



# From Resilience to Growth: Realizing Jordan's Development Vision

Shaping a more livable world.

## United Kingdom

3rd Floor Block C  
Westside, London Road  
Apsley | Hertfordshire, HP3 9TD  
+44 (0)1442 202400

## United States

7600 Wisconsin Avenue, Suite 200  
Bethesda, MD 20814  
Tel: +1-301-771-6600  
Fax: +1-301-771-7777

[www.dai.com](http://www.dai.com)

# Contents

|   |           |
|---|-----------|
| <b>I. Introduction</b>  | <b>1</b>  |
| A. Resilience: Indices of Jordan’s Strength .....                       | 1         |
| B. Growth: From Stopgap Measures to Sustainable Tools .....             | 2         |
| C. Priorities: The Jordan Economic Growth Plan .....                    | 3         |
| <b>II. Recommendations: Moving from Resilience to Growth</b>            | <b>5</b>  |
| A. The Physical Environment .....                                       | 5         |
| B. The Policy Environment .....   | 7         |
| C. People .....   | 7         |
| D. Systems .....  | 8         |
| F. Renewal .....  | 10        |
| <b>III. Adding Value to Development Efforts: The DAI Advantage</b>      | <b>11</b> |
| A. Relationships .....  | 11        |
| B. Expert Resources .....   | 11        |
| C. Technical Experience .....   | 12        |
| Infrastructure .....  | 12        |
| Fiscal Reform .....   | 13        |
| Policy Reform .....   | 13        |
| Competitiveness .....   | 13        |
| Workforce Development .....   | 14        |
| Women’s Empowerment .....   | 14        |
| <b>Annex I: Roster of Jordanian and International Experts</b>           | <b>17</b> |
| <b>Annex II: Intellectual Capital from Decades of Global Experience</b> | <b>19</b> |

# I. Introduction

Jordan is often heralded as an oasis of peace in a region fraught with conflict. That distinction, though, has come at a high cost to the country's infrastructure, its economy, and its prospects for growth. Although donor pledges have been increased to meet the challenges of a nearly 20 percent spike in the population since the beginning of the Syrian refugee crisis, not all of these funds have been received, and government officials are concerned that the ongoing development needs of Jordan's host communities are not being sufficiently addressed. This geopolitical context has informed recent relief programs in the country, but it has also become a baseline for a more ambitious vision, one that plots a path from resilience to growth.

The purpose of this document is to inform that vision with the experiences and lessons DAI has accrued during its two decades of implementing donor-funded programs in Jordan. From water and infrastructure, to fiscal reform, workforce development, and women's empowerment, DAI's corporate capabilities extend to virtually every sector of Jordan's economy and include longstanding relationships with key players in government and the private sector. Although the activities that helped forge these experiences and relationships have each produced a wealth of knowledge products, capturing key data points and offering robust analysis of the socioeconomic landscape, this document has a different purpose: it is intended as a survey of DAI's lessons learned and, more broadly, an invitation to draw from these experiences to enrich the design of new programs.

## A. Resilience: Indices of Jordan's Strength

An August 2016 report published by Jordan's Ministry of Planning and International Cooperation (MOPIC) estimates that the country has borne an additional \$6.6 billion in direct costs—in healthcare, education, transport, and municipal services—since the beginning of the Syrian refugee crisis in 2011. That crisis, now six years in the making, has only widened the gap between Jordan's current economic reality and the ambitious employment, investment, and export programs of its key donor partners. While many of these programs had initially forecast growth in Jordan's knowledge-economy sectors, those sectors have since struggled with investor wariness and a government beset by an unprecedented strain on its already scarce resources. Take healthcare, for example: the same MOPIC report documents a 30 percent increase in hospital and health center occupancy nationwide, resulting in a 24 percent “shortfall in the availability of hospital beds.”

Worse, these gaps are not temporary. In its *Jordan Response Plan to the Syria Crisis*, MOPIC makes clear that “the prospects for a prompt return of the millions of Syrian refugees to their home country are remote”—a reality that, it says, “will likely translate into mounting costs and ever-increasing challenges to the social, economic and political fabric of the country.” As His Majesty King Abdallah II has noted, even those who might return are expected to remain, on average, 17 years in the country. Moreover, approximately half of the current population of refugees—almost 700,000—were already coming and out of Syria and spending at least a third of their time in Jordan before the crisis. Both the scope and exigency of these challenges gave rise to the Jordan Compact, an innovative development approach to not only cushion the impact of the Syria crisis, but also view it as an opportunity for more comprehensive planning, more coordinated funding, and—crucially—more ambitious interventions aimed at creating exponentially more investment and jobs. Indeed, Jordan's response to recent economic challenges has

been an affirmation of hope in an era of crisis. The role of donors is to sustain that hope through forward-thinking programs driven by the vision and priorities of the Jordanian government.

## B. Growth: From Stopgap Measures to Sustainable Tools

Given the breadth of challenges facing Jordan as a result of the Syrian crisis and other regional conflagrations, the government, together with the international community, has structured the implementation of Jordan Compact according to “streams” that, together, address a range of issues, from health to education to water and sanitation. Recognizing that monetary assistance alone cannot adequately address these and other issues, the Compact details specific macroeconomic interventions meant to stimulate growth in the Jordanian economy, creating jobs for Jordanian communities and for the hundreds of thousands of displaced Syrians they host—a population that, in the mid- to long-term, may need to be assimilated.

Key among these macroeconomic interventions, for example, is a 10-year trade regime that relaxes so-called “rules of origin” requirements for Jordanian exporters to the European Union (EU). The deal lowers minimum requirements for “local content,” the locally sourced raw materials used to manufacture Jordanian products; includes some 200 such products on a list of approved exports; and eliminates the EU’s stringent “double transformation” rule, which rules out one-step product assembly. With 18 development zones—spanning Jordan’s north, south, east, and west—poised to benefit from the EU trade agreement, the potential for dramatically increased exports and corresponding job creation is on par with the equally dramatic challenges laid out in the government’s *Jordan Response Plan*.

Like the EU trade agreement, most assistance under the Jordan Compact is governed by a finite time horizon and, as important, by metrics like the World Bank’s Disbursement-Linked Indicators. As such, they require:

- A concerted policy reform effort to ensure an enabling business environment and corresponding uptake from the private sector.
- Robust investment promotion and trade facilitation functions housed within a sustainable Jordanian institution like the Jordan Investment Commission.
- The people and tools to track outputs, evaluate impact, and galvanize a range of stakeholders—in government, the private sector, and donor agencies.

Taken together, these interventions aim to manage Jordan’s substantial development needs while adding value to the Jordanian government’s long-term vision for economic growth. Donors have rallied around this vision, in part, by supporting a Project Management Unit (PMU) at MOPIC, which is tasked with overseeing international support allocated for the Syrian crisis and ensuring that it not only benefits the immediate humanitarian needs of refugees and host communities, but also contributes to Jordan’s long-term economic stability. This unit, by coordinating among donors and between themselves and their Jordanian government counterparts—chief among them MOPIC and the Ministry of Industry, Trade, and Supply—is laying the groundwork for a model of more effective aid, one that points the wide range of resources at the international community’s disposal in a common direction and with clear metrics for measuring their impact. Ultimately, the aim of the donor community—and of DAI—is to assist Jordan as it moves from resilience to growth.

---

### The World Bank Framework and Jordan Economic Growth Plan, 2018–2022

The most recent Jordan Economic Growth Plan and October 2017 World Bank “Jump-Starting Growth and Job Creation in Jordan” framework map out development priorities for the country over the coming five years. These priorities are broadly defined as:

#### **Narrowing Macro Risks and Imbalances**

- Export development

#### **Enabling Investment**

- Competition policies
- Business environment
- Foreign direct investment attraction
- Finance and banking

#### **Enabling Labor Force Participation**

- Jobs strategies
- Labor reforms

#### **Enacting Institutional Reform**

- Regulatory
  - Budgetary
-

### C. Priorities: The Jordan Economic Growth Plan

Although the Syrian crisis and ensuing response have gone a long way toward galvanizing the Government of Jordan and the donor community around a common set of activities, ensuring that these activities are part of a robust plan for economic growth will require an agreed-upon framework grounded in the government’s own vision. That vision is contained in the **Jordan Economic Growth Plan (JEGP)**, a five-year roadmap published most recently in 2018 by Jordan’s Economic Policy Council and closely tied to the requirements of the International Monetary Fund’s Extended Fund Facility. Closely tied to the JEGP and adding further rigor to the analysis is the World Bank’s recent **“Jump-Starting Growth and Job Creation in Jordan,”** a framework presented in October 2017 that lays out “elements of a responsive adjustment program that will lead to higher GDP growth and better jobs outcomes.” To the extent that it reflects the priorities of the JEGP, this World Bank framework serves as a useful mechanism for organizing upcoming donor-supported efforts in Jordan.

## II. Recommendations: Moving from Resilience to Growth

A recent DAI study showed that an increase in foreign aid by \$100 million would lead to a 1.3 percent increase in jobs in Jordan while an increase in 1,000 Jordanian firms would lead to a 1.93 percent increase in jobs. Unleashing those relatively greater national resources, though, takes interventions at all levels of the economy, from macro policies, to “meso” support to business associations to help them advocate for their respective sectors, to firm-level support and entrepreneurship programs—a combined strategy that we like to call “vertical development.”

It also takes an understanding, informed by data, that not all donor interventions, however well-intentioned, will lead to the kind of investment and job creation Jordan needs. Jordan’s knowledge economy, for example, attracts foreign investors likely to place their capital in in the country’s ICT or clean technology sectors. But these, in turn, are not likely to produce the highest number of jobs, at least not initially.

Addressing this challenge, DAI has worked with donors to design and manage a portfolio of projects that aims to further develop Jordan’s reputation as a knowledge-economy destination while acknowledging that the sectors associated with that economy cannot, alone, generate the kind of employment Jordan needs. Instead, donors can best contribute to growth by focusing on six core themes, each described in greater detail below:

- The Physical Environment
- The Policy Environment
- People
- Systems
- Businesses
- Renewal

### A. The Physical Environment

As described above, Jordan’s most pressing environmental challenges involve energy and water scarcity. Addressing these challenges will take a comprehensive strategy that accounts for the natural resource constraints faced by the country, while building upon recent innovations in renewable energy and water management.

*Renewable Energy.* One of the most significant challenges facing the Renewable Energy (RE) sector in Jordan is the lack of long-term planning to mitigate the impact on the electrical grid. After all, large consumers such as telecommunications companies and banks pay high tariffs to sustain the grid and subsidize electricity costs for low-income households. Smart planning could include, for example, a ten-year scheme to gradually remove these large consumers from the grid by equipping them with RE solutions that can be paid over three or four years at an equivalent rate to their current bill. This gradual transition is important in the long-term because, as long as Jordan maintains subsidies, it will always have distortions in the RE model.

In addition, Jordan’s national electricity provider has over-capacity issues owing to a recent oil shale commitment as well as the pending natural gas deal with Israel. With these on the horizon, government officials claim that the grid cannot accommodate more inputs, thus hindering investment in the RE sector.

---

A recent DAI study showed that 1,000 home-grown firms would create more jobs than \$100 million in donor funds.

---

Notwithstanding these infrastructure challenges, Jordan has policies in place to catalyze the sector. The Kingdom's **wheeling and pooling regulations**, drafted and finalized with DAI technical assistance, were a landmark achievement because they allowed the country to leverage Jordanian households' longstanding utilization of renewable energy, mainly through rooftop solar panels offering an inexpensive way to heat homes' water supply. With the culture of renewable energy usage already widespread, these regulations opened up a new economic possibility: individuals and businesses could now exchange any excess energy they generated for credit with public utilities, and those utilities, in turn, could re-sell this 100 percent zero-emission energy to yet more customers and businesses. This win-win, however, will take significant upgrading of the country's electrical grid, which has limited capacity to receive excess energy in this way.

---

DAI sees an opportunity for donors to facilitate public-private partnerships—including with some of the international companies (e.g. Tesla) eager to participate in the fledgling electric vehicle industry—to develop Build-Operate-Transfer or other similar arrangements that would allow Jordan to quickly upgrade its national grid and make full use of recent renewable energy enabling regulations. This, in turn, would enable investment consistent with the priorities of the JEGP and World Bank framework.

---

*Water Resource Management.* Historically, Jordan has focused almost exclusively on water “supply” development rather than managing water “demand.” In fact, a DAI-implemented activity was the first USAID-funded project to try to shift focus to making demand more efficient. Through this activity, DAI supported the retrofitting of faucets and showerheads for approximately 3,450 houses in Amman, 700 in the northern governorates, and 300 in Aqaba. This effort followed a baseline survey in the respective utilities of these areas, which showed an opportunity for increasing conservation at the household level. Similarly, the DAI-managed program provided 200 houses with plumbing maintenance and retrofit services in Zarqa and Mafraq Governorates. The latter effort was managed through grants to seven Community-Based Organizations (CBOs), which in turn used the funds as revolving loans to residents for the express purpose of implementing water-use efficiency solutions.

---

Unfortunately, since this DAI project ended, there has been minimal donor focus on demand management, even though this remains a critical need. Consistent with the JEGP and World Bank Framework focus on narrowing macro risks, DAI urges donors to consider affordable, household-level water management scheme, in which CBOs would manage similar revolving loan funds, offered at minimal rates to consumers and designed to incentivize adoption of more efficient water management tools. Alternatively, such a revolving fund could be offered by a commercial bank like Al Ahli, which in 2016, partnered with JCP to develop a clean energy lending product.

---

## B. The Policy Environment

*Enabling Measures.* Jordan has registered significant progress against its policy reform goals, including those tied to the EU Rules of Origin decision and, in the case of the country's **PCT accession**, the US-Jordan Free Trade Agreement. What's more, Jordan recently jumped 15 positions in the World Bank's *Doing Business* rankings, from 118 to 103—an achievement that owes to factors like the ease of getting electricity, registering a property, or trading across borders. DAI anticipates that this ranking will further improve with the activation of Jordan's **collateral registry**, another activity facilitated by JCP and one likely to improve Jordan's relatively low ranking in the access to finance category. Still, much remains to be done. Although many of the incentives needed to stimulate exports or attract investment are already being developed with support from the donor community, DAI has accumulated a short-list of legislative initiatives that, if enacted, could significantly increase the income- and employment-generating potential of the country's knowledge-economy sectors, in particular.

---

In addition to their ongoing policy work through the PMU and associated government bodies, DAI recommends that donors support the specific ICT-sector enabling policies put forward in the 2016 REACH 2025 strategy, a document produced with DAI technical assistance and reflecting the priorities of the JEGP.

---

*E-Government Initiatives.* Among the themes of Jordan's broader economic development strategy is to enhance e-government services by making most, if not all, of them available through online apps. Such a move would be in line with Jordan's leading position as a purveyor of easily accessible online citizen services, from license renewal to utility payment. Like utility payment, which is done in partnership with **e-payment** provider eFawateer.com, also a DAI partner, the government's new mobile apps could be developed in partnership with the private sector—including graduates of DAI's Microsoft-led mobile app training program, implemented with USAID support through JCP.

---

DAI recommends that donors allocate resources to support process re-engineering and improved efficiencies in government departments seeking to implement mobile app solutions, an effort that would help increase domestic tax collection and resource mobilization as well as lift Jordan's ranks in the annual *Doing Business* report—all while addressing corruption and making Jordan more attractive for all investors, local and foreign—in line with the JEGP and World Bank Framework focus on enabling business-friendly institutional reform.

---

## C. People

Although entrepreneurship programs are favored by many donors for their direct impact on individual beneficiaries and, in the aggregate, their contribution to small- and medium-sized enterprise development, Jordan is also in dire need of jobs on a scale impossible to reach through entrepreneurship programs alone. Coupling these with high-impact workforce development initiatives, however, can create jobs while fulfilling demand for work among Jordan's highly skilled graduates of ICT and other knowledge-economy programs—a significant proportion of whom are unemployed.

*Workforce Development.* DAI has worked with USAID to develop highly successful **Employment Promotion Units (EPUs)** in some of the most underserved areas of the country. These units have completed more than 5,000 job placements, registered 1,401 job vacancies, made 4,122 job referrals, and registered 8,109 job seekers as part of their routine employment promotion activities. What is more, approximately 93 percent of job seekers who were successfully placed in jobs during the year retained those jobs after six months. Of significance is that a major portion of those placed in jobs were employed by the National Alliance Against Hunger and Malnutrition (NAJMAH), which targeted job seekers in rural and impoverished areas. Given this success:

---

Consistent with the JEGP and World Bank framework call for greater labor force participation, DAI recommends that donors allocate funds to support the already established EPUs and encourage them to seek further collaboration with government-subsidized programs whose social service aims benefit those they employ as well as their communities. Jordan could also benefit from “bootcamps” that can sharpen the technical knowledge of fresh graduates and improve their so-called “soft skills.”

---

*Entrepreneurship.* The bootcamp model was a core part of DAI’s work with the start-up accelerator Oasis500, which has identified more than a dozen firms that have gone on to attract more than half-a-million dollars of investment. Similarly, DAI’s work with iPARK, the Jordanian business incubator, has been a lynchpin of USAID’s efforts to promote and sustain entrepreneurship in the country. As of July 2017, the DAI-managed grantee has generated 237 high-value jobs—169 in Amman and 68 in Irbid—of which more than half have gone to females. Additionally, the grant reported more than \$1 million in investments in its Jordanian startups. These numbers are likely to rise, as the grant has been modified to include an expansion of iPARK’s incubation services to the southern region, where, in the last quarter of 2017, an incubation facility serving entrepreneurs in Aqaba was inaugurated.

---

As the USAID grant to iPARK has closed, DAI encourages donors to consider extending similar grants that would enable continuation and expansion of incubation activities in Amman, Irbid, and Aqaba; capacity-building training for incubated entrepreneurs in all three locations; and networking opportunities for incubated entrepreneurs—goals that would enhance Jordan’s current labor strategies, as called for by the JEGP and World Bank framework.

---

## **D. Systems**

Of all the services in demand by Jordan’s citizens, healthcare is among the most strained by the country’s surrounding crises. Data collected by the Private Hospitals Association, a DAI partner in JCP’s medical tourism activity, suggests a severe shortage in hospital beds where they are needed most as well as a health insurance system faltering under the cost of unnecessary hospital visits. To address the latter, DAI has partnered with the King Hussein Cancer Center (KHCC) to formalize the home healthcare industry, an effort that offers lessons for service delivery improvements in other sectors.

*Health.* Jordan has long enjoyed a reputation for excellent healthcare services—a mix of outstanding hospitals, highly skilled doctors and nurses, and temperate weather that

welcomes thousands of medical tourists each year. For many of the Kingdom's residents, however, these services can sometimes be oversubscribed, with medical facilities and the areas that host them becoming increasingly crowded. That challenge has only grown since the influx of refugees from successive crises in Jordan's neighboring countries, including Syria and Iraq. DAI is helping address overcrowding in hospitals and medical facilities by working with KHCC to bring professional healthcare services to patients' homes. The home health and palliative care initiative is being supported by a USAID grant, in partnership with the Jordan Nursing Council and Jordan University, which has agreed to accredit portions of the program. Once this accreditation is in place:

---

DAI sees ample opportunity for scaling Jordan's home healthcare sector to private and public hospitals throughout the Kingdom, an effort that has the potential to reduce medical costs for patients and providers alike while creating jobs, a key aim of the JEGP and World Bank framework.

---

*Service Delivery.* Although home healthcare is a niche sector with specialized skills, DAI's experience developing and rolling out this initiative may be instructive to other forms of service delivery. In particular, DAI sees an opportunity for donors to forge partnerships with financial service providers—similar to those KHCC developed with insurance companies as part of the home healthcare initiative—to offer incentives for customers to reduce their costs and become more efficient consumers of public services.

---

Donors can apply this public-private approach to energy and water consumption, in particular, encouraging banks to partner with public utilities on programs that offer access to finance—as called for by the JEGP and World Bank Framework—for more efficient green solutions to household needs, thus reducing costs for consumers and service providers alike.

---

## E. Businesses

DAI, through JCP, has worked to provide short-term **technical assistance to Jordanian manufacturers** pursuing export to the EU under the Rules of Origin decision. JCP's has worked at the factory level to: (1) conduct comprehensive export readiness assessments and audits of 21 Jordanian manufacturers; (2) facilitate implementation of the recommendations to improve their products in line with market demand; (3) provide firm-level technical assistance with meeting stringent EU requirements, standards, and specifications; (4) develop tailored market entry strategies to a shortlisted number of companies with the highest potential to export; and (5) facilitate business-to-business (B2B) matchmaking and linkages between the shortlisted companies with potential partners in the EU. Although JCP plans to continue this effort with up to ten companies, assisting them with marketing, communication, and design and facilitating B2B linkages, this effort will require long-term sustained effort to take full advantage of the EU incentives.

---

DAI will work with donors to share the expertise it has developed through its firm-level assistance program, with an eye to extending it beyond the life of JCP. Given the barriers to entry to the EU market, scaling this firm-level work will encourage exports to other regions with far less stringent export requirements, thus addressing a key recommendation of the JEGP and World Bank framework.

---

## **F. Renewal**

Although the devastating effects of Syria’s long-running civil war have been felt most through its refugees, for Syrians who remained—or will return—the process of reconstruction will be a costly, arduous, and logistically challenging one. No country is better positioned to support this effort than Jordan, by virtue of its geographical proximity and its reputation as a safe hub for the international actors managing Iraq reconstruction. At the same time, when a peace deal is brokered and reconstruction can begin, much of the warehousing and transport to and from Syria will, of necessity, be positioned along Jordan’s northern borders, where many of the areas hardest hit by the crisis are remote and underserved.

---

DAI believes that the eventual Syria reconstruction effort will represent an opportunity to “build back better” and recommends that donors consider creating a logistical apparatus, potentially through a trust fund, that would assist in the management of that reconstruction while: (1) employing local residents and (2) establishing a small grants program that would encourage renewal in Jordanian host communities. These twin aims would address both the access to finance and job creation aims of the JEGP and World Bank framework.

---

# III. Adding Value to Development Efforts: The DAI Advantage

Although DAI's achievements in Jordan are many and our vision of the country's future grounded in the JEGP and World Bank framework, our most valuable distinction may ultimately be our flexibility and responsiveness to donor needs. Most recently, that flexibility has been demonstrated through DAI's ability, through JCP, to meet the demand of the refugee crisis and the evolving priorities of USAID and the Government of Jordan. Our successful launch of the PMU hinged, in turn, on our well-established relationships with the government, the donor community, and the private sector.

Moreover, the related reforms that JCP has worked toward in parallel, though undertaken with the Compact as their impetus, will benefit Jordan over the long-term. Just as USAID was previously able to enact important capital market reform through its work with that sector under JCP's predecessor projects, donors can leverage the Jordan Compact to turn crisis into opportunity, encouraging reforms that will have similar long-lasting impact on the country's economy.

## A. Relationships

That USAID, in the Fall of 2016, directed JCP to establish the unit charged with managing the Jordan Compact—the international donor community's response to the refugee crisis—was a sign of that community's confidence in DAI and the firm's management of large, multi-stakeholder programs in complex environments. Through its high-level engagement with Government of Jordan stakeholders, USAID, DFID, GIZ, the World Bank, and other key donors and its development of more than a dozen business enabling policies and regulations, including those summarized in this document, JCP had by then evolved into USAID's flagship policy program in Jordan. This distinction positioned the program to design targeted interventions that could further unlock the potential of the Jordan Compact, particularly as it aimed to create jobs by attracting exponentially greater investment to the country and stimulating exports to new markets.

Similarly, the DAI-implemented Workforce Development (WFD) program has helped establish complementarity between the programs of USAID and GIZ, in particular, negotiating a partnership around a network of Employment Promotion Units (EPUs) that are providing work to both Jordanian and **Syrian laborers**.

## B. Expert Resources

All of these activities, of course, are built on *human* relationships, and DAI is proud to count among its staff and board members some of Jordan's most respected experts and technical advisors. From former ministers to the former head of the Royal Scientific Society, from lawyers to financial sector experts to healthcare professionals—DAI's roster of Jordanian experts is both committed to our firm and its values and respected among our peers. So much so, in fact, that our largest programs in-country are run entirely by Jordanian nationals, from their chiefs of party to their key staff. Please see Annex I for a roster of DAI's selected Jordanian and international experts and technical advisors.

Given the above comparative advantages that DAI brings to the Jordanian development landscape as well as our deep knowledge of the country and its key sectors, DAI is poised

to continue partnering with the donor community on forward-looking programs that, collectively, can support the Kingdom in moving from resilience to growth.

### C. Technical Experience

Through decades of direct implementation experience in Jordan, DAI has developed a highly refined understanding of the country’s development needs and the role of donors vis-à-vis the private sector. Throughout, we have accrued expert knowledge of the individual nodes along this development continuum, from infrastructure, to fiscal and policy reform, to workforce development and women’s empowerment.

#### Infrastructure

Although the severity of Jordan’s infrastructure challenges is not as stark as, say, Afghanistan’s—they are arguably most pronounced in two sectors: water and energy. In both of these sectors, DAI has worked with donors and the Jordanian government to forge sustainable solutions that address immediate needs while accounting for long-term growth.

*Water.* As one of the 10 most water-deprived countries in the world, Jordan is faced with an economic dilemma: to raise the quality and standard of living of its citizens, it must expand the commercial, industrial, and tourism sectors, but to do so it must put additional stress on the country’s already stretched water resources. To balance these competing priorities, Jordan needs a prudent policymaking process that seeks to give voice to those most affected by water scarcity. As part of its experience in Jordan’s water sector, DAI helped the Ministry of Water and Irrigation develop a National Water Demand Management Policy for Jordan through a consultative process that involved 30 stakeholders. The policy was approved by the Council of Ministers and led to practical water management improvements that have earned Jordan international recognition, including the Global Water Intelligence Distinction Award for, among other measures, an innovative building code that allowed Amman to achieve a 40 percent reduction in water demand from new high-rise developments.

*Energy.* With no petroleum production and an economy that is struggling with the consequences of regional conflict, Jordan has clear reasons to embrace green technology. With 330 days of sunshine per year, Jordan’s policymakers have long understood the value proposition of solar energy. From urban rooftops to hospitals and schools, photovoltaic panels are already powering individual residences and institutions throughout the capital of Amman and beyond. That kind of piecemeal reliance on sunshine, however, is not enough to revolutionize an entire economy. To do that, especially in a country short on public transportation, policymakers needed to find a new, greener way to keep its population mobile. Thanks to DAI’s technical assistance as part of the USAID-funded **Jordan Competitiveness Program (JCP)**, the government adopted wheeling and pooling measures which enable producers of solar-generated electricity to pool their output and sell any excess to the national grid. This, in turn, has created incentives for fuel retailers to set up solar-enabled electric vehicle charging stations. The combined impact of this DAI intervention has been to create an entirely new industry in the country, one with both environmental and economic benefits. In fact, data from the Drivers and Vehicles Licensing Department shows that, since DAI’s intervention began in 2014, the number of **electric vehicles** on Jordan’s roads has roughly tripled each year—from 73 three years ago to nearly 5,000 in 2017. By 2020, that number is expected to grow to more than 50,000, marking a nearly 700x return on USAID’s investment.

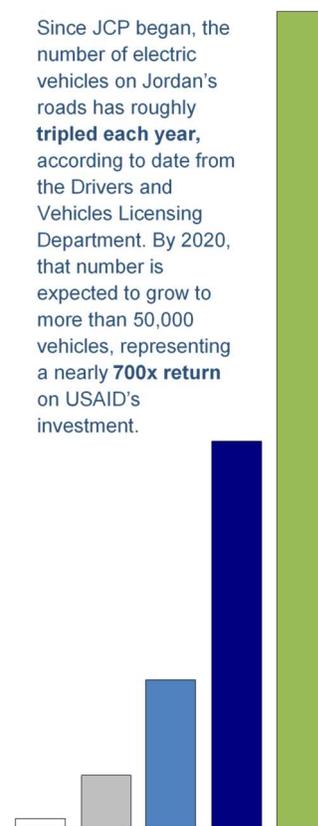
#### A Track Record of Delivering Results

DAI prides itself on working with our partners to design effective programs, but we gauge our success by the quantifiable results we deliver to our clients. Over the last five years in Jordan, for example, DAI has:

- Created 14,886 jobs
- Secured \$30,130,909 in investment
- Drafted/passed 26 pieces of legislation
- Facilitated 39 market linkages

#### Growth Trends

Since JCP began, the number of electric vehicles on Jordan’s roads has roughly **tripled each year**, according to data from the Drivers and Vehicles Licensing Department. By 2020, that number is expected to grow to more than 50,000 vehicles, representing a nearly **700x return** on USAID’s investment.



- 2014: 73
- 2015: 394
- 2016: 1,201
- 2017: 4,651 (est.)
- 2018: 11,551 (est.)

## Bringing Innovative Ideas Back Home

A JCP study showed that, between 2000 and 2014, three times as many Jordanian patent applications had been filed outside the country as in it. Reversing that trend and bringing innovative ideas back home is a key objective of Jordan's PCT



## Fiscal Reform

As exciting as Jordan's technological aspirations are, implementing them will take responsible fiscal practices that seek to maximize private investment, including through public-private partnerships, while reducing inefficient government spending. Perhaps nowhere is that inefficiency more readily apparent than in the government bureaucracies that, by 2009, had accounted for some 13 percent of the national workforce. Reducing redundancies while ensuring that workers eventually had opportunities in the private sector was a key activity of the DAI-managed **Fiscal Reform Project II** and its follow-on bridging activity, both funded by USAID. Working from 2009-2017, DAI applied a "whole-of-government" approach to foster innovative, responsive, and efficient government, whether through better provision of health care services, better targeted cash assistance to low-income populations, or simply smarter spending. Among its many achievements, this project collaborated with the Income and Sales Tax Department to improve IT systems, customer service, and taxpayer databases, contributing to a 50 percent increase in **tax revenues** collected since 2010. On the policy level, DAI drafted recommendations that led the Council of Ministers to merge, eliminate, or restructure 22 autonomous public institutions, a significant step toward more efficient government. As some estimates put annual losses from inefficient tax and other systems at up to \$900 million—or the equivalent of Jordan's budget deficit after donor support—these efforts are critical to achieving and maintaining economic stability. Future interventions could include e-filing, better tax administration, the effective switching of the burden of proof from the individual/firm to the tax department, and bridging the trust gap between government and taxpayer through concrete, on-the-ground measures.

## Policy Reform

In addition to the above fiscal reform outcomes, DAI has worked behind the scenes with key government stakeholders to draft, advocate for, and enact dozens of legislative measures, from laws to the regulations and instructions governing their implementation. Through JCP, for example, DAI recently concluded a three-year effort to assist Jordan in its accession to the Patent Cooperation Treaty (PCT), a move that will accelerate innovation and the retention of intellectual property in the country. Prior to this effort, JCP had already exceeded its target for policy reforms and new regulations, having crafted at least 13 such legislative interventions. Among these were the regulations and processes needed to activate Jordan's most recent investment law; tax incentives for both the ICT and clean tech sectors; and, as noted above, world-class renewable energy wheeling and pooling regulations that led to tens of millions of dollars in new investments in this sector. One recent investment, for example, included a \$45 million effort to equip the Irbid municipality with solar-powered street lighting.

## Competitiveness

Despite the challenges it faces, Jordan has long been known as a hub for talent, earning the country an edge for regional competitiveness. In August 2009, for example, Yahoo! acquired Maktoob—a popular Jordanian-developed Web portal offering search, payments, and social networking functionality for Arabic-speaking users—for an estimated \$175 million. On the heels of this and other groundbreaking acquisitions, Oasis500, a tech-focused seed investment fund and business accelerator was established in 2010. With DAI technical assistance through JCP, Oasis500 has implemented a series of boot camps, investment events, and entrepreneurship competitions that have led to more than half-a-million dollars being invested in 13 startups and another quarter-million leveraged through follow-on investment. And since studies have shown that the right seed investments can help establish companies that, together, account for up to half of all

new jobs created, DAI has extended its technical assistance to the technology hub iPARK, which, with USAID support, has helped propel more than three-dozen new firms into sustainable operations, creating more than 200 high-value, knowledge-economy jobs.

### **Workforce Development**

Despite the well-earned appeal of these high-tech jobs, the majority of jobs Jordan needs to create are in sectors with the potential to employ exponentially more out-of-work residents. For this reason, a ten-year blueprint issued by the government in 2014 places a premium on vocational training for youth and underserved women populations throughout the country. Through the USAID-funded **Workforce Development Project**, DAI has been a leading partner in fulfilling that vision, including by establishing innovative Employment Promotion Units (EPUs) that are leading to job placements for Jordanians and Syrians. The model has been so successful that it is slated for further funding from the German development agency GIZ, with plans for a self-sustaining, fee-based service in the near future.

### **Women's Empowerment**

The Middle East and North Africa has the lowest rate of female economic participation in the world. This underutilization of an immensely valuable resource—female human capital—impedes the region's economies, including Jordan's. By better engaging women in the economy, the DAI-managed **Arab Women's Enterprise Fund (AWEF)**, funded by the UK Department for International Development (DFID), supports economic growth and prosperity for women. Launched in 2015, AWEF is an initiative to increase economic opportunity and well-being for 150,000 poor women in Egypt, Jordan, and the occupied Palestinian territories. AWEF is successfully working within target market systems and with market actors to increase women's economic participation – working with private sector firms and women to improve their business practices and increase incomes.

In Jordan, AWEF has worked with local municipalities to establish Women's Economic Empowerment (WEE) Units that aim to create systematic, sustainable, and locally driven change in how women access local services. In turn, this improved access to services and information has the potential to empower women by providing them with the information they need to make informed choices. Traditionally, municipalities have focused on providing basic infrastructure and citizen services with little attention to services for women. The introduction of WEE units, hosted by the municipalities, will provide streamlined support for women, all in one easily accessible location, reducing the time they need to spend moving between government departments to gather information. The WEE units provide a socially acceptable place where women can obtain information, access necessary licenses and permits for their businesses, or learn about how to set up their own businesses. Women can also access information related to other government services, including skills development, marketing and finance.

AWEF also works with private-sector firms to institutionalize their practices to benefit women and improve their businesses, including, for example, by institutionalizing linkages between firms and women suppliers. Many of these suppliers have benefitted from the improved services provided by the WEE units to obtain licenses and quality control of production processes. Although the WEE units are helping women access these and other services, the project is also focusing on a much wider approach of improving market systems in target markets to work better for women and empower them to participate more effectively in the market.

The WEE model is an innovation with far-reaching potential and an excellent example of how DAI adds value to donor-funded programs. Currently AWEF Jordan is piloting the WEE Unit in the Greater Jerash Municipality and the Greater Karak Municipality.

# Annex I: Roster of Jordanian and International Experts

| Name                         | Experience / Qualifications   |
|------------------------------|---|
| <b>Jordanian Experts</b>     |   |
| Dr. Wissam Rabadi            | <ul style="list-style-type: none"> <li>Chief of Party, USAID/Jordan JCP</li> <li>20 years of experience in strategic management, business development, private sector development, entrepreneurship and SME support, and innovation</li> <li>Experience working with international Fortune 500 companies, start-up accelerators in Jordan, and donor-funded economic growth projects</li> </ul> |
| Eng. Omar Qaryouti           | <ul style="list-style-type: none"> <li>Chief of Party, USAID/Jordan WFD</li> <li>Former CEO Technical Assistant and EU Projects Manager at JEDCO</li> <li>20 years of experience in workforce development, industrial and service modernization, private sector skills training, and SME development in Jordanian private sector, GoJ, and donor programs</li> </ul>                            |
| Feras Momani                 | <ul style="list-style-type: none"> <li>Director, Jordan Compact PMU at MoPIC</li> <li>Former Innovation Policy Specialist for JCP</li> <li>Expertise in business enabling environment, competitiveness, and government policy development</li> </ul>  |
| H.E. Marwan Juma             | <ul style="list-style-type: none"> <li>Founder and Chairman of Oasis500, the region's leading IT fund and accelerator</li> <li>Founder and Chairman of dot.jo and Kinz</li> <li>Former Minister of Information and Communications Technology</li> </ul>   |
| Reham Gharbiyeh              | <ul style="list-style-type: none"> <li>Jordan Country Director for AWEF</li> <li>Expertise in local economic development, small and medium enterprise development, job creation, and business incubation in rural areas of Jordan</li> </ul>  |
| Omar Asfour                  | <ul style="list-style-type: none"> <li>Trade Lead, Jordan Compact PMU at MoPIC</li> <li>Former Access to Finance Director for JCP</li> <li>Investment and financial expertise from roles with Jordanian private sector, international corporations, and donor projects</li> </ul>   |
| Eman Issa                    | <ul style="list-style-type: none"> <li>Labor Market Lead, Jordan Compact PMU at MoPIC</li> <li>Former Director of Field Programs, WFD</li> <li>Expertise in workforce development, small and medium enterprise development, and public-private partnerships</li> </ul>  |
| Gina Farraj                  | <ul style="list-style-type: none"> <li>Policy Specialist, Ministry of Industry, Trade, and Supply</li> <li>30 years of experience in industrial and trade policy development, SME development, investment promotion, and trade facilitation working with GoJ, donor programs, and the private sector</li> </ul>   |
| <b>International Experts</b> |   |
| Jim Winkler                  | <ul style="list-style-type: none"> <li>DAI Global Practice Lead, Trade and Investment</li> <li>27 years of experience in strategic management, trade and investment, competitiveness, economic governance, economic policy reform, industry development</li> </ul>  |
| Del McCluskey                | <ul style="list-style-type: none"> <li>DAI Global Practice Lead, Environment, Climate Change, and Urban Services</li> </ul>   |

| Name          | Experience / Qualifications   |
|---------------|---|
|               | <ul style="list-style-type: none"> <li>■ 30 years of experience in climate change adaptation, water resources management, WASH, private and public sector development, and clean energy</li> </ul>  |
| Gwen Andersen | <ul style="list-style-type: none"> <li>■ Global Practice Specialist, Energy</li> <li>■ 20 years of experience in renewable energy and rural electrification, energy policy development</li> </ul>   |
| John Yates    | <ul style="list-style-type: none"> <li>■ DAI Global Practice Lead, Public Financial Management</li> <li>■ 20 years of experience in business enabling environment, public financial management, fiscal reform, competitiveness, and enterprise development</li> </ul> |
| Ejonta Pashaj | <ul style="list-style-type: none"> <li>■ DAI Global Practice Lead, Local Governance</li> <li>■ Expertise in decentralization, local government strengthening, service delivery improvement, citizen participation, and community development</li> </ul>               |

## Annex II: Intellectual Capital from Decades of Global Experience

*The following selected publications illustrate DAI's breadth of Jordan-specific and relevant sectoral experience. Please note that any publications available online include a hyperlink to the publication. For access to any publications that do not include a hyperlink, please contact Katie Tilahun at [Katherine\\_Tilahun@dai.com](mailto:Katherine_Tilahun@dai.com).*

Rabadi, Wissam and El-Sharif, Shada. "Plugging In to Jordan's Rising Demand for Electric Cars." *Developments*, Summer 2016. <http://dai-global-developments.com/articles/plugging-in-to-jordans-rising-demand-for-electric-cars/>

USAID Jordan Competitiveness Program. *Export Guide to the EU: A handbook for industrial and manufacturing businesses in Jordan*, February 2018.

Coon, Charles. "Calculating the Fiscal Cost to Jordan of the Syrian Refugee Crisis." *Developments*, Summer 2014. <http://dai-global-developments.com/articles/calculating-syrian-refugee-crisis-fiscal-crisis/>

Coon, Charles. "Fiscal Project Helps Jordan Issue \$1.25 Billion Bond, Saving Millions for Development." *Developments*, Winter 2013. <http://dai-global-developments.com/articles/fiscal-project-helps-jordan-issue-bond/>

Gaston-Mathé, Mathilde and McMahon, Brian. "EU Funds Totaling €4.1 Billion Aim to Boost Investment, Private Sector Engagement in Africa and European Neighbourhood Countries." *Developments*, Winter 2017, <http://dai-global-developments.com/articles/eu-launches-26-billion-fund-to-attract-investment-in-the-european-neighbourhood-and-africas-fragile-states/>

Youssef, Sherry and Drachman, Elizabeth. "Turning Restrictive Social Norms in the Middle East into Job Opportunities for Women." *Developments*, Fall 2017. <http://dai-global-developments.com/articles/turning-social-norms-in-the-middle-east-into-job-opportunities-for-women/>

Chemali, Nadine and Barakat, Mounia. "Despite Regional Instability, Lebanon's Honey Sector Reaches New Heights." *Developments*, Spring 2017. <http://dai-global-developments.com/articles/despite-regional-instability-lebanons-honey-sector-reaches-new-heights/>

Jepsen, John. "The Future of Mobile Money: Traditional Banks, B2B, and the User's Perspective." *Developments*, Winter 2015. <http://dai-global-developments.com/articles/the-future-of-mobile-money-big-banks-b2b-and-the-users-perspective/>

Gallagher, Mark and Heredia-Ortiz, Eunice. "The Macroeconomic Resilience of Nations." *Developing Alternatives*, Winter 2013. <http://dai-global-developments.com/articles/macroeconomic-resilience-of-nations/>

Winkler, Jim. "Doing More with Doing Business: Vietnam Provincial Competitiveness Index." *DAIdeas*, August 2013. <http://dai-global-developments.com/articles/doing-more-with-doing-business-vietnam-provincial-competitiveness-index/>

Dodds, Paul. "Amplifying the Voice of Business to Drive Policy Reform in a Difficult Environment." *DAIdeas*, June 2013. <http://dai-global-developments.com/articles/amplifying-the-voice-of-business-to-drive-policy-reform-in-a-difficult-environment/>

developments.com/articles/amplifying-the-voice-of-business-to-drive-policy-reform-in-a-difficult-environment/

“The Jobs Challenge: Fresh Perspectives on the Global Employment Crisis.” *Developing Alternatives*, Summer 2012.

“iPARK: Through Jordan’s Knowledge-Economy Incubator Startups Access Vital Business Support Services.” USAID Jordan Competitiveness Program Competitiveness Brief.

“Electric Vehicles: Mobilizing Jordan’s Green Economy to Create a Transportation Revolution.” USAID Jordan Competitiveness Program Competitiveness Brief.

“Acceding to the Patent Cooperation Treaty: Unlocking the Potential of Jordanian Innovation.” USAID Jordan Competitiveness Program Competitiveness Brief.

“Oasis500: With USAID Support, a Homegrown Seed Investor Looks for the Next Big Idea.” USAID Jordan Competitiveness Program Competitiveness Brief.