



Jordan's Reform Matrix (2018 – 2024)
Background and Progress Update
15 February 2021

Section One: Background

The Jordan's Reform Matrix (Reform Matrix) (2018 – 2024) was officially launched in February 2019 during the London Initiative, constituting the Government of Jordan's continued commitment to economic reform. Following the launch of the Reform Matrix, a Reform Secretariat was established in November 2019 within the Ministry of Planning and International Cooperation (MoPIC), to coordinate, support and drive the implementation of reforms under the Reform Matrix.

The international community committed to supporting Jordan's reform program as outlined in the Reform Matrix through the Jordan Growth Multi-Donor Trust Fund (MDTF) managed by the World Bank. The MDTF extends technical assistance to expedite and support implementation. Current donors include UK, Netherlands and Canada, while the EU and Germany are in the final stage to allocating additional funding.

The Reform Matrix comprises of a set of policy and structural reforms, that aims to improve the efficiency of the business and investment environment; reduce the cost of doing business; boost exports and investments; and enhance macroeconomic stability. The ultimate objective of the Reform Matrix is to improve the competitiveness of the economy, stimulate growth and create employment opportunities. Accordingly, the Reform Matrix includes a set of cross-cutting (horizontal) pillars and sectoral (vertical) pillars that are prioritized and sequenced:

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| <hr/> <p>HORIZONTAL REFORM PILLARS</p> | | <ol style="list-style-type: none">1. Macroeconomic Adjustment2. Public Sector Efficiency3. Business Environment4. FDI and Export Promotion5. Access to Finance6. Flexible Labour Market7. Social Safety Nets |
| <hr/> <p>VERTICAL REFORM PILLARS</p> | | <ol style="list-style-type: none">8. Public Transportation9. Energy10. Water and Agribusiness11. Tourism |



Section Two: Midterm Review of the Reform Matrix

The Reform Secretariat recently launched a midterm review of the Reform Matrix, with the aim to revisit growth and reform priorities taking into consideration the developments since the launch of the original Reform Matrix, and paying specific attention to post COVID-19 reform priorities.

The updated Reform Matrix will:

1. Include a set of well-defined and clear reforms/actions, laying out steps that need to be taken to implement, providing sufficient understanding of the direct impact of the reform, and assigning targets where applicable.
2. Include COVID-19 specific reforms/action that address the challenges, as well as opportunities that emerged due to the pandemic.
3. Include gender and environment specific reforms, and more importantly embed the gender and environment aspects throughout the Matrix with sub-reforms/actions and specific gender/environment targets and indicators.
4. Be fully owned by the GoJ and will be approved through a Council of Ministers decision.

The review process taking place includes close coordination and consultation with the different Government ministries and entities, subject matter experts, World Bank team, donor community, and most importantly the private sector. Private sector consultations and focus groups will be conducted in partnership with the Jordan Strategy Forum.

The midterm review will go through five phases:

1. **Phase 1:** Consultation with sectoral and subject matter experts, including World Bank technical teams.
2. **Phase 2:** Consultation and verification with GoJ Ministries and entities.
3. **Phase 3:** Consultation with the private sector through the Jordan Strategy Forum.
4. **Phase 4:** Consultation with the donor community, including MDBs and IFIs.
5. **Phase 5:** Official approval from the Cabinet.

As of today, the Reform Secretariat concluded phases 1 and 2 of the review process, and is currently organizing for stage 3. The Reform Secretariat also held an introductory session to the donor community in February 2021 to present to them the most updated Reform Matrix.

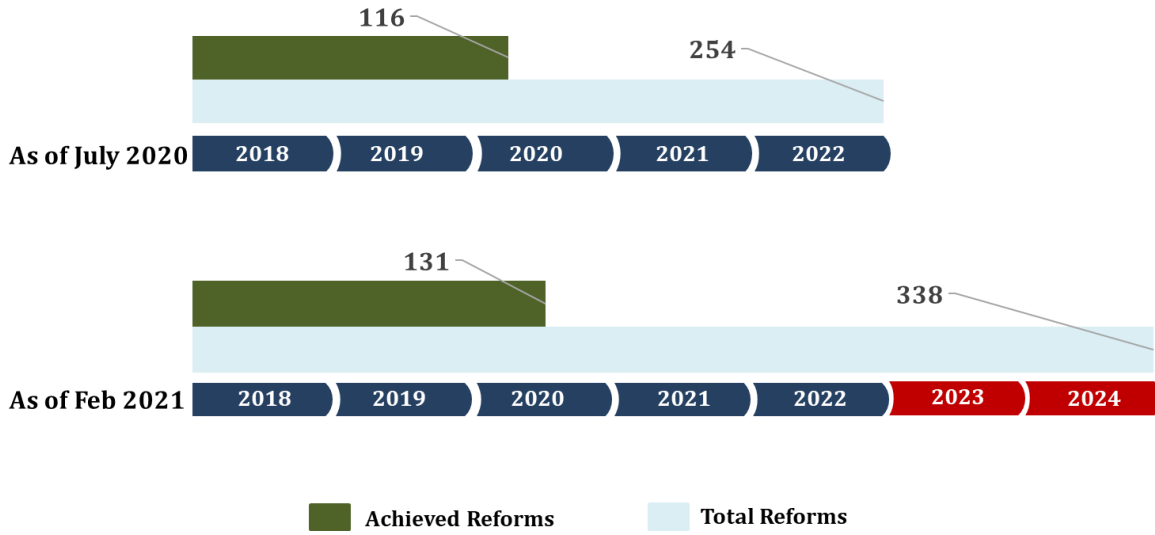
The updated version of the Reform Matrix which was produced during the midterm review included the following changes:

- Extended the Reform Matrix to 2024.
- Added one horizontal pillar and another vertical pillar which are:
 1. Enhance Public Sector Efficiency and Governance.
 2. Strengthen the Tourism Sector.



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- Expanded on number of reforms to reach around 338 reforms.





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Section Three: Implementation Dashboard





Section Four: Key Achievements

The Government of Jordan (GoJ) has come a long way already in terms of implementation of the Reform Matrix. To date, 131 reforms were successfully implemented, while 207 are in pipeline.

Some key examples of reforms implemented under the Reform Matrix to date include:

- **Macroeconomic Stability:** 1) developed a roadmap to revamp the PIM-PPP legislative and institutional structure through enactment of a new PPP Law, establishment of PPP Unit at PMO, PIM Unit at MoPIC and an FCCL Unit at MoF along with an establishment of a PDF; and 2) enactment of a new Income Tax Law came into effect in 2019 which tackles a broad range of tax aspects relating to both individuals and corporations, replacing a relatively flat-rate taxation system with progressive taxation on personal and corporate income taxes, and introduces necessary measures to tackle income tax evasion.
- **Public Sector Efficiency:** 1) enactment of a new Unified Public Procurement Bylaw that provides the establishment of a central policy and oversight unit and an independent complaints-handling unit. In addition, it contains provisions on framework agreements, electronic Government Procurement; 2) issued a 'Code of Governance Practices of Policies and Legislative Instruments in Government Departments for the Year 2018' to improve the overall governance of private sector-related policymaking, reduce regulatory uncertainty, and enhance predictability.
- **Business Environment:** 1) initiated implementation of a comprehensive 'Investor Journey' reform through eliminating and merging multiple licenses, automating key business registration processes and reduced the number of days and steps to grant approvals among others; and 2) Launch of Competitiveness Reinforcement Initiative – Value Chains in Agriculture.
- **FDI and Exports:** 1) removed ownership restriction in 22 new economic activities/sectors for foreign investors; 2) established an Investor Grievance Mechanism at Jordan Investment Commission; 3) adopted a roadmap for digitizing all government payments as of April 2020; 4) launched the Competitiveness Reinforcement Initiative for export-oriented value chains; and 5) Initiated implementation of the Jordan Customs National Single Window System.
- **Access to Finance:** 1) new Insolvency Law; 2) Secured Lending Law and 3) unified Inspection and Monitoring on Economic Activities Law.
- **Labor Market:** 1) removed occupational, sector and night shift restrictions to women in the workplace; 2) made mandatory for all enterprises with 20 parents or more to offer childcare services; and 3) reduced procedural steps for registration and licensing of nurseries.



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- **Social Safety Nets:** 1) multi-year expansion of the National Aid Fund's (NAF) cash transfer program to double the number of beneficiaries over 2019-2021; 2) Pilot project for mobile payment distribution for NAF beneficiaries as of 2019; 3) New targeting mechanism for NAF; and 4) New Social Protection Strategy (2019- 2025).
- **Public Transport:** 1) licensed ride hailing applications such as Uber; and 2) updated the Public Transport Code of Conduct for zero tolerance to gender harassment to regulate the passenger, driver, and operator code of conduct in public transport.
- **Energy:** 1) adopted and started the implementation of the "Electricity Sector Financial Sustainability Roadmap" which includes a set of aggressive measures that aim to improve the financial sustainability of the electricity sector and optimizing NEPCO's debt; 2) implementation has already started in 2019 with the aim to dealing with the NEPCO's legacy debt and refinancing it through highly concessional loans, lowering electricity costs for productive sectors, improving governance, protecting the poor, and ensuring a healthy supply of low cost and predictable electricity.; and 3) adopted a new "Electricity Bill Recovery Mechanism" to achieve reduction in distribution companies' receivables from electricity bills of the public sector.
- **Water and Agribusiness:** 1) implementation of the Water Security Strategy and accompanying Investment and Financing Plan to optimize and prioritize sector investments; and 2) designed Water Savings Program to reduce non-revenue water reduction.
- **Tourism:** multiple measures taken during: 1) response to COVID-19 stage; and 2) recovering from COVID-19 stage.

It is worth mentioning that key most recent achieved reforms include:

- Pass legislation to introduce a single tax administration and a single customs service in Jordan, bringing ASEZA participants under ISTD and Jordan Customs.
- Institutional Development Unit at the Prime Minister Office launches national training program on RIA guiding manual implementation.
- Upgrade the Income and Sales Tax Department electronic platform to allow submission of the VAT/Sales tax refund request electronically and to allow submission of amended tax returns online and an online tracking tool for audit and refund cases.
- Full implementation of new Property Values Estimation bylaw no. 4 of 2019 to have all land in Jordan to have pre-estimated values reducing the time required to send land value estimators for each purchase.

Our efforts translated into a significant jump in the recent 2020 Doing Business Report, where Jordan, for the first time, was amongst the top three reformist countries, moving 29 ranks from 104 to 75. Our next target is to reach top 50 in 2-3 years from now.



Section Five: Priorities moving forward

Going forward, the Reform Secretariat will continue with the implementation of the Reform Matrix, and will focus on:

- Operationalization of the PIM-PPP Framework and roll out of a healthy pipeline of PPP Projects.
- Continue the implementation of the Investor Journey Roadmap.
- Continue with streamlining and automating the business registration process including initial registration, obtaining a tax ID number, registering with Social Security, opening a bank account, and obtaining certificate of registration from the various chambers.
- Continue the implementation of Jordan Custom's National Single Window System that aims to streamline various procedures that include export and import clearance procedures, custom declarations, accounting, guarantees, legal cases, complaints, and others.
- Operationalization of the Insolvency system.
- Continue with our Energy Roadmap, specifically to reach zero annual operational deficit of NEPCO; restructuring of the sector's debt to make it more sustainable; reviewing PPAs; all to lower the cost of electricity and energy bill, and in turn lower energy cost on productive sectors.
- Revamp of the Jordan Investment Commission to re-establish it as Jordan's Investment Promotion Agency (IPA), building on the recent amendments to the Investment Law.
- Water, Agriculture and Transport are sectors that GoJ will intensify reforms in.
- Tourism took the biggest hit because of the COVID-19 pandemic, during the review process a set of reforms will be identified in this sector.
- Supporting the private sector and SMEs is key and, with the limited fiscal space, require more support to lessen the impact of COVID-19 on them.
- Digital transformation emerged as one of the opportunities that can be capitalized on and further improved and accelerated.



Section Six: Key Reform Highlights

1. Public Investment Management (PIM) - Public Private Partnerships (PPP) framework

Jordan has implemented major fiscal and structural measures prior to 2011. However, the impact of negative external shocks and contractionary fiscal measures reduced the Government's capacity to invest in growth and mitigate the impact of the economic crisis on ordinary Jordanians. The government has turned to the private sector to propel the country into its next stage of development. Public-private partnerships (PPPs) form the cornerstone of this strategy. A national PPP program is intended to be a driving force for economic growth and employment through well-defined shared ventures in the infrastructure, utilities, and service sectors.

As part of a comprehensive structural reform program, the Government of Jordan has adopted a new Public Investment Management (PIM) - Public Private Partnerships (PPP) framework. This framework aims to implement the required changes to the institutional arrangements and processes to ensure the effective implementation of a new Investment Management Program including PPP projects. The reforms include revised roles and responsibilities of various parties in the project development process, coordination mechanisms and operational processes across key agencies, and the creation of a new PPP law and associated regulations in line with the revised governance and institutional arrangements.

A new Public-Private Partnership Law (PPP Law) was passed by the Parliament and published in the Official Gazette on April 2nd, 2020. The law contains several important improvements from the previous law specifically on carving out all exemptions, and the establishment of a Fiscal and Commitments and Contingent Liabilities unit at the Ministry of Finance. The law also establishes a new independent PPP unit at the Prime Ministry and set the foundation for the creation of a Project Pipeline Development fund which will be used to finance upstream and downstream feasibility and transaction advisory services in order to expedite the progression of PPP transactions. Seven bylaws and instructions associated with the law are in the final stages of approvals.

The PIM Unit at the Ministry of Planning and International Cooperation (MoPIC) has been established and a new senior Director has been appointed to lead it. The unit is currently going through capacity building to prepare it to take on its new role as a first stop where all Public and PPP projects will receive initial review by the unit. The PIM unit shall be the central expert body for Public Investment Projects (PIPs) and assist line ministries in providing oversight, standardized templates, and assist in conducting technical and economic analyses of these projects. The PIM Unit has already procured the National Registry of Investment Projects (NRIP) which will include Public Investment Project (PIP) Databank and the Public-Private Partnership (PPP) Project Databank. The PIM unit has been providing capacity building to various ministries on how to fill out the standard concept note and appraisal templates. The GoJ will make it mandatory for all projects in the 2022 budgets to go through the new PIM-PPP framework. The PIM Unit is also well positioned to align



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with other project screening mechanisms, such as the screening conducted by the National Climate Change Committee on projects eligible for international climate finance.

2. Public Procurement Reform

Improving public sector delivery and creating an enabling environment for private sector-led growth is an important component of Jordan's reform agenda. Public procurement is essential element of improving public sector delivery. A well-functioning and transparent public procurement system can catalyze economic growth by stimulating the private sector and creating business opportunities for more people. This is especially important for a country like Jordan where procurement spending accounts for nearly 40% of the state budget.

Previously, Jordan's public procurement system experienced major weaknesses that limited its ability to create economic development. The regulatory system on procurement was fragmented between 56 bylaws governing various public procurement activities and procuring entities. The system did not have an independent complaints-handling mechanism, nor did it have a policy and regulatory oversight body. Finally, the existing electronic procurement (e-GP) platform has limited functionality that lacks reporting features to enable effective monitoring, and measurement.

The GoJ issued bylaw No. 28 in 2019 which consolidated the legal framework for public procurement and is aligned with international standards and to be applied by all procuring entities. The bylaw created the framework for the establishment of an independent procurement authority and an autonomous complaints-handling mechanism. Implementing instructions were issued in 2019. During 2020, having established one full year of implementation history, the GoJ is reviewing the current bylaw and associated instructions and will make improvements based on practical implementation of the regulations. This could include incorporation of 'green procurement' guidelines which will have a significant impact on resource efficiency of public assets (energy water, waste), support local supply chains, and also result in significant operational savings. An independent ministerial complaint handling committee has been established under the chairmanship of the Minister of State for Institutional Development. In addition, a Policy and Oversight unit at the Prime Ministry is being activated.

On electronic procurement, the GoJ continues to make progress on the implementation of this system (JONEPS). During 2021, two pilots will be conducted with the Ministry of Digital Economy and Entrepreneurship and the Ministry of Education as purchasing entities. Full rollout of the JONEPS system for all GoJ entities is expected to be complete by 2022.

3. Transparency, Governance and Predictability

The Government of Jordan continues its commitment to improve regulatory predictability. Governance challenges in Jordan are particularly pertinent when it comes to the business enabling environment. Many of the uncertainties and administrative burdens faced by investors and



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businesses are a function of inadequate governance practices related to the way rules impacting businesses are prepared, coordinated, consulted, implemented and updated.

In 2018, the GoJ issued the “Code of Governance Practices of Policies and Legislative Instruments in Government Departments for the Year 2018”. The new code aims to increase legislative predictability to ensure the confidence of citizens and the business sector and the stability of legislative instruments that affect the services provided to them, and their businesses. A pilot project was initiated in 2018 that enforced online consultations for new business regulations across 6 major GoJ entities. The GoJ is working to roll out implementation of The GoJ is seeking to finish the implementation of the regulatory impact assessment (RIA) across all GoJ entities by 2021. A RIA guideline is being developed to be used by all GoJ entities in 2021. Furthermore, the Legislative and Opinion Bureau (LoB) is developing a “Legislation Data Memorandum”, which is a document that all GoJ entities submitting new regulations will be required to fill out in the near future. The memorandum will provide information on the type and details of consultations conducted with the public and private sector including providing sufficient proof that the parties impacted have been consulted.

We have amended the Illicit Gains Law by expanding the coverage of employees subject to financial-disclosure requirements. These now include heads and members of ad-hoc municipal councils, executive directors of municipalities, and heads and members of governorate councils. Going further, we will strengthen the role of the Jordan Integrity and Anti-Corruption Commission (JIACC) in the monitoring and oversight of this process. By end-December 2020, we will propose amendments to the Illicit Gains Law, being currently prepared in consultation with Fund staff, to require that all disclosures be submitted to the Commission; to ensure that all disclosure information is maintained within an electronic database, which can be shared across relevant government agencies; and to allow more public access to basic financial disclosure information by public officials (end-December 2020 SB) to increase public trust and accountability.

4. Launching of the “Investor Journey” Program

In 2019, the GoJ has launched an integrated service delivery reform program, the “Investor Journey Program” which identified current challenges and gaps and defined a shared vision for a future integrated service delivery system for investors. The vision involves a introducing a single online point of access to investors to provide an online window for all services related to investor’s business journey, including business entry, operation, and exit. Under this program, the GoJ is conducting a full review to streamline and simplify investment across the business lifecycle, including improving the business registry infrastructure and accelerating implementation of the ongoing licensing and permit reform to reduce compliance costs. Activities under this program include streamlining and canceling a number of sectoral licenses, automation of several registration and licensing processes including, reviewing and streamlining various permits, and improving inspection procedures (3 licenses were cancelled in 2019). In 2020, the Greater Amman



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Municipality eliminated the requirement for firms seeking a construction permit to first obtain approvals from the water, electricity, and telecommunications authorities.

The current efforts to holistically review the business journey for investors will result in significant cost and time savings for business owners because they will identify areas of inefficiencies that can be streamlined, or potentially cancelled. The review process will continue to be performed on regular basis for continuous improvements.

Several projects are currently under way as part of the Investor Journey program. The GOJ will streamline municipal licenses by amending the Vocational Licensing Law for the Greater Amman Municipality (GAM) as well as the Vocational Licensing Law for Municipalities and will issue associated By-laws and instructions by end-June 2020. The new law will reduce a number of processes and approvals. The GoJ is targeting to streamline 14 sectoral licenses in 2021. The ISIC4 classification of economic activities will be adopted uniformly across all government entities in and will, henceforth, be applied for newly registered entities right after. This will improve the coordination between government agencies involved in “Investor’s Journey”, helping to simplify and expedite the registration and licensing procedures for businesses. In addition, the first phase of implementation for the Public Key Infrastructure (PKI) has already started. PKI is a digital certificate authenticating users and devices in the digital world. Related to this is the GoJ efforts to prepare the necessary infrastructure for the use of digital signatures.

5. Increasing Investment and Exports

One of the GoJ’s high priorities is to become export-oriented economy in order to be able to compete and innovate, and to attract investments that can transform the country into a regional hub for high quality goods and services. The GoJ is focused on attracting quality FDI, which leads to transfer of technology and know-how, improves firm-level productivity and leads to global value chain integration and export diversification. High-quality foreign direct investment (FDI) can also create more better-paying, high skilled jobs for the fast-growing local workforce.

Following the opening of 22 service sectors to full foreign ownership in 2019, the Investment Commission developed an investor grievance mechanism (IGM) that helps 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 and launching the Investor Grievance Mechanism. More than 10 cases raised by investors were addressed through this mechanism in 2020.

For the next 2 years, the GoJ will issue a new Investment Law that will remove financial and tax incentives from JIC’s mandate and restructure JIC to make it more dedicated towards investment promotion and enhancing its aftercare services. In addition, JIC is developing a comprehensive Investment Promotion Strategy that will specify its investment promotion objectives for the next 5



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years and the strategic segments as well as service delivery around the investment lifecycle, from attraction to entry and establishment, retention and expansion, and linkages and spillovers.

On exports, the GoJ will focus this year on completing the institutional set up of a new export house (Jordan Exports). This company has been created to support Jordanian companies to expand their exports to current and new markets. The capacity building will cover fields of training and technical capacity and will be building a comprehensive database of export-oriented companies. The GoJ is also in the process of implementation of 3 Competitiveness Reinforcement Initiatives to develop competitive clusters of market players and service providers through an inclusive public private dialogue (PPD) approach. These initiatives utilize the value chain analysis at the product/cluster level and determine specific interventions at the company or cluster level that can be adopted by the private sector to increase their competitiveness.

6. Digital Transformation

Digital technologies are providing unique approaches for people to communicate and access information, but also for the facilitation of structural transformation through new employment opportunities, digital entrepreneurship and enhanced productivity in traditional sectors. The GoJ has adopted a number of initiatives that aim at integrating innovative solutions for efficient and effective livelihoods and employment creation programs. The GoJ is strong pushing for the adoption of e-wallets which serve as an effective tool to respect the privacy for recipients as well as to make sure that the transferred amount is delivered directly to the beneficiary's personal e-wallet account. The number of registered e-wallets has increased from 608,000 to 1.3 million in 2020 which was mainly attributed to the COVID-19 situation which necessitated the use of digital payment platforms to make payments support to various groups in the economy. This increase emphasizes the digital tool's role in meeting Covid-19 challenges, and ensuring private sectors workers receive facilitated services protecting their wages, particularly females, who face pay gaps and violations. Going forward, the GoJ will be implementing an action plan that feature regulatory and technical changes to increase merchant payment and payment acceptance of mobile money payments for both for public entities and for private sector and especially across rural areas outside Amman. The GoJ of Jordan is also in the process of preparing the necessary regulations to facilitate the use of factoring and reverse factoring as an alternative financing tool for SMEs. In 2021, the Ministry of Digital Economy and Entrepreneurship will be working on improving 20 government e-services based on an in-depth assessment.

7. Trade Facilitation

Jordan faces longstanding external challenges due to the crises in neighboring Syria and Iraq, causing, among other problems, disruption to its trade routes. Regional uncertainty and reduced external assistance will continue to put pressure on Jordan in the short- and medium-term. Over the past few years, the GoJ has conducted a series of trade facilitation and logistics reforms such as the introduction of the Golden and Silver Lists introduced by Jordan Customs, in addition to the



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launch of National Single Window (NSW) for customs clearance. The NSW assembles representatives of the concerned departments and institutions involved in the clearance process of goods in one location so that importers and exporters can submit information once to a single focal point or “window”. In 2020, all export and import custom declarations became electronic. This was supported by new regulations enforcing the use of electronic clearances.

Jordan Customs will continue to upgrade the infrastructure needed to expand the digitization of export/import procedures within the National Single Window project such as applying the National Single Window at all points of boarder entry, digitizing the issuance of certificate of origin, and launching trade and trade related permits issuance system at the Jordan Customs including five licensing GoJ agencies connected. In addition, the GoJ will introduce the necessary regulations that ensures efficient, timely and smooth governmental procedures, and comply Jordan’s commitments to the WTO Trade Facilitation Agreement, such as pre-arrival procedures, advance ruling, acceptance of copies, and removing red tapes and bureaucratic complications.

8. Insolvency

Jordan continues to make strong strides in the development of an effective insolvency system that will allow unviable firms to exit efficiently, and viable (although financially distressed) firms to reorganize operations and restructure debt. In 2018 a new Insolvency law was passed and associated bylaws were approved shortly after. The new law aims to enable individuals and companies to reorganize their businesses when in a troubled financial situation under certain conditions agreed upon with lenders. Passing insolvency regulations is key to Jordan’s desire to protect the business interests of local and foreign investors.

Following the modernization of the insolvency framework in Jordan with the 2018 amendment of the Insolvency Law and enactment of associated by-laws, the GoJ is now taking practical steps to activate the new framework. Several Insolvency Practitioners are currently being trained to evaluate and handle insolvency cases. New licensing procedures for insolvency practitioners are being designed. A training program on insolvency for judges will also be delivered soon. By end-December 2020, GOJ will operationalize an electronic insolvency registry which will serve as a good resource to maintain all information on each insolvency case.

9. Labor Market Reforms

The GoJ has taken concrete actions towards an inclusive and well-functioning labour market that provides employment opportunities for all citizens. In addition to setting clear targets for job creation, the GoJ implemented several measures to improve the business environment, especially in order to increase female workforce participation. Hiring costs for young and female workers were reduced and flexible employment was regulated with hourly minimum wage rates to encourage employment of women and youth.



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Furthermore, measures were implemented to promote gender equality in the labor market including legislative reforms to reduce causes of market segmentation. These legislative reforms included addressing professional, location and working hours restrictions for women, and adopting codes of conduct to address harassment in the workplace and in transportation. Recent amendments to the labor law also addressed the association of employer-provided childcare to women employees and mandated wage equity for work of equal value.

Going forward, the GoJ is committed to creating an inclusive and dynamic labor market by expanding access to job opportunities for all, enhancing gender equality and reducing job informality. Consequently, the GoJ will continue to promote job creation and will ensure that employment policies respond to job demand and advance decent work conditions. Measures would include:

- Expanding access to childcare services to overcome one of the barriers to women's employment but also to expedite investment in early childhood development and human capital. The measures will include expanding modalities of employer-provided childcare, reviewing the legislative and institutional framework for licensing of nurseries and legalizing home-based nurseries, training of care providers and provision of fiscal incentives through the maternity fund of the Social Security Corporation (SSC).
- Improving labor market governance and work conditions by adopting ISCO for classification of occupations and issuance of work permits, in addition to reducing employment informality. Measures will include improving and integrating inspection processes, protecting part-time, own-account and agricultural workers through the labor law and through expanded coverage by the social security, and introducing wage protection measures with a focus on reducing the gender pay gap.
- Introducing technical and vocational skills standards and institutional frameworks to improve access to jobs for youth starting with the ICT sector.
- Activating the role of the private sector as the major engine for employment generation and responding to the public-private job premium.

10. Social Protection

Jordan took significant steps to protect the most vulnerable Jordanians and to ensure that all Jordanians enjoy a dignified life. Specifically, the Government launched the Social Protection Strategy (2019-2025), which aims to enhance the efficiency of its available resources to provide a comprehensive, transparent, and just social protection system that alleviates poverty. The Strategy focuses on three tracks: 1) Opportunity (to ensure a fair labor market that offers decent work conditions and social security); 2) Empowerment (to provide comprehensive and high-quality services that include education, health and social care for individuals); and 3) Dignity (to provide targeted and temporary social services to vulnerable citizens).

The Government developed and adopted the National Unified Registry (NUR), a single gateway for all Jordanians seeking social assistance, which allows for more effective targeting of vulnerable



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households, analyzing their situation and determining the services required to improve their livelihoods. Alongside NUR, the National Aid Fund launched the Takaful Cash Transfer Program, which introduced significant improvements in the delivery of cash transfers in Jordan, including: online registration, automatic data verification, improved targeting methodology of beneficiaries (including for electricity and bread subsidies), digital accounts, digital payments through basic bank accounts or e-wallets, and a robust grievance mechanism to document and track all cases. In 2019, the Takaful Program currently benefits over 133,000 households and will reach 178,000 households by 2021, as part of a three-year expansion plan. It is worth noting that all of beneficiaries receive their cash transfers digitally through basic bank accounts or e-wallets.

The Takaful Program and NUR were deployed rapidly at the outset of the COVID-19 pandemic to provide emergency cash transfers to around 155,000 additional poor and vulnerable households, specifically those headed by daily workers who have been significantly impacted by the lockdown. Finally, the Ministry of Labor and the National Aid Fund launched a joint Economic Empowerment Program to integrate the vulnerable population in the labor market. The main objective of the Program is to support the transition of poor households benefiting from social assistance out of poverty through the labor market.

11. Public Transportation

The transportation sector plays a vital role in the economic development process due to its direct social and economic impacts, in addition to its cross-cutting nature with other sectors. The main reforms the Government is addressing in this sector aims at enhancing the quality of public transportation services through a set of measures that includes consolidating land operators, modernizing bus fleets, applying advance technologies in the planning and management of public transportation, revising and updating urban transportation plans, revising tariff structure, and upgrading infrastructure.

In addition, the reforms tackle enhancing women's mobility and access to employment and markets, by issuing regulations and code and conducts, and taking measures to ensure safe and efficient transportations services for women.

On the other hand, to expand the range of transportation means, with a sustainable and feasible approach that reduces its costs to other sectors, the government is taking measures towards developing the railway network to link major social, economic and trade centers across the kingdom, in addition to consolidating and modernizing the trucking fleet to enhance its competitiveness and access to regional and international markets.

12. Energy

Recognizing the substantial contribution of energy costs to the cost of doing business, and the high fiscal burden of the energy sector on the budget, the Government paid specific attention to



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improving the efficiency of the energy sector. In 2019, the Government adopted and started implementing a Financial Sustainability Roadmap for the energy sector, which includes concrete actions and measures to adopt international best regulatory practices; improve operational performance; address NEPCO's debt optimization; enhance the targeting of electricity cross-subsidies; and review the tariff structure.

More recently, the Government launched a new Energy Strategy for the years 2020-2023, which focuses on security of energy supply, energy availability, energy sustainability, as well as increased dependence on local sources.

13. Water and Agribusiness

Jordan water sector is facing tremendous challenges: extreme scarcity, increasing demand for both drinking and irrigation water with influx of refugees and the impacts of climate change. Consequently, water resources are over exploited, and the financial losses continue to present strong challenges. In the last few years, Jordan has made strong progress in improving the water sector operational cost recovery and has encouraged the reuse of treated wastewater and better irrigation technologies. Going forward, the GoJ will roll out a plan for the utilization of smart metering technologies and solutions for large consumers and households in order to reduce water losses. The GoJ will continue to improve the water sector technical and commercial performance due to the very high level of non-revenue water in domestic water distribution. Such improvement will be supported by a stronger participation of the private sector through PPPs. Improving the water utilities performance will be key going forward through consolidated budgets and integration of meaningful performance indicators. Finally, better coordination between the water and energy sector strategies and the use of new energy efficiency technologies will work to balance the reduction of losses of both sectors.

In addition, strong reform measures will be implemented to improve the use of irrigation methods considering that it consumes more than 52% of Jordan water resources. The GoJ will continue to improve the agricultural water productivity (more crop per drop) while substituting unsustainable agricultural water abstractions with reclaimed water from municipal wastewater treatment. Stronger regulations will be put in place to prevent the increase use of groundwater abstraction. The GoJ will develop a "smart subsidies" framework focused on creating incentives to maximize water efficiency in the production of export destined crops. It will also continue its digital transformation efforts such as digitizing the agricultural records and certificate of origins for crops and the issuance of electronic import and export licenses. Finally, the Ministry will develop a framework of financing instruments that will incentive accelerated investment in innovation and technology (with a specific focus on women and youth).

14. Tourism



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Being a main contributor to economic development, job creation, and supporting the country's foreign reserves, the mid-term review of the Reform Matrix will introduce a new pillar for the tourism sector. Though this still is still under consultation, the proposed reforms address key aspects of the sector, including recovery measures to overcome the Covid-19 crisis, and reviewing regulations related to quality, safety and classification standards. The reforms also address ecosystem of the tourism sector, such as market access conditions, and registration and licensing procedures, aiming at enhancing the competitiveness of the sector.

Furthermore, enhancing the involvement of the private sector is also a key aspect of the reforms, by including proposed actions that are related to public private partnerships in site managements, ticketing systems, supporting entrepreneurship and developing new tourism products, in addition to assessing opportunities to expand and enhance transportation routes between main touristic attractions.

To ensure effective and efficient policy making, the proposed reforms include action to build research and planning capacities within the sector, in particular those related to producing and utilizing data provided through Tourism Satellite Accounts.