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JORDAN COMPETITIVENESS PROGRAM MONTHLY REPORT

JUNE 2014

JULY 2014

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ABBREVIATIONS

ATF	Access to Finance
CDC	Career Development Center
CGO	Career Guidance Offices
CT	Clean Technology
GJU	German Jordanian University
GoJ	Government of Jordan
HLS	Healthcare and Life Sciences
ICT	Information and Communication Technology
IFC	International Finance Corporation
JCP	Jordan Competitiveness Program
JFDA	Jordan Food and Drug Administration
JSF	Jordan Strategy Forum
JUST	Jordan University of Science and Technology
KAFD	King Abdullah Fund for Development
MoH	Ministry of Health
MoITS	Ministry of Industry, Trade and Supply
MoPIC	Ministry of Planning and International Cooperation
MTC	Medical Tourism Council
PSUT	Princess Sumaya University for Technology
R&D	Research and Development
SEE	Supportive Enabling Environment
SWM	Solid Waste Management
SOW	Scope of Work
UJ	University of Jordan
WFD	Workforce Development

INTRODUCTION

The Jordan Competitiveness Program aims to create jobs and increase growth in the Jordanian private sector by investing resources in the Information and Communication Technology (ICT), Clean Technology (CT) and Healthcare and Life Sciences (HLS) sectors. Launched in October 2013, this 5-year, \$45 million program will employ a private-sector led and participatory approach to achieve its goals. JCP offers a focused, integrated approach to enhancing Jordan's competitiveness through four program components:

- **Supportive Enabling Environment:** provide policy and regulatory reform support to enhance competitiveness, innovation and trade; and build the capacity of the Government of Jordan;
- **Workforce Development:** improve Jordanian workforce readiness in JCP's targeted clusters through an approach that strengthens Career Development Centers, establishes Centers of Excellence, and creates internship and training programs;
- **Cluster Development:** engage private sector stakeholders in a collaborative process to develop and implement business plans and growth strategies in the three sectors based on approaches that capitalize on competitive advantages, and,
- **Access to Finance:** increase access to finance for Jordanian businesses and entrepreneurs by creating awareness of available financing, developing programs to build capacity of firms to offer and access financing, and supporting the development of innovative public private partnerships and angel investment networks.

This report presents major highlights of the program overall and at the component level for the month of June 2014.

MAJOR HIGHLIGHTS

Foreign Direct Investment Diagnostic Conducted: The Supportive Enabling Environment staff and a McKinsey and Company (McKinsey) consultant conducted a foreign direct investment (FDI) readiness diagnostic for JCP sectors in Jordan. This diagnostic utilized McKinsey's FDI diagnostic tool that had been previously developed and resulted in leveraging approximately \$70,000 in technical assistance for the benefit of JCP. This diagnostic is one of three SEE Component designed interventions that include legislative and policy support to stakeholders and will help JCP identify potential additional sectors to assist in future years.

Presentation to the King Abdullah II Fund for Development (KAFD): The Workforce Development team's Senior Specialist was invited to present at the KAFD retreat. The well-received presentation included findings from the Career Development Center assessment that was carried out earlier this year and JCP's recommended model to upgrade the KAFD Career Guidance Offices.

Clean Tech Access to Financing Workshop: JCP's Clean Tech team conducted a workshop on June 23rd that brought together over 180 industrial companies from various sectors, representatives of the major clean technology providers and energy service companies, and 34 representatives of the subsidized financing programs and banks offering clean tech products. The workshop had two parts: to share information about the latest technologies and how to apply them, and to provide an overview of the clean tech financing environment, including building awareness of the availability of low cost funding for clean tech projects. In addition, there were one-on-one meetings between business owners and financiers at the end of the event.

Medical Tourism Council (MTC) Presentation and Financial Backing: JCP was invited to present an update to the Medical Tourism Conference in mid-June on the progress made towards establishing a MTC. The MTC concept developed through JCP's work with stakeholders received a great deal of attention during the Conference and many attendees expressed their desire to support and join it. One of the stakeholders, the Private Hospitals Association, has offered to lead the drive for financing and garnering governmental support for regulatory reform of the ecosystem.

Drug Registration Task Force Progress: Through the drug registration task force, the HLS and SEE teams have engaged and mobilized the Jordan Food and Drug Administration (JFDA) and the Jordan Association of Pharmaceuticals Manufacturers (JAPM) to work closely together to shorten the drug registration time line. This resulted in clearing a backlog of more than 70% of local manufacturers' new drug registration applications.

Innovative Jordan Stakeholder Meeting for Tech Sector: JCP organized a tech sector stakeholder collaboration meeting in June that brought together 20 firms in the ICT innovation and start-up space to explore ways to strengthen the entrepreneurship ecosystem. The group selected three projects for future JCP support: 1) strengthening ties with angel investors, 2) capacity building on all levels, and 3) moving Intellectual Property through its lifecycle of developing a new product that hasn't been protected, branding it and then commercializing the result.

COMPONENT I: SUPPORTIVE ENABLING ENVIRONMENT

SUPPORTING THE NATIONAL INVESTMENT FRAMEWORK

The Supportive Enabling Environment (SEE) team continued to work closely with stakeholders to support the modernization of the national investment climate in three diverse and complementary activities. First, the team finalized a plan to provide technical assistance to the Ministry of Industry, Trade and Supply (MoITS) to draft a package of eight implementing regulations under the new Investment Law. These are necessary to operationalize the draft law currently being ratified in Parliament. Second, the team has reached an agreement to provide needed support to the Jordan Strategy Forum (JSF), a private sector funded think tank and advocacy forum. JCP will provide an advisor to work with the JSF in August to develop investment policies and strategies that will be shared with members of Parliament. Finally, the SEE team led an assessment with McKinsey to assess Jordan's foreign direct investment (FDI) readiness and highlight strategic opportunities that can drive the country's FDI attraction efforts. This activity leverages a proprietary diagnostic tool that McKinsey has developed and resulted in the leveraging roughly \$70,000 worth of pro-bono technical assistance. The activity began on June 16th with remote desk research by McKinsey experts. The following week JCP conducted an on-the-ground fact finding mission and met with stakeholders in the government and private sector business associations, specifically on FDI. The effort focused on JCP's three existing sectors and should also identify two to three additional sectors with FDI potential for subsequent years. The activity will conclude in July with a round-table discussion with stakeholders such as the Jordan Chamber of Industry (JCOI) and the MoITS, after which the findings will be presented to MoITS, The Royal Court and the Ministry of Planning and International Cooperation (MoPIC). The stakeholders were very pleased with the analysis from a private sector lens (demand side) approach employed, since past efforts primarily focused on the government sector (supply side).

SUPPORT TO THE MINISTRY OF PLANNING AND INTERNATIONAL COOPERATION (MOPIC)

During June, the SEE team continued to support MOPIC on two fronts. On June 15th, JCP's COP and the SEE team attended a MOPIC event that launched the National Innovation Strategy (NIS) called "Can Jordan Join the Rank of Competitive and Innovative Nations?" The event allowed JCP to coordinate its activities more closely with the World Bank, which was a primary sponsor. Further support for the NIS is underway as the team finalizes the hiring of an expert to provide technical assistance to MOPIC, and will also ensure that JCP's innovative approaches to cluster development are incorporated into the national strategy.

JCP's expert will provide technical assistance to develop the Ten-Year Economic Blueprint (Blueprint), an effort led by MOPIC. The Blueprint is a government initiative decreed by H.M. King Abdullah II and intended to put into place a comprehensive economic development plan to enhance competitiveness and raise economic performance. At a meeting on June 26th with the MoITS Secretary General, JCP was invited to participate on two committees (investment and the business enabling environment) that MoITS is leading as part of the participatory and consultative development of the Blueprint.

Activities Planned For July

- Completion of the FDI assessment.
- Finalize the short-term technical advisor (STTAs) to assist JSF.
- Engagement on the Blueprint with various Ministries and stakeholders.
- Continue coordination efforts with MOPIC and MoITS on the technical advisor role to support the Blueprint development.

COMPONENT II: WORKFORCE DEVELOPMENT

TRACK SPECIALIZATION PROGRAMS FOR JCP SECTORS

During this month, the Workforce Development (WFD) team developed two Requests for Proposals (RFPs) to conduct Labor Force Profile Studies for the HLS and CT sectors. The studies' objective is to identify the gaps between labor supply and demand. The results of the studies will assist the two sectors to identify the workforce development interventions needed to bridge those gaps. The interventions could include the need to develop track specialization programs to match market demands. Members of CT and HLS cluster task forces identified the need for these studies as a precondition for making decisions on where to focus future track specialization and skills development efforts. The RFP for the HLS study was released in late June while the CT RFP will be released in early July. Gender is a key consideration incorporated into these studies.

NATIONAL ICT CENTER OF EXCELLENCE (SECTOR SKILLS ORGANIZATION)

The WFD team met with int@j, the ICT sector business association, and International Finance Corporation (IFC) representatives to coordinate continued donor support for the Sector Skills Organization (SSO), and to set a time line for recruiting SSO core staff. The SSO is a private sector driven initiative designed to help bridge the gap between recent graduates' skills and ICT industry needs through the provision of supplemental training that meet internationally recognized qualifications frameworks. During the meeting, the IFC raised the point that their current funding for the SSO ends in December but that a request for additional support for two more years was recently submitted to IFC's headquarters. The IFC remains committed to supporting the SSO, however, JCP advised int@j to highlight this risk in its funding request to JCP, and to provide options on how to move forward without IFC funding.

Until funding for the SSO is finalized, the WFD team agreed to assist int@j to identify and hire key SSO staff, including a director. Together they shortlisted and interviewed director candidates and a final decision will be made in July. JCP will directly contract for the director for up to three months.

CAREER DEVELOPMENT CENTER (CDC) SUPPORT

Entrepreneurship Training Programs. The WFD team received and evaluated nine proposals in response to the May RFP to conduct specialized training for university students on "Entrepreneurship, Innovation, Competitiveness and Business Skills Development." However, the team decided the RFP needed to be more specific regarding the evaluation criteria and budget details before a final award could be made. Therefore, they revised the RFP this month and will release the new version in July. Despite this minor setback, it is still anticipated that the training will be ready in time for the upcoming academic year.

Assessment of CDCs and Career Offices. The WFD team visited the Princesses Sumaya University for Technology (PSUT) to finalize an agreement with them to upgrade the university's KAFD Career Guidance Office (CGO). The team visited two universities last month (Jordan University of Science and Technology [JUST] and the German Jordan University [GJU]), as a result of the visit all three universities now have agreed to work on a road map to upgrade the CGO at each university applying the approach recommended by JCP. This month the WFD team also visited JUST

and GJU to start developing the road maps which will be completed in August and formally presented to the aforementioned universities' leadership.

Support Collection and Use of Placement Data through M&E systems in CDCs. JCP's Monitoring and Evaluation Specialist, in cooperation with the WFD team, started to develop JCP's recommended M&E system for use in CDCs. The envisioned M&E system will help universities (and other training institutions that support JCP's targeted sectors) better track students and participants post-graduation as well as identify in which sectors students have found jobs, the development of hybrid sectors, and the gaps. A concept paper describing the system will be finalized in July and an RFP will be released for the development of the system and its installation in the selected partner universities by August.

OTHER KAFD ACTIVITIES

Two JCP staff members attended a retreat that was jointly organized by KAFD and Injaz in mid-June. JCP WFD Senior Specialist, Khitam Farah, delivered a presentation on the CDC assessment that was carried out earlier this year and JCP's recommended model to upgrade KAFD CGOs. The retreat provided JCP staff with an opportunity to network with all KAFD-sponsored university CGO representatives and to learn more about present and future career guidance programs of Injaz, KAFD and the Ministry of Labor. Participation in the retreat also helped JCP determine potential university partners for the future.

The WFD Senior Specialist also attended a donors' coordination meeting hosted by KAFD that highlighted each donor's role in upgrading the CGOs. The meeting was attended by representatives from the World Bank, Japan International Cooperation Agency, the British Council and Silatech (a social initiative that works to create jobs and expand economic opportunities for young people throughout the Arab world). As a result of this meeting, KAFD initiated a national career guidance committee that will have representatives from each of the aforementioned donors and other parties like government institutions who are engaged in career guidance services in Jordan.

Work is ongoing for the development of the entrepreneurship content for the National Entrepreneurship and Employment Portal (FORUS). The consultancy is progressing as planned and both JCP and KAFD are satisfied with the results to date. The assignment will conclude in early July.

Activities Planned for July:

- Finalize the hiring of the ICT SSO Director.
- As a follow-up to the preparation for the internship program, the WFD team will formally launch the JCP Summer Pilot Internship Program by advertising for and selecting interns. The internships will start in August.
- Visit PSUT to conduct a preliminary assessment to inform the plan to upgrade the university's KAFD CGO.

COMPONENT III: CLUSTER DEVELOPMENT

CLEAN TECH SECTOR

IMPLEMENTATION OF SECTOR COMPETITIVENESS STRATEGIES AND ACTION PLANS

One of the findings of the Access to Finance (ATF) mapping report completed in May was the need to hold financing awareness sessions for clean technologies covering four main areas (industry, hospitals, shopping malls, and schools/universities).

Therefore, the ATF and CT teams organized the first workshop on June 23rd, bringing together 180 stakeholders including private firms, energy services companies, banks and other financial intermediaries in the sector. The conference presented an overview of the energy sector in Jordan, introduced a range of financing programs, and offered opportunities for firms to directly network with financial representatives to discuss financing options for clean tech projects.

The majority of participants (80%) reported that the workshop raised their awareness of the availability of clean energy technologies in Jordan, and nearly all (91%) indicated that they learned more about sources of clean energy financing as a result of attending the event. Please see the Component IV section of this report for more details about plans to track potential deals initiated through the workshop.



Adnan Abu Al Ragheb, Deputy Chair of JCI, giving introductory remarks.

JCP credits its partnership with key stakeholders for the large attendance and interest in the event. The Jordan Chamber of Industry, Jordan Women Industrial Community and the USAID Jordan Loan Guarantee Facility shared their contact lists and helped generate awareness of the event both before and afterwards. JCP also invited several donors and financial institutions active in the area of energy financing and support to participate in the workshop as a way to increase sector coordination efforts.

Participant Feedback

Participant	Feedback
Eng. Muna Musa of Energy & Mining Regulatory Commission	The conference today was broken down into multiple sessions with some people speaking about solar energy, some speaking about funding regulations, etc. I liked learning about the participation that happens between all sectors and the sharing of ideas. I found it very helpful.
Eng. Amir Abu Ghazal of Pella Pharmaceutical LTD.	The cost of electricity is increasing every day. This conference taught me how PV plants can save energy every day. I think we can use this information in our company.

Dr. Eng. Yaseen Al-Husban, VTC	I enjoyed the discussions today about the Jordanian market for renewable energy and especially how to develop relationships among government bodies, customers, investors and companies. There is a lot of potential to develop this network.
Natasha Shapsough, Network of Jordanian Industrial Sustainability/RSS	The conference was well organized and enjoyable. The timing of the conference was very good.

OTHER ACTIVITIES

This month the CT team met with the Minister of Environment and, separately, with stakeholders and senior sector experts representing the SWM sub-sector to determine priority activities for SWM. These meetings will define future task force interactions and JCP's second year work plan. JCP was asked to address the following:

- Define a baseline for the potential private sector involvement and FDI opportunities in the SWM sector.
- Assist in revising and improving procedures related to licensing projects in the SWM sector (such as waste-to-energy, e-waste, etc).
- Review market incentives used elsewhere to encourage private sector participation in SWM and identify those that are suitable to introduce on Jordan.
- Better understanding of the WFD needs in the SWM sector and how to bridge the education gap between university students and the existing workforce.

Activities Planned for July

- Irbid MoU signing ceremony with the Irbid Chamber of Industries and the Jordan Industrial Estates Co. (mentioned in previous JCP monthly reports).
- Engagement on the 10 Year Economic Blueprint with various Ministries and stakeholders.

HEALTHCARE AND LIFE SCIENCES SECTOR

MEDICAL TOURISM COUNCIL

The HLS sector team focused most of their attention in June on the implementation of the Medical Tourism Council (MTC). Together with the ATF team, the HLS team met with key stakeholders including the Jordan Tourism Board, the Jordan Hotel Association and the Private Hospitals Association to share the final business/financial model of the MTC and to finalize the amount of seed funding needed. Based on the model, the stakeholders determined that 800K JOD would need to be raised to kick-off the MTC, with another 800K JOD matched by JCP. As a result of these meetings, the PHA agreed to take the lead in exploring potential sources of seed funding through MoPIC and the Ministry of Antiquity and Tourism.

As a result of JCP's work with stakeholders, there was additional endorsement for the MTC. The Private Hospital Association (PHA), as the new lead for funding, created additional support for the MTC this month in two ways. First, the PHA sent a letter to the office of the Prime Minister with backing from the High Health Council and the Ministry of Health. In it (see the seventh suggestion in a translated version of the letter in Annex A) the PHA petitions for regulatory reform of the medical tourism sector and the promotion of the MTC as the institution that will provide the support necessary for the growth of the sector. Second, the PHA, in cooperation with the Ministry of Health, sent another letter to the Prime Minister requesting a yearly budget of 500K JOD for the MTC. These funds would be allocated from the Ministry of Tourism's budget to the Jordanian Tourism Board for use by the MTC.

On June 16th, JCP presented an overview of the MTC initiative at the Third Regional Medical Tourism Conference. Many attendees expressed great interest in supporting and participating in the MTC, and regional healthcare representatives requested that the HLS Director consider an option that would allow for membership beyond Jordan.

MOBILIZE ASSOCIATIONS TO TAKE LEADING ROLE IN CLUSTER DEVELOPMENT

Through the drug registration task force, the HLS and SEE teams have engaged and mobilized the Jordan Food and Drug Administration (JFDA) and the Jordan Association of Pharmaceuticals Manufacturers (JAPM) to work closely together to shorten the drug registration time line. Short, medium and long term solutions were proposed. Facilitated by JCP, both JFDA and JAPM worked closely to implement the short term solutions in the last two months, resulting in clearing a backlog of more than 70% of local manufacturers' new drug registration applications. This result serves to strengthen the pharmaceutical industry and enhance competitiveness.

OTHER ACTIVITIES

As previously mentioned in the WFD section, an RFP to assess the supply and demand of the medical work force in Jordan was released. The study results will be utilized to assess: medical workforce skills; the quality of medical specialties and sub-specialties; options for expanding medical residency training programs; and curriculum within health, medical, nursing and pharmacy schools.

On June 18th the HLS Director attended the first Middle East and North Africa "Track and Trace" conference which presented the Turkish experience in implementing the track and trace system for pharmaceuticals and medical devices. Through the track and trace system pharmaceutical products can be tracked to prevent counterfeiting, ensure the quality of the product and that it was stored properly. The cost, feasibility, compliance and effectiveness of implementing a similar system in Jordan were discussed. If implemented, the system would create jobs in the healthcare and ICT sectors, and enhance the competitiveness of healthcare care services and the pharmaceutical sector. JCP will provide technical assistance to the JFDA and the JAPM to evaluate the steps required adopting a track and tracing system in Jordan.

Activities Planned for July

- Finalize the draft stakeholder action plan for streamlining the JFDA drug registration process and begin preparations with the SEE team for a study tour to the Saudi Food and Drug Authority to gain firsthand understanding of the Electronic Common Technical Document ("eCTD").
- Work with the PHA and stakeholders to further advance outstanding MTC items.
- Meet with Dr. Hashem Abu Hassan, President of the Jordan Medical Association (JMA), to discuss regulatory reform issues to be presented to the MoH.
- Follow-up with the PHA, HHC and the MoH on the letter sent to the office of the Prime Minister.
- Contact the Health Systems Strengthening II project to discuss and explore areas of collaboration on the topic of hospital accreditation and gap analysis.

ICT SECTOR

ICT EXPORTS DEVELOPMENT PROGRAM (EDP)

JCP worked with McKinsey to provide technical guidance on the EDP. Stakeholder consultations and research concluded in early June with the submission of a detailed final report outlining program

startup and implementation steps. These include: establishing program baselines; developing a financial model; securing seed funding; hiring resources; and building the capacity of local organizations, such as int@j; and beginning service delivery to companies.

As a next step toward implementing the EDP, the ICT team validated the results of the export readiness assessment with seven companies (from the 20 in the sample). The firms appreciated the outcome sessions and expressed interest in participating in the EDP once it starts. See table below for comments from some of the participants. Annex B contains the slides shared with one firm for their outcome session.

Firm Feedback

Firm	Feedback
QBS	We knew most of these challenges, but seeing them in a structured format with potential recommendations, some that we didn't consider, will feed into our upcoming strategic planning exercises.
Media Plus	This is very enlightening, and seems a lot of effort was done to ensure such a comprehensive tool was created, and the findings are pretty accurate.
Madfoo3at	We are consumed with daily operations, and taking one step backward to view where we stand is great. We certainly would like to participate in the program once it's up and running.

WORK WITH INT@J TO SUPPORT THE MENA ICT FORUM

Int@j biennially organizes one of the region's most important tech events – the MENA ICT Forum – where regional and international tech leaders network and discuss new industry trends. This year's forum is planned for November 12th-13th. The ICT staff and JCP's senior management team held a brainstorming session with int@j on June 11th to discuss content, keynote speaker options, and the forum's overall structure. The team agreed to further explore the following:

- Addressing areas where healthcare and clean tech intersects with ICT. JCP could organize activities for the HLS and CT sectors in the days surrounding the MENA ICT Forum and invite stakeholders, speakers, and participants from Jordan and the region.
- Including a session on export development and awareness, and offering to assess firms on their export readiness based on the JCP tool.

INNOVATIVE JORDAN

The mapping exercise conducted by the ICT team last quarter identified that a focus on Intellectual Property/Innovation/Startups had great potential as a growth accelerator for the ICT sector. The next step was to clarify priorities under this area with the various stakeholders in the tech innovation space. Accordingly, JCP organized a stakeholder collaboration meeting on June 25th to align efforts, identify challenges and gaps in the ecosystem, and prioritize areas for JCP support and guidance. After a group discussion, the attendees voted on and selected three projects: 1) strengthening ties with angel investors, 2) entrepreneur and business capacity building, and 3) moving Intellectual Property through its lifecycle of developing a new product that hasn't been protected, branding it and



Jawad Abbasi, int@j Chairman, highlighting the firm's role at sector level and its main sector development initiatives.

then commercializing the result. Attendees were very pleased with the meeting, and later shared their comments with the organizers via email. Abdul Jaber from MenaApps wrote, “We are honored, happy and eager to partner/cooperate with JCP and DAI to take ‘Innovation Jordan’ to a new level.” Emile Cubaisy from Silicon Badia wrote, “Thank you so much for this amazing effort. Do reach out if we can support further planning!”

Activities Planned for July

- Recruit an STTA for the EDP to work on program startup and implementation.
- Continue to meet with int@j to finalize MENA ICT Forum content design and financial needs.
- Follow-up with stakeholders on the Innovative Jordan initiative to keep momentum going.

RESEARCH AND DEVELOPMENT

JCP started a preliminary assessment of the Intellectual Property Commercialization Office and other Technology Transfer Offices (TTOs), taking into account any previous mapping or assessments already conducted. JCP has been in contact with the new EU-funded Support to Research, Technological Development & Innovation (SRTD-II) program that is also supporting the TTOs to coordination. Once JCP finalizes its assessment, the R&D lead will develop a plan for capacity building.

COMPONENT IV: ACCESS TO FINANCE

PERSONNEL UPDATE

Patrick Ball joined the ATF team on June 4th as the Component Lead. He brings 15 years of experience in developed and emerging market banking and private equity, most recently working for Deutsche Bank's Global Social Finance team. This experience includes working operationally for micro-finance institutions and development consulting companies in Africa, the Middle East and Eurasia. As Component Lead, Patrick will principally be responsible for devising cross-cutting implementation strategies that increase linkages between public and private-sector debt and equity financiers and JCP's sectors.

CLUSTER DEVELOPMENT

As mentioned in the Clean Tech section of this report, the ATF and CT teams held their first joint workshop on June 23rd to discuss clean technology applications for industrial companies and available financing options. In total, there were 34 participants representing 17 government finance facilities, commercial banks and leasing companies, SME fund managers and multi- and bi-lateral financial institutions. Particularly relevant to the ATF Component was the last session of the day, during which six financiers presented some of the financing facilities currently available to companies in this sector. The JCP ATF Director moderated a follow-on discussion, highlighting the primary challenges that industrial companies face when trying to obtain financing, and how the financial products on offer (such as subsidized banking facilities and loan guarantee programs) can help address these programs. During a final optional session, ten financiers and SME business owners held informal one-on-one meetings, where the companies and owners had the opportunity to learn more about each other's products.

Attendees completed a survey to help JCP determine their knowledge of CT options, problems they may have faced while implementing CT, and assistance needs. Over one-third of the SME participants noted "financial assistance" as their priority need. Over the coming months, the ATF team will follow-up with these SMEs to ensure there is clear understanding of these companies' outstanding financing needs, and discuss how their needs can be addressed via JCP-partner financiers. Similar follow-up discussions will be held with the participating financiers (and those financiers who were contacted to participate but could not) to work on matchmaking with companies in this sector.

MEDICAL TOURISM COUNCIL (MTC)

ATF continued supporting the HLS sector on the MTC initiative. Last month, the ATF team completed an in-depth financial model for the MTC that tests different revenue models that the council can employ and outlines the projected funding gap. This month, the ATF team worked closely with HLS Director to find the right business and financing model for the new entity. The team held multiple meetings with different stakeholders such as the Jordan Tourism Board, the PHA and a third party administration provider (of services such as a call center, travel and billing). In addition, the ATF team evaluated the appropriate a) legal and corporate governance structure for the entity, and b) level and strategy for its initial marketing activities.

INVESTMENT READINESS CAPACITY BUILDING

The ATF team continued to work with the ICT Lead and McKinsey in planning for launch of the ICT EDP. The team played an important role in evaluating, diagnosing and then delivering recommendations to the ICT companies that participated in the assessment phase. The team's particular value-add has been two-fold. They evaluated different aspects of each company's investment readiness by providing feedback on the quality of business plans and financial forecasts, or lack thereof, and determined the appropriate types and sources of capital given each company's business stage.

This activity serves as a first step towards reaching ATF investment readiness objectives as they pertain to the ICT sector. The ATF team is utilizing the assessment phase findings to inform and refine the investment readiness tool currently being finalized by ICT sector. Once a company has been assessed initially, selected companies will undergo further investment readiness vetting and interventions will be designed with JCP/ATF financing and technical assistance partners in mind. The ATF team will also consider specific interventions that build the capacity of financiers to perform better credit and investment analyses and create more appropriate financing packages for ICT companies; this strategy links not only to increasing access to equity and debt financing for the ICT sector, but also to improving angel network capacity.

ANGEL NETWORK DEVELOPMENT

Building on the assignment completed by an SME financing consultant last quarter who assessed Jordan's early-stage financing landscape, the ATF team initiated discussions with a local and reputable angel investor with particular experience in the ICT sector. The consultant will undertake a more specific assessment of existing Jordanian angel networks and the result will inform the ATF team's development plan for upgrading angel network capabilities. This activity is scheduled to begin in July.

Activities Planned for July

- Follow-up on the CT financing workshop, including discussions on next steps and feedback with financial institution participants, assessing investor readiness and facilitating linkages between SMEs and appropriate financial partners.
- Assist the HLS Director with MTC funding discussions with relevant stakeholders.
- Finalize the SOW and hire the Jordan angel network technical advisor.
- As part of ICT investment readiness mechanism design, meet with int@j and the ICT Director to develop the baseline survey for ICT SMEs.

CROSS-CUTTING ACTIVITIES

GENDER INTEGRATION

The Gender Committee met to review the JCP Gender Strategy Report and provide feedback to the authors. Lana Nimri, a JCP gender committee member, joined the “Friends of the Ministry of Labor Program” that is connected to Ministry of Labor/ Woman Affairs Department. The organization will establish committees to support the work of the Ministry in various issues including the employment of women and women’s work conditions.

MONITORING AND EVALUATION

Work on the competitiveness index moved into its next phase as the firm Dajani Consulting Company started to identify companies operating in the CT, HLS and ICT sectors. Once this has been finalized in July, a sample of the companies will be selected to participate in a competitiveness survey. The M&E specialist also worked with the sector leads to finalize the survey instrument, and that is expected to continue in July and August.

COMMUNICATIONS

The Communications team finalized the development and roll-out of the Arabic website. It can be found at www.jcp-jordan.org/ar.

OPERATIONS

The Operations team purchased and received delivery of the furniture and A/C units for the Irbid office. The next step is to hire the staff.

In the human resources department, Nazeer Maless joined the Operations team as the Procurement and Subcontract Manager on June 1st. He immediately began developing a procurement plan for the program, and moving a back-log of procurements forward. JCP identified and received approval for Nabila Salman as the Director of Operations and Finance. She begins August 3rd, 2014.

JCP CALENDAR - JULY 2014

SATURDAY	SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
28	29	30	1	2 WFD-Meeting with KFD (year 2 planning)	3 CT -Irbid MoU signing ceremony 10:00	4
5	6	7 CT-Meeting with Green Building Council and EDAMA	8 Energy Task Force meeting with EDAMA 10:00	9 CT- Royal Hashemite Court debrief	10	11
12	13 Procurement Training	14 Procurement Training	15 Procurement Training	16 Procurement Training USAID Meeting	17 Procurement Training Blueprint Meeting	18
19	20 ICT-Meeting with the Minister of Communication TBD HLS- meeting with Dr.Abu Hassan President of JMA TBD	21 ICT-Meeting with ZAIN TBD WFD- Intern interviews HLS- meeting with PHA chairman Dr. Hommouri - 3:00	22 ICT-Meeting with UMNIAH TBD WFD- Intern interviews	23 ICT-Meeting with Endeavor TBD WFD- Intern interviews HLS- meeting with High Health Council 3:00	24 ICT-Meeting with IMENA TBD WFD- Intern interviews	25 WFD- Intern interviews
26	27	28	29	30	31	1

ANNEX A – LETTER TO THE PRIME MINISTER (TRANSLATED)

Translation of a letter from Dr. Al-Hammouri, the Chairman of the Private Hospital Association, to Jordan's Prime Minister, Dr. Abdullah Ensour.

Dear Excellency Dr. Abdullah Ensour,

With reference to your letter No. 20/13/ 3/18944 dated 13/5/2014, I would like first to express my appreciation for your interest in the Private Hospitals and Medical Tourism Sector, which primarily contribute to the GDP through medical tourism revenues of hard currencies, job creation, reducing unemployment rate, attracting investments, as well as the provision of best therapeutic and medical services for Jordanian, Arab and foreign patients at reasonable prices and high quality.

Referring to your request for our suggestions about institutionalizing and promoting medical tourism and required procedures from ministries and concerned official institutions to attract the largest number of patients, kindly find attached a document comprising several suggestions including the establishment of a “Medical Tourism Council” similar to some competing countries such as Malaysia and Turkey.

We hope you would kindly give your instructions to examine those suggestions and work on translating them into implementation procedures in a way that achieves the desired objective, which is sustaining Jordan's competitiveness and its first place ranking at the regional level.

Yours sincerely

Chairman of PHA

Dr. Fawzi Al-Hammouri

Suggestions submitted by Private Hospitals Associations to institutionalize and promote Jordan's competitiveness as an attraction center for medical tourism:

First: Ensuring the quality of medical services provided to patients

- Granting national accreditation for hospitals from HCAC or JCI. In order to achieve this, it is necessary to take actions and decisions that encourage hospitals to obtain accreditation.
 - ❖ Responsible authority: Ministry of Health, PHA
- Implementing continuous medical education to ensure that doctors keep pace with the latest medical findings and information.
 - ❖ Responsible authority: Ministry of health, Jordan Medical Council, and Nursing Association

- Improving the quality of nursing by upgrading nursing education and providing good practical training during undergraduate education, in addition to implementing continuous medical education.
 - ❖ Responsible authority: Ministry of Higher Education, Jordanian Nursing Council, Nursing Association

Second: Marketing and promotion and organizing specialized conferences and exhibitions:

- Focusing on the markets of main Arab countries for the medical tourism sector, strengthening cooperation with them, and maintaining confidence of patients from these countries.
- Opening new markets for medical tourism in African and middle Central Asian states
- Allocating a budget for marketing and promotion
- Activating the role of Jordanian embassies and diplomatic and commercial missions abroad, in addition to organizing agreements with some of the countries that send their patients for treatment abroad at the government's expense.
- Activating the role of The Jordan Tourism Board in promoting medical tourism.
 - ❖ Responsible authority: PHA, The Jordan Tourism Board, Ministry of Tourism, Ministry of Foreign Affairs

Third: Facilitating patients' access to Jordan:

- Facilitating visa procedures, granting visas at the airport for restricted nationalities, or using electronic visas
 - ❖ Responsible authority: Ministry of the Interior and Ministry of Foreign Affairs
- Establishing direct flight routes for RJ to the target countries
 - ❖ Responsible authority: RJ and Ministry of Transport
- Facilitating procedures for air and land crossings and receiving patients along with their escorts in a proper and professional manner.

Fourth: Developing mechanisms to monitor healthcare services providers to ensure the quality of these services at affordable prices agreed on in order to maintain the competitiveness of the sector and to prevent taking advantage of patients.

- ❖ Responsible authority: Ministry of Health and Doctors Syndicate

Fifth: Developing mechanisms to monitor Support services providers such as taxi drivers and hotel apartments and other providers to provide quality services at affordable prices and prevent taking advantage of patients

- ❖ Responsible authority: Ministry of Tourism, Ministry of Transport and Public Security

Sixth: Laws and legislation that stimulate investment in the sector and organize the services provided:

Investment Law, Medical Liability Law, Pharmaceuticals Law, private hospitals System, medical centers system, and stem-cell system

- ❖ Responsible authority: Ministry of Industry and Trade and Ministry of Health

Seventh: Establishing a Jordanian Medical Tourism Council as non-governmental and not-for-profit organization:

- ❖ Preparations are currently underway for the establishment of this Council in cooperation between the relevant agencies and the USAID Jordan Competitiveness Program.

Aim of the project: institutionalizing medical tourism by defining and launching initiatives that promote medical tourism in Jordan through the following:

- Preparing a comprehensive strategy for medical tourism
- Coordinating between all therapeutic and touristic services providers and support services
- Spreading awareness locally about the importance of medical tourism in supporting the national economy
- Collecting data and preparing related technical studies
- Unifying marketing efforts effectively through a marketing plan that gets developed and reviewed periodically
- Developing legislation supporting the medical tourism
- Marketing integrated programs that include treatment, hotel accommodation and transportation
- Facilitating logistics to enhance the competitiveness of the sector

Outcomes that the Council will be working on implementing:

- Attracting medical investments into Jordan, particularly with regard to Centers of Excellence
- Upgrading the quality of medical services delivered in private medical centers and hospitals by increasing the number of hospitals and centers granted local and international accreditation
- Creating new job opportunities for Jordanians
- Increasing the number of non-Jordanian patients by 10% annually by targeting new and non-traditional markets

Partners: PHA, Ministry of Health, Jordan Tourism Board, and JEDCO

ANNEX B – ASSESSMENT TOOL OUTCOMES



USAID | **JORDAN**
FROM THE AMERICAN PEOPLE



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Export Readiness Assessment

 الشركة التقنية للوطن العربية
Adaptive TechSoft

Summary
June, 2014

Executive Summary- ATS

- Key achievements to date:
 - ATS has done an impressive job in scaling their exports, which currently account for 90% of their revenues. The company has been able to manage 280 employees to support their expansions plans , while maintaining a stable middle management layer and high employee retention rates. ATS is currently undergoing expansion plans to the Eastern Europe and the US market.
- Key challenges going forward:
 - **Strategy review**
 - When conducting the review of ATS strategy some paths should be evaluated, e.g.
 - expansion into vocational education colleges in KSA especially with the planned ramp-up of colleges from 100k students to 400k students in 2020 and from 50 to 200 colleges
 - vertical integration (e.g. by acquiring a smaller player) to offer build-operate-transfer entire hospitals and thus become a one stop shop since this is a service that is being demanded in KSA
 - Revisit expansion into Germany / Eastern Europe – from an outside perspective Hannover does not seem to be the natural choice for a landing site for Eastern Europe, Berlin surely offers good subsidies / incentives for outside investors and is geographically closer – however, given the strategic opportunities in the GCC or USA a focus on these markets should be considered
 - **Access to international markets**
 - The company seems to have an opportunistic approach for business in countries in the GCC other than KSA. Building an active business development approach in the GCC is needed in order to scale exports
 - How to benefit from the program:
 - We believe ATS is at an advanced stage regarding export readiness
 - Within the Export Development program, **some important services** that ATS could explore include:
 - MBA intern to help in developing in depth research about potential market entry for the company, e.g. USA
 - Strategic communications service to help them boost their brand image and recognition in key target markets, and communicate their achievements to key opinion leader platforms in the healthcare and education verticals
 - The company would benefit from a strategy review in order to reassess their strategy and guide their future expansion along the value chain and geographically

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The Export Readiness assessment covered five dimensions

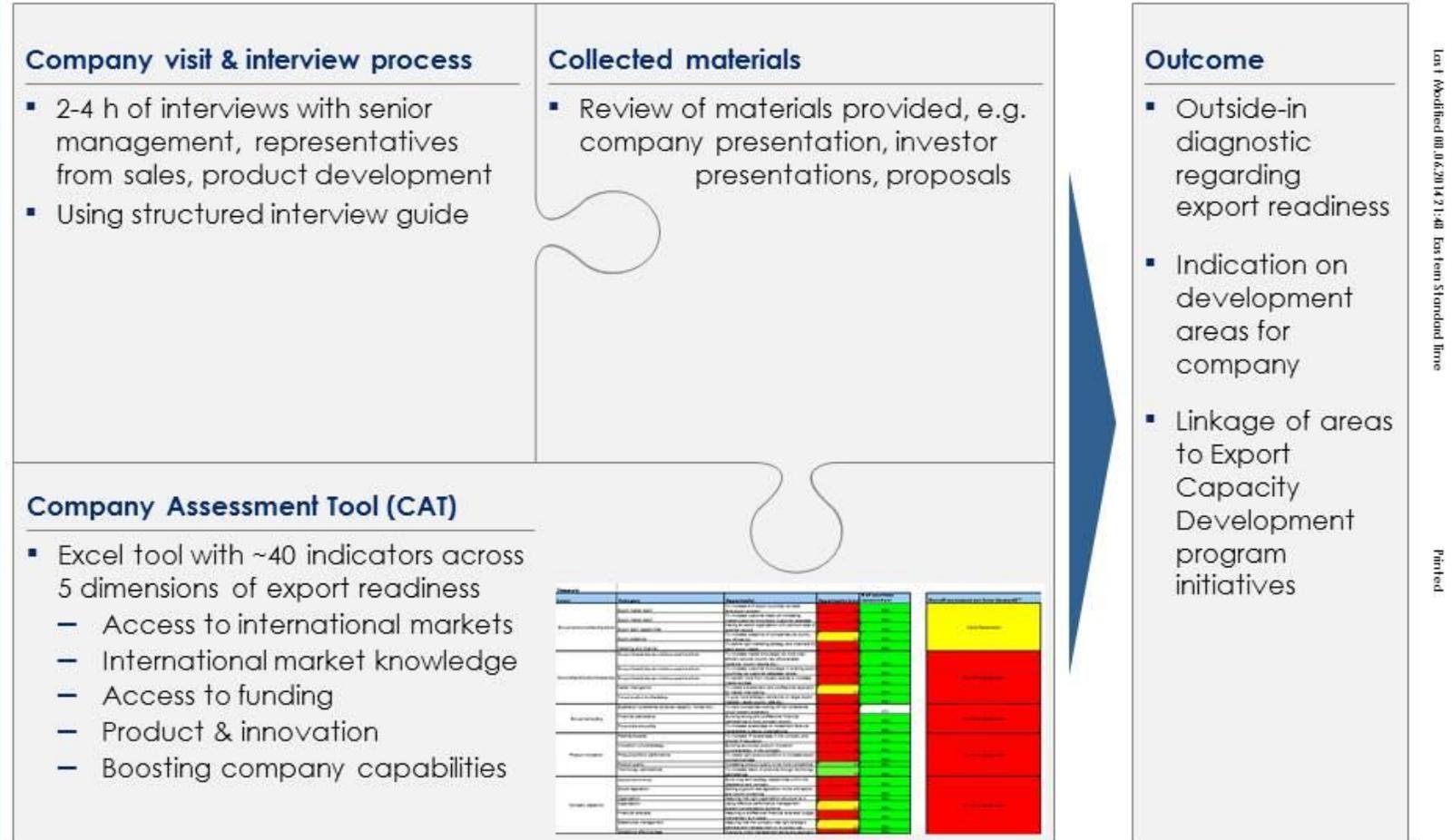
External – market intelligence, innovation and access related enablers

- **Increasing access to international markets**
 - Facilitating entry to new markets
 - Increasing depth / scale in existing markets
 - Providing location and support services
- **Providing international market knowledge**
 - Providing market intelligence/insights
- **Creating access to funding**
 - Introductions/access to international financiers/financial investors
- **Enabling product innovation**
 - Building structured product innovation culture/strategy in the company
 - Creating right product/portfolio
 - Introductions/access to technology partners

Internal – company enablers

- **Boosting company capabilities**
 - Building long term strategy capabilities within the leadership and company
 - Assuring that right organization structure and budget mechanism are in place
 - Developing company-specific capability building program, e.g. sales support tools, performance mgmt.
 - Overcoming impeding attitudes

The diagnostic is based on our company visit, the interview, NOT COMPANY SPECIFIC the materials you provided and a structured assessment tool



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ATS has overall high development potential, with particular needs in product development, funding and organizational setup (1/2)

Export Readiness: ■ High ■ Medium ■ Low

Opportunity at category level

Access to international markets

Overall company assessment on levers

- The company has access to multiple GCC countries, and is currently eyeing expansion to Europe & the US

Observations / selected quotes on selected indicators

- The company's exports amount to 90% of the companies' total revenue
- The company has established an office in Jordan, and another office in KSA, with 100 employees
- ATS has 70% of the higher education solutions market in KSA, supporting 640k students
- The company established an office in Germany last year, but operations has not started there yet. ATS should develop a strategy to penetrate the German and Eastern European market.
- Moreover, business development efforts in Germany can be more systematic i.e. a sales manager with in depth knowledge about the German market may be hired
- ATS can transform their opportunistic go-to-market approach in the GCC market (e.g. in UAE, Bahrain, Oman) to a more systematic one e.g. through establishing sales teams to target those markets, etc.
- The company has classified their partners and set standard agreements to enhance collaboration

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ATS has overall high development potential, with particular needs in product development, funding and organizational setup (2/2)

Export Readiness: ■ High ■ Medium ■ Low

Opportunity at category level

International market knowledge

- The company has a systematic approach to market knowledge in KSA, but has an opportunistic approach in other markets

Observations / selected quotes on selected indicators

- The company has recently hired a consultant to help in acquiring the market knowledge needed access to the US market
- ATS regularly attends industry events and exhibitions
- The company needs to dedicate resources to acquire in depth market knowledge about the healthcare and education verticals in the GCC e.g. TVTC education in KSA

Access to funding

- The company has the financial ability to support expansion to Europe & the US up to a certain level

- The company has enough cash to sustain their current growth and support new market access efforts
- The company might benefit from communicating with PE firms in the region to benefit from their strategic support
- The company may consider getting a strategic US investor on board to help access the USA market

Product innovation

- The company has a set of high quality products, and is currently upgrading its offering to cloud & mobile platforms

- The company has modularized products in the healthcare and education verticals that were developed internally
- The company is currently pursuing a 1 year plan to transition their healthcare and education products to cloud, web and mobile platforms
- ATS has acquired multiple certifications such as CMMI and is currently a platinum Oracle partner

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ATS has overall high development potential, with particular needs in product development, funding and organizational setup (2/2)

Export Readiness: ■ High ■ Medium ■ Low

Opportunity at category level

Company capability

Overall company assessment on levers

- The company has a well-structured organization, and has excellent capabilities in recruiting and retaining talent

Observations / selected quotes on selected indicators

- *The company wants to spin each of their products into a new company to be more focused. Moreover, they hired an external consultant to help them plan and implement this process.*
- *The company has 280 employees, and has developed a stable middle management layer*
- *The company has a very high employee retention rate, which is a result of their retention strategy (e.g. distributing 3% of the yearly profits and 2% of the yearly sales as bonuses)*
- *The company has an innovative recruitment strategy i.e. choosing the top 10-15 students at university, enrolling them in a training program during their 3rd year at university, and offering jobs to around 7 each year.*
- *ATS hires sub-contractors to help in implementing non-core services demanded by their clients*
- *ATS is able to deliver 8 hospital solutions concurrently and is currently building their capabilities to be able to deliver 14 hospitals concurrently*

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The potential of each lever is based on a detailed set of indicators

Dimensions	Indicators	Low Export Readiness	High Export Readiness	Examples for High Export Readiness (Grade:3)
1 Access to international markets	Export market reach		3	<ul style="list-style-type: none"> Presence in export markets (i.e. sales office/rep) Existence of a dedicated export sales team Differentiated marketing and channel strategy
	Export team capability		3	
	Export presence		3	
	Marketing and channel		3	
2 International market knowledge	Deeper knowledge on existing export markets		3	<ul style="list-style-type: none"> Structured approach on selecting target export markets Proactive customer and market reach (i.e.: lead lists, international fairs etc.) Existence of deep market knowledge
	Market intelligence		3	
	Target market methodology		2	
3 Access to funding	Expansion constraints		2	<ul style="list-style-type: none"> Lack of financial barriers for expansion High engagement level with investors Close follow-up of investor events
	Financial partnership		3	
4 Product innovation	Patents/rewards		3	<ul style="list-style-type: none"> Existence of a modularized product requiring minimal customization with existing /IP Structured product roadmap and dedicated product development team Dedicated quality assurance team, quality measurement via KPIs Certifications and technology partnerships
	Innovation culture		3	
	Product portfolio		2	
	Product quality		3	
	Certification and partnerships			
5 Company capability	Long term strategy		2	<ul style="list-style-type: none"> Existence of 2-3 year strategy and positioning Appetite for growth and exports Established middle management level, i.e. organization not centered around founder Established Performance Management Professional partner management, e.g. regular performance discussions agreed KPIs
	Growth aspiration		1	
	Organization		2	
	Stakeholder management		2	

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Based on our assessment there are a few things measures the company could consider going forward

ILLUSTRATIVE

Export Readiness: ■ High ■ Medium ■ Low

Dimensions	Tactical recommendations / food for thought
Access to international markets	<ul style="list-style-type: none"> ▪ In its strategy review ATS should consider several strategic thrusts, e.g.: <ul style="list-style-type: none"> – expansion into vocational education colleges in KSA especially – vertical integration (e.g. by acquiring a smaller player) to offer build-operate-transfer entire hospitals and thus become a one stop shop since – Revisit expansion into Germany / Eastern Europe
International market knowledge	<ul style="list-style-type: none"> ▪ The company may benefit from hiring an MBA intern with previous experience in business development in the education industry to help in developing in depth research about the potential for the company in markets such as the USA
Access to funding	<ul style="list-style-type: none"> ▪ N/A
Product innovation	<ul style="list-style-type: none"> ▪ The company may benefit from the strategic communications service to help them boost their brand image and recognition in key target markets, and communicate their achievements to key opinion leader platforms in the healthcare and education verticals
Company capability	<ul style="list-style-type: none"> ▪ The company would benefit from a strategy review in order to reassess their strategy and guide their future expansion along the value chain and geographically

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We suggest you to participate in some of the services of the Export Development Program to boost your export readiness

☐ Suggested for your company

Element	Details
New services within the Export Development Program	<ul style="list-style-type: none"> ▪ SME up-skill program <ul style="list-style-type: none"> ▪ Product development program ▪ International MBA interns ▪ Company and product level certification (already exists) ▪ International Mentoring (earliest from year 2) ▪ Strategy review (earliest from year 2) ▪ Corporate maturity program (earliest from year 2)
	<ul style="list-style-type: none"> ▪ Strategic Communications (SC) <ul style="list-style-type: none"> ▪ Endorsement by regional & int'l media ▪ Product comparison
	<ul style="list-style-type: none"> ▪ Market entry <ul style="list-style-type: none"> ▪ Market Intelligence ▪ Lead generation ▪ Trade missions ▪ Logistics
Eco system map to existing services	<ul style="list-style-type: none"> ▪ Blue Ocean Council ▪ Trade exhibitions ▪ Investment readiness (access to finance) <ul style="list-style-type: none"> ▪ MENA ICT Forum ▪ Sector Skills Org. (SSO) ▪ Tender databases <p style="text-align: right;">NOT EXHAUSTIVE</p> <p style="text-align: right;">Please contact Int@j for a full map of the ecosystem </p>

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