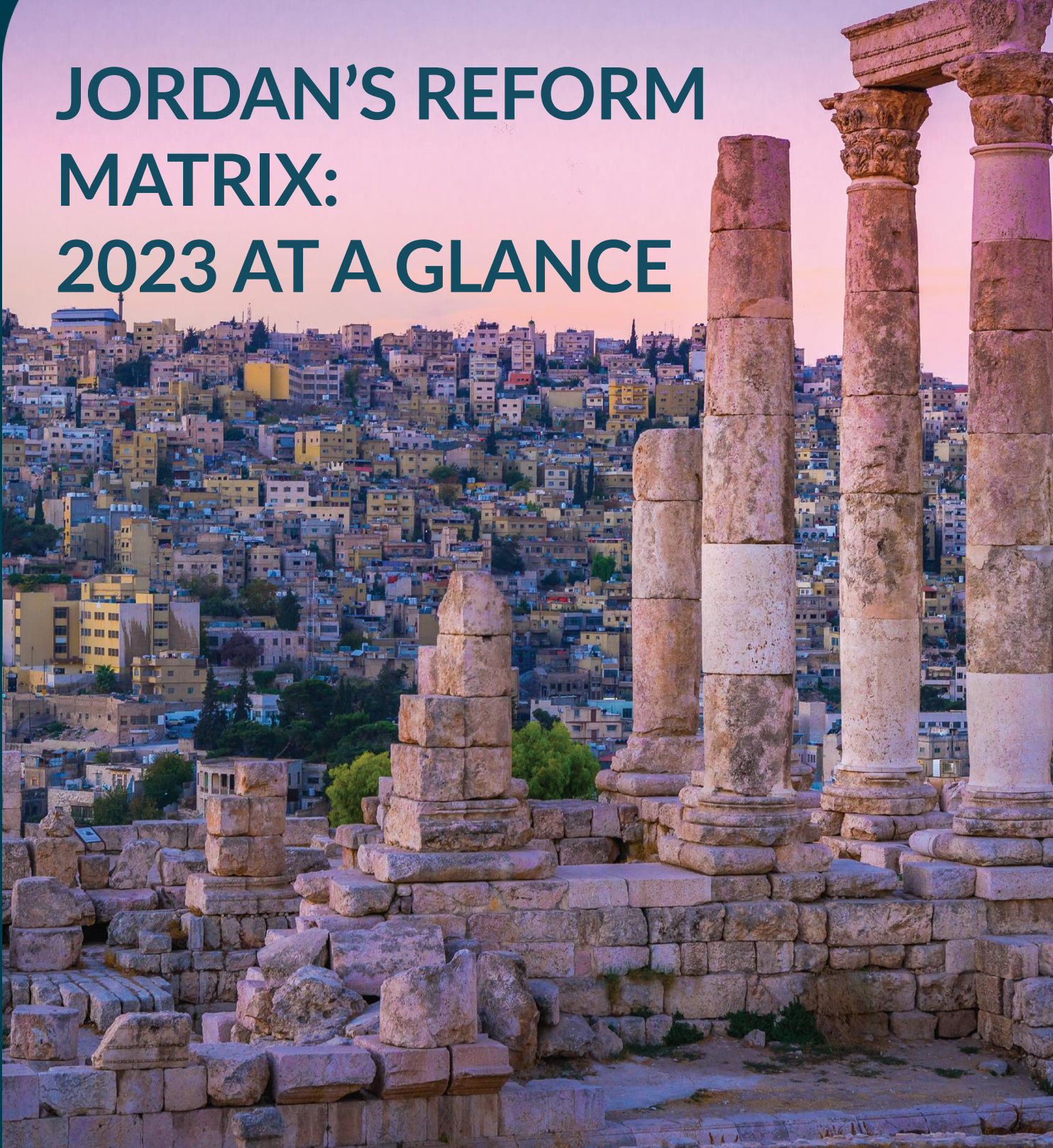




JORDAN'S REFORM MATRIX: 2023 AT A GLANCE



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Prepared by the Reform Secretariat

<https://reformjo.org/en-us>

info@reformjo.org



Norwegian Embassy
Amman



Kingdom of the Netherlands



In partnership with
Canada



التعاون
الائتماني
DEUTSCHE ZUSAMMENARBEIT

OVERVIEW

Government of Jordan's Commitment to Reform and Growth

The Government of Jordan (GoJ) remains steadfast and resolute in its commitment to advancing its reform and growth agenda, particularly through the Reform Matrix (2018-2024). Initially developed by the GoJ with support from the World Bank and development partners with consultations with the private sector, the first version was officially launched in February 2019 during the London Initiative Conference. Following this launch, the Reform Secretariat (RS) was established in November 2019 within the Ministry of Planning and International Cooperation (MoPIC). The RS's mandate is to effectively facilitate, coordinate, and support the implementation of reforms outlined in the Reform Matrix.

The RS continues to play a pivotal role in supporting GoJ Ministries, Departments and Agencies (MDAs) in implementing the Reform Matrix through various means. This includes ensuring the success of the Jordan Growth Multi-Donor Trust Fund (MDTF) by offering comprehensive support to the GoJ MDAs and acting as a central hub facilitating engagement between implementing MDAs and the international community ensuring alignment with national priorities. The RS plays a crucial role in international indicators, contributing to Jordan's prominence globally.

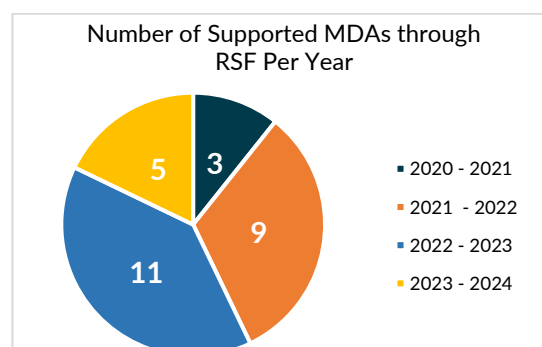
The MDTF is designed to provide technical support and capacity building to the GoJ to enable them to implement structural reforms through the Reform Matrix and expedite and support the implementation process. The MDTF is currently funded by the UK, Netherlands, Canada, Germany, and Norway and remains a mechanism for development partners to engage with as either member

donors or observers to support the implementation of key economic priorities that contribute to Jordan's stability and prosperity within a single funding vehicle.

The MDTF project development objective (PDO) is to support the GoJ in implementing its Reform Matrix to achieve:

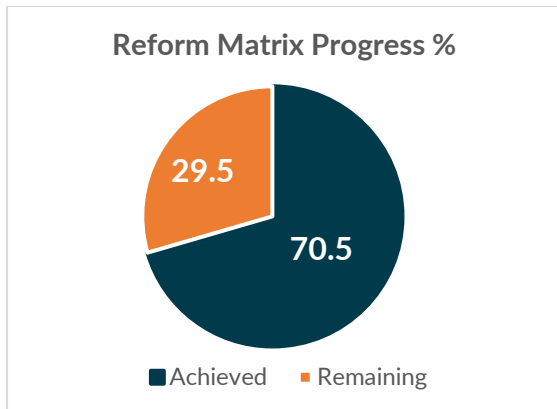
- (i) Sound governance and economic management.
- (ii) Increased private sector growth and competitiveness.
- (iii) Improved labor markets and social safety nets; &
- (iv) Improved efficiency & effectiveness in transportation, energy, water, agriculture, and tourism.

The RS, serving as the central coordinator, has successfully streamlined various MDAs to advance policy reforms. Notable achievements include tangible reforms in Public Investment Management (PIM), Public-Private Partnership (PPP), and public procurement. The Reform Support Fund (RSF) has been strategically employed to support 28 MDAs since its establishment in 2019 to date, resulting in the successful execution of specific reforms.



In a significant development, the Council of Ministers approved the updated Reform Matrix (2018-2024) in October 2022, expanding from 9 to 12 pillars. Notably, three new pillars were introduced, namely Public Sector Efficiency, Governance, and Tourism, while the original water and agriculture pillar was split into two.

The updated matrix now encompasses 44 reform areas and 403 reform actions, with an impressive achievement rate of 70.5% till end of 2023 (284 out of 403), reflecting the government commitment to stimulate growth, improve the business environment, and contribute to economic recovery.



It is noteworthy that the updated Reform Matrix is strongly linked to the Economic Modernization Vision 2033. This alignment underscores the comprehensive and strategic approach undertaken by the GoJ in pursuing economic modernization and sustainable growth.

Fostering Collaboration for Impactful Reforms

In January 2023, the Reform Secretariat (RS) took a proactive step toward advancing Jordan's reform agenda by inviting partners to participate in working groups aligned with key reform areas. These six critical reform areas—public Procurement, Investment, Business Environment, Trade Facilitation, Good Regulatory Practices, and Tourism—were identified as focal points for concerted efforts to drive growth. This strategic move aims to ensure sustained involvement, foster ownership, and establish a foundation for the enduring presence of these working groups. Recognizing their pivotal role, these groups are envisioned as dynamic platforms facilitating feedback mechanisms, providing real-time updates on reform implementation progress, and pinpointing areas of improvement through

inclusive stakeholder engagement. By bringing together a diverse array of perspectives, the working groups seek to catalyze collaborative strategies that will not only enhance coordination but also maximize the impact of reforms across these vital sectors.

The Trade Facilitation Working Group successfully convened its first meeting in November, bringing together stakeholders from various ministries, donors, and the private sector. The meeting focused on establishing the operational framework of the working group to enhance coordination and maximize impact.

Looking ahead, the Investment Working Group is poised to conduct its first meeting in the first half of 2024, with plans to activate the Public Procurement Working Group early next year as well. These collaborative efforts underscore the commitment to inclusive stakeholder engagement and impactful reforms.

Stakeholder Engagement

Stakeholder engagement remains a foundation of reform efforts, with dedicated resources allocated to social and environmental safeguards, as well as stakeholder consultations. Therefore, The Reform Secretariat continues its commitments towards economic resilience and inclusive growth, these cross-cutting themes will remain central to policy formulation and implementation, ensuring that development efforts leave no one behind and foster opportunities for all members of society.

Since project effectiveness, the Reform Secretariat has steadily advanced the implementation of stakeholder engagement activities, engaging the business community on relevant reforms, and developing and disseminating a guidance note on stakeholder engagement for line ministries. To roll out the guidance note on stakeholder engagement, a capacity building amongst line ministries will take place in 2024 to broaden consistent engagement and iterative dialogue on reforms

with other stakeholders, including private sector and civil society. Working groups and stakeholder engagement are closely interconnected, and they play complementary roles in achieving RS goals.

Communication

To promote transparency, public understanding, engagement, and collaboration, contributing to the overall effectiveness and legitimacy of the reform process. The RS actively supported and facilitated 14 consultations during 2023, fostering meaningful engagement with a diverse array of stakeholders. The strong communication strategy, including the launch of the [RS website](#) in November and the production of [newsletters](#) and motion graphic videos, showcases a commitment to disseminating information effectively. The engagement with media, including social media channels and more particularly the RS' [LinkedIn account](#) in addition to MoPIC's accounts on Facebook and Twitter (X platform), adds another layer of transparency and inclusivity.

Media engagement has been a keystone of the Strengthening Reform Management in Jordan, its impact and outreach.

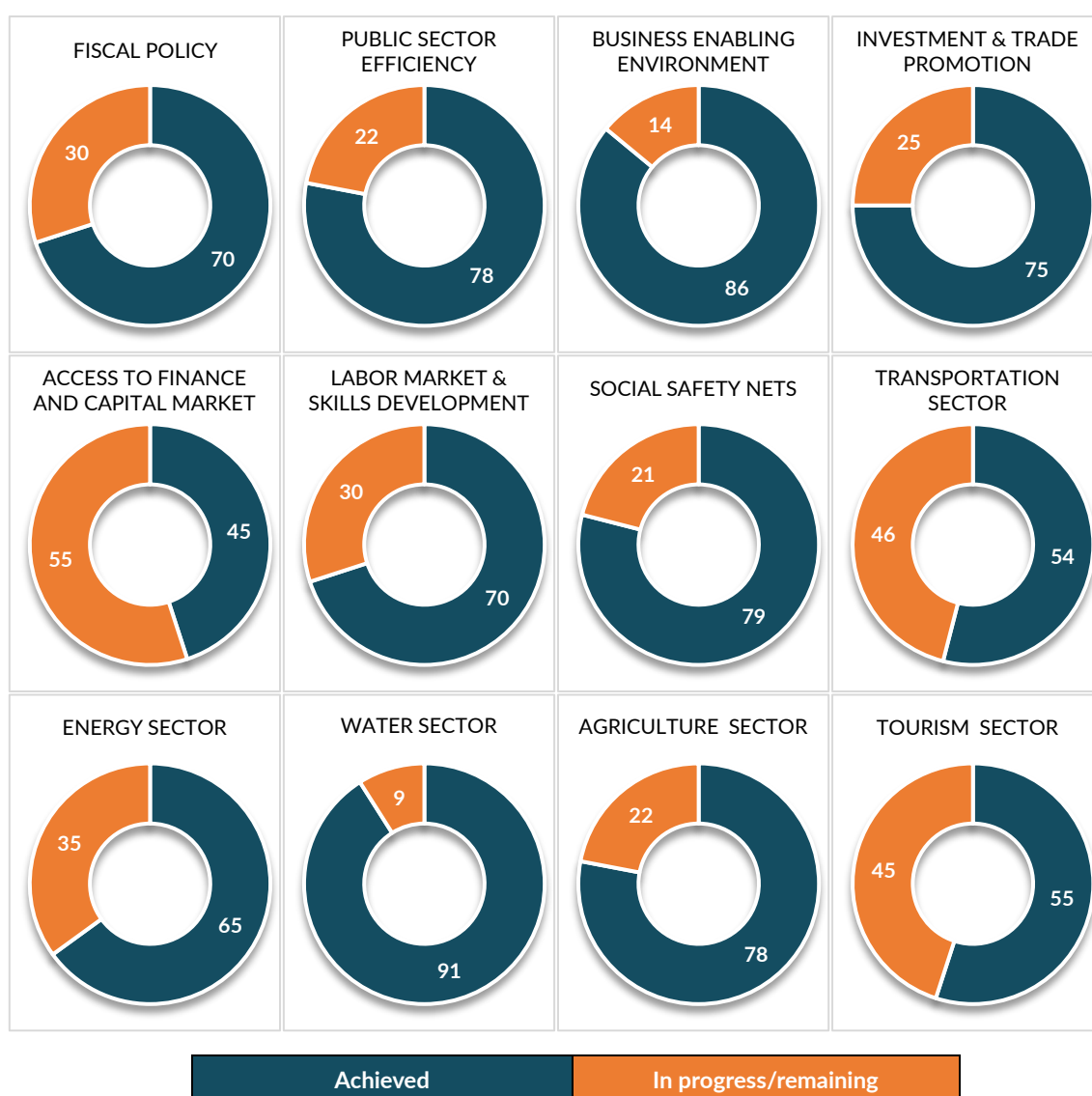
Progress Update

This report offers a brief overview of the significant reforms implemented in Jordan during 2023, in alignment with the Reform Matrix (2018-2024). The Reform Secretariat, in tight collaboration with the World Bank, has provided essential technical support to various MDAs through the Jordan Growth MDTF to ensure the successful accomplishment of these reforms and diverse activities, fostering robust stakeholder engagement throughout the implementation process.

By the end of 2023, the completion rate of the Reform Matrix stood at an impressive 70.5%, with 284 reforms accomplished. In 2023 alone, 53 additional policy reforms were achieved.

In 2023, the GoJ achieved a mix of policy, structural, and operational reforms. Policy and structural reforms included amendments to existing regulations and the introduction of new ones to enhance the business and investment climate in Jordan.

Reform Matrix Progress Per Pillar (%) since 2018 till end 2023



Policy Reforms

In the context of enhancing the legislative environment and building upon previous legislative reforms, the GoJ has implemented major amendments to various laws aimed at stimulating economic growth and enhancing social justice. These amendments encompass reforms to the new **Public-Private Partnership Law** aligns with Jordan's Economic Modernization Vision, stimulating private sector partnerships for infrastructure development and service improvement. Amendments to the **Competition Law** to promote transparency and fair competition. amendments to the **Companies Law** to facilitate business activities, enhance the role of women, and ensure their participation in boards, as well as revisions to the **Tourism Law** to enhance sector competitiveness and improve the business environment.

Additionally, a set of bylaws has been enacted, including the **Public-Private Partnership bylaw**, **Investment Environment bylaw**, **Sector Skills Councils bylaw**, and the amended **Nursery bylaw** to facilitate the registration of home-based nurseries, encourage nursery establishment, and empowering women by providing a safe environment for children.

In the realm of labor rights, the **Labor Law** has been amended to provide greater protection for victims of harassment and violence and enhance job security. Regarding **social security Law**, amendments have been made to provide greater support for new entrants to the workforce. Moreover, the **Personal Data Protection Law** has been enacted to ensure the privacy and security of individuals' personal data.

Furthermore, in 2023, several key strategies were approved, including the Launch of the **Investment Promotion Strategy (2023-2026)**, the **National E-commerce Strategy**, and the **National Strategy for Vocational and Technical Training (2023-2027)**.

These amendments, carefully deliberated through extensive consultations with stakeholders, not only reinforce Jordan's commitment to promoting free competition and advancing the national economy, but they also demonstrate the government's dedication to a comprehensive legal overhaul.

In addition to the above, the Reform Secretariat has played a pivotal role in supporting and coordinating the development, modification, and formulation of several other legislations and strategies not included in the Reform Matrix. Among the supported legislations were amendments to **the Cybercrime Law, Traffic Law, Private Schools and Kindergartens bylaw**, and new **instructions for licensing food preparation and processing in homes**. As for strategies, support was provided for the development and launch of the **Green Finance Strategy (2023-2028)**, the first of its kind in the Middle East and North Africa region, representing a significant step in addressing climate change risks and keeping pace with the latest practices in green finance aimed at investments and projects that reduce the impact of climate change on the national economy.

These policy reforms reflect the government's strategic vision towards achieving an advanced and sustainable business environment, representing proactive steps towards enhancing transparency and efficiency in the national economy and encouraging effective private sector participation in comprehensive development initiatives.

Operational and Structural Reforms

In addition to the legislative reforms undertaken, the GoJ has achieved several structural and operational reforms that collectively reflect Jordan's commitment to promoting economic growth and addressing climate change, developing digital infrastructure and improving government services through innovative and effective

measures. This includes the development of the **Medium-Term Fiscal Framework** complemented by its inclusion in the General Budget Laws. Furthermore, the implementation of the **Electronic National Billing System**, stands out as a pivotal step towards standardizing tax processes. The successful integration of this system ensures a seamless foundation for tax invoices, marking a crucial advancement in Jordan's fiscal infrastructure.

In the area of digital transformation and improvement of government services, the **National Register of Government Services was operated** to ensure successful implementation and transformative impact on the delivery of public services, **digitizing 2,700 government services on "Sanad"** platform which reflects a firm commitment to the objectives of the public sector modernization roadmap. In addition, **5G spectrum have been introduced**, which is a qualitative leap to drive digital transformation and underscores Jordan's commitment to technological progress and broad access. On the other hand, the **digital insolvency registration system**, which provides a transparent and effective way of managing insolvency cases, has been operationalized, thus enhancing confidence in Jordan's legal and commercial system. In the context of trade facilitation, the **implementation of a Unified Border Control and Inspection Framework** is a pivotal advance in facilitating trade operations at border crossings and ensures safer and more efficient procedures and processes.

Furthermore, during 2023, the **establishment of quarantine facilities for veterinary services** is a strategic step, acting as the first line of defense against transboundary diseases. This initiative is poised to elevate the quality of exported animals, contributing to Jordan's status as an exporter.

In 2023, **government procurement has witnessed transformative changes, with the establishment and operationalization of the Procurement Complaint and Policy Unit.** The

adoption of green procurement policies and a professionalization framework exemplifies Jordan's commitment to sustainable and responsible procurement practices. The successful deployment and increasing utilization of Jordan Online E-Procurement System (JONEPS) across 23 government agencies have enhanced transparency and efficiency in procurement processes, contributing to a streamlined and transparent procurement landscape.

On the other hand, the Public Investment Projects (PIPs) and the Public Investment Management (PIM) framework have undergone significant streamlining, culminating in the enforcement of the new PPP Law. Capacity-building initiatives and legal capacity workshops have been instrumental in enhancing financial transparency and responsibility.

In the realm of Fiscal Commitments and Contingent Liabilities (FCCL), government officials have undertaken training on Project Financing Modeling and Analysis. This comprehensive 10-day program equipped them with the skills to understand project finance, develop models, and ensure the financial sustainability of projects.

Social Protection Reforms

With regard to social protection reforms, the **Social Protection Plan of the National Unified Register (NUR)** has been approved and is an important step towards transforming NUR into a unified portal to facilitate access to social protection services. In addition, the **"Solar to the Poor"** project, which reflects Jordan's commitment to meeting the energy needs of vulnerable groups, was extended to 7,731 of the National Aid Fund (NAF) beneficiaries since 2019 until the end of 2023. In addition, a **"Hemaya" system** has been established and operationalized that addresses **sexual harassment issues in the workplace**, providing a transparent and responsible mechanism for both employees, employees and employers.

These reforms reflect Jordan's commitment to innovation, transparency, efficiency in public administration, private sector development and social protection, supporting the Economic Modernization vision 2033 to develop a sustainable and diversified economy.

Sectoral Reforms

In the realm of sectoral reforms, during 2023, the GoJ accomplished numerous sectoral reforms within the five sectors covered by the matrix. In the **transportation sector**, climate and environmental considerations were integrated into the transport strategy, marking a pivotal step towards sustainable practices. Also, a comprehensive action plan for the transport sector has been successfully consolidated. This accomplishment underscores Jordan's commitment to the modernization of its transportation infrastructure.

As for the **agriculture sector**, licensing for horticulture, imports and exports was adopted, and the national Agricultural Rainwater Harvesting Plan was developed and operationalized, alongside an extension plan has been formulated to enhance farmers' knowledge about new technologies and the safe use of pesticides.

Regarding the **energy sector**, studies were conducted on the cost of electricity service and tariffs in Jordan, smart grid options, and natural gas distribution networks. The results of these studies indicate Jordan's commitment to technological advancement and environmental sustainability in its pursuit of a flexible and efficient energy sector. In the **tourism sector**, strategic value chain diagnostic studies for tourism and medical/wellness tourism have been conducted, positioning Jordan as a competitive force in the global tourism industry aiming to enhance efficiency and promote sustainable growth. As part of innovative tourism initiatives, a data management platform was established, providing a transparent overview of Jordan's

tourism sector through several key indicators. This tool enables informed decision-making and supports sustainable growth in Jordan's tourism sector. On the other hand, eight bylaws and instructions have been developed and amended along with the Tourism law which has been reviewed to enable the business environment and/or decreasing barriers to private sector involvement.

Strategic Reforms for Women's Empowerment and Inclusion

Jordan's commitment to women's empowerment is evident in strategic reforms. Since 2018 till the end of 2023, with 15% of achieved reforms directly benefiting women. Noteworthy achievements in 2023 include the establishment of a Workplace Sexual Harassment Grievance Mechanism, providing a formal channel for addressing harassment concerns and fostering safer work environments for women.

In addition, amendments to the Companies Law mandate women's representation on the boards of directors of companies, promoting gender diversity and inclusivity in corporate leadership. Furthermore, the endorsement of the National Strategy for Technical and Vocational Training and Education (2023-2027) emphasizes gender-inclusive educational opportunities, thereby enhancing women's skills and employability.

The extension of the "Solar to the Poor" project significantly contributes to sustainable development, particularly benefiting women from NAF beneficiaries by facilitating access to clean energy. Initiatives such as the National Unified Registry (NUR) and the NUR for social protection plan embrace an inclusive approach, expanding services for low-income families and offering support for civil society institutions, including health insurance and housing assistance.

Moreover, the implementation of gender incentives in procurement reform reflects

Jordan's commitment to fostering a transparent and equitable business environment, with tangible benefits extending to women, youth, and persons with disabilities. These reforms collectively underscore Jordan's dedication to advancing gender equality and creating opportunities for women's empowerment and inclusion across sectors and communities.

Conclusion

In conclusion, Jordan's tangible progress in the Reform Matrix demonstrates its firm commitment to comprehensive reforms. The collaborative efforts with development partners and the private sector have contributed to shaping Jordan's path towards sustainable development and economic growth. Jordan's commitment to the Reform Matrix (2018-2024) is not just a set of actions, but evidence to Jordan's vision and approach to adopting a clear and effective path towards inclusive and sustainable growth.