

USAID/AMIR Program Success Stories

Final Report

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Author's Name: Charli Wyatt

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This report was prepared by Charli Wyatt, in collaboration with Chemonics International Inc., prime contractor to the U.S. Agency for International Development for the AMIR Program in Jordan.

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Abstract

The purpose of this report is to compile and write USAID/AMIR Program “success stories.” This work was initiated in response to a USAID campaign to gather stories to capture how the work of USAID benefits individuals, families, and communities around the world. The consultant wrote 28 success stories covering each of the five AMIR Program components. These stories were then submitted to USAID by the communications manager for publishing on the USAID stories website, www.stories.usaid.gov. This report includes the final drafts of these stories as submitted to USAID.

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Executive Summary

USAID is bringing peace to those who endure violence, health to those who struggle with sickness, and prosperity to those who live in poverty. Documenting and sharing the success of USAID's work is critical not only for building public awareness and support, but also for enhancing the ability of USAID's projects and programs around the world to learn from each other and be creative in carrying out their missions. To this end, USAID developed a section on its website, www.stories.usaid.gov, to help it collect "success stories" about its work, and act as a single clearinghouse to capture how the work of USAID is bringing hope to individuals, families, and communities. The stories are written to appeal to a general audience and appear in one of five formats: Case Study, Success Story, First Person, Before/After, and Photo/Caption.

This consultancy consisted of background research about the work of the AMIR Program 1.0 and 2.0, interviews with component leaders and other key staff, interviews with the AMIR Program's local partners, clients, and beneficiaries, and the drafting of the individual pieces.

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Complete Story Listing

Business Management Initiative

1. First Person (Ammon College)

*Improving the Hospitality Industry in Jordan Through Training:
USAID helps hospitality college train tourism professionals*

2. First Person (Young Entrepreneurs Association Mentorship Program)

*Helping Jordanian Entrepreneurs Achieve Their Dreams:
Business association provides advice, guidance to lead entrepreneurs on path to success*

3. First Person (IP Rights)

*Protecting Intellectual Property in Jordan:
USAID assistance helps transform Jordan into regional intellectual property rights leader*

4. Case Study (TIJARA Coalition)

*Promoting Trade Between Jordan and the U.S.:
USAID helps unique public-private partnership assist Jordanian businesses to enter the U.S. market*

5. Case Study (National Tourism Strategy)

*Turning Jordan's treasures into world-class tourist destinations:
USAID helps Jordan develop broad national strategy for boosting tourism growth*

Stories from the Information and Communications Technology Initiative

6. Case Study (REACH Initiative)

*Jordan's Information Technology Industry Rises to the Top with Direction from National Strategy:
USAID-supported national initiative brings new jobs, investment to Jordan's IT sector*

7. First Person (int@j)

*Advancing the Jordanian Information and Communications Technology Industry:
Vibrant business association leads ICT industry on path to success*

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8. First Person (NetCorps)

*Internship Program Opens World of Possibilities Through IT:
NetCorps Jordan Program spreads IT throughout Kingdom through Jordanian youth*

9. Case Study (Program Management Office of Ministry of Information and Communications Technology)

*e-Government Initiated with USAID Assistance:
Special Unit Built to Guide Ambitious e-Government Program in Jordan*

10. First Person (International Computer Drivers License)

*Jordanian Government Becomes Computer:
USAID brings international computer training program to Jordan to enhance e-government readiness*

11. First Person (Secure Government Network)

*Developing e-Government Infrastructure in Jordan:
Secure government network improves communications, enables e-government projects*

12. First Person (Company Controller Directorate)

*Jordan launches government e-services:
Web-enabled service makes registering a business fast and easy*

Stories from the Private Sector Policy Initiative

13. Case Study (Customs Reform and Automation)

*A Modern Customs Administration for Jordan:
Jordan is making significant strides in implementing customs reforms and improves status as international trading partner*

14. Success Story Excellence (Centers of Excellence Program)

*Jordanian Government Strives for Excellence:
USAID program helps government agency win royal award for exceptional performance*

15. Case Study (World Trade Organization Accession)

*WTO Membership Expands Economic Opportunities for Jordan:
With USAID support, Jordan's fast-tracked accession into the WTO has helped create*

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new jobs and greater economic opportunity for all Jordanians

16. Case Study (Food Safety Inspection System)

Food safety improved in Jordan:

USAID helps Jordan implement new control system to reduce costs and delays and ensure consumer safety

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Promoting Investment in Jordan:

USAID training helps Jordan attract foreign investment, create jobs

Stories from Financial Markets Development

18. Before/After (Whiteboards to Plasma Screens)

Technology Enhancements Spark Jordan Capital Market Growth:

State-of-the-art information technology enables unprecedented growth on Amman Stock Exchange

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Leveraging U.S. SEC Expertise to Reform Jordan's Financial Markets:

USAID helps Jordan use the experience of U.S. institutions to upgrade management of financial market organizations and attract investment

Stories from the Microenterprise Initiative

21. Success Story (Arije Al-Amad)

Jordanian Women Capitalize on Access to Small Loans:

USAID helps microfinance pioneer provide opportunities for enterprising women

22. Case Study (Sustainable Microfinance Industry)

Building Jordan's Sustainable Microfinance Industry:

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Development of a sustainable microfinance industry improves long-term viability of microcredit in Jordan

23. Success Story (Nariman Hefawi)

*Microloans help Jordanian women build businesses, support their families:
Enterprising entrepreneur succeeds in male-dominated construction industry.*

24. Success Story (Sustainable Microfinance Training Program)

*Training program helps microlenders achieve sustainability, serve clients:
Loan officer builds career with help of regional sustainable microfinance training program*

25. Success Story (New Loan Products)

Taxi loan helps Jordanian buy new car, provide better life for his family

26. Case Study (Entrepreneur Forums)

*Jordanians Find Entrepreneurial Inspiration:
Innovative community forums help aspiring entrepreneurs find their confidence,
overcome obstacles*

27. First Person (SANABEL Conference)

*Jordan Hosts Regional Microfinance Conference:
Conference provides unprecedented opportunity to coordinate microfinance strategy in
the Arab world*

28. Case Study (Wholesale Funding Facility)

*Putting microfinance institutions on the road to sustainability:
New facility creates new bridges between microfinance institutions and commercial
lending resources*

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Stories from the Business Management Initiative

1. First Person (Ammon College)

*Improving the Hospitality Industry in Jordan Through Training:
USAID helps hospitality college train tourism professionals*

“Thanks to USAID’s support, the college is better able to provide high-quality vocational and technical training using up-to-date technology and facilities, and our students have the opportunity to earn an accredited degree.”

Richard A. Jaoude, Managing Director, Ammon Hospitality College

Ammon Hospitality College is Jordan’s only specialized hotel, tourism, and technical training school. The college is vital to Jordan’s tourism industry, which is the single largest private sector employer in the Jordanian economy. As part of a broader initiative to strengthen tourism in Jordan, USAID, with its economic development project the AMIR Program, is helping upgrade the college to build a pool of top-notch tourism service employees. USAID reviewed the college’s administrative structure, technology needs, and curriculum, and made recommendations to the board of directors. USAID also provided grants to help implement these recommendations, including a \$72,000 grant to develop strategic and business plans, a \$60,000 grant to build an up-to-date computer lab, and a \$16,000 grant to create a communications network for the college and provide hardware and software to improve in-class training. As a result of USAID assistance, Jordan’s Ministry of Planning has provided Ammon over \$2 million in capital upgrades and institutional capacity building support.

Ammon is on its way to becoming one of the premier hospitality schools in the region. Thanks to improved management, the college expects to turn a profit in 2004 for the first time in several years. Technology upgrades, improved faculty recruitment, and a redesigned curriculum are helping improve Ammon’s programs. The college added a four-year degree to its program in 2003, and plans to offer a master’s degree starting in 2005. Enrollment and graduation rates are on the rise, especially among women, and are expected to double over the next four years.

2. First Person (Young Entrepreneurs Association Mentorship Program)

*Helping Jordanian Entrepreneurs Achieve Their Dreams:
Business association provides advice, guidance to lead entrepreneurs on path to success*

“I had a vision for starting my own business, but I had no understanding of the details of entrepreneurship, like marketing or licensing. Through the Young Entrepreneurs Association, I got indispensable advice from experienced business leaders. Now, the company is growing and attracting more clients and bigger projects.”

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Samer Al Jabari, co-founder, MENA Tech

When Samer Al Jabari started his software development and consulting company in 2002, he had no experience – and no customers. He went to the Young Entrepreneurs Association (YEA) for help. The YEA was established in 1998 to promote entrepreneurship in Jordan and encourage national economic development. USAID, through its economic development project the AMIR Program, has helped build the capacity of the YEA by providing technical assistance, training, and a development grant of more than \$415,000.

The YEA offers training programs and networking opportunities as well as direct support, such as assistance in creating a business plan. Samer, a YEA member since 2000, began seeking one-on-one advice from the YEA in 2002, which led to his company landing its first client. Realizing the value of personalized assistance for a new entrepreneur, the YEA began a pilot mentorship program in 2003, pairing new entrepreneurs with seasoned business professionals who provide guidance on topics such as management, marketing, and financing. “Being an entrepreneur is like being a pilot who wants to land a plane in the dark on an unlit runway,” explains Samer. “You know where you want to go, but can’t see how to get there. My YEA mentor helped me develop my business plan, market the company’s products, and adopt a more customer-friendly business philosophy. Without the support of the YEA, we could not have dealt so effectively with the complex issues of running a business. Now, we have six clients instead of one, and we win larger projects.”

3. First Person (IP Rights)

Protecting Intellectual Property in Jordan:

USAID assistance helps transform Jordan into regional intellectual property rights leader

“Jordan is now regarded as a regional leader in the enforcement of intellectual property laws. We have seen a sharp increase in the number of copyright infringement cases we are able to refer to the courts and today 80% of those cases result in convictions.”

Mamoun Th. Talhouni, Director General, Department of the National Library, Jordan

Before joining the World Trade Organization (WTO) in 2000, Jordan was regarded as a weak enforcer of intellectual property (IP) rights, hindering the country’s participation in international trade and hurting local businesses. As part of a comprehensive effort to support Jordan’s membership in the WTO, the AMIR Program, USAID’s economic development project, helped the government reform its IP laws. These changes prompted the International Intellectual Property Association to remove Jordan from its watch list, a critical first step for building the country’s credibility in IP issues.

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USAID continues to support the enforcement of the new laws and raise awareness of the economic benefits of ensuring IP rights by working with the Jordan Intellectual Property Association (JIPA). JIPA is hosting training programs for the National Library, customs authorities, and the private sector. In 2003, JIPA organized “IP Week,” a world-class event that attracted over 300 participants to educate the Jordanian business sector, academia, and government on IP issues. “Jordan’s success in promoting intellectual property rights has helped legitimate businesses capitalize on their IP assets and operate without fear of illegal competition,” says Murad Bushnaq, chairman of JIPA.

4. Case Study (TIJARA Coalition)

Promoting Trade Between Jordan and the U.S.:

USAID helps unique public-private partnership assist Jordanian businesses to enter the U.S. market

In 2000, Jordan became only the fourth country in the world, and the first Arab country, to sign a free trade agreement with the United States. The Jordan-U.S. Free Trade Agreement (JUSFTA), which calls for the gradual elimination of all duties and quotas on trade between the two countries by 2010, promised tremendous benefit for Jordanian businesses by granting them unprecedented access to the U.S. market and positioning Jordan to become the regional hub for trade and investment aimed at exporting to the United States. To take advantage of the agreement’s enormous potential, however, the business community would need to have access to information about US-based services that would help them build linkages with U.S. importers and comply with the JUSFTA’s requirements.

USAID, through its economic development project the AMIR Program, responded by creating the TIJARA Coalition, an innovative partnership of business associations, government agencies, and private companies created to promote the JUSFTA and provide businesses with the tools they need to boost their exports to the United States. The AMIR Program provided technical assistance and \$98,000 in funding to create TIJARA and generate support among the business community for the process. The AMIR Program then provided world-class training to the coalition and individual members to build their capacity to collect, analyze, and disseminate information about the JUSFTA to the public through seminars, help desks, and Web sites. In particular, the program helped create and train FTA Unit, the component of TIJARA that coordinates trainings for members and responds to inquiries about the JUSFTA.

Jordanian businesses have embraced the JUSFTA and are developing strong relationships with the U.S. market. In 2002, the first full year that the JUSFTA was in force, the total value of exports to the U.S. under the FTA was \$12.6 million. In 2003, that figure more than doubled to \$27.2 million. TIJARA’s information resources are popular – the JUSFTA website has received over half a million hits since it was launched in November

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2002, and the FTA Unit responds to 30 requests for information a month. “In addition to helping us improve our ability to research and analyze data, the AMIR Program has trained us to anticipate the questions and the needs of the business community,” says Anna Maria Salameh, specialist at the FTA Unit. “Soon we’ll also be able to design and implement our own trainings. The AMIR Program has given us the ability to be both proactive and self-reliant.”

“The TIJARA Coalition motivates the Jordanian business community to play a more active role in its own success. USAID’s AMIR Program provided us with grants, but more importantly with technical skills and knowledge based on extensive international experience to help us make reliable, relevant information available to the public.”
Rose Alissi Wazani, CEO, American Chamber of Commerce in Jordan.

5. Case Study (National Tourism Strategy)

*Turning Jordan’s treasures into world-class tourist destinations:
USAID helps Jordan develop broad national strategy for boosting tourism growth*

Tourism plays a critical role in Jordan’s economy – it’s the second largest private-sector employer and accounts for about ten percent of the country’s gross domestic product. Jordan boasts a wide range of unique attractions, including sites of ancient historical and cultural significance, major religious sites, and eco-tourism expeditions. Despite its importance and potential, however, the industry has been highly vulnerable to regional political instability. After Jordan signed a peace treaty with Israel in 1994, tourism grew 8-10 percent annually, but fresh violence in Israel and the Palestinian Territories in 2000 and the events of September 11 hit tourism operators hard. Jordan needed to improve its tourism image, encourage the development of promising attractions, and build the capacity of local tourism service providers. Success would require a multi-faceted national effort – something neither the private sector nor the public sector could carry out alone.

As part of a broader initiative to support tourism in Jordan, USAID’s economic development project, the AMIR Program, responded by guiding the creation of a strategy for public-private cooperation in tourism promotion and development. Work began in July 2002 when USAID organized a retreat where industry leaders and key government officials set out rules and defined the main elements of the strategy. To facilitate the process, USAID contracted a team of consultants who helped Ireland build a similar public-private partnership and strategy aimed at overcoming public misperceptions about safety arising from the conflict in Northern Ireland. Over the next two years, USAID and the Irish consultants worked closely with participants to identify Jordan’s opportunities and challenges, formulate goals and actions, and strengthen the government-industry partnership. Through multiple changes in key government personnel and wavering confidence among participants, USAID drove the process forward, providing expertise and encouragement to help maintain momentum.

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In May 2004, His Majesty King Abdullah II publicly unveiled Jordan's National Tourism Strategy before a meeting of the World Economic Forum. Two months later, the strategy was officially launched to Jordan's tourism industry at an event organized by USAID. The strategy aims to develop the industry's vast potential to reach one goal – double Jordan's tourism economy by 2010. It draws on international experience to formulate a plan appropriate for Jordan and incorporates an innovative approach – the “value chain” concept, which focuses on improving every aspect of the tourist experience from the decision to travel through the return home. The strategy's key success, however, was the unqualified endorsement it received from His Majesty and the government, which pledged to allocate four percent of its revenue from tourism-related taxes for tourism marketing and product development. With such support, the strategy puts Jordan's tourism industry on the path to rapid, sustainable growth.

“We were able to develop a truly Jordanian strategy for developing the tourism industry. The strategy itself is an enormous success, as is government's commitment to double the funding to support the industry's development.”

Marwan Khoury, managing director, Jordan Tourism Board

Stories from the Information and Communications Technology Initiative

6. Case Study (REACH Initiative)

Jordan's Information Technology Industry Rises to the Top with Direction from National Strategy: USAID-supported national initiative brings new jobs, investment to Jordan's IT sector

As a country without an abundance of natural resources, Jordan must rely on its human assets to drive the economy. When His Majesty King Abdullah II came to the throne in 1999, he challenged the private sector to devise a plan for building the country's young information and communications technology (ICT) sector, taking advantage of Jordan's highly skilled and educated workforce. The result was the REACH Initiative, a government-business partnership and national strategy that saw a future for Jordan as a leader in exporting ICT products and services. Launched in 1999, the initiative aimed to turn Jordan into a regional ICT hub and an exporter of these products and services to the world.

USAID, through its economic development project the AMIR Program, has been a driving force behind the REACH Initiative from the beginning. The AMIR Program funded the initiative's founding document, which laid out a five-year plan for cooperation among industry, government, and other partners to achieve these ambitious goals. To coordinate the private sector's contribution to the initiative, the AMIR Program helped create the Information Technology Association - Jordan (int@j), now the country's most

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dynamic and active business association. The AMIR Program assisted int@j in organizing workshops and producing new strategy documents for each phase of the initiative. The AMIR Program also fielded local legal experts to help draft and promote new or revised legislation related to ICT, resulting in the adoption or amendment of 25 laws and 273 articles.

The REACH Initiative has helped transform Jordan into a leader in the Middle East's ICT revolution. Jordan is now praised internationally for its stable investment environment and competent human resources. The sector has seen tremendous growth since the REACH Initiative was launched, in spite of persistent regional insecurity and a global decline in technology spending and investment. Since 2000, the first full year of REACH, the number of ICT related jobs has grown from 1,250 to 9,000; the sector has attracted more than \$79 million in cumulative foreign direct investment; and export values total more than \$47 million. The 2002 Jordan ICT Forum, the culmination of the AMIR Program's support to the ICT industry, attracted nearly 1,000 participants from more than 35 countries, including top U.S. and European executives, who praised Jordan's dynamic approach and strong public-private cooperation.

“Jordan can take great pride in REACH as it has proven to be a unique and extremely well designed national initiative. The AMIR Program provided Jordan's ICT stakeholders all the tools we needed to develop this strategy, including expertise, financial resources, and moral support along the way.”

Ra'ed A. Bilbessi, CEO, Information Technology Association – Jordan (int@j)

“The ICT industry in Jordan takes great pride in our national ICT initiative. The AMIR Program/USAID provided Jordan's ICT stakeholders the tools we needed to develop this strategy, including expertise, financial resources, as well as moral support along the way.”

Ra'ed A. Bilbessi, CEO, Information Technology Association – Jordan (int@j)

7. First Person (int@j)

*Advancing the Jordanian Information and Communications Technology Industry:
Vibrant business association leads ICT industry on path to success*

“int@j plays a critical role in the industry's development, and does so with the utmost professionalism” says Walid Tahabsem, president and CEO of ITG, a Jordanian software company and int@j member. “It is not only our voice for communicating with the government, but also our unbiased representative with international investors.”

The Information Technology Association - Jordan (int@j) is the most dynamic and

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successful business association in the country. USAID, through its economic development project the AMIR Program, helped create int@j to represent, promote, and advance the Jordanian software and information and communication technology (ICT) services industry in the global market. USAID helped int@j develop a five-year strategic plan, provided grants and equipment, and trained the association's management and staff. int@j was formally launched in May 2000 and today the voluntary association has more than 125 members. int@j is adept at providing a wide range of member services, including coordinating public policy advocacy, promoting the industry internationally, and providing specialized training. int@j is also the private-sector leader of the REACH Initiative, a partnership between business and government that aims to transform Jordan into a regional ICT hub and an exporter of ICT products and services to the world. "int@j is leading Jordan's IT sector forward," said int@j CEO Ra'ed A. Bilbessi. "We represent our members effectively and have earned the respect of our partners in government and industry. USAID's AMIR Program provided indispensable assistance to help us build our capacity to the professional levels at which we operate today."

8. First Person (NetCorps)

*Internship Program Opens World of Possibilities Through IT:
NetCorps Jordan Program spreads IT throughout Kingdom through Jordanian youth*

"NetCorps changed my whole attitude about life. It's the best and most beneficial training I ever had. When I first graduated from university, my outlook was very limited, and I started to lose motivation and enthusiasm. Now, I can envision unlimited opportunities and options in front of me."

Remah Salah Shihab, NetCorps Jordan intern

Remah Shihab is one of 120 talented young Jordanians recruited by the NetCorps Jordan Program to promote information technology (IT) throughout the country. NetCorps provides participants with training in a blend of IT, community development, and business skills, and places them in internships with community computer centers, known as Knowledge Stations. The interns design and conduct trainings for the community, help people use IT to enhance their everyday lives and businesses, and create IT-supported community projects. Created in 2002, NetCorps is run by the Queen Zein Al Sharaf Institute for Development (ZENID), one of Jordan's premier training and research centers. USAID, through its economic development project the AMIR Program, has supported NetCorps since its inception, with a \$500,000 grant.

NetCorps brings the benefits of IT to local communities, and has proven to be a life-changing experience for many of the interns. "The personal transformation of our interns is amazing," explains Dina Al-Jamal, program manager of NetCorps Jordan. "They are more confident, enthusiastic, and more connected to their communities. It's their excitement and motivation that helps raise awareness of the benefits and uses of ICT in

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the local communities.”

“I liked the training very much, but I prefer to work in the field,” says Remah, who graduated in February 2004 and now interns at the Knowledge Station in the village of Kittah. “It is so rewarding to know that you helped someone to open up or understand things beyond their usual world. I feel very connected to people through my work.”

9. Case Study (Program Management Office of Ministry of Information and Communications Technology –)

*e-Government Initiated with USAID Assistance:
Special Unit Built to Guide Ambitious e-Government Program in Jordan*

When His Majesty King Abdullah II came to the throne in 1999, he announced a strategy for economic growth for Jordan focusing heavily on building the information technology (IT) industry and integrating IT into people’s daily lives. To support this vision, a national e-government initiative was launched in 2000 to streamline government processes and provide information and services to citizens over the Internet. Responsibility for coordinating this new initiative was to fall to the new Ministry of Information and Communications Technology (MOICT) and included developing government IT infrastructure, providing computer literacy training for government employees, and designing and implementing e-services. At the time, however, MOICT was still in transition from its former role as the Ministry of Post and Communications (MOPC), which had no departments or staff devoted to IT issues. In addition to legal reform and organizational restructuring, the ministry’s transformation would require updated human and technology resources to implement e-government.

USAID, through its economic development project the AMIR Program, responded by providing institutional development, legal assistance, and equipment to help transform the MOPC into the MOICT. The e-government project needed its own special team and the Program Management Office (PMO) was born. This office was designed to coordinate e-government projects, monitor the benefit to citizens, and raise public awareness about e-services. The PMO’s legal charter, written by USAID, was not just to coordinate the overall initiative, but also to train other government organizations to run their own e-government projects. USAID also provided technical assistance to design the PMO’s management structure and purchased IT equipment for the office. To fill short-term staffing needs, local consultants were brought in and a hiring system that attracts high-caliber staff as independent contractors rather than civil service employees was established.

The MOICT was established in March 2002 and the PMO became operational in early 2003. A year later, the office had implemented or put in motion 13 initiatives and 30 individual projects, including building the e-government operations center, connecting

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six government ministries to a secure government network and government email system, providing computer literacy training to more than 4,000 government employees, and establishing e-services such as online business registration and income tax filing. Institutions are embracing the e-government concept as demand for trainings and project assistance is growing. “e-Government in Jordan couldn’t happen without an office like the PMO to take the lead,” says Nadia Naber, the PMO’s quality, risks, and communications manager. “Managing project implementation and the transition takes a high degree of coordination and technical expertise. We appreciate the assistance of USAID’s AMIR Program in providing the resources and knowledge to enable us to develop such a program.”

“e-Government is improving Jordan's image by enabling the use of modern methods to better serve citizens.”

Nadia Naber, quality, risks, and communications manager, Program Management Office, Ministry of Information and Communications Technology

10. First Person Literate (International Computer Drivers License)

Jordanian Government Becomes Computer:

USAID brings international computer training program to Jordan to enhance e-government readiness

“The Income Tax Department uses information technology to serve taxpayers better, so employees need excellent computer skills. We’ve sent 289 employees to the International Computer Drivers License program so far, and 80 percent have been certified. The training has enhanced their ability to use computers for accounting, management, and communications.” – Nizam Hamdan, head of training division, Income Tax Department

In 2000, Jordan launched a national e-government initiative to streamline procedures and make services available over the Internet. Most government employees, however, did not have the technical skills to use a computer, much less administer e-government programs. To address this need, USAID’s economic development project, the AMIR Program, helped the Ministry of Information and Communications Technology (MOICT) implement the International Computer Driver’s License program for computer literacy certification. USAID helped establish a training unit at MOICT to run the program and developed a complete system for managing registration, training centers, and trainee feedback.

The first phase of the program began in August 2002, training more than 1,000 participants from 19 government institutions in basic skills including word processing and using the Internet and email. Although more than 70 percent of trainees rated the program “very good” or “excellent,” the pass rate was only 45 percent. MOICT used the

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results of USAID's evaluation to improve the program, implementing participant suggestions such as providing more practice time and devising a more accommodating schedule. In the second phase, the pass rate jumped to 80 percent. By early 2004, more than 3,000 employees from 40 government institutions have taken course, and demand for the program is growing. "A key success factor in any training program is an effective evaluation process," explains Amna Al-Kilani, head of change management for the e-government program at MOICT. "USAID assistance has helped us assess the program's performance and identify participants' needs to continuously improve the quality of our trainings."

11. First Person (Secure Government Network)

Developing e-Government Infrastructure in Jordan:

Secure government network improves communications, enables e-government projects

"The secure government network has improved communication among government agencies in Jordan and within the Prime Ministry itself. Our intranet now has its own IP address, firewall, and proxy servers, and we now have email for correspondence with other ministries. The entire system is faster, more reliable, and secure." Bashar Sarayeh, IT manager, Prime Ministry

In 2000, Jordan launched a national e-government initiative, aiming to streamline government procedures and make information and services available to citizens on the internet. At the time, however, most government institutions did not have computers or an internet connection. To help bridge this gap, USAID's economic development project the AMIR Program, created a secure government network (SGN) that would allow government organizations to exchange information electronically and to develop programs to offer government services over the Internet. USAID funded the project, and designed the system. USAID then trained SGN users in Internet and email programs, and also trained system administrators to manage the network. "The SGN is critical to the success of Jordan's e-Government Initiative," explains Shatha Ahmad, head of operations at the e-government program at the Ministry of Information and Communications Technology. "USAID provided excellent resources and support to help us build a solid, basic technology structure that we can continue to build on in the future."

12. First Person (Company Controller Directorate)

Jordan launches government e-services:

Web-enabled service makes registering a business fast and easy

"Before the procedures were simplified and it became possible to apply online, we used to have a difficult time giving clients legal advice about registering companies. Now, the

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process is clearer and less open to personal interpretation, and processing time has been reduced by more than half.”

Saed Karajah, lawyer.

In 2000, Jordan launched a national e-government initiative to enhance efficiency, improve public access to government services, and support private sector growth. USAID supported this initiative through its economic development project, the AMIR Program, by providing technical assistance and funding to update the government’s information technology infrastructure and build capacity for developing e-government projects. In 2001, USAID also helped launch Jordan’s first web-enabled service for the private sector – company registration. A study conducted in 1998 with USAID assistance revealed that delays and inconsistencies in the manual registration process were a major deterrent to foreign investors. Redundant paperwork, complicated procedures, and erratic service could delay applications for as long as two weeks.

USAID worked with local consultants to review the registration process and develop a proposal for streamlining procedures and reorganizing operations at the Company Registrar, the department that registers businesses. USAID then worked with e-government specialists to translate the redesigned system into a web-enabled service, and provided 18 computers and related information technology equipment to the Registrar. The simplified application process requires one form instead of five, and the Registrar now has clear, standard operating procedures and a reengineered, customer-friendly workspace. A web-enabled application form was launched in February 2002, eliminating the need to physically go to the Registrar aside from one brief visit to finalize paperwork. A second e-service, licensing of telecommunications operators and service providers, went online a few months later. In 2004, Jordan will introduce its first e-service for citizens – web-enabled income tax forms and online payment.

Stories from the Private Sector Policy Initiative

13. Case Study (Customs Reform and Automation)

A Modern Customs Administration for Jordan:

Jordan is making significant strides in implementing customs reforms and improves status as international trading partner

When Jordan joined the World Trade Organization (WTO) in 2000, reforming National Customs became a top priority. Jordan’s customs regime required extensive updating to bring it in line with WTO requirements. Inefficient and outdated customs clearance procedures often delayed routine shipments at the borders for weeks. Weak transit controls also led to the perception in the international community that Jordan’s borders provided significant opportunity for importing illegal goods. To take advantage of the

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opportunities offered by new trade agreements, Jordan would need a more efficient, market-oriented customs regime in compliance with WTO requirements, capable of handling increased traffic at the borders while at the same time preventing the entry of pirated goods.

USAID, through its economic development project the AMIR Program, provided extensive assistance to National Customs Department to overhaul its operations. Legal advisors from the program reviewed Jordan's Customs Code and helped draft amendments to bring it into compliance with WTO requirements. The program then trained customs officers in the new procedures outlined in the regulations. Customs officials visited the United States in September 2000 on a study tour sponsored by the AMIR Program, which led Jordan to adopt a strategy for further reform based on the U.S. model. To improve Jordan's ability to process goods that cross Jordan's borders the AMIR Program provided technical support and \$100,000 in equipment to install the ASYCUDA system, the most widely used automated customs management program in the world.

Jordan National Customs is becoming a modern, trade-friendly agency capable of more efficient and effective processing. Reform efforts have significantly reduced wait time at entry points. Before ASYCUDA, the average wait time for shipments clearing customs was 2.1 days. In 2002, 73% of shipments cleared in 24 hours or less. In 2003, the figure rose to 77%, even as the number of shipments to process rose 37%. Automation has also helped Jordan improve its reputation for protecting intellectual property by helping Customs more accurately identify shipments that are likely to contain counterfeit goods. Jordan's rapid and efficient implementation of the ASYCUDA system was recognized by the United Nations as exemplary and today Jordanian customs officers provide technical assistance on ASYCUDA to neighboring countries. USAID's efforts have helped Jordan's leaders appreciate the importance of a modern customs service for attracting investors, protecting legitimate businesses, and increasing national revenues.

"Jordan is now considered a pioneer in customs automation in many ways. Our implementation of the ASYCUDA system was recognized by the UN as one of the most successful in the world. USAID's AMIR Program didn't just provide equipment - they were one of our main partners in the process."

Marwan Gharaibeh, director of planning, Department of Customs, Jordan.

14. Success Story Excellence (Centers of Excellence Program)

Jordanian Government Strives for Excellence:

USAID program helps government agency win royal award for exceptional performance

In January 2004, Ola Mubaideen and Mai Qaisi sat with their colleagues from the Jordan Institute for Standards and Metrology (JISM) counting seconds that seemed to go on for

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hours.

More than one year ago, Jordan's King Abdullah II had established the King Abdullah Award for Distinction in Government Performance, a competition designed to motivate government institutions to make public service their priority and improve their cooperation with the business community to encourage economic growth. JISM had kept its eye on the prize, working nonstop to become a more dynamic and flexible organization with high standards of management, efficiency, and customer service. The winners would be announced any moment.

In January 2003, JISM had partnered with the Centers of Excellence (COE) Program to help enact reforms that would make it more competitive in the King Abdullah Awards. Created and managed by USAID's economic development project the AMIR Program, the COE Program helps government institutions become more citizen-centered, results-focused, and transparent by helping them improve their performance in areas such as leadership, operations, and human resources. The program uses the same criteria for measuring excellence as the King Abdullah Awards, and offers certification – one star for each area in which an institution achieves “excellence.”

JISM was one of eight institutions selected to participate in the COE Program because of their importance to the economy and their commitment to reform. “We felt positive about the COE Program from the beginning,” says Ola, who worked with the program on leadership issues. “The competition for the King Abdullah Awards was a strong incentive and we welcomed the program's assistance.” COE advisors helped JISM staff develop a strategic plan for the reform process and carry out a rapid self-assessment. JISM took responsibility for implementing the plan, with the COE Program providing background support. “The COE advisors were tremendously helpful,” says Mai, one of the key members of JISM's COE team. “They provided continuous support, giving feedback and advice on an ongoing basis to help us improve.” By December 2003, JISM had earned three out of five COE stars.

“Since starting the COE Program,” explains Mai, “our budget management has improved, customer satisfaction is up, and employees feel that their ideas are encouraged and their contributions are recognized and rewarded.” Mai, Ola, and their teammates were proud of what they had accomplished, but craved the King Abdullah Award – the ultimate recognition of their efforts.

JISM was in competition with 20 other government bodies for the prestigious prize. When the winners were finally announced, JISM walked away with not one, but two awards – the overall award, as well as an individual award for professional excellence. “Receiving the King Abdullah Award is a great honor,” says JISM Director General Dr. Ahmad Hindawi. “Now we must strive to live up to the high standards we've set for ourselves. Our experience with the COE Program will help us do that.”

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“Thanks to USAID’s Centers of Excellence Program, everyone at JISM understands what excellence in government means and why it’s important. Now, we’re able to share our experience with other institutions to help them achieve the same goals.”
Ola Mubaideen, engineer, Jordan Institute for Standards and Metrology

15. Case Study (World Trade Organization Accession)

*WTO Membership Expands Economic Opportunities for Jordan:
With USAID support, Jordan’s fast-tracked accession into the WTO has helped create new jobs and greater economic opportunity for all Jordanians*

When he came to the throne in 1999, His Majesty King Abdullah II of Jordan made joining the World Trade Organization (WTO) a top priority for the country. Membership in the WTO, a set of agreements promoting free and transparent international trade, would signal to the world that Jordan’s trade practices were up to international standards, making the country more attractive to foreign investors and creating new trade opportunities. Jordan’s membership application had been stalled since 1994, and the King set a December 1999 deadline for completing the process. It was an ambitious goal – achieving it would require extensive changes to Jordanian trade and investment laws, the completion of complex negotiations to decide Jordan’s terms of accession, and a concerted effort to convince the public – particularly the business community – of the benefits of joining the WTO.

To help the government meet its deadline, USAID provided a wide range of financial and technical assistance to the government through its economic development project the AMIR Program. Mobilizing more than 30 consultants, USAID developed a master plan for WTO accession efforts, helped review and update Jordan’s laws, and assisted the government’s negotiating team. All told, more than 25 laws and regulations on trade and investment, customs, and intellectual property rights were amended or drafted. USAID trained the government team in negotiating techniques, provided legal advice on drafting and submitting documents, funded negotiators’ travel to Geneva, and provided translation services for the negotiation sessions. To generate support for Jordan’s application within the country, USAID also initiated an outreach and awareness campaign that included briefings for government ministries, seminars with trade and industry groups, and promotional materials for the general public.

In December 1999, the WTO accepted Jordan’s application. Jordan is now reaping the benefits. Tariffs on trade with WTO members are falling, management of trade at the borders has improved, and Jordan is regarded as a regional leader in intellectual property protection, making Jordan an attractive trading partner. In 2000, the first year of membership, WTO-related exports were valued at \$822.5 million. By 2003, the figure rose to \$1.3 billion. The pharmaceuticals industry has achieved tremendous growth despite tough international competition. WTO accession paved the way for Jordan to

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become only the fourth country in the world to sign a free trade agreement with the United States, multiplying trade opportunities between the two countries, and is helping create new jobs and greater economic opportunity for all Jordanians. Today, USAID helps Jordan implement WTO-related policy reform and make the most of new trade opportunities.

“Jordan’s accession to the World Trade Organization required massive reforms in trade policy and legislation. USAID has been instrumental in helping Jordan throughout the accession process including the preparatory stage, the negotiation process and the implementation of reforms as well.”

Dr. Mohamad Halaiqah, Jordan’s deputy prime minister and minister of industry and trade

16. Case Study (Food Safety Inspection System)

Food safety improved in Jordan:

USAID helps Jordan implement new control system to reduce costs and delays and ensure consumer safety

During negotiations to join the World Trade Organization (WTO), Jordan was encouraged to modernize its controls on food and agricultural imports. Jordan’s policy of taking samples from 100 percent of incoming food shipments for laboratory testing, even when the products posed little or no risk to human health, routinely caused delays of ten days or more. The process also lacked a system for monitoring results or responding to importer complaints. Upon accession to the WTO, Jordan agreed to bring its food import standards and procedures into line with WTO agreement obligations.

As part of a broader initiative supporting Jordan’s WTO membership, USAID’s economic development project the AMIR Program helped implement a computerized, risk-based food safety inspection system at the port of Aqaba, where 80 percent of food imports enter the country. Rather than test every shipment, the system ranks food imports according to the level of threat they pose and tests shipments on a graduated scale – shipments that carry a higher risk are more likely to be tested. In addition to providing training on sampling techniques, laboratory analysis, and risk assessment, USAID helped design and build the infrastructure for the system and provided equipment and software to create a national database. USAID also developed the operating procedures for the system and helped draft a memorandum of understanding among government agencies involved in import food control.

Launched in September 2002, the risk-based system has shortened inspection times, significantly reduced costs to importers and to Jordan, and made the process easier to monitor, without compromising food safety. Low-risk consignments – about a third of all shipments – now clear inspection in as little as one day. The number of tests

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conducted has decreased by 80 percent, reducing testing costs by one third. Jordan now has an electronic national database for food imports, allowing authorities to constantly update and improve the risk analysis system and cooperate with international efforts to improve regional food safety. “The risk-based system is key to creating a fair, transparent, and equitable trade environment,” says Rima Zu’mot, director of health control for the Aqaba Special Economic Zone Authority. “With USAID’s assistance, Jordan has developed a food import control system that not only meets international standards but also serves as a role model for the region.”

“The risk-based approach has not only streamlined Jordan’s import food control procedures, it has also helped us enhance consumer protection measures by ensuring high standards of food safety and quality.”

Rima Zu’mot, director of health control, Aqaba Special Economic Zone Authority.

17. First Person (Investment Promotion)

Promoting Investment in Jordan:

USAID training helps Jordan attract foreign investment, create jobs

“I learned everything about investment promotion through USAID’s training – how to target investors, make presentations, prepare marketing missions, and follow-up. I use this training every day to do my work better. The investment we’ve attracted has helped create 16,000 new jobs.”

Janset Kasht, business development manager, Al Tajamouat Industrial City.

When Janset Kasht joined the staff of the Jordan Investment Board (JIB) in 1999, she had no experience in promoting foreign investment. The on-the-job training she received was provided by USAID’s economic development project, the AMIR Program.

Jordan has unique access to the U.S. market through the Qualified Industrial Zones (QIZ), designated industrial zones whose products can enter the United States without duties or quotas. The QIZs were designed in part to help Jordan attract foreign investment to boost the economy, but at the time Jordan had no strategy for actively courting investors. USAID responded by working with Jordan’s investment promotion officials to build their skills in market research, managing investor relationships, and conducting promotional missions. USAID provided training, organized international study tours, and accompanied JIB staff on promotional missions.

Aided by the outreach efforts of USAID-trained JIB staff, the growth of the QIZs has exceeded expectations. By 2004, Jordan’s QIZs had attracted more than \$379 million in foreign investment, helping create more than 40,000 new jobs in 79 projects. QIZ exports rose from just \$25 million in 2000 to \$581 million in 2003. Janset now uses her USAID training to promote investment in the Al Tajamouat Industrial City, one of Jordan’s ten QIZs, where she is the business development manager. With her help, Al

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Tajamouat has become extremely successful – the investment it attracts accounts for 42 percent of the total foreign investment in QIZs in Jordan and has helped create 16,000 jobs at the zone’s 32 garment factories.

Stories from Financial Markets Development

18. Before/After (Whiteboards to Plasma Screens)

*Technology Enhancements Spark Jordan Capital Market Growth:
State-of-the-art information technology enables unprecedented growth on Amman Stock Exchange*

In offices in the Housing Bank Building in Amman, Jordan, plasma screens display a steady stream of stock data to Jordanian investors. Down the hall in the investor gallery of the Amman Stock Exchange (ASE), a five by two meter video wall exhibits real-time market news and information to the public. With information and communications technology supplied by USAID’s economic development project the AMIR Program, Jordan’s capital market has been fundamentally transformed from a manual system of trades and transactions using whiteboards and paper stock certificates into one using state-of-the-art technology. In 2002, USAID developed and installed a comprehensive wide area network (WAN) linking the ASE and Securities Depository Center to brokers and companies across the country. USAID then funded the \$480,000 video wall and ticker tapes, and provided technical assistance for the design and transformation of the investor gallery, which opened in May 2002.

Before the modernization of the ASE, brokers had to be on the trading floor to buy and sell, and used whiteboards to track trading activity. They bought and sold stocks using the “open outcry” system, gesturing and calling out stock prices to potential buyers. This manual trading system was error-prone, inefficient and laborious, and limited trade volume.

The investor gallery is the public face of Jordan’s new high-tech capital market, and the whiteboards that had been the primary means of tracking trade information are now historical artifacts on display. Real-time trading and the instantaneous disclosure of market information has contributed significantly to educating investors and improving market confidence, which in turn has led to increased participation in Jordan’s capital market from both Jordanian and international investors. In 2003, trading volume on the ASE rose by more than 85 percent, adding approximately \$4 billion of wealth to the capital market.

19. Case Study (Social Security Investment Commission)

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Strengthening Jordan's Pension System:

USAID helps build new investment agency to ensure the longevity of social security in Jordan

In 2001, the government of Jordan decided to divide the management of its social security funds into two distinct operations. Jordan's Social Security Corporation (SSC) would continue to administer benefits to the fund's participants, while a new agency, the Social Security Investment Commission (SSIC), would manage the investment of the fund's assets. The SSIC would be responsible for ensuring the long-term availability of benefits to the fund's more than 437,000 contributors and beneficiaries (over 25 percent of the country's labor force) by developing and implementing an investment strategy that would deliver more equitable and regular returns on investment. When it was first established, however, the SSIC had five members, but no management, staff, policies, or investment activities.

USAID responded by helping to build the SSIC from the ground up as a modern investment agency. Through its economic development project, the AMIR Program, USAID provided technical assistance, advice, and training to help the SSIC develop a forward-thinking investment policy, sound operational management principles based on international best practices, and a professional staff capable of modern pension fund management. USAID drafted the SSIC's business plan, work plans, loan action plans, and operational manuals, and installed a fully automated portfolio management system to replace the manual data entry system and spreadsheets. USAID also helped develop new regulations to facilitate better asset management, conducted portfolio performance evaluations, and designed training programs and workshops that directly addressed the needs of the SSIC's management and staff.

In January 2003, the SSC transferred \$2.4 billion in assets, representing the largest single investment pool in Jordan, to the Social Security Investment Unit (SSIU), the pension fund management arm of the SSIC. Since that time, the SSIU has invested more over \$65 million in the domestic market, as well as over \$25 million in foreign markets – a new development made possible by the SSIU's capacity and professionalism. “The SSIC was created with two goals in mind,” says Hatem al-Shahid, general manager of the SSIU, “to push back the ‘break even’ date – when social security expenses outgrow reserves – and to allow the system to serve more beneficiaries. USAID gave us the advice we needed to develop the best investment policy, organizational structure, regulations, and information technology systems to support these goals. Now, we are in a better position to produce long-term results.”

“The SSIC is a vital organization in the life of a Jordanian citizen. We have a long-term obligation to guarantee people a decent life through old age or disability. USAID's support helps us meet that obligation.”

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Hatem al-Shahid, executive manager, SSIU.

20. First Person (Jordan Securities Commission/U.S. Securities and Exchange Commission)

Leveraging U.S. SEC Expertise to Reform Jordan's Financial Markets: USAID helps Jordan use the experience of U.S. institutions to upgrade management of financial market organizations and attract investment

“Being able to draw on the expertise of top institutions such the U.S. Securities and Exchange Commission helps us create a transparent, secure market environment, where shareholders can invest in Jordanian businesses with confidence. USAID is our link to the benefits of international experience and lessons learned from abroad.”

Dr. Bassam Saket, Executive Chairman, Jordan Securities Commission

The Jordan Securities Commission (JSC) is working with USAID's economic development project, the AMIR Program, to leverage the expertise of world-class institutions and bring the benefits of internationally accepted “best practices” to Jordan's financial markets. In March 2002 and December 2003, the JSC and USAID co-hosted the Regional Capital Markets Training Program, a workshop conducted by the U.S. Securities and Exchange Commission (SEC) for senior financial market officials from the Middle East. The events drew on the SEC's vast expertise to address the challenges facing the region's securities commissions, stock exchanges, and other financial institutions. SEC executives led sessions on topics such as corporate governance, market risk management, insider trading, and securities enforcement. In total, approximately 200 participants from Jordan and 12 other countries in the region attended. In 2004, the U.S.-based National Association of Securities Dealers (NASD) will join the JSC and SEC as a co-sponsor of the event, which will be expanded to include participants from the Middle East, Africa, and South and South East Asia.

The JSC and USAID are also collaborating with NASD to launch an Investor Advisor Certification and Training Program to provide Jordan's financial professionals with the knowledge they need to advise clients. These programs, together with other USAID-supported initiatives, are boosting investor confidence and contributing to record capital market growth. In 2003, the Amman Stock Exchange rose 54 percent, its best performance in 20 years, and trading volume increased over 85 percent, adding more than \$3 billion in wealth to the market.

Stories from the Microenterprise Initiative

21. Success Story (Arije Al-Amad)

Jordanian Women Capitalize on Access to Small Loans:

USAID helps microfinance pioneer provide opportunities for enterprising women

When Arije Al-Amad began working with Microfund for Women (MFW), she wanted to do more than just give loans. She wanted to help women achieve their dreams. Studies show that almost two-thirds of businesses in Jordan are run by women. But lack of collateral or credit history often prevents them from obtaining loans from commercial banks, making business start up or expansion difficult.

“I joined the microfinance sector ... believing in the great potential of this industry and its positive impacts on the lives of many Jordanian women,” says Arije. She dedicated herself to strengthening MFW’s ability to help women by refining lending policies, improving training, and developing new products.

In 1998, USAID began working closely with Arije and MFW as part of a larger effort to establish a vibrant, sustainable microfinance industry in Jordan. Through its economic opportunities development project the AMIR Program, USAID enlisted specialists to provide technical assistance and training in developing business plans, formulating operational strategies, and integrating an efficient management information system. Through USAID grants, Arije and MFW staff also developed innovative new products, such as the “Back to School” loan for women who trade in such essential items as stationary and sewing supplies.

Other USAID-supported initiatives, such as the development of a regional training program, helped MFW cooperate with other institutions to spread best practices and improve their ability to serve clients. USAID also helped MFW achieve financial independence through the creation of the Wholesale Funding Facility, a source of cash collateral that MFW and other institutions can use to obtain loans from commercial banks.

By 2004, Arije and MFW had disbursed 86,000 loans to 33,000 women throughout Jordan. MFW’s extraordinary success as an effective and financially viable lending institution has helped generate support for sustainable microfinance practices throughout Jordan and beyond.

Arije now manages a team of 45 field workers who serve more than 8,000 clients. Her pioneering work has helped thousands of poor women start successful small agricultural businesses and lift their families out of poverty. For her dedication to improving the lives of women, Arije was one of three women selected from around the world as a “Voice of

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Hope in a Time of Global Challenge” by the U.S.-based organization Vital Voices Global Partnership in 2003. “Our dreams of empowering less privileged women to start a business and create a future are being realized today,” says Arije.

“As one of the founders of Microfund for Women, I am proud to have witnessed an increasing number of female borrowers rushing down the hallway of success and achievement. They are living examples of the true spirit of entrepreneurship.”

22. Case Study (Sustainable Microfinance Industry)

*Building Jordan’s Sustainable Microfinance Industry:
Development of a sustainable microfinance industry improves long-term viability of microcredit in Jordan*

Lack of access to capital was once a major obstacle preventing low-income Jordanians from improving their economic well-being through entrepreneurship. Without credit history or collateral, the poor are generally regarded as too high-risk by commercial banks, making it difficult for them to get the loans they need to start or expand their businesses. While some lending institutions offer loans that are subsidized to make them more affordable to borrowers, this practice is not sustainable, as it can drain a country’s economy by placing extra stress on a government’s budget or create a dependence on uncertain funding from donors. In the absence of a sustainable lending system tailored to their needs, most low-income entrepreneurs in Jordan did not have the means to realize their dream of a better life through economic self-sufficiency.

In 1998, USAID began building a sustainable microfinance industry in Jordan through its economic development project, the AMIR Program. Sustainable microfinance provides small, unsubsidized loans at interest rates that are both commercially viable for the lender and affordable for the borrower. Using alternative criteria such as character references and joint liability through group lending to evaluate loan eligibility, sustainable microfinance serves those who are not normally considered “bankable” and rewards timely repayment with access to progressively larger loans. Through technical assistance, comprehensive training, and targeted grants, USAID established four sustainable microfinance institutions that provide loans to clients throughout Jordan. In addition, to support the sustainable microfinance institutions and encourage the spread of best practices throughout the industry, the program developed related initiatives, such as the launching of a regional training program and the creation of a temporary fund providing cash collateral to guarantee lines of credit from commercial banks.

Jordanians wasted no time in taking advantage of new opportunities offered by the sustainable microfinance industry. By early 2004, more than 60,000 microentrepreneurs

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had borrowed more than JD51 million (US\$72 million) through the four USAID-established microfinance institutions (MFIs). Most of the borrowers are women, using the funds to create small and home-based businesses to support their families. The repayment rate is over 95%, challenging the prevailing attitude that the poor are not creditworthy. The MFIs enjoy a high rate of operational sustainability, proving that sustainable microcredit is a viable business. In just five years, the success of the sustainable microfinance industry has made Jordan a leader in promoting the belief that sustainable microfinance can help eliminate poverty and empower the working poor to achieve economic self-sufficiency.

“The AMIR Program has been the main catalyst for building the capacity of microfinance practitioners, as well as for advancing the industry at large.”

Niveen Abboushi-Sharaf, Former Board Member, Microfund for Women

23. Success Story (Nariman Hefawi)

*Microloans help Jordanian women build businesses, support their families:
Enterprising entrepreneur succeeds in male-dominated construction industry.*

When Nariman Hefawi’s husband became too ill to manage his construction supply company, she took over to provide for their family. It was a daunting challenge – she was a woman in a male-dominated industry, and she was in dire need of capital to reactivate the business, which had closed during her husband’s illness. She knew she had the intelligence and determination to overcome social challenges – but she also knew that a large bank loan would be too big a burden.

She heard about Microfund for Women (MFW) when loan officers made a visit to her neighborhood. They were offering small loans to enterprising women, and Nariman saw her opportunity.

MFW is one of four sustainable microfinance institutions in Jordan that provides unsubsidized loans at affordable interest rates to borrowers who do not have collateral or a formal credit history. USAID’s economic development project, the AMIR Program, began working with MFW in 1998 as part of a program to establish a vibrant, sustainable microfinance industry in Jordan to boost economic growth. USAID helped MFW develop its business plan, operational strategies, and a management information system to better serve clients and achieve financial sustainability.

USAID also supported other initiatives to enhance the industry as a whole, such as developing a regional training program for microfinance practitioners and creating a wholesale funding facility, a temporary fund providing cash collateral that institutions like MFW can use to guarantee loans from commercial banks until they are able to secure loans based on their own credit history.

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Nariman received her first loan from MFW in April 2002. To date, she has received four loans totaling approximately \$4,000.

With the help of microfinance loans, and by maintaining an orderly warehouse, developing sound contracts, and following up on work orders, Nariman has doubled the company's inventory in less than two years, allowing her to serve a broader client base. She is now well respected in the local construction industry. In December 2003, in recognition of her hard work and integrity, Nariman was named Service Sector

Microentrepreneur of the Year at the Fourth Annual Microentrepreneur Awards.

"I started small with MFW and gradually I'm growing," says Nariman. "I hope to have the largest lumber warehouse and construction support services company in Irbid, and I hope to remain under MFW's wing until I am able to set off on my own."

"I could not have succeeded without a lot of will power and the assistance of Microfund for Women. MFW didn't just give me a loan, they gave me encouragement and moral support to help me succeed in a difficult business."

Nariman Hefawi, microentrepreneur

24. Success Story (Sustainable Microfinance Training Program)

*Training program helps microlenders achieve sustainability, serve clients:
Loan officer builds career with help of regional sustainable microfinance training program*

In 1999, the Jordan National Bank (JNB) assigned Seif Mdanat to work with the Jordan Access to Credit Project (JACP). The JACP was created as a sustainable microfinance institution, providing small loans at interest rates that are both commercially viable for the lender and affordable for borrowers who don't have access to traditional resources because they lack collateral or a formal credit history. When he took the assignment, however, Seif had no experience with sustainable microfinance.

After working six months with JACP, Seif enrolled the Sustainable Microfinance Training Program (SMTP). The only training of its kind in the region, it offers participants, in Arabic, a practical understanding of sustainable microfinance principles and sound business practices. "Sustainable microfinance is different from bank lending," explains Seif. "At the bank, the client comes to you, and you disburse loans. In sustainable microfinance, you have to go to the client. You have to earn their trust in yourself and in the process."

The program focuses on internationally accepted best practices in the industry, tailored to the needs of microfinance practitioners in the Middle East. USAID, through its economic

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development project the AMIR Program, created the SMTP in cooperation with Jordan's Institute of Banking Studies (IBS) to build the expertise of Jordan's young sustainable microfinance industry. To date, the program has trained more than 300 participants from the sustainable microfinance industry, the banking community, and other lending institutions from Jordan and throughout the Middle East.

Seif excelled in the program, earning the highest score in his class in both the basic and advanced courses. "The SMTP was my first real introduction to what sustainable microfinance is all about," says Seif. "It taught me how to build relationships with clients, as well as how to manage the business side – how to set interest rates, how to manage capital – to achieve sustainability." Excited by what he learned in the course, he used his new expertise to conduct trainings for his colleagues.

The program was not only informative, it was critical to the development of Seif's career. He left the bank in 2000 to join JACP as a loan officer. Later that year he was promoted to manager of the Madaba branch. The JACP became the Middle East Micro Credit Company in 2003, and today Seif is the company's operations manager. The MEMCC has disbursed more than 5,000 loans, with a repayment rate of 98.5 percent. MEMCC's operational sustainability is an exceptional 130 percent.

"We earn new clients by word of mouth," explains Seif. "Sustainability is key to that. Sustainable institutions can offer better service to more clients for a longer period of time. The SMTP taught us how to be a company that clients can have faith in."

"The SMTP taught us how to be a company that clients can have faith in."
Seif Mdanat, operations manager, Middle East Micro Credit Company.

25. Success Story (New loan products)

Taxi loan helps Jordanian buy new car, provide better life for his family

For seven years, Omar Anani, sole provider for a family of eight, had been driving someone else's taxi for a living. Income from the taxi and occasional work selling cars on commission met their basic needs, but money was tight. Tuition became too much of a burden, and Omar could no longer afford to send his brothers to university. He knew that if he owned his own taxi, he could keep more of the profits. When he went to the bank for a loan, however, they asked him to mortgage not only the taxi but also his house, and to pay at least a quarter of the taxi's cost.

Unable to afford these terms, Omar was afraid he would not be able to obtain a loan. Then he met a representative from Ahli Microfinance Company (AMC) while standing in line at a bank. One of Jordan's four sustainable microfinance institutions, AMC provides small loans on terms that are both affordable to low-income borrowers and commercially viable for lenders. The representative told Omar about a new loan that AMC was

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offering, specifically designed to help people purchase new taxis. The taxi itself would be the only collateral necessary, and the only other guarantees required would be two cosigners for the loan. The interest rate was also lower than what the bank had offered.

AMC began marketing this innovative loan product in August 2003 after a study conducted by USAID's economic development project the AMIR Program revealed considerable interest among taxi drivers in obtaining loans. USAID conducted the survey as part of a comprehensive program to establish a vibrant, sustainable microfinance industry in Jordan to boost economic growth. Other USAID-supported initiatives include providing direct capacity building assistance to sustainable microfinance institutions, developing a regional training program, and creating a wholesale funding facility providing cash collateral that institutions can use to obtain loans from commercial banks until they are able to secure loans based on their own credit history. By May 2004, AMC had disbursed more than half a million dollars in taxi loans to 58 clients.

Omar applied for a taxi loan through the Nahil Company, AMC's agent for taxi loans, which helped him complete his paperwork and find low-cost insurance. In February 2004, Omar received a loan for US\$17,500, which he used to purchase a new luxury car that would allow him to cater to VIP clientele. Since then his profits have doubled, and the taxi now pays for 90 percent of the family's costs. "I dreamed of owning my own taxi," says Omar, "but I couldn't afford to risk my home to buy a car. AMC offered me a loan on terms I could manage, and the Nahil Company helped me arrange everything. Now I can send my brothers to university again."

"I wanted a new, upscale car because it requires less maintenance and attracts VIP clients. The taxi loan made it affordable. My profits have doubled, and now I can provide a better life for my family."

Omar Anani, taxi owner

26. Case Study (Entrepreneur Forums)

Jordanians Find Entrepreneurial Inspiration:

Innovative community forums help aspiring entrepreneurs find their confidence, overcome obstacles

Since 1998, USAID has been helping promote entrepreneurship in Jordan by establishing a sound, sustainable microfinance industry and by improving access to services that help people run their businesses. Entrepreneurs, and the businesses they create, are a key ingredient to healthy economic growth. In Jordan, however, starting a business is often considered a last resort, and is widely perceived as too complex and risky. A survey conducted by USAID in 2002 found that more than 75 percent of Jordanians think starting a business is "difficult," and listed lack of money and business knowledge as the

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biggest obstacles. The survey also revealed that people were largely unaware of the financial assistance and services available to aspiring entrepreneurs.

To inspire would-be entrepreneurs around the Kingdom, USAID's economic development project the AMIR Program developed "Entrepreneur Forums." Held throughout Jordan, these events showcase successful entrepreneurs as role models and connect aspiring entrepreneurs with financial institutions and companies that provide business development assistance. The events also feature an innovative interactive play that involves the audience directly in convincing Firas, an unemployed young man whose wife is pregnant with their first child, to start his own business. Lacking self esteem and confidence, Firas initially rejects the idea, but in the end, the advice and encouragement of the audience and his 'stage' family help him see entrepreneurship as the way to secure his financial future. The play complements the wealth of information offered at the forums, encouraging current and future business owners to consider their potential and recognize the value of the resources that can help them.

The Entrepreneur Forums have proven tremendously successful in changing perceptions about entrepreneurship. After a March 2004 forum, nearly 80 percent of participants reported feeling motivated to start or expand their own businesses, and more than 40 percent had actually taken steps to do so within a month of the event. The play was also well-received; more than 60 percent of participants reported they could relate to the characters' feelings about starting a business. For most attendees, it was their first introduction to the availability of business development assistance. "I knew about flower arranging, but not how to start a business or get funding," says Sana' Johar, who attended the March event. "The forum was very enlightening and educational. I found a company that helped me do a feasibility study, and a microfinance institution that gave me a \$700 loan. I started my business in my home, and I'm doing well."

"The forum was very enlightening and educational. I found a company that helped me do a feasibility study, and a microfinance institution that gave me a \$700 loan. I started my business in my home, and I'm doing well." Sana' Johar, entrepreneur

27. First Person (SANABEL Conference)

Jordan Hosts Regional Microfinance Conference:

Conference provides unprecedented opportunity to coordinate microfinance strategy in the Arab world.

"The conference made us more hopeful about the future of microfinance in the Arab World. We now have a shared vision to create a dynamic microfinance industry providing high-quality services and products to clients through the region."

Khaled Al Gazawi, executive director, Jordan Micro Credit Company

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Microfinance plays a vital role in economic growth by providing individuals with small loans to help them establish or expand their own businesses. With USAID assistance, Jordan is becoming a regional leader in microfinance, and tens of thousands of Jordanians have taken advantage of new opportunities for improving their livelihoods. The effects are being felt not only in Jordan, but throughout the Arab world.

In December 2003, Jordan hosted a regional conference on microfinance in the Arab world. Organized by the Microfinance Network of Arab Countries, SANABEL, and held under the patronage of Her Majesty Queen Rania, the conference brought together more than 200 microfinance industry leaders and experts from 25 countries to discuss regional trends in microfinance and strategies to develop the industry. USAID's economic development project the AMIR Program provided funding and technical assistance to refine the agenda, manage logistics, and develop promotional and conference materials. The conference addressed topics such as sustainability, Islamic lending, and monitoring and evaluation. The discussions led to several new SANABEL initiatives, including creating an online "gateway" for Arab microfinance, translating microfinance materials into Arabic, enhancing transparency in the sector, and updating microfinance-related legislation.

"This annual conference is vital to the future of microfinance in the region," said Mohammed Khaled, director of SANABEL. "It is a forum for current and future leaders to tackle issues at the forefront of the industry. USAID provided us with indispensable assistance in organizing the conference. Their professionalism has set the standard for all future SANABEL conferences."

28. Case Study (Wholesale Funding Facility)

*Putting microfinance institutions on the road to sustainability :
New facility creates new bridges between microfinance institutions and commercial
lending resources*

Microfinance institutions provide small loans to those who are not normally considered "bankable" by traditional commercial lenders. Until recently, microfinance in Jordan was mostly donor-funded, which limited the number of borrowers who could be served. In 1998, USAID's economic development project the AMIR Program began a comprehensive initiative to create a financially sustainable microfinance industry in Jordan and help microfinance institutions (MFIs) end reliance on donors for loan capital. USAID provided technical assistance and training to help the MFIs build capacity and incorporate the principles of sustainability into their operations. Initially, USAID also provided the MFIs with grants for loan capital and operating expenses as they pursued sustainable operations. The loans the MFIs offered were extremely popular, however, and the MFIs were soon in danger of exhausting their loan funds. Unless the MFIs obtained more loan capital, they would be unable to meet the growing demand for their

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services.

Rather than supply them with additional grants, USAID devised a solution that would bring the MFIs a step closer to full commercialization – the Wholesale Funding Facility (WFF). Capitalized by \$4.2 million in USAID grants placed in an escrow account, the WFF acts as a source of cash collateral that the MFIs can use to guarantee lines of credit from commercial banks. Despite the MFIs’ strong operational performance and the high repayment rate of their clients, banks are reluctant to lend to them without guarantees because of the MFIs’ limited credit history and banks’ limited experience with MFIs. By using the WFF, the MFIs can develop a solid repayment record and relationship with the banks that replace the need for collateral as a guarantee. Once an MFI meets rigid financial and operational criteria and establishes a relationship with a commercial bank, it “graduates” and receives its share of the WFF funds.

In May 2004, the Jordan Micro Credit Company (JMCC) became the first MFI to graduate from the WFF, having demonstrated 12 consecutive months of financial and operational sustainability and six consecutive months of independence from WFF guarantees. The graduation is a major achievement – JMCC now secures its lending capital from commercial lending sources, which greatly enhances its ability to serve more clients and spread the benefits of microfinance. This type of arrangement also serves as a model for private sector investment of development projects. The other three MFIs participating in the WFF – Microfund for Women, the Middle East Micro Credit Company Access to Credit Project, and Ahli Microfinance Company – are well on their way to achieving the same goal. “JMCC took full advantage of the WFF,” says Khaled Al-Gazawi, executive director of JMCC. “We now have track record with major banks, and can secure financing through the commercial lending system, which will enhance our ability to expand our operations throughout the Kingdom.”

“The whole idea behind USAID’s Wholesale Funding Facility is to enable microfinance institutions to obtain funding through commercial sources. Without it, we could not have developed the credit history we needed to be eligible for uncollateralized loans from banks.”

Khaled Al-Gazawi, executive director, Jordan Micro Credit Company