



MINISTRY OF PLANNING AND INTERNATIONAL COOPERATION



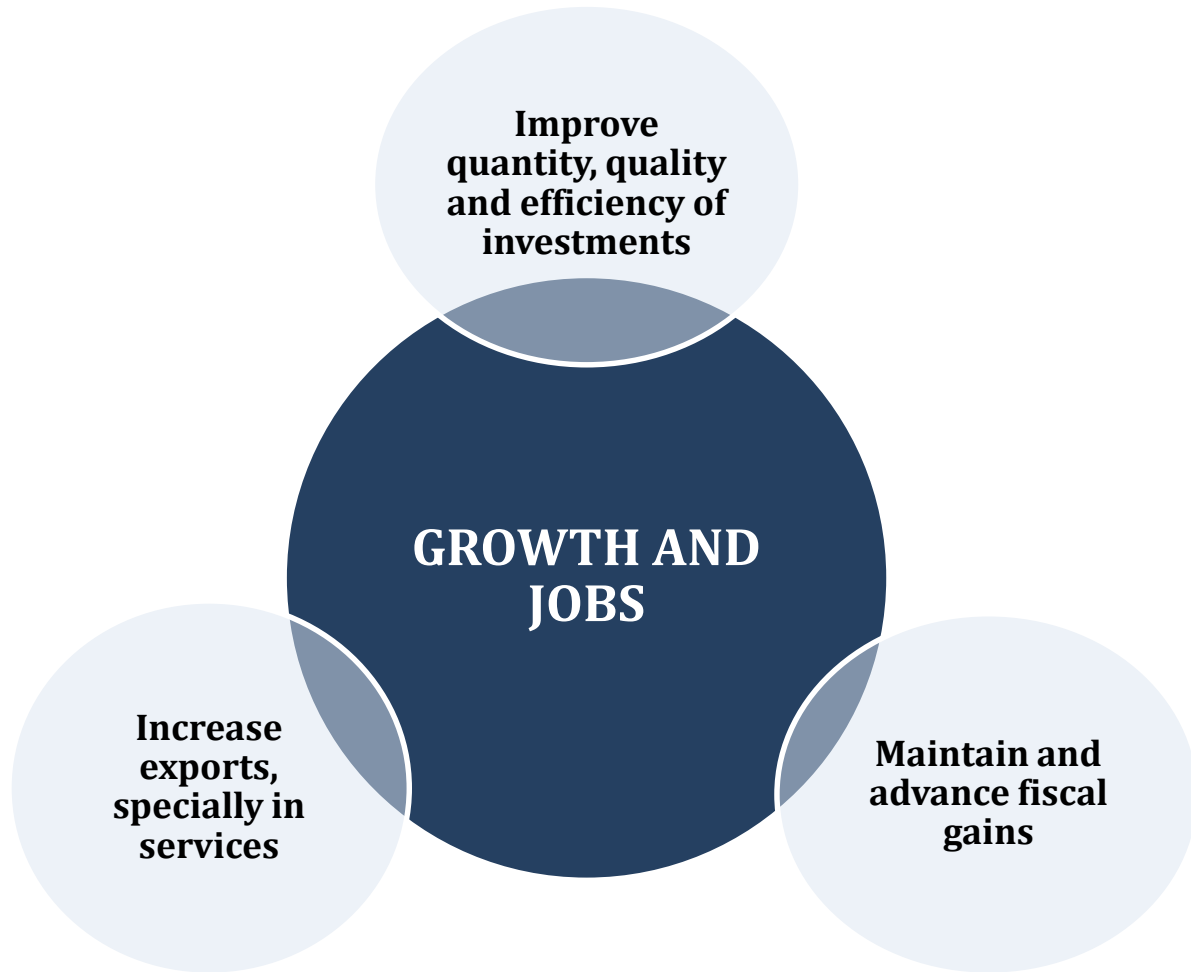
FIVE-YEAR REFORM MATRIX

Midterm progress update

July 2020



COMMITMENT TO THE ORIGINAL NARRATIVE





NINE PILLARS OF THE REFORM MATRIX

HORIZONTAL
REFORM PILLARS



1. Macroeconomic Adjustment



2. Business Environment



3. FDI and Export Promotion



4. Access to Finance



5. Flexible Labour Market



6. Social Safety Nets



7. Public Transportation



8. Energy



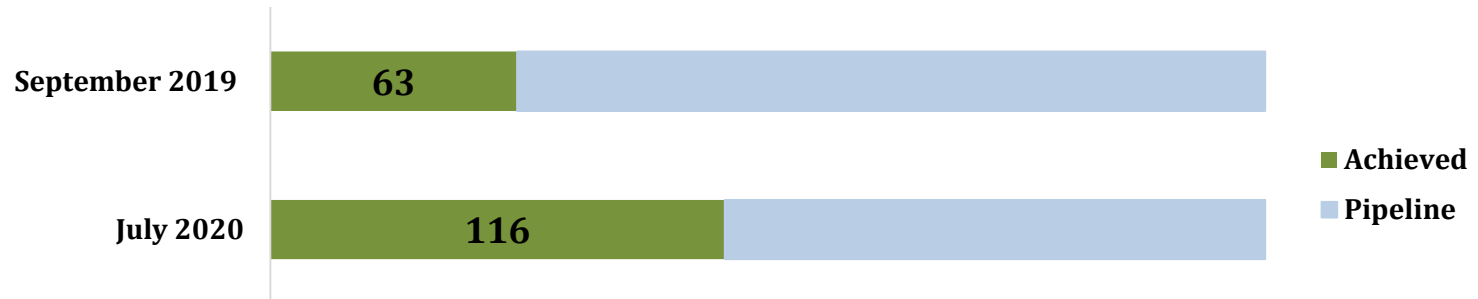
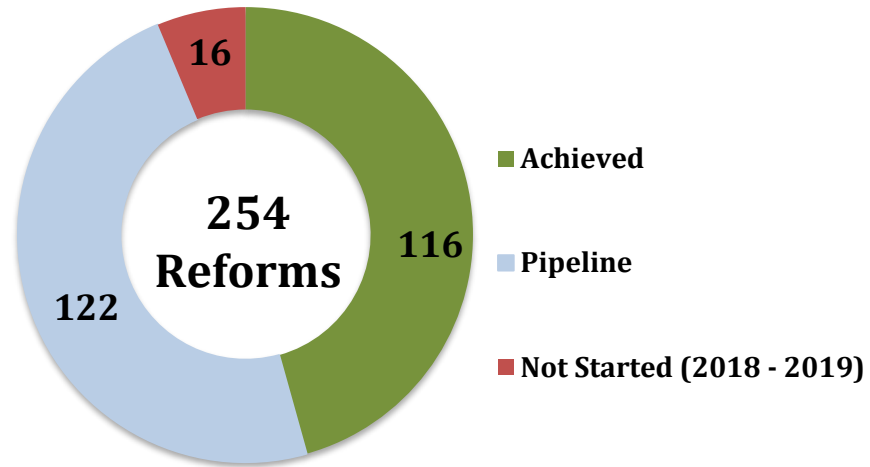
9. Water and Agribusiness

VERTICAL
REFORM PILLARS





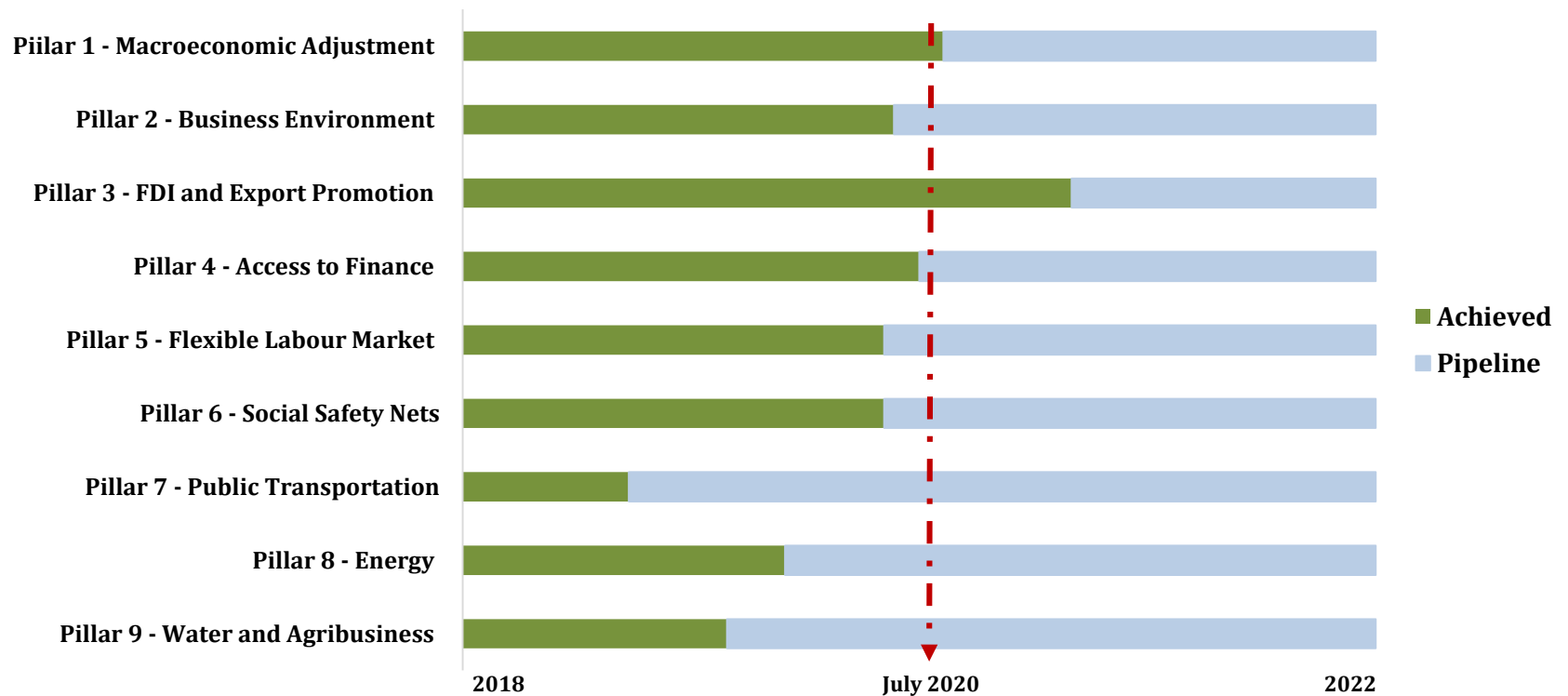
PROGRESS OF REFORM MATRIX (2018 – 2022)





PROGRESS OF REFORM MATRIX (2018 – 2022)

Since the implementation of the actions within the Reform Matrix began in 2018, below diagram shows the progress to date

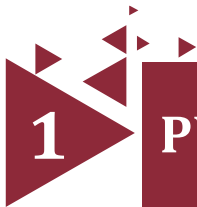




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HORIZONTAL
REFORM PILLARS



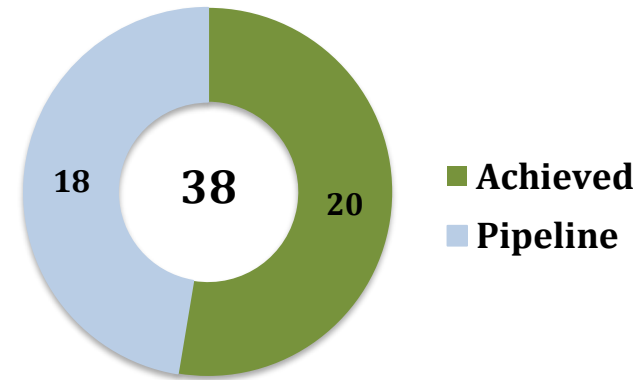


PURSUE MACROECONOMIC ADJUSTMENT



Achieved

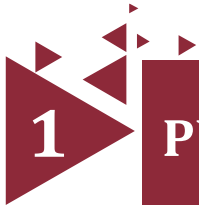
- **Public Finance Management Strategy (2018 – 2021)**
- **New Public Procurement Bylaw**
- **New Public-Private Partnership Law**
- **Project Development Fund** to package and prepare a pipeline of ready to invest PPPs



Pipeline

- Improve **revenue administration** through various measures including strengthening of tax and custom administration **(by 2020 - 2021)**
- **Operationalize the new Public Procurement Framework** (Policy and Oversight Unit and Complaint Handling Unit, and JONEPS) **(by 2020 - 2021)**
- **Operationalize PIM – PPP Framework (by end of 2020)**
- **New Public Financial Management Strategy (by end of 2020)**
- **New Illicit Gains Law (by end of 2020)**

Reform Area	Achieved	Pipeline
Fiscal framework formulation	0	1
Revenue Generation	9	5
Public Sector Efficiency	3	4
PIM/PPP Reform	7	7
Debt Management	1	1



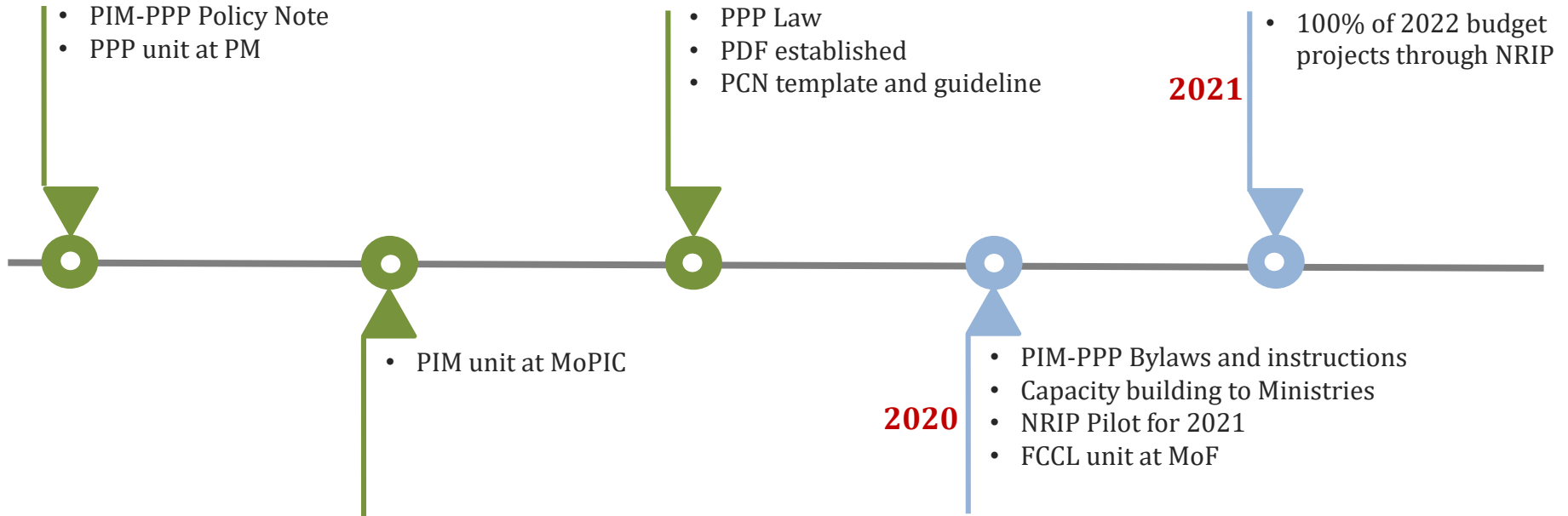
PURSUE MACROECONOMIC ADJUSTMENT



PIM - PPP Projects

- New framework that establishes the right legislative institutional arrangements and processes to ensure the effective implementation of a new Investment Management Program for Jordan including PPP projects.

10 PPPs to be released by 2022 with estimated value of JD 4.4 bln





REDUCE BUSINESS COSTS, IMPROVE REGULATORY QUALITY, AND INCREASE COMPETITION

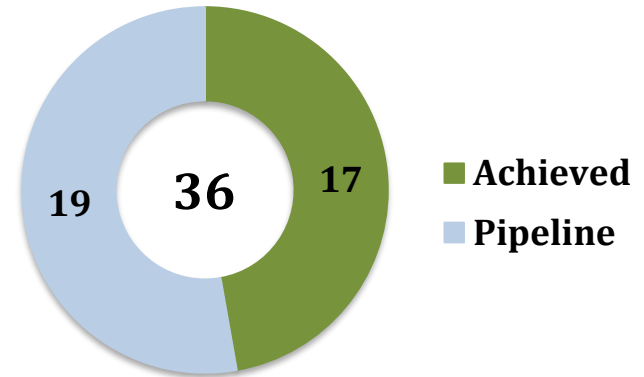


Achieved

- Initiated phase one of the **Investor Journey reform** (licensing, registration, construction permitting)
- **Adopted and started enforcing a Regulatory Predictability Framework** to improve governance and reduce regulatory uncertainty
- New **Monitoring and Inspection framework (Law and Bylaw)**

Pipeline

- Implement **ISIC4 classification** across government (by end of 2020)
- Develop a **policy for institutional and regulatory reforms** related to competition practices in Jordan (by 2020 – 2021)
- Improvement in **Sales Tax** structure to reduce burden on businesses (by end of 2021)
- Amendment to **Vocational Licensing Law** at GAM to reduce procedures and cost (by end of 2020)
- Implement six action plans on **Doing Business** (by 2020 - 2021)



Reform Area	Achieved	Pipeline
Good Regulatory Practices (GRP) to increase predictability of the business environment	3	3
Inspection, business registration, and licensing reform	12	7
Competition and regulation for better competitiveness	2	9



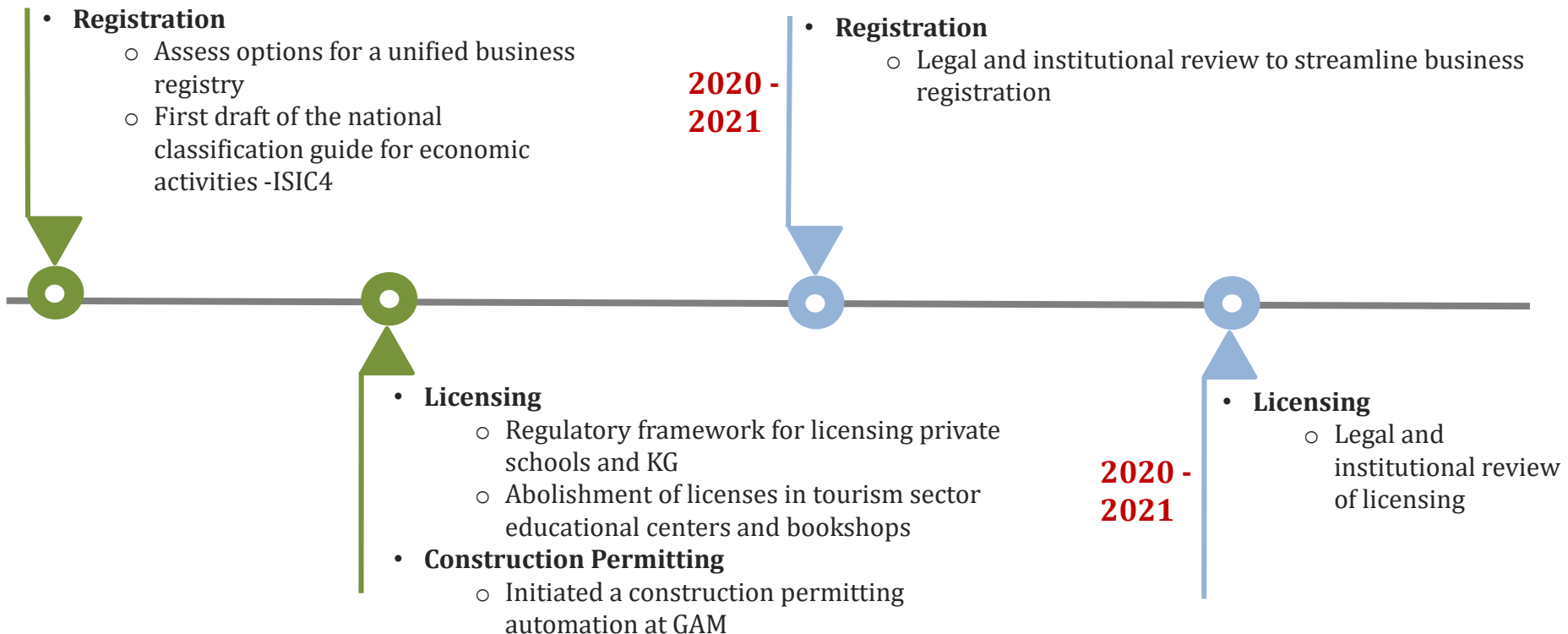
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REDUCE BUSINESS COSTS, IMPROVE REGULATORY QUALITY, AND INCREASE COMPETITION



Investor Journey Program

- Streamlining regulatory requirements and procedures across the business lifecycle (from registration to licensing, operations, all the way to exit)





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

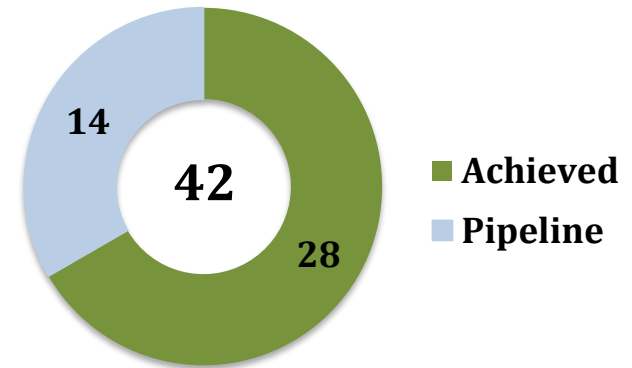


Achieved

- Opening of **22 out of 51 economic activities to full ownership by non-Jordanian investors**
- **Investor Grievance Redress Mechanism** (Bylaw, Instructions, and guideline)
- Started implementing a roadmap for **digitizing Government payments** (National Aid Fund and Health)
- Launch of **Customs' National Single Window** automating all trade related procedures

Pipeline

- Adoption of the **National Quality Policy** and Action Plan **(by Q2 2021)**
- **Expand e-payments** to all Government entities **(by end of 2020)**
- Comprehensive review and amendments to **Investment Law** based on international best practices **(by end of 2020)**



Reform Area	Achieved	Pipeline
Increase trade in services through FDI	6	2
Improve investment promotion and facilitation	2	0
Enhance export competitiveness and promotion	1	1
Enhance trade infrastructure and facilitation	7	5
Improve quality infrastructure	0	2
Digital economy	12	4



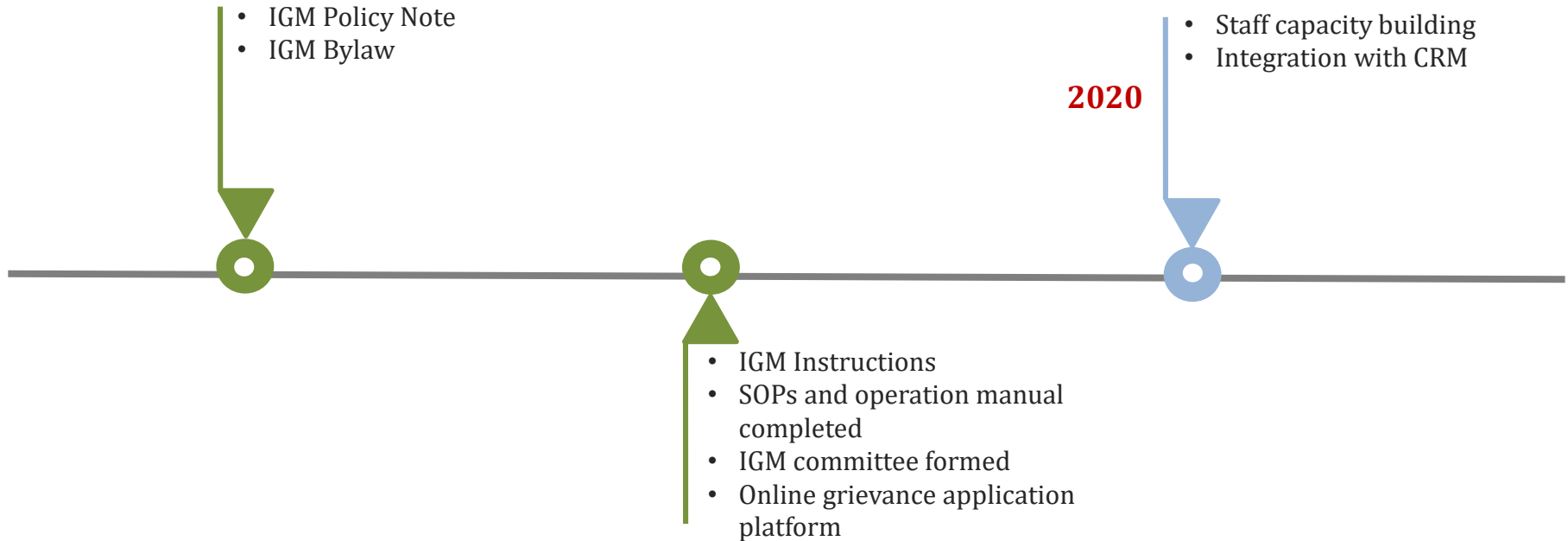
DRIVE FDI AND PROMOTE EXPORT DEVELOPMENT OF PRODUCTS, SERVICES, AND MARKETS



10 cases have been received and handled to date

Investor Grievance Mechanism

- Identify, track, manage, and resolve grievances arising between investors and public agencies within specified time periods to increase investment retention and expansion and prevent escalation to legal disputes





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

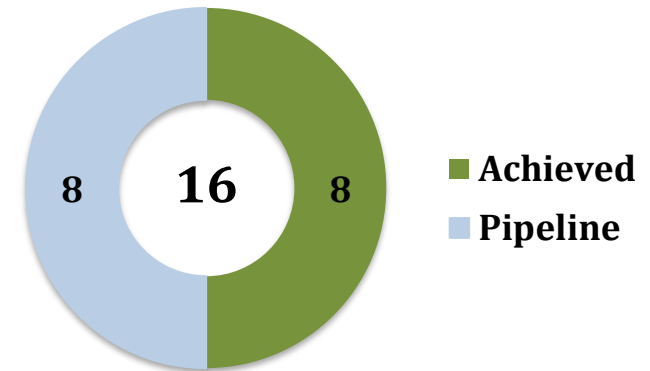


Achieved

- Enacted **Insolvency Law** and associated **Bylaws**
- Enacted **Secured Lending Law** and launched **Collateral Registry for Movable Assets**

Pipeline

- **Operationalization of Insolvency framework: Establish Electronic Insolvency Registry, licensing and training of insolvency practitioners, capacity building for judges (by end of 2020)**
- Amendment to CBJ Instructions on Dealing with Customers to **prohibit gender discrimination in accessing credit (by end of 2020)**



Reform Area	Achieved	Pipeline
Improve the credit infrastructure framework	5	1
Diversify sources of financing for SMEs, level the playing field, and rationalize and strengthen SME support functions	2	3
Increase the contribution of capital markets to financing the economy	1	4



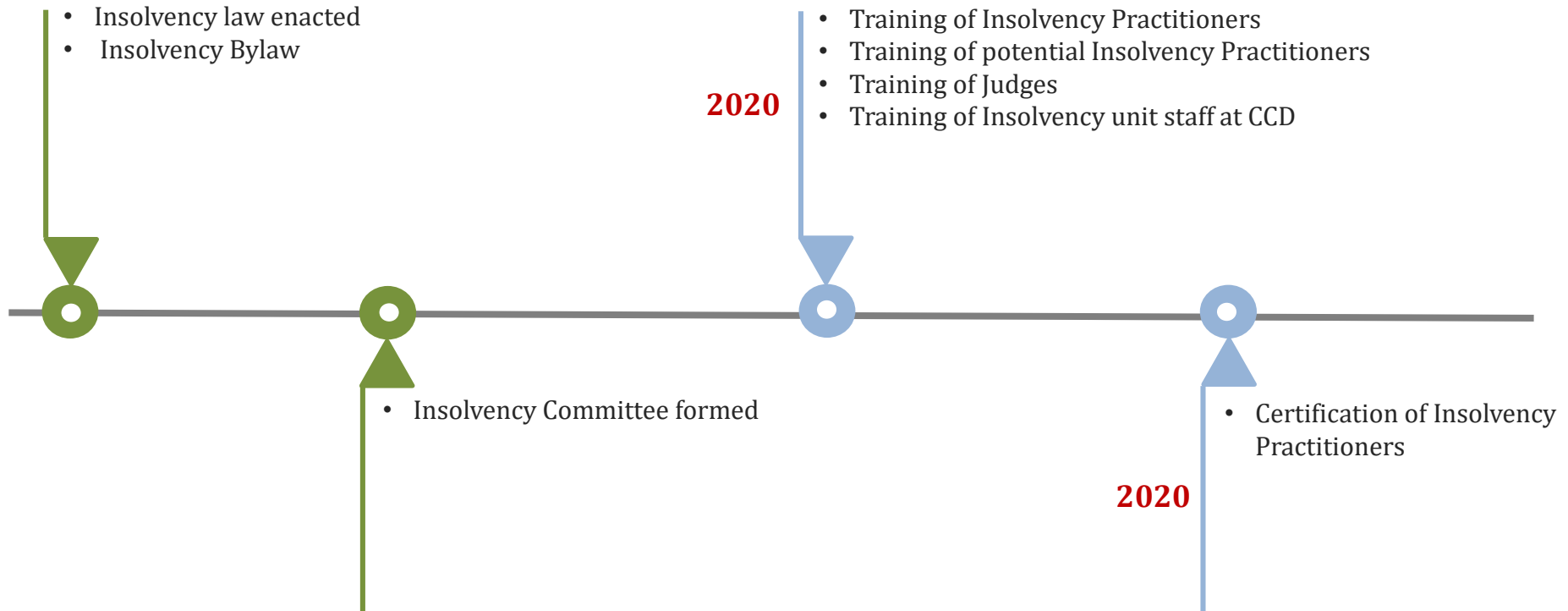
4

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



Insolvency Framework

- Support the establishment of an efficient recovery, restructuring and insolvency system that promotes growth and stability by allowing unviable firms to exit efficiently, and viable firms to reorganize operations and restructure debt



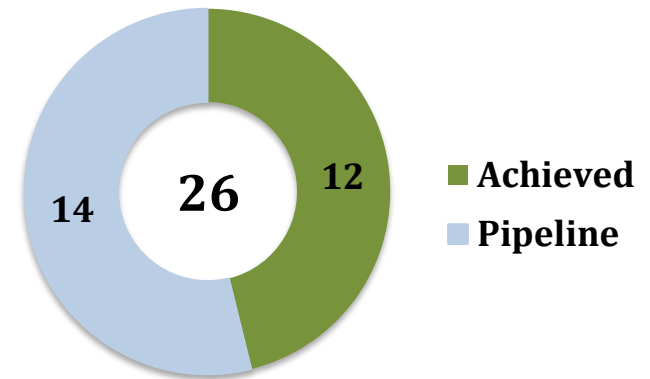


5 CREATE MORE FLEXIBLE LABOR MARKETS FOR JOB CREATION



Achieved

- Bylaws and Instructions to **reduce procedural steps for registration and licensing of nurseries**
- **Flexible work permit scheme** for foreign labor in specific occupations in the construction sector
- Allowed **hiring of non-Jordanians in highly specialized occupations** and positions



Pipeline

- Instruction for **licensing of home-based childcare (by 2021)**
- **Bylaw and instructions** specifying acceptable **working conditions in the Agriculture sector. (by 2021)**
- Amendment of Labor Law to **remove gender discrimination employment (by end of 2020)**

Reform Area	Achieved	Pipeline
Increase access to job opportunities for female workers	7	4
Reduce job informality and respond to market demand with skilled foreign workers	2	6
Improve access to job opportunities for youth	3	4



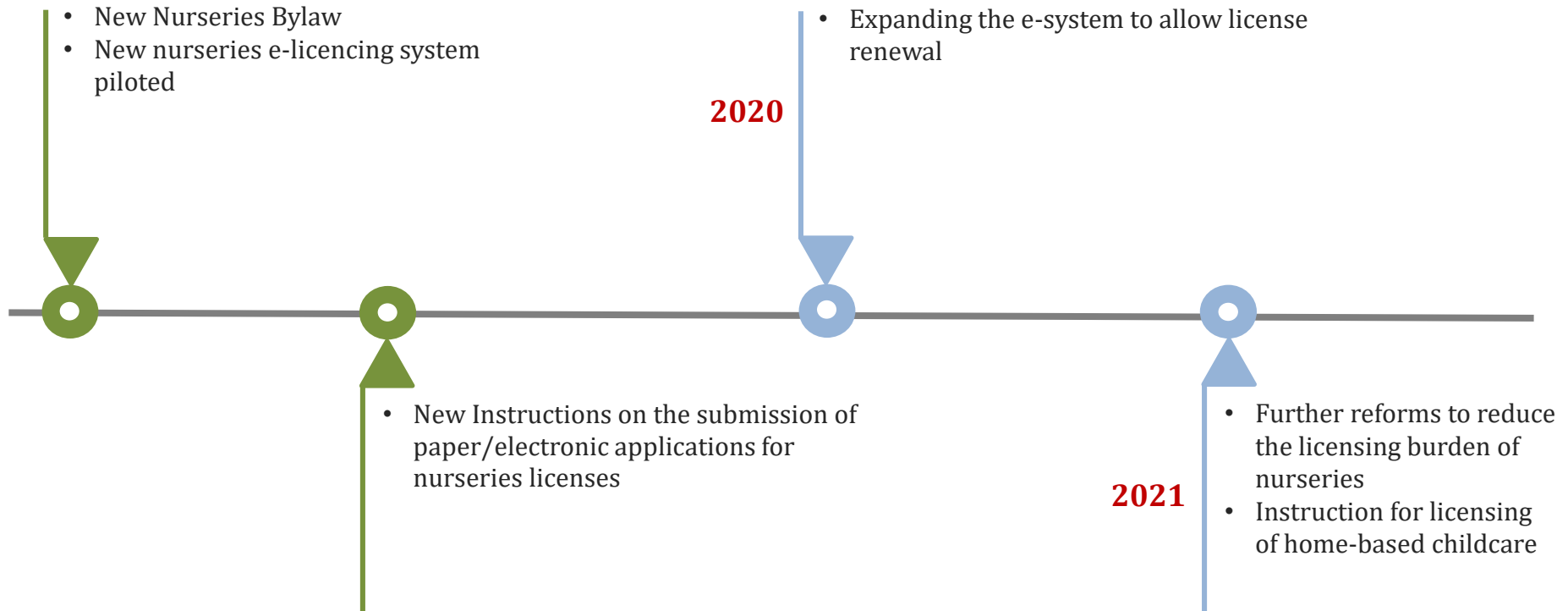
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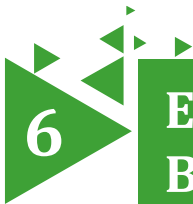
CREATE MORE FLEXIBLE LABOR MARKETS FOR JOB CREATION



Improving Women Economic Opportunities through Childcare

- Streamlining the regulatory framework for the licensing of childcare facilities in coordination with all government entities involved in authorizing and licensing childcare facilities





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

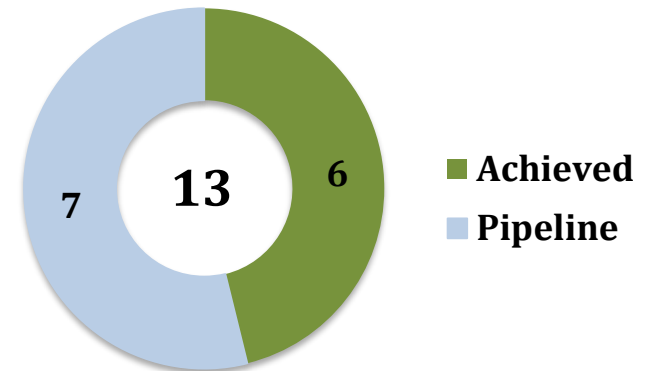


Achieved

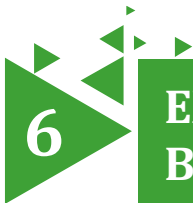
- Initiated multiyear **expansion of NAF's cash transfer program** to cover at least 85,000 additional households over (2019-2021). To date 45,000 number of beneficiaries received cash transfer
- Approved a **targeting mechanism for delivering electricity support benefits** that will help in providing social protection to the poor
- Roll out of **digital payment to all NAF's takaful cash transfer beneficiaries**
- Launched a new **Social Protection Strategy** (2019 – 2025)

Pipeline

- Continue **Implementation of Social Protection Strategy**
- **Achieving the target of additional 85,000 household beneficiaries** from Takaful Program (by 2021)
- **NUR becomes the single gateway** to all Jordanians who are seeking social assistance (by 2021)



Reform Area	Achieved	Pipeline
Expand and improve cash transfers for the poor	3	1
Improved protection of poor households against tariff increases	0	3
Improve the coordination, coverage, and impact of social safety nets	3	3



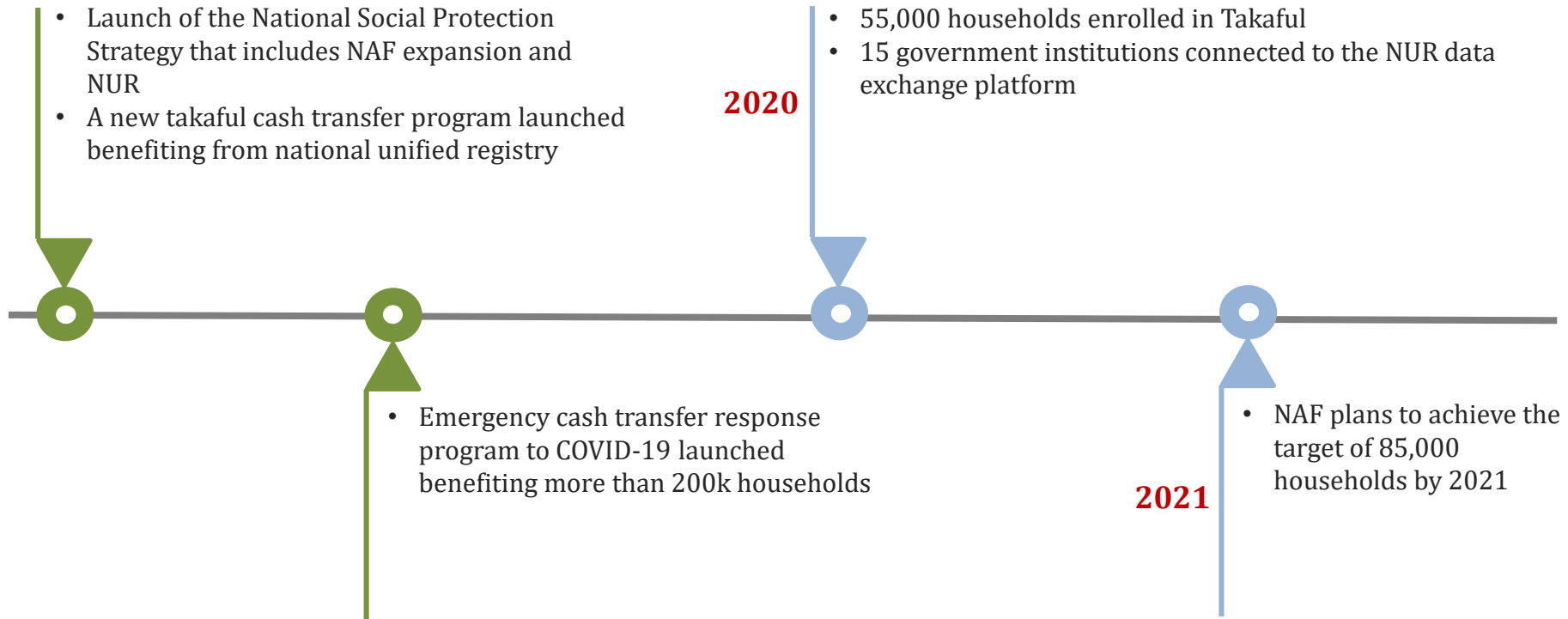
EXPAND AND IMPROVE SOCIAL SAFETY NETS TO BETTER PROTECT THE POOR AND VULNERABLE



45,000
households
enrolled in
Takaful

Expansion of the cash transfer program and improving the delivery system

- Launched the expansion of NAF through the Takaful Cash Transfer Program (targeting 85,000 households by 2021)
- Launched the data exchange platform National Unified Registry (NUR)





VERTICAL
REFORM PILLARS





7

IMPROVE PUBLIC TRANSPORT EFFICIENCY AND ACCESS

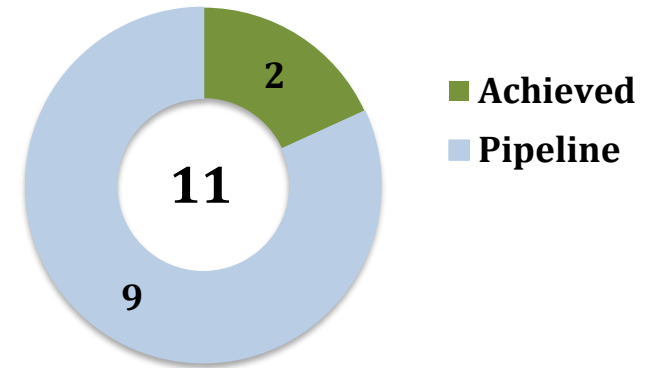


Achieved

- Licensing of **ride hailing applications** such as Uber
- Update the **Public Transportation Code of Conduct** for zero tolerance to gender harassment to regulate the passenger, driver, and operator code of conduct in public transport

Pipeline

- Revise 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 (by **end of 2020**)



Reform Area	Achieved	Pipeline
Strengthen the role of private management and financing in improving and extending public transport services	1	1
Coordinate and manage services to clients	0	3
Enhance women's mobility and access to employment opportunities, markets, and services	1	3
Develop new road infrastructure program with private participation	0	2



7

IMPROVE PUBLIC TRANSPORT EFFICIENCY AND ACCESS



Enhance Women's Mobility towards Economic Empowerment

- Code of Conduct issued by the Ministry of Transport in 2019 specific to the public transportation system to regulate behaviour of drivers, operators, and passengers with clear rules against gender-based discrimination and sexual harassment

- Amended instructions for licensing and permitting of operators to require operators to sign and commit to adhere to the code of conduct and enforce penalties on violators

2020

- Develop a complaint handling mechanism

- Code of conduct circulated to unions and municipalities

2020 -
2021

- Conduct awareness campaigns



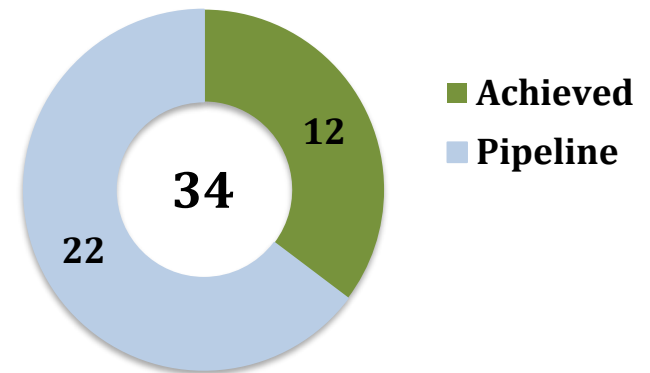
8

INCREASE ENERGY EFFICIENCY AND ACCESS



• Achieved

- Started implementation of **Roadmap for Financial Sustainability of the Electricity Sector**
- Adopted and enforced the **Electricity Bill Recovery Mechanism** to settle the issue of arrears
- **NEPCO's Debt Optimization Implementation Plan**



• Pipeline

- Explore **electricity exports to neighboring countries (by end of 2020)**
- **Integrated National Energy Strategy (by end of 2020)**
- NEPCOs least-cost and risk-responsive **Electricity Master Plan (by end of 2020)**

Reform Area	Achieved	Pipeline
Establish a competitive electricity market	1	4
Ensure efficient grid electricity supply	2	5
Strengthen regulatory processes	5	5
Address excess and high-cost contractual obligations	0	3
Enhance energy security	3	3
Ensure efficient end-use of electricity	1	2



8

INCREASE ENERGY EFFICIENCY AND ACCESS



Solar to the Poor Initiative

- This Initiative lies through the provision of renewable energy to the poor and vulnerable households through allocating JD 7 million from GoJ's budget
- Beneficiaries: Families currently eligible for social assistance under the National Aid Fund

Installed **2,224** PV systems since the beginning of the Initiative

Installed **2,073** PV systems since the beginning of 2020

- Initiated 'Solar to the Poor' Initiative through Fils-al Reef to install 2 kWh solar photovoltaic systems

2020

- Issuance of 11 tenders to install additional 3,316 PV systems by end of 2020

- Developed the targeting mechanism for delivery of electricity support benefits

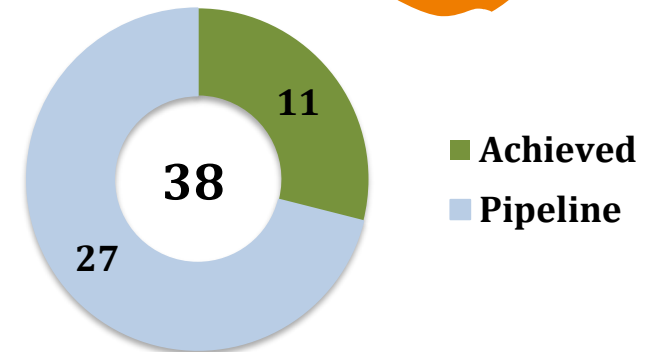
2021

- Include more renewable energy and energy efficiency solutions within this Initiative



9

PROMOTE WATER SECURITY AND AGRIBUSINESS



Achieved

- **Implementation of the Water Security Strategy** and accompanying Investment and Financing Plan to optimize and prioritize sector investments
- Designed **Water Savings Program** to reduce non-revenue water reduction

Pipeline

- Launch **communication campaign** to improve communication around **water allocation and strategy (by 2021)**
- Implement **measures to reduce fiscal losses in water sector (by 2020 - 2021)**
- Two **competitiveness reinforcement initiatives in agriculture (by end of 2020)**

Reform Area	Achieved	Pipeline
Enhance and Improve Operational Cost Recovery of Water Sector	5	7
Improve asset sustainability	1	0
Reduce balance of Energy Consumption in the Water Sector	0	1
Improve water sector governance	2	4
Reduce Non-Revenue Water (NRW)	3	1
Water Resources Reallocation Strategy	0	5
Strengthen the Resilience and Inclusion of agri-food Value Chains	0	2
Maximizing the Potential of Technology in the agri-food sector	0	7



9

PROMOTE WATER SECURITY AND AGRIBUSINESS



Competitiveness Reinforcement Initiatives (CRI)

- A value chain deep dive approach that develops competitive clusters of market players and service providers through an inclusive public private dialogue approach
- The model focusses on the Connectedness (improved logistics, reduced trade restrictions and trade in logistics services), the Capabilities (new skills, new technologies, increased digital readiness) and Competitiveness (new business models and increased productivity)

- CRI team within MoPIC.
- Initiated work on two CRIs in Agriculture currently underway (Middle Jordan Valley and Mafrq)

2020

- Pilot project to monitor and record the logistics process for two Jordanian agriculture products

2020

- Local market assessment
- Global trend assessment
- Interviews with more than 40 Farmers underway

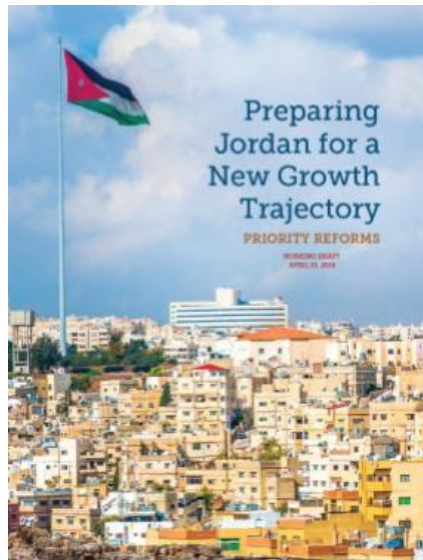
- Policy and investment recommendations



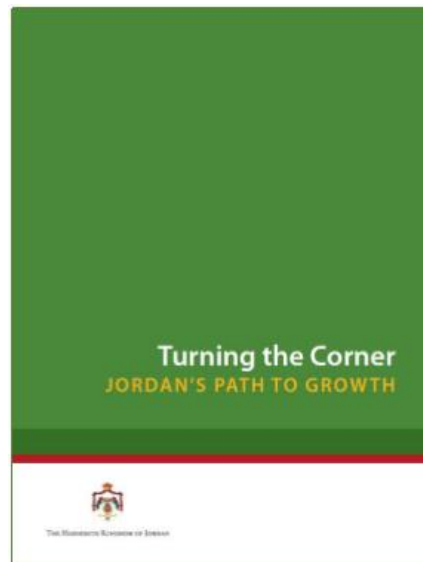
MINISTRY OF PLANNING AND INTERNATIONAL COOPERATION

MIDTERM REVIEW OF THE REFORM MATRIX

April 2018



February 2019



2nd half 2020



The review process includes subject matter experts, government entities, World Bank TTLs, donors, and the private sector



PRIORITIES MOVING FORWARD

