2020).**
 - **Initiate a plan on non-tariff revenue actions to reduce significantly the losses in WAJ and the Water Distribution Companies. Meanwhile, conduct study of impact of water tariffs on different consumers (by 2020).**
 - **Transfer the Water Authority of Jordan to the 2020 General Budget Law (by 2020).**
 - **Adopt and enforce Water Bill Recovery Mechanism to settle the issue of arrears (by 2020).**



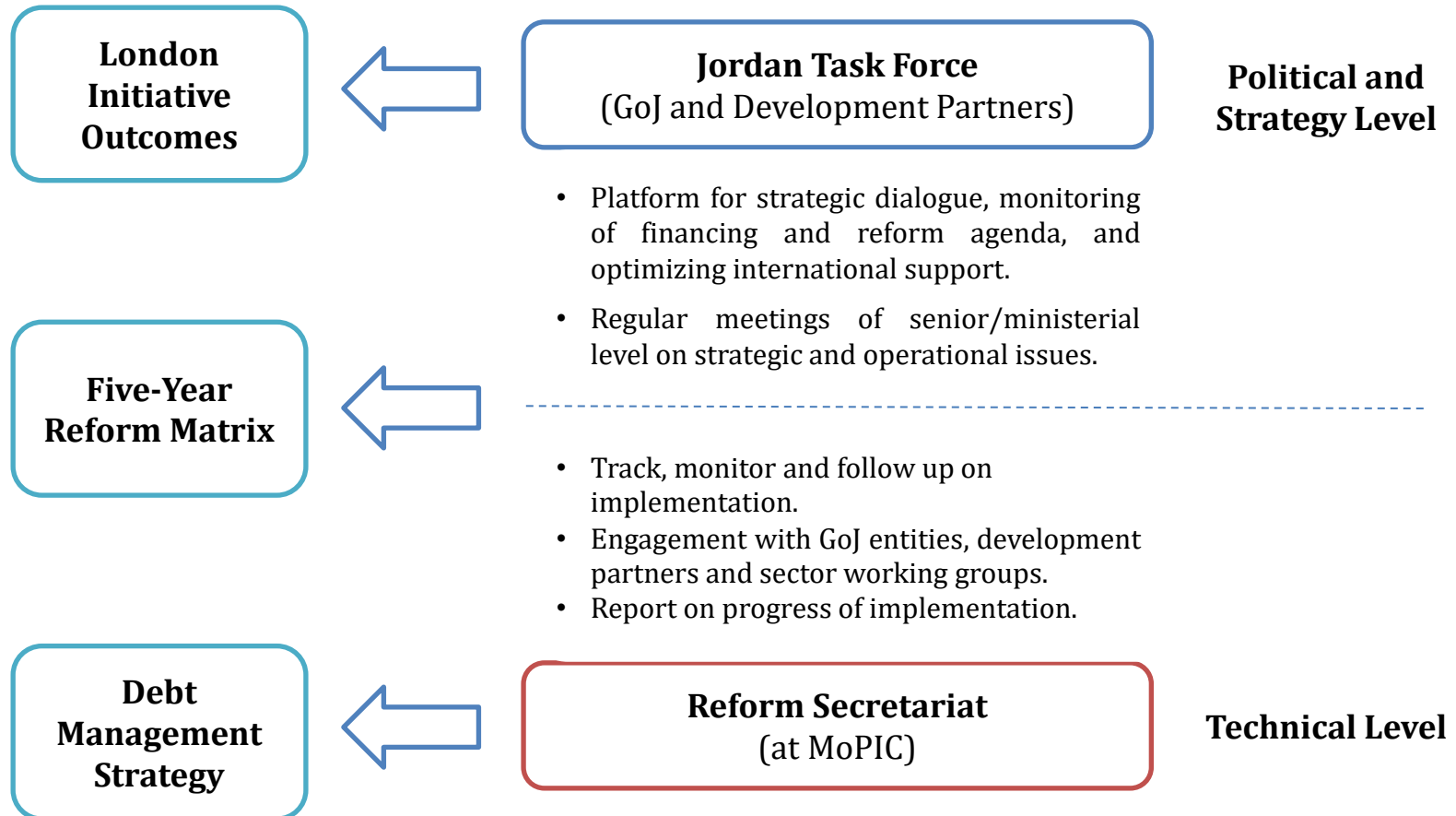
MINISTRY OF PLANNING AND INTERNATIONAL COOPERATION

Reform Implementation





REFORM SECRETARIAT BEING STRENGTHENED





DRIVE FOR RESULTS: SUCCESS STORY OF GOVERNMENT-DONOR COLLABORATION

Moveable Collateral Laws and Registry

- **Government of Jordan in Partnership with IFC identified and designed the necessary regulatory framework based on global best practices which led to:**
 - Enactment of the Law on Securing Interest in Movable Property no. 20 of 2018 in May 2018, which entered into force in June 2018.
 - Enactment of Regulation on the Registry of Interest in Movable Property no. 125 of 2018 in November 2018 .
- **USAID supported implementation through procurement and operationalizing of a collateral registry for movable assets.**
 - To date, number of notices is 450, with more than JDs 100 million in value.
 - This reform is expected to improve Jordan's Doing Business score this year.

Insolvency

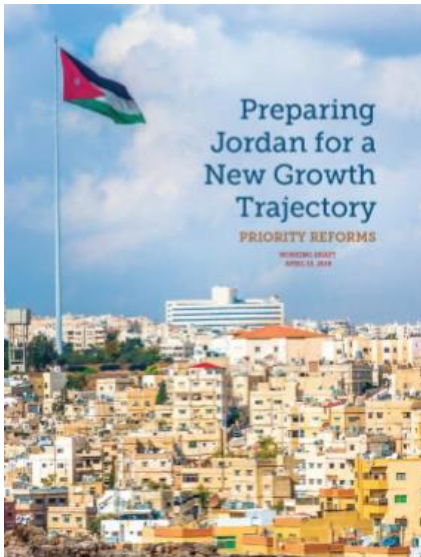
- **The Insolvency Law and associated Regulation were enacted in 2019. Next Steps will require similar collaboration include:**
 - Establishing the Insolvency electronic insolvency Registry.
 - Finalizing the regulations and procedures for forming the Insolvency Committee
 - Licensing and training insolvency practitioners
 - Capacity building for judges and awareness raising for the legal and business communities.



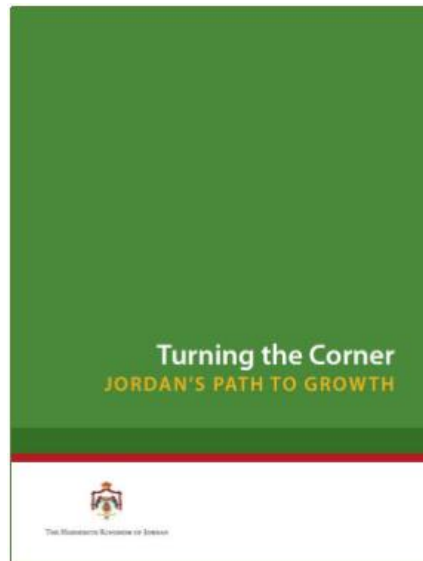
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Spring 2020
next update

