

**Achievement of Market-Friendly Initiatives and Results  
Program  
(AMIR 2.0 Program)**

**Funded By U.S. Agency for International Development**

***Master Plan for Jordan's Accession to  
WTO Government Procurement Agreement***

**Final Report**

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This report was prepared by Greta Boye and Montague Lord under the direction of Peter Carr, Chip Krakoff and Chemonics International Inc., prime contractor to the U.S. Agency for International Development for the AMIR Program in Jordan.

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## Acronyms

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AMIR	Access to Microfinance and Improved Implementation of Policy Reform Program
EU	European Union
FTA	Free Trade Agreement
GOJ	Government of Jordan
GPA	Government Procurement Agreement
GSD	General Supplies Department
GTD	Government Tenders Directorate
HS	Harmonized System
ISIC	International Standard Industrial Classification
IT	Information technology
MIT	Ministry of Industry and Trade
S&D	Special and differential (treatment)
SDR	Special Drawing Rights
UNCITRAL	United Nations Commission on International Trade Law
WTO	World Trade Organization

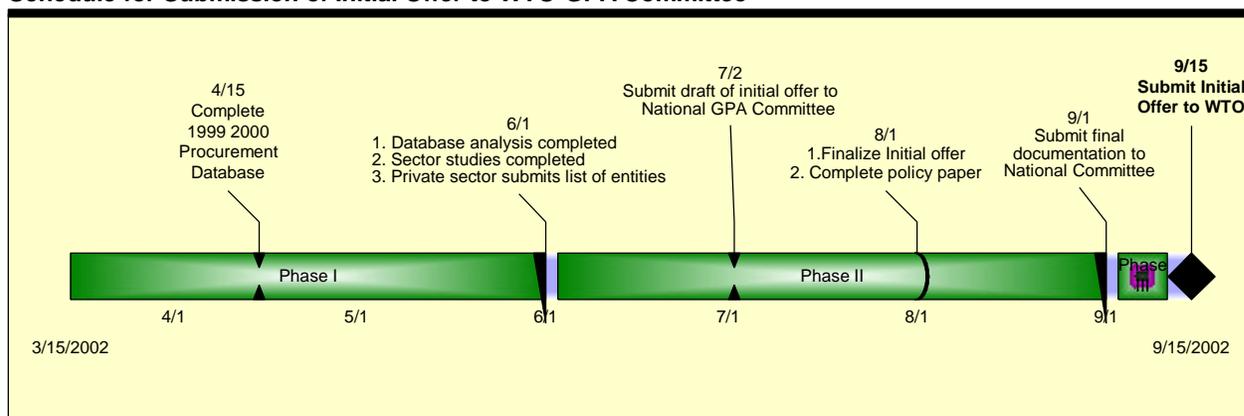
## Executive Summary

This report has examined the steps that Jordan must take in its negotiations with the WTO Government Procurement Committee to accede to the Government Procurement Agreement (GPA). Those negotiations involve two separate mechanisms: (a) the so-called 'initial entity offer' for the Appendices containing the threshold value of supplies of goods and services directed to specific entities, and (b) the reform of national legislation to bring it in line with the provisions of the Agreement. To put forward an initial entity offer, the government procurement information system will need to be updated, industry effects assessed, entities to be offered identified, threshold values defined, legal revisions to the present procurement system considered, and an initial entity offer drafted. At the same time, the Government must build support with the private sector and overcome institutional bottlenecks to quickly move the process forward. While these tasks may appear daunting, the WTO Government Procurement Committee considers the remaining six months before its September/October meeting sufficient time for Jordan to accomplish these tasks, if there is the political will to accede.

The Government of Jordan, through the coordinating activities of the Ministry of Industry and Trade, has already taken important steps to move the process forward through a combination of technical assistance provided by international donors and internal actions. Early this year the National GPA Committee was formed with public and private sector representation to guide the process of accession negotiations and to prepare the initial entity offer. The Committee has held four meetings so far to discuss technical assistance needs and the process leading up to the initial offer. It has also established a technical working group to help determine the economy-wide impact of accessing to the GPA. For the second mechanism, there have been administrative reforms to centralize all procurement activities, and new procurement legislation has been partially drafted.

For the remaining steps leading up to the submission of the initial entity offer in September/October of this year, the National GPA Committee has agreed to undertake three integrated phases of activities (see Figure S1). Phase I consists of data compilation for the procurement database, and the preparation of a set of studies

**Figure S.1**  
**Schedule for Submission of Initial Offer to WTO-GPA Committee**



examining the impact of Jordan's accession on selected industries and the economy as a whole. Phase II, which extends to 1 September, focuses on the National GPA Committee's preparation of the initial entity offer, as well as the preparation of a policy paper synthesizing the results of the impact studies and Committee's strategy in formulating the initial entity offer. Phase III covers the final transmittal of the initial entity offer by the National GPA Committee and its submission to the WTO Government Procurement Committee.

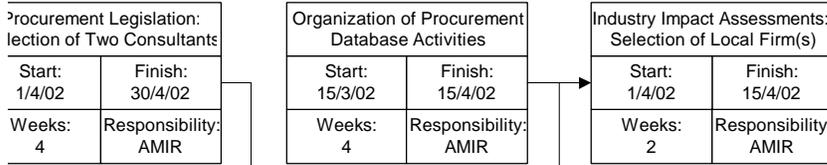
The sequential nature of these tasks makes it imperative that responsibilities be clearly defined and, to the extent possible, that each of the units responsible for a task support the other tasks on which it depends. Figure S.2 presents a synthesis of the interrelationships of the major activities, the responsible party, support being offered, and the timeline of the activities. In Phase I the data component consists of the preparation of the 1999-2000 procurement database, and the analytical component invokes the database for industry and economy-wide impact analysis after ensuring the integrity of the database. At the end of Phase I, the private sector should be in a position to submit its list of entities to be included in the offer. Phase II provides considerable time for the drafting of the annexes in Appendix I of the entity offer. During that time, the National GPA Committee will need to review the list of entities for the offer proposed by the private sector and consolidate the information into the four annexes of the Appendix I draft. This procedure will be synthesized in a policy paper for the Government that will serve to define the country's negotiating strategy and ensure that key government officials are apprised of the Committee's initiatives.

Jordan has several interests in the GPA, including gains in efficiency of the procurement system, cost-reductions that will permit the increased allocation of resources to other activities, the opening of new market to Jordanian suppliers, and development of new opportunities for joint ventures with foreign business partners. The present procurement system, while not overly complicated by multiple layers of legislation, has some elements that are neither fair to Jordanian nor foreign suppliers that bid on government contracts. In the accession process, public and private sector entities have an opportunity to revise the current system to make the laws, regulations, procedures and practices regarding government procurement more transparent, and to ensure they do not unfairly protect domestic products or suppliers and discriminate against foreign products or suppliers.

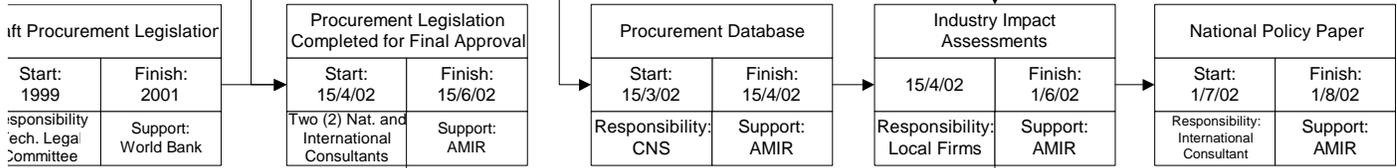
The success of Jordan's offer submission to the WTO Government Procurement Committee will depend on the close collaboration between the public and private sector, as well as the continued support of the AMIR Program. Collaboration between the public and private sectors in formulating the offer will ensure that the views of stakeholders from both sectors are heard, that potential resistance to liberalization of government procurement policies is minimized, and that Jordan continues to move forward in becoming fully integrated into the international economic system.

## S.2 Timeline of Jordan's GPA-Related Activities, by Responsible Unit:

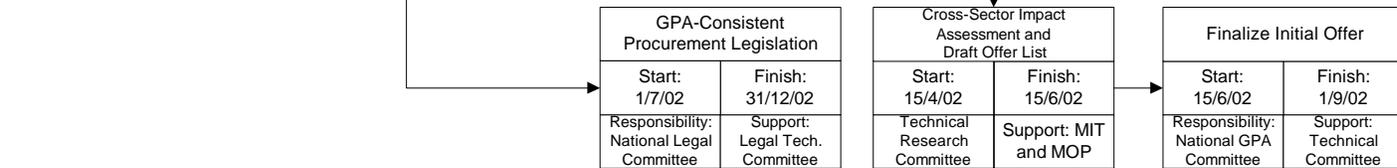
### MIR (Private Sector Policy Initiative)



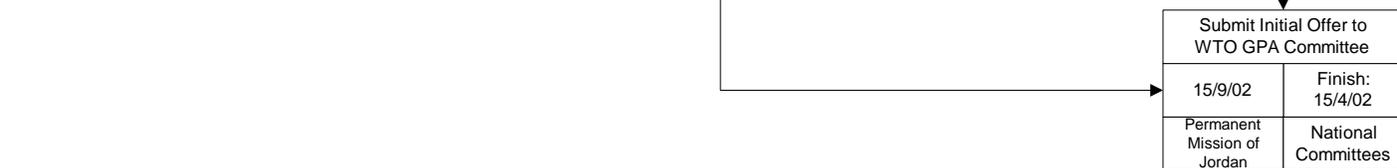
### Technical Support Units (Technical Committees, Local and International Consulting Firm:



### National Committees



### Jordanian Representation before WTO and WTO GPA Committee



# 1. Introduction

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## 1.1 Background

The Government of Jordan (GOJ) has adopted protocols at the multilateral, regional and bilateral levels to open the Jordanian economy to competition through improvements in its trade and investment policies. In April 2000 it joined the World Trade Organization (WTO) and in 2001 it signed the U.S.- Jordan Free Trade Agreement (FTA) and the Jordan-European Union (EU) Association Agreement. Jordan is also a member of the Arab Common Market Agreement, the Arab Free Trade Area Agreement and numerous bilateral trade agreements. These arrangements all represent important steps towards opening its trade and investment regime and advancing its globalization process.

The obligations under the WTO currently take priority, and the obligation to negotiate accession to the WTO Government Procurement Agreement (GPA) is particularly urgent. The GPA is a plurilateral agreement whose aim is to expand world trade by providing a framework for international competition in government procurement.<sup>1</sup> Jordan is behind schedule in presenting to the WTO Government Procurement Committee in Geneva the two basic mechanisms involved in the accession negotiations, and whose preparation proceeds in a parallel manner during the accession negotiations: (a) the so-called 'initial entity offer' for the Appendices containing the threshold value of supplies of goods and services directed to specific entities, and (b) the national legislation that is consistent with the provisions of the Agreement.<sup>2</sup> Nonetheless, the Government of Jordan, through the Ministry of Industry and Trade (MIT) as the coordinating agency for the accession process, has taken important steps to move the process forward through a combination of technical assistance provided by international donors and internal actions.

For the initial offer list, the GOJ established with assistance from USAID/AMIR a database containing procurement information and then undertook an economic impact study of Jordan's GPA accession (AMIR, 2001). At the institutional level, a national committee composed of private and public sector representatives was formed to develop Jordan's initial offer list program for accession. A study is underway to measure the impact of the GPA on Jordan's engineering sector that is funded by the Jordan Consultant Offices Association (also known as the Engineering Association) and the USAID/AMIR Program is funding a more complete database.

For the second mechanism dealing with legislative issues, the GOJ examined its procurement procedures with technical assistance provided by the World Bank

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<sup>1</sup>Plurilateral agreements have a narrower scope of signatories than multilateral agreements, to which all WTO members subscribe. The Government Procurement Agreement and Agreement on Trade in Civil Aircraft are the two plurilateral agreements that are available to WTO members and were originally negotiated under the Tokyo Round.

<sup>2</sup> Indicative procedures for accession to the GPA are contained in WTO (2001).

(1999). It subsequently drafted legislation on government procurements (Hashemite Kingdom of Jordan, 2002). At the institutional level, a ministerial committee was formed to examine the recommendations of the World Bank report and reform measures needed for the GPA accession negotiations. A steering committee provides technical support to that National GPA Committee on legislative issues.

Important work remains to be undertaken, however, and WTO Government Procurement Committee expects Jordan's initial offer list to be presented at the late September or early October 2002 meeting of the WTO Government Procurement Committee. For the initial entity offer, the government procurement information system must be updated, industry effects examined, legal revisions to the present procurement system considered, and an initial offer list drafted. At the same time, the Government must build support with the private sector and overcome institutional bottlenecks to quickly move the process forward. While these tasks may appear daunting, the WTO Government Procurement Committee considers these remaining six months before its next meeting sufficient time if there is the political will to accede; if the political will does not exist, then no amount of additional time will suffice. It is also worth noting that Jordan as a developing country is not alone in acceding to the GPA and its current experience with the accession process can serve as a positive example for other developing countries. Latvia, Estonia and Slovenia are examples of countries that have moved through the initial process of GPA accession very quickly, and have prepared their initial offers through an internal process.

Against this background, the main objective of this study is to present a master plan for Jordan's accession to the GPA. The plan intends to:

- Detail the actions to be taken by MIT and other entities involved in the accession process;
- Identify the actions that can be taken internal resources and that require external consulting assistance (either local or foreign);
- Outline the scopes of work that will be needed to achieve the identified actions;
- Identify the time to be allocated to each such action; and
- Indicate a timeline for carrying out the identified actions.

## **1.2 Organization of the Study**

After this brief introduction, the second section of this report describes the main elements of the Government Procurement Agreement and Jordan's interests in the Agreement, and the procedures required to accede to the Agreement. The third section describes the key players in the GPA accession process and the current status of preparedness of Jordan in the process.

The fourth section presents a road map of the steps Jordan needs to take in order to present its initial offer to the WTO Government Procurement Committee. It lays out the deadlines agreed upon by the National GPA Committee, the tasks to be

undertaken, the organizations responsible for completing those tasks and proposed USAID assistance needed to complete those tasks.

Four annexes provide background information and support to the master plan: The first annex shows the comparative government procurement conditions existing in other countries; the second annex ranks Jordan's Industries by selected performance criteria developed by the Ministry of Planning; the third annex presents a sample entity offer; and the fourth annex presents scopes of work for support activities to both the entity offer mechanism and the procurement legislative reform mechanism. The report ends with a list of meetings attended and references.

## 2. GPA Accession

### 2.1 GPA in Brief

#### 2.1.1 Overview

The GPA framework sets out measures to eliminate discrimination against and among foreign products, services and suppliers by improving the transparency of laws and regulations of signatory countries and ensuring prompt and fair enforcement of international provisions on government procurement. The GPA includes local governments and other public entities, including enterprises that are under the control or influence of the national government. In terms of scope, it includes the procurement of products, services, including construction services, as well as the so-called excluded sectors of utilities and transportation. For most members, the threshold for central government contracts of goods and services covered under the GPA is Special Drawing Rights (SDR) 130,000; for local governments, SDR 200,000; and for other entities, SDR 400,000. For construction contracts, the threshold is SDR5 million (Table 2.1).

The obligations of the GPA do not apply to all procurements by all government entities. Rather, the GPA allows a member to apply the Agreement only to procurements by entities that exceed a certain threshold value (typically, about 130,000JD); and, with respect to those procurements by the covered entities that exceed the threshold value, the GPA allows the member to limit the kinds of services and construction contracts that will be subject to the agreement. In addition, the GPA allows a member to exempt from coverage of the agreement procurements where

**Table 2.1**  
**Comparative SDR Threshold Values of GPA Members**

	Federal Government Entities 1/			Sub-Central Entities 2/			All Other Entities 3/		
	Goods	Services 4/	Construction 5/	Goods	Services 4/	Construction 5/	Goods	Services 4/	Construction 5/
Canada	130,000	130,000	5,000,000	355,000	355,000	5,000,000	355,000	355,000	5,000,000
European Community	130,000	130,000	5,000,000	200,000	200,000	5,000,000	400,000	400,000	5,000,000
Hong Kong	130,000	130,000	5,000,000	na	na	na	400,000	400,000	5,000,000
Israel	130,000	130,000	8,500,000	250,000	250,000	8,500,000	355,000	355,000	8,500,000
Japan	130,000	130,000	4,500,000	200,000	200,000	15,000,000	130,000	130,000	15,000,000
Korea	130,000	130,000	5,000,000	200,000	200,000	15,000,000	450,000	450,000	15,000,000
Liechtenstein	130,000	130,000	5,000,000	200,000	200,000	5,000,000	400,000	400,000	5,000,000
Netherlands for Aruba	130,000	130,000	5,000,000	na	na	na	400,000	400,000	5,000,000
Norway	130,000	130,000	5,000,000	200,000	200,000	5,000,000	400,000	400,000	5,000,000
Singapore	130,000	130,000	5,000,000	na	na	na	400,000	400,000	5,000,000
Switzerland	130,000	130,000	5,000,000	200,000	200,000	5,000,000	400,000	400,000	5,000,000
United States	130,000	130,000	5,000,000	355,000	355,000	5,000,000	400,000	400,000	5,000,000

1/ Specified in Appendix I: Annex 1

2/ Specified in Appendix I: Annex 2

3/ Specified in Appendix I: Annex 3

4/ Covered in Appendix I: Annex 4

5/ Covered in Appendix I: Annex 5

Source: WTO (2000).

necessary protect national security, public morals, order or safety, human, animal or plant life or health or intellectual property. Moreover, developing country members are authorized to negotiate exclusions of specified entities, products or services from national treatment (AMIR, 2001).

<b>Box 2.1 GPA Members</b>	
<b>WTO GPA Members</b>	<b>Countries having Observer Status</b>
<ul style="list-style-type: none"> <li>▪ Canada</li> <li>▪ EU and its 15 member States</li> <li>▪ Hong Kong</li> <li>▪ China</li> <li>▪ Iceland</li> <li>▪ Israel</li> <li>▪ Japan</li> <li>▪ Korea</li> <li>▪ Liechtenstein</li> <li>▪ Aruba</li> <li>▪ Norway</li> <li>▪ Singapore</li> <li>▪ Switzerland</li> <li>▪ USA</li> </ul>	<p><i>WTO Members:</i></p> <ul style="list-style-type: none"> <li>▪ Albania</li> <li>▪ Argentina</li> <li>▪ Australia</li> <li>▪ Bulgaria</li> <li>▪ Cameroon</li> <li>▪ Chile</li> <li>▪ Colombia</li> <li>▪ Croatia</li> <li>▪ Czech Republic</li> <li>▪ Estonia</li> <li>▪ Georgia</li> <li>▪ Hungary</li> <li>▪ Jordan</li> <li>▪ Kyrgyzstan</li> <li>▪ Latvia</li> <li>▪ Lithuania</li> <li>▪ Malta</li> <li>▪ Moldova</li> <li>▪ Mongolia Oman</li> <li>▪ Panama</li> <li>▪ Poland</li> <li>▪ Slovakia Slovenia</li> <li>▪ Turkey</li> </ul> <p><i>Non WTO Members:</i></p> <ul style="list-style-type: none"> <li>▪ Chinese Taipei</li> </ul> <p><i>Intergovernmental Organizations:</i></p> <ul style="list-style-type: none"> <li>▪ International Monetary Fund</li> <li>▪ International Trade Center</li> <li>▪ Organization for Economic Cooperation and Development</li> </ul>

For the most part, membership in the GPA is composed of industrialized countries. Jordan would be the first developing member country to join although Bahrain may submit an application for membership and many developing countries have observer status (see Box 2.1).

Important changes to the GPA are currently under discussion. First, the WTO Committee hopes to remove the controversy associated with annual reporting requirements, which members now consider onerous. Moreover, no benchmarks for the reports are set out in Agreement so some members submit extensive reports and others submit aggregated ones.<sup>3</sup> One likely change will be the simplification of reporting. Second, the GPA does currently not take into account the fact that many governments are doing business electronically by posting tender notices and bids on the Internet. Revisions to the GPA will likely address regulations of electronic public procurement. Thirdly, more types of services will be added to the Agreement than are included at the moment. Fourth, discriminatory provisions will be eliminated (certain countries can currently be eliminated from a country's list). Lastly, Article V, paragraph 4.0 that refers to special and differential treatment (S&D) afforded to developing countries is likely to be significantly revised at the end of the GPA review process to make this treatment better defined. The WTO Government Procurement Committee expects to complete draft revisions by the end of 2003 and finalize the Agreement by the end of 2004.

Revisions to the GPA have important implications for Jordan. Even though one of the aims of the revisions is to attract more developing countries by undertaking the negotiating process now and possibly joining the GPA now, as opposed to later, Jordan has an advantage. First, it has much more freedom in negotiating its offer list than in the future both in general terms and specifically in concessions that a developing country could receive under special and differential treatment. Second, at

<sup>3</sup> For examples of reports submitted by GPA members, see the WTO procurement gateway [http://www.wto.org/english/tratop\\_e/gproc\\_e/gp\\_gpa\\_e.htm](http://www.wto.org/english/tratop_e/gproc_e/gp_gpa_e.htm)

the moment, many provisions of the GPA are unclear, which are currently being revised. So Jordan again has more room to negotiate its access than in the future.

### **2.1.2 Jordan's Interest in the GPA**

Jordan has several interests in the GPA, the first of which is to move forward now by negotiating in good faith in order to comply with its WTO commitments. The process of negotiating to join the GPA brings benefits to both the public and private sector: in addition to the development of a new database and sector studies that are funded by outside sources (*viz.*, USAID), both the public and private sectors have the chance to closely examine their procurement system and take this opportunity to revise it. Advancing this negotiation process now can only benefit Jordan and allow it to remain in good stead with the WTO Government Procurement Committee in Geneva. Further delays are unnecessary.

Second, one of the main economic benefits of actually joining the GPA will be the gains in efficiency of the procurement system. The present procurement system, while not overly complicated by multiple layers of legislation, has some elements that are neither fair to Jordanian nor foreign suppliers that bid on government contracts. The legislative review that is part of the negotiation process has already uncovered some weaknesses in the procurement system; the outcome of the negotiations will likely remove these weaknesses or improve them. Third, the introduction of competition into the procurement process could reduce costs for the Government, thereby saving funds that could be allocated for other purposes. Fourth, the GPA opens a new market to Jordanian suppliers and opportunities to develop joint ventures with foreign partners to serve their markets.

Jordan will also likely incur costs if it decides to join the GPA. New administrative responsibilities would be introduced, and, as mentioned above, new legislation must be adopted. Short-term negative effects on certain industries could also come about as a result of joining the GPA if the Government is not careful in its negotiations for accession. However, if both the public and private sectors prepare for the negotiations, they will be able to have a clearer understanding of which industries could be adversely affected and take actions accordingly to exclude them from the GPA.

## **2.2 GPA Procedures**

In April 2000 Jordan became a member of the WTO, at which time it agreed to negotiate accession to the GPA to its best efforts. Accession to the GPA involves a step-by-step process that is to be followed according to guidelines set forth by the WTO Government Procurement Committee. The first major step is to ensure that national legislation is consistent with WTO GPA legislation. The second major step is to prepare an initial offer. Preliminary work, which has already been undertaken by Jordan, includes a question and answer exercise on a bilateral level. To prepare an initial offer, Jordan should follow the schedules of those set out by other GPA member countries. According to the WTO, the preparation of an offer is not complicated and in fact, its basic structure is simple; however, internal politics of a

country are often complicated and can delay the preparation and presentation of an offer. Latvia and Estonia prepared the initial offers and accompanying schedules without technical assistance and serve as examples of countries that have moved through the initial process of GPA accession very quickly.

The entity offer contains lists of the agencies each government has committed to complying with the agreement, lists of services and construction services subject to the agreement and lists of publications the governments use to publish tender notices, qualification lists and the procurement rules and procedures they apply. It consists of the following components:

**Appendix I:** Defines the coverage of a country's obligations under the Agreement in terms of procuring entities and services, including construction services, and contains five Annexes:

- Annex 1: Central Government Entities.
- Annex 2: Sub-central Government Entities.
- Annex 3: All Other Entities that procure in accordance with the Agreement.
- Annex 4: Services, whether listed positively or negatively, covered by the Agreement
- Annex 5 specifying covered construction services.

**Appendix II:** Specifies the publications used by countries for the publication of notices of intended procurements — paragraph 1 of Article IX, and of post-award notices — paragraph 1 of Article XVIII.

**Appendix III:** Specifies the publications used by countries for the publication annually of information on permanent lists of qualified suppliers in the case of selective tendering procedures — Paragraph 9 of Article IX.

**Appendix IV:** Specifies the publications used by countries for the publication of laws, regulations, judicial decisions, administrative rulings of general application and any procedure regarding government procurement covered by this Agreement — Paragraph 1 of Article XIX.

According to Government Procurement Committee members, Jordan will likely encounter no problems from the WTO with Annex 1 of Appendix I, and will likely encounter some questions with Annex 2. Annex 3 of that Appendix will be the most difficult to negotiate, and the WTO will base its guidance on legislation. Regardless of expected difficulties, Jordan can prepare itself by meeting the expectations of GPA members or preparing a defense for them. For example, Canada would like to see information technology (IT) equipment on Jordan's offer list but Jordan might not be prepared to open its public procurement to that market given its efforts to promote its own IT industry.

### 3. Situation Analysis

#### 3.1 Key Players in GPA Accession

##### 3.1.1 National GPA Committee

**Box 3.1**  
**Members of Jordan's National GPA Committee**

**Government Entities**

- Ministry of Industry and Trade
  - Foreign Trade Policy Department
  - Industrial Development Directorate
- Ministry of Planning
  - Competitiveness Unit
  - Technical Support Unit for the EU Association Agreement
  - Infrastructure Department
- General Supplies Department
- Government Tenders Department

**Private Sector Organizations**

- Amman Chamber of Industry
- Zarqa Chamber of Industry
- Irbid Chamber of Industry
- Jordan Federation of Chambers of Commerce
- Engineers Association
- Construction Contractors Association
- Trucks Association
- Jordan Pharmaceuticals Manufacturers Union

The National GPA Committee was formed in early 2002 with the objective of guiding the assessment of Jordan's possible accession to the GPA and preparing a draft initial offer. Both public and private sectors are represented on the Committee (Box 3.1). To date, the Committee has held four meetings in which it has discussed technical assistance needs and the drafting of an initial offer. It has also established a technical working group to help determine the economy-wide impact of accessing to the GPA. At the same time, a Cabinet decision was taken to consolidate the Government Tenders Directorate (GTD) and the General Supplies Department (GSD) under one entity, although to date no legislation has been adopted to put this change into effect. This organizational restructuring reflects the recommendations made by a recent World Bank study undertaken on the modernization

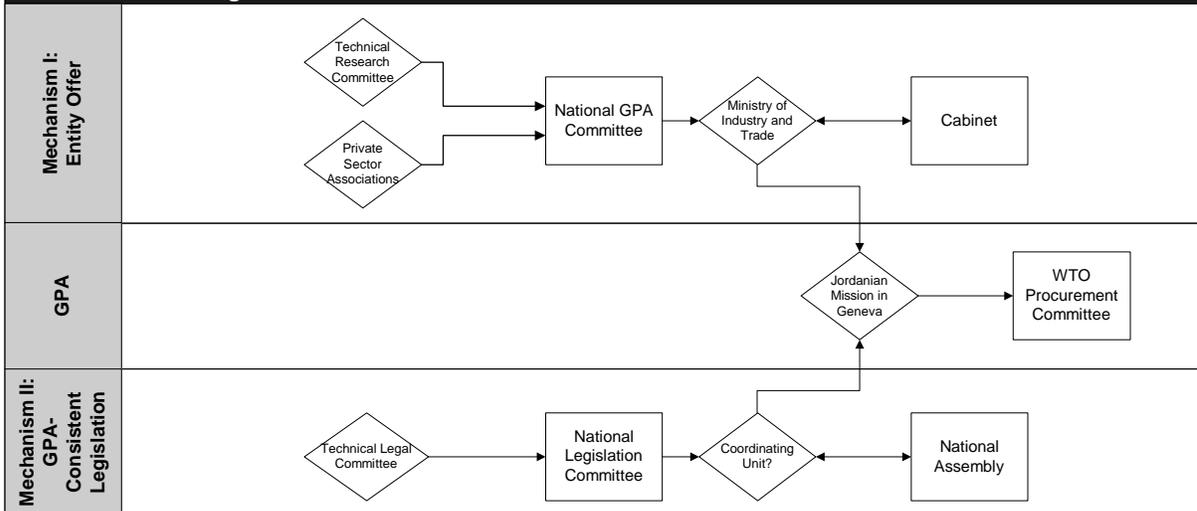
of Jordan's procurement legislation.

##### 3.1.2 Private Sector

The key players in the private sector that will influence the GPA negotiations include members of the Engineering Association, the Contractors and Construction Association, the Banking Association and the Jordan Pharmaceuticals Manufacturers Union, all of which are represented on the National GPA Committee. It is worthy noting that at the time of report preparation, the private sector appeared to have adopted a defensive attitude towards the GPA, which is likely due to (a) a misunderstanding that Jordan has committed to *join* the Agreement, rather than to *negotiate* its accession and, more importantly, (b) a lack of recognition of the potential benefits that accession could provide to their respective industries, and to the overall efficiency of the private sector. Businessmen appeared to only be aware of the costs associated with joining the Agreement. For example, they fail to consider that some Jordan suppliers to United States contractors are losing business because of the 'Buy America' regulation. GPA membership overrides that US regulation and provides another opportunity for Jordanian companies to form direct linkages with US firms to tap that market.

Figure 3.1

## GPA Decision-Making Process in Jordan



### 3.1.3 WTO Government Procurement Committee

The WTO Government Procurement Committee is responsible for reviewing the implementation and operation of the GPA on an annual basis, and for monitoring requests for membership and other developments related to the GPA. Given the fact that Jordan is behind its originally proposed schedule, it is anxious to receive its entity offer at the Committee's upcoming meeting in late September or early October. During the last two years, Committee members have met with Jordanian officials in Geneva and Amman to explain the procedures for accession and to discuss negotiations. To date, Jordan submitted answers to a checklist of questions presented by WTO Government Procurement Committee members (WTO, 2000) and replied to Switzerland (WTO, 2001b), the United States (WTO, 2001c), Canada (WTO, 2001d) and the EU (WTO, 2001e). The questions raised by WTO GPA members mainly relate to Jordan's legislation on procurement, specifically as it relates to foreign company treatment, transparency in regulatory procedures, and fairness. These concerns underscore the need for Jordan to move forward quickly with revisions to its legislation.

The Jordanian Mission in Geneva maintains close contact with the Government Procurement Committee and has recommended to the GOJ that the procurement database and impact assessment studies be conducted in parallel with the preparation of an initial entity offer that would be submitted to the Government Procurement Committee at its next meeting. From the Canadian perspective, the offer should follow the format that is typical of a GPA Annex. That offer should be undertaken along with legislative reforms.

The process of accession involves two parallel tracks of government activities.<sup>4</sup> Figure 3.1 shows the inter-relationship between the key players in the accession process. The National GPA Committee, with the technical support of both the Technical Research Committee and private sector associations, is formulating the initial entity offer. The Ministry of Industry and Trade coordinates these activities and chairs all sessions of the National GPA Committee. On the legislative side, the National Legislative Committee is revising all procurement-related legislative with the help of the Technical Legal Committee, to ensure that Jordan's legislation is consistent with the WTO's GPA Agreement. As yet, there does not appear to be a coordinating unit guiding the legislative process.

## **3.2 Current Status of Preparedness**

### **3.2.1 Legislation**

Jordan's legislation on public procurement and movement towards its revision are a concern for members of the WTO Government Procurement Committee, especially since it appears that Jordan has been vague about the status of such revisions. The Committee requires that a country's legislation be consistent with the GPA, and when Jordan submitted its checklist to the WTO two years ago its legislation reportedly contained many gaps.<sup>5</sup> Annex A of this report provides a comparative analysis of the administrative structure, general procurement policies, and procurement practices of Chile, Canada, Hong Kong, Indonesia, Korea, Philippines, New Zealand and Thailand. The Annex demonstrates how these APEC member countries, many of which are in a similar development situation as Jordan, have made substantial progress in opening their procurement practices to international competition in an effort to improve public sector efficiency and the overall welfare of their economies.

During 1998-99 the World Bank funded technical assistance to review Jordan's procurement legislation and the country's institutional framework governing public

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<sup>4</sup> Jordan has a constitutional monarchy. The King is the Head of State, as well as, the Head of the Legislative, Executive, and Judicial powers. Legislative power is vested in the National Assembly (Parliament) and the King, and its principal duties consist of enacting laws. Those laws must be passed by both the Senate and the Chamber of Deputies and ratified by the King. Executive power is entrusted with setting regulations that are consistent with the provisions of the law and is composed of the Head of State and the Cabinet. The Cabinet consists of the Prime Minister and a number of Ministers determined by the public services provided by the government.

The organizational structure of the administrative authority consists of central and local authorities. The King, Cabinet, and public corporations represent the central authorities. The municipal councils and governors represent the local authorities. The central administration in Jordan consists of (1) the Prime Minister's Office, (2) the Cabinet, (3) the Ministries, (4) the Central Departments (including the General Procurement Department and the Government Tenders Department), (5) and Public Corporations. The Governors at the regional level, as well as the Municipal Councils represent local administration.

<sup>5</sup> The full legal text of the GPA is available on the WTO gateway on government procurement ([http://www.wto.org/english/tratop\\_e/gproc\\_e/gp\\_gpa\\_e.htm](http://www.wto.org/english/tratop_e/gproc_e/gp_gpa_e.htm)) (WTO, 1998), and notification of national implementing legislation by GPA member countries is available at [http://www.wto.org/english/tratop\\_e/gproc\\_e/notnat\\_e.htm](http://www.wto.org/english/tratop_e/gproc_e/notnat_e.htm).

procurement (World Bank, 1999). This assistance was a follow-up to previous work undertaken in 1988 that assessed the compatibility of Jordan's procurement legislation with World Bank requirements. Representatives of both the public and private sectors were involved in the review and, for the most part, included those that are current members of the National GPA Committee.

The recommendations of the report focused on four main areas of reform. First, authors of the report recommended that *legislation* should be revised to provide a coherent legal framework for the procurement system, place procurement at a higher juridical level than provided in the current regulations and close gaps identified in the current legal framework. Second, the *organizational structure* should be reformed to separate policy and regulatory functions from operational functions and strengthening the operation of the procurement system through decentralization. Third, *procedural reform* would involve the creation of a procurement publication, updating of bidding documents and the development of manuals on contract management. Fourth, *human resource* skills would be upgraded and new information technology would be introduced. The report estimated the cost of implementing the recommended action plan at US\$3 million, to be undertaken in two stages. The first stage began in late 1999 with a World Bank grant of US\$150,000; the second stage was expected to begin in early 2000 and take place over two to three years with funds from various donors.

The outcome of the first stage of Jordan's procurement reform was a draft public procurement law prepared by an international consultant (Government of Jordan, 2002). That law is based on a model law for procurement and was discussed during a workshop in April 2001. The model law on procurement was drafted by the Secretariat of the United Nations Commission on International Trade Law (UNCITRAL) in 1993, and is available for use by countries wishing to enact procurement legislation.<sup>6</sup> At the same time, a Jordanian consultant was contracted to review regulations. There are currently no remaining World Bank funds to continue with the legislative reform. The Legislative Working Group of the National GPA Committee is still revising the draft law and regulations and is seeking funding to continue.

### 3.2.3 Government Procurement Database

The quality of data on government procurement is generally poor. Definitions of 'government procurement' vary, with the result that existing national data are often not comparable across countries. Moreover, government do not report data in a uniform manner, and without adequate and comparable data, it is difficult for any government to assess the effects of procurement policies on its operations and that of local suppliers.

A new database for Jordan's government procurement is currently being developed with AMIR program assistance by an outside consulting firm. The objective of the

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<sup>6</sup> For details on the model law on procurement of goods, construction and services, see <http://www.jus.uio.no/lm/un.procurement.model.law.1994/>.

assistance is to refine the information presented in an earlier version of a database, extend the data to four years rather than two, and make reporting user-friendly. When the database is complete, annual procurement data will be available for 1997-2000. Since the database was developed in Microsoft Access software, the GSD can easily use a data input form developed by the consulting firm to input data for 2001 and subsequent years as they become available.

It is important to emphasize that once this database is complete, sufficient information will exist to undertake data analysis and both the private and public sectors must quickly move forward with the negotiation process. Specifically, this database will permit the identification of products purchased by the Government during a four-year period that in turn will identify sectors that are of interest to the GPA. Extensive meetings have been held between Government and the consulting firm to ensure that the correct reports will be able to be generated by the users. Box 3.2 lists the reports that can be generated from the database. The resulting analysis will permit an assessment of the economic gains that Jordan could potentially derive from liberal procurement policies. A clearer understanding and appreciation of the business opportunities generated by the public sector, in both domestic and foreign economies, can help to attract broader support for Jordan's accession to the Agreement.

It is equally important to note that the database was developed from disaggregated data that was manually input from procurement contracts. Official Jordanian Customs officials together with an experienced AMIR staff member took considerable care in manually coding the products to conform to the Harmonized System (HS).

**Box 3.2**  
**Reports to be Generated by New Procurement Database**

Report Name	Report Description
G1	Total value of procurement of supplies for all entities
G2	Total number of contracts of supplies for all entities
G6	Total JD value of procurement of supplies each year within the following range
G7	Total number of contracts for each year within the following range
G12	Percentage of supplies contracts awarded to non-Jordanian (value)
G13	Percentage of supplies contracts awarded to non-Jordanians (number)
G17	Percentage of supplies contracts awarded to Jordanians (value)
G18	Percentage of supplies contracts awarded to Jordanian (number)
G30	Total number of contracts within the H.S. Code for all entities for each year
G31	Total number of contracts within the H.S. Code per entities for each year
G32	Total of value of procurement of all goods for each entity
M50	Total value and number of contracts of procurement of goods for all entities
M51	Total value and number of contracts of procurement of goods more than 100,000 JD for each entity
M52	Total value and number of services of contracts for all entities for each year
M53	Total value and number of services of contracts more than 100,000 JD for all entities for each year
M1	Total JD value of procurement of services for all entities
M2	Total number of procurement of services for all entities
M6	Total JD value of services of supplies each year within the following range
M7	Total number of contracts for each year within the following range for services
M12	Percentage of services contracts awarded to non-Jordanians (value)
M13	Percentage of services contracts awarded to non-Jordanian (number)
M17	Percentage of services contracts awarded to Jordanians (value)
M18	Percentage of services contracts awarded to Jordanians (number)
M32	Total JD value of procurement of all services for each entity
M19	Total JD Value of products of supplies
a/	Value of procurement and number of contracts by HS code
	Country of origin by HS code
	Percentage of local origin per HS code for goods & services.
	Percentage of mixed origins per HS code for goods & services
	Percentage of Non-Jordanian origin per HS code for goods & services
	Comparison between 2 HS codes, 2 dates, and filters the data per beneficiary or date. This includes HS code, description, unit, beneficiary, date and supplier name.
	Each beneficiary's purchases according to the funding methods in addition to showing the number of contracts and their values

a/ Pending report name.

Nonetheless, a possibility exists that the data totals will not match with (a) aggregated data that are maintained by the GSD and (b) production and consumption data maintained by the Department of Statistics. In the first case, it should be assumed that the disaggregated data are more reliable than aggregated data and that the new database is correct.

Moreover, it is possible that the HS codes that were input in the procurement database do not match the products on file with the GSD. In the second case, the production and consumption data are based on International Standard Industrial Classification (ISIC) codes that are difficult to match with Harmonized System (HS) codes that are used in the procurement database. In sum, experienced researchers know that the perfect piece of information is usually a myth and rarely all types of information

### Box 3.3 Suggested Sector Studies

- Chemicals and pesticides
- Food supplies
- Construction services and products
- Engineering products
  - Pharmaceuticals and medical supplies (healthcare products)
- Information technology sector
- Furniture
- Paper, printing and packaging

#### Notes:

- (i) This list was developed by private sector members of the National GPA Committee and agreed upon by the National GPA Committee research teams, with the understanding that additional studies might be needed depending on the results of the procurement database.
- (ii) Studies are to be undertaken by Jordanian consulting firm contracted by USAID/AMIR.

desired can be found. In the case of the procurement data to be used in the analysis of the GPA, it is recommended that, after a few minor data checks, both the public and private sectors accept the database and use the information to quickly develop possible scenarios for the upcoming negotiations.

### 3.3 Initial Entity Offer

To date no actions have been taken to prepare the initial entity offer, and a strategy has not yet been adopted to present the offer. Once the procurement database is completed, analysis undertaken and sector studies reviewed, the Government must move quickly to develop its

initial offer list so that ample time is allotted for discussion. Examples of GPA member offer lists are available for review on the WTO's government procurement portal<sup>7</sup>, and Annex C contains an illustration of Korea's entity offer.

Despite the lack of movement in developing the Appendices that will form part of the offer list, the Ministry of Planning has undertaken preliminary analysis to identify the stakeholders that could possibly be affected by the GPA. In addition to having information on the government entity stakeholders (Box 3.4), the analysis by the Ministry of Planning provides information on the domestic supplier stakeholders, as defined by the top performing goods and service industries in the Jordanian economy (Box 3.5). It is important to note that once the procurement database and sector studies are complete, the list of domestic supplier stakeholders will likely change.

Once the Government and private sector develop their respective lists of industries and corresponding products and services, they must then decide on a strategy which could tie in with the country's industrial and trade policy frameworks. The recent impact assessment by AMIR (2001) provided several ways to analyze the impact of the GPA, and suggested strategies on the selection of goods and services to be excluded from the GPA. One strategy would be based on effective and nominal rates of protection. Using this approach, the Government could decide to promote industries with high nominal protection but low effective protection (thereby excluding products originating from manufacturers of pharmaceuticals, medical and surgical equipment, and agricultural and forestry machinery). Likewise, it could promote those industries already enjoying high levels of both nominal and effective rates of protection (e.g., manufacturers of fabricated metal products, glass and glass products, rubber products, furniture, basic chemicals, and rubber tires and tubes).

A second strategy would be to adopt a broader approach based on products classified according to factor intensity. One strategy using this approach would target high-technology and capital intensive products in which supports the GOJ's current development objectives. Products excluded from the offer list using this strategy

<sup>7</sup> See [www.wto.org/english/tratop\\_e/gproc\\_e/gproc\\_e.htm](http://www.wto.org/english/tratop_e/gproc_e/gproc_e.htm)

include those produced by manufacturers of pharmaceuticals, medical and surgical equipment, chemical products, inorganic chemicals, dyeing and tanning, and oils and perfume materials. Another strategy would target labor-intensive industries to support the employment objectives of the GOJ's development plan to minimize the GPA impact on employment. Products excluded from the offer list using this strategy would include those produced by manufacturers of furniture, made-up textile articles, jewelry, leather and manufactures, travel goods and handbags, and clothing. Finally, a third approach to selecting products to exclude from the offer would either minimize the impact of the GPA on procurement changes by the government or, more broadly, minimize the overall output effect at the industry level from the GPA. For complete details on methodology, see AMIR (2001).

**Box 3.4****Government Agency Stakeholders****Central Government Entities Procuring Goods, Services and Construction Services**

Ministry of Defense  
 Ministry of Interior  
 Ministry of Justice  
 Ministry of Health  
 Ministry of Foreign Affairs  
 Ministry of Industry and Trade  
 Ministry of Planning  
 Ministry of Municipal and Rural Affairs and the Environment  
 Ministry of Information  
 Ministry of Youth  
 Ministry of Tourism and Antiquities  
 Ministry of Finance  
 Ministry of Awqaf Islamic Affairs and Holy Places  
 Energy and Mineral Resources Ministry  
 Ministry of Culture  
 Ministry of Agriculture  
 Ministry of Public Works and Housing  
 Ministry of Education  
 Ministry of Labor  
 Ministry of Social Development  
 Ministry of Water and Irrigation  
 Ministry of Post and Telecommunication  
 Ministry of Transport

**Sub-Central Government Entities Procuring Goods and Services**

Municipalities and rural councils procure goods and supplies in accordance with the Municipalities and Rural Councils' Supplies and Works Regulation No. 25 of 1989, except for Amman Municipality which has its own supplies and constructions regulations.

**Enterprises Owned or Controlled by Government Subject to Rules on Government Procurement**

Central Bank of Jordan  
 Hedjaz Jordan Railway  
 Social Security Corporation  
 Telecommunications Regulatory Commission  
 Jordan's Securities Commission  
 Postal Saving Fund  
 Institute of Public Administration

**Box 3.5****Domestic Supplier Stakeholders Based on Jordan's Leading Industries**

<b>Rank 1/</b>	<b>Goods Industry</b>	<b>ISIC</b>
1	Mining of chemical and fertilizer minerals	1421
2	Manufacture of tobacco products	1600
3	Distilling, rectifying and blending of spirits	1551
4	Printing	2221
5	Manufacture of basic chemicals, except fertilizers and nitrogen compounds	2411
6	Manufacture of non-structural non-refractory ceramic ware	2691
7	Casting of iron and steel	2731
8	Manufacture of other special purpose machinery	2929
9	Manufacture of medical and surgical equipment and orthopedic appliances	3311
10	Manufacture of soap and detergents	2424
11	Service activities related to printing	2222
12	Manufacture of insulated wire and cable	3130
13	Manufacture of pharmaceuticals	2423
14	Manufacture of agricultural and forestry machinery	2921
15	Manufacture of wearing apparel, except fur apparel	1810
16	Publishing of newspapers, journals and periodicals	2212
17	Manufacture of other fabricated metal products n.e.c.	2899
18	Manufacture of bakery products	1541
19	Treatment and coating of metals	2892
20	Production, collection and distribution of electricity	4010
21	Manufacture of fertilizers and nitrogen compounds	2412
22	Preparation and spinning of textile fibers; weaving of textiles	1711
23	Manufacture of other general purpose machinery	2919
24	Manufacture of cement, lime and plaster	2694
25	Manufacture of plastics products	2520
<b>Rank 1/</b>	<b>Service Industry</b>	<b>ISIC</b>
1	Higher education	8030
2	Hospital activities	8511
3	Building-cleaning activities	7493
4	Accounting, book-keeping and auditing activities; tax consultancy	7412
5	Advertising	7430
6	Other business activities n.e.c.	7499
7	General secondary education	8021
8	Labor recruitment and provision of personnel	7491
9	Adult and other education	8090
10	Restaurants, bars and canteens	5520
11	Real estate activities with own or leased property	7010
12	Architectural and engineering activities and related technical consultancy	7421
13	Maintenance and repair of office, accounting and computing machinery	7250
14	Hotels; camping sites and other provision of short-stay accommodation	5510
15	Other human health activities	8519
16	Hairdressing and other beauty treatment	9302
17	Other recreational activities	9249
18	Primary education	8010
19	Motion picture and video production and distribution	9211
20	Legal activities	7411
21	Renting of private and household goods n.e.c.	7130
22	Software consultancy and supply	7220
23	Investigation and security activities	7492
24	Medical and dental practice activities	8512
25	Washing and (dry-) cleaning of textile and fur products	9301

1/ Based on ranking by Ministry of Planning and Ministry of Industry and trade, as presented in Annex C.

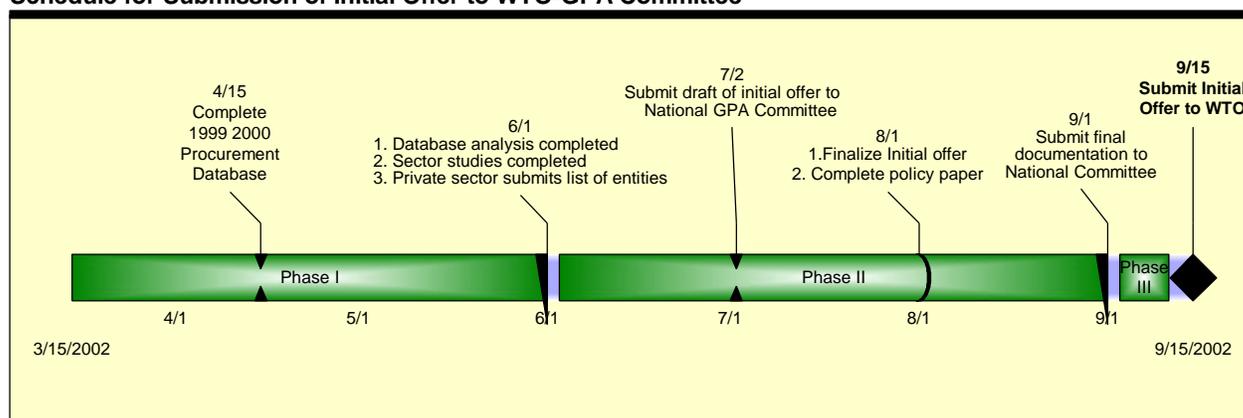
## 4. Schedule for Submission of Initial Offer

### 4.1 Introduction

During recent fieldwork, AMIR consultants and members of Jordan's National GPA Committee agreed to undertake three integrated phases of activities that will lead up to the presentation of the initial offer in September/October 2002. Phase I, which extends to 1 June, consists of data compilation for the procurement database, and the preparation of a set of studies examining the impact of Jordan's accession on selected industries and the economy in general. Phase II, which extends to 1 September, focuses on National GPA Committee's preparation of the initial entity offer, as well as the preparation of a policy paper synthesizing the results of the impact studies and Committee's strategy in formulating the initial entity offer. Phase III covers the final transmittal of the initial entity offer by the National GPA Committee and its submission to the Government Procurement Committee.

Figure 4.1 provides a visual representation of the three phases of the initial entity offer preparation. In Phase I the data component consists of the preparation of the 1999-2000 procurement database, and the analytical component invokes the database for industry and economy-wide impact analysis after ensuring the integrity of the database. At the end of Phase I, the private sector should be in a position to submit its list of entities to be included in the offer. Phase II provides considerable time for the drafting of the annexes in Appendix I of the entity offer. During that time, the National GPA Committee will need to review the list of entities for the offer proposed by the private sector and consolidate the information into the four annexes of the Appendix I draft. This procedure will be synthesized in a policy paper for the Government that will serve to define the country's negotiating strategy and ensure that key government officials are apprised of the Committee's initiatives. The remainder of this chapter lays out the timetable for the implementation of the three phases, describes their interrelationships, and finally assigns responsibilities.

**Figure 4.1**  
**Schedule for Submission of Initial Offer to WTO-GPA Committee**

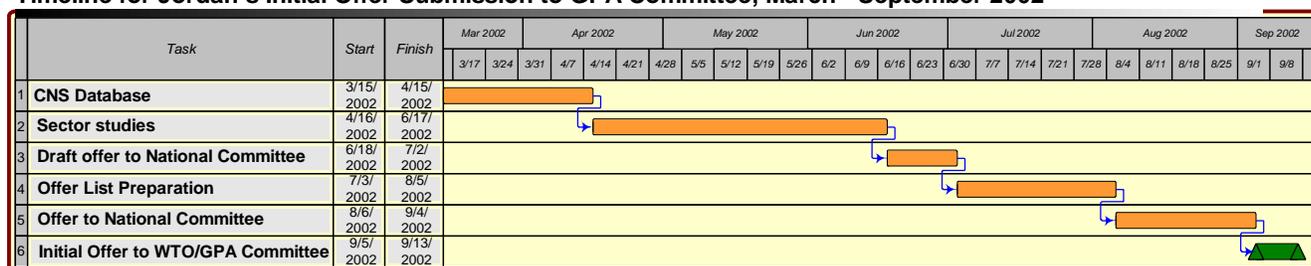


## 4.2 Schedule

The schedule contained in Box 4.2 was submitted to Jordan's National GPA Committee for its consideration in March 2002. Following some minor modifications, the Committee adopted the schedule and committed itself to supporting the process leading up to the submission of the initial entity offer to the WTO Government Procurement Committee in September/October 2002. Figure 4.2 shows the recursive nature of the scheduled tasks, insofar as each task depends upon the completion of the previously scheduled task. The sequential nature of these tasks makes it imperative that responsibilities be clearly defined and, to the extent possible, that each of the units responsible for a task support the other tasks on which it depends.

The schedule also incorporates the second mechanisms of the accession process dealing with the drafting of procurement legislation that is GPA consistent. These

**Figure 4.2**  
**Timeline for Jordan's Initial Offer Submission to GPA Committee, March - September 2002**



revisions will need to include measures that ensure the transparency of Jordan's procurement laws and regulations, and the prompt and fair enforcement of GPA provisions on government procurement. Between mid-May and mid-June, local and international consultants will be finalizing a draft of Jordan's Government Procurement Law and draft regulations on government procurement, with a view in particular to align that legislation with the GPA. They will also provide advice on institutional and organizational machinery to implement Jordan's obligations under the GPA, and prepare a report on how the draft Government Procurement Law and draft regulations would implement Jordan's obligations under the GPA. Finally they will provide briefings for interested circles/officials on the draft legislation and its relationship to the GPA.

The schedule also envisions that the initial offer will undergo a process of revisions during the negotiations between Jordan and the WTO's Government Procurement Committee. That process will include both bilateral and plurilateral consultations between Jordan and members of the Government Procurement Committee. Discussions with members of that committee indicate that the period assigned for revisions and further bilateral and plurilateral consultations is a reasonable estimate for a country such as Jordan.

**Box 4.1**  
**Summary of Timeline for Jordan's Accession to GPA**

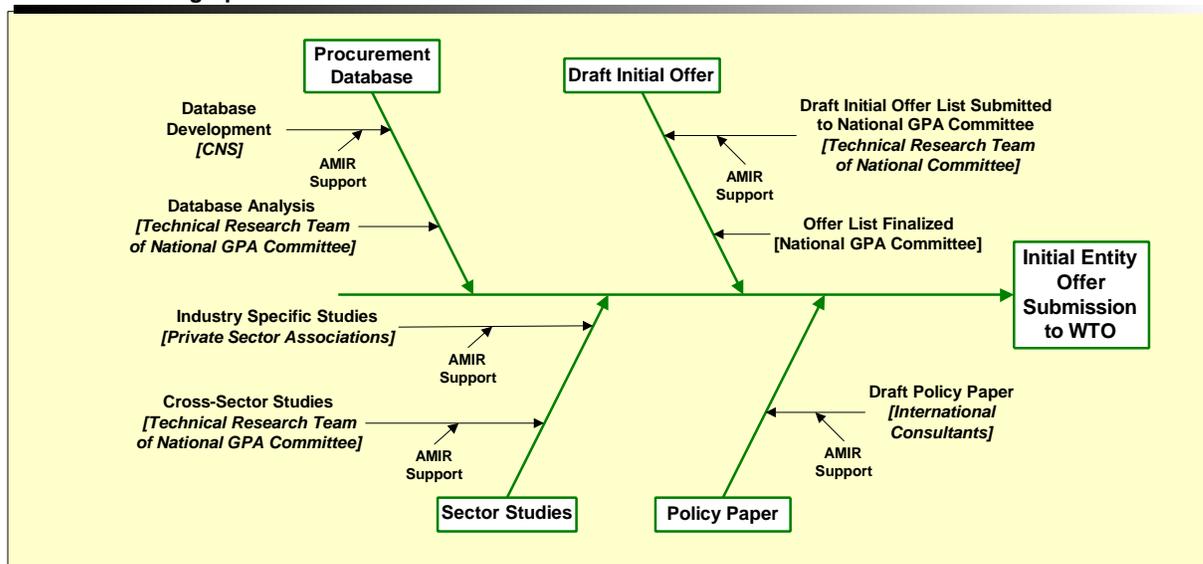
	Deadline	Weeks from previous step	Task	USAID Assistance
<b>OBJECTIVE 1: SUBMIT INITIAL OFFER</b>				
PHASE I	Start now: 31 Mar	0	Contact entities as part of drafting initial offer	None
	15 April	2	CNS database completed	AMIR providing funding to CNS to hire additional personnel
	May	6	WTO workshops in Geneva on all accession, including GPA	None
	1 June	6	(1) Database analysis completed (2) Sector studies completed (3) Private sector submits list of entities	AMIR support for economic analysis and industry-specific studies
	15 June	8	Procurement legislation completed for final approval	AMIR support for legal assistance
PHASE II	1 July	4	Submit draft offer list to National Committee for discussion	None
	1 August	4	<ul style="list-style-type: none"> <li>▪ Finalize offer list</li> <li>▪ Submit summary policy paper</li> </ul>	AMIR support for economic and legal advisory services
PHASE III	1 September	4	Submit final documentation to National Committee	None
	1 October	4	Submit offer to WTO Government Procurement Committee in Geneva	None
<b>OBJECTIVE 2: SUBMIT REVISED OFFER, IF NECESSARY</b>				
	1 Dec 02	0	Jordan receives written questions from GPA members	None
	1 Feb 03	8	Informal bilateral/plurilateral consultations, including responses to written questions	None
	1 May 03	12	Submit revised offer, if necessary	None
	1 Jul 03	8	Further bilateral/plurilateral consultations, if necessary	None
	1 Sep 03	8	Submit revised offer, if necessary	None

### 4.3 Interdependencies

The final outcome of the scheduled tasks, that is, the presentation of an initial entity offer to the WTO Procurement Committee, depends on four major interrelated activities. The first is the development of a procurement database and the verification of its integrity by the Technical Research Team of the National GPA Committee. The second activity is the preparation of industry specific studies designed to measure the opportunities and constraints confronting industries under the GPA, and a broader economy-wide study on the GPA-related benefits and costs to key groups, including the government and private sector producers and consumers.

The procurement database and studies will be used to identify the entities that will be included in the initial offer. Once the National GPA Committee received recommendations from the private sector associations and the Technical Research Team undertaking the studies, the Committee will need to draft the initial entity offer and present it in the form of four GPA Appendices of member countries. Annex C of this report contains a sample member country appendix. Concurrent with the drafting of the initial entity offer by the National GPA Committee, a policy paper will be drafted to synthesize the results of the industry and economy-wide studies and lay out Jordan's strategy to adjust its government procurement practices to bring them in line with international standards set forth in the GPA. Figure 4.3 shows the interrelationship of these activities in submitting its initial entity offer to the WTO Government Procurement Committee. It also underscores the critical role of the AMIR Program in supporting each of the activities.

**Figure 4.3**  
**Activities Leading Up to Draft Initial Offer Submission**



#### **4.4 Responsibilities**

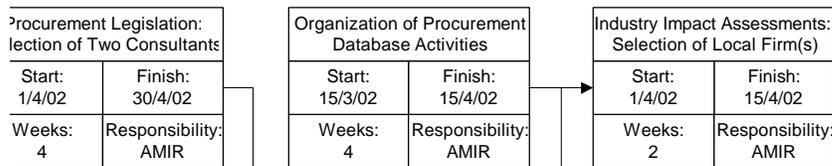
The success of Jordan's offer submission to the WTO Government Procurement Committee will depend on the close collaboration of the public and private sector, as well as that of the AMIR Program. Figure 4.4 summarizes the decision-making process for the two mechanisms for the accession process. In the mechanism for the entity offer, technical guidance is being provided by the government through Technical Research Committee and private sector through its representative associations. Coordination of the National GPA Committee's activities is the responsibility of the Ministry of Industry and Trade (MIT), which reports to the Cabinet. The mechanism for legislative reform has yet to be fully developed, although a legal technical committee exists to provide support to the National Legislation Committee dealing with procurement legislation reforms. A coordinating unit similar to the role that MIT plays in the other mechanism has not yet been established. That unit, as well as the Legislative Committee, are ultimately responsible to the National Assembly. Finally, the Jordanian Mission in Geneva is responsible for advising the parties involved in the two mechanisms and representing their interests, and that of Jordan as a whole, before the WTO Government Procurement Committee. Finally, Figure 4.5 presents a synthesis of the interrelationships of the major activities, the responsible party, support being offered, and the timeline of the activities.

## Box 4.2 Details of Tasks for Jordan's GPA Negotiations

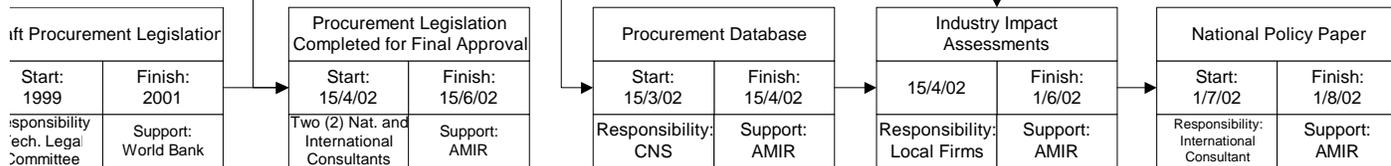
Deadline	Task	Activities Sub-tasks	Responsible Entity
Start now: 31 Mar	Contact entities as part of drafting initial offer	Contact public entities and private sector associations to inform them that (a) database is in progress, (b) economic impact studies will be undertaken and (c) legal technical assistance will be provided	Research teams: Ministry of Planning (MOP), Ministry of Industry and Trade (MIT)
1 April	Contract Jordanian consulting firm to undertake economic impact studies	Prepare contracts Advise MOP, MIT	AMIR, Policy Component Leader
15 April	(1) Procurement database completed (2) Copies distributed to public and private sectors	(2) Data input, checks, report generation (3) Database distribution	(1) CNS consulting firm (2) AMIR follow-up
May	WTO workshops in Geneva on all accession, including GPA	Attend GPA workshop	Jordanian Mission in Geneva MIT follow-up
15 June	Procurement legislation completed for final approval	International legal advisor and Jordanian legal advisor provide technical assistance to complete draft procurement legislation and help with its implementation.	Two legal consultants funded by AMIR
1 June	(1) Database analysis completed (2) Sector studies completed (3) Private sector submits list of entities	(1) Analysis generated and distributed (2) Studies prepared and distributed (3) List prepared and distributed	(1) Technical Research Team of National Committee (MOP and MIT members) (2) Private sector associations
15 June	Submit summary policy paper	Prepare paper	Economic consultants funded by AMIR
1 July	Submit draft offer list to National Committee for discussion	Prepare initial offer list	MOP and MIT research teams, private sector, with AMIR support for economic and legal advisory services
1 Aug	Finalize offer list	Discussions between public and private sectors	Organized by National GPA Committee
1 Sep	Submit final documentation to National Committee	Discussions between public and private sectors	Organized by National GPA Committee
1 Oct	Submit offer to WTO Government Procurement Committee in Geneva	Discussions among National GPA Committee	National GPA Committee

## 4.4 Timeline of Jordan's GPA-Related Activities, by Responsible Unit:

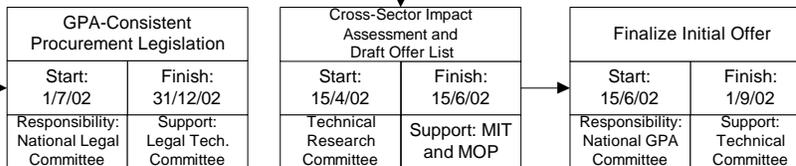
### MIR (Private Sector Policy Initiative)



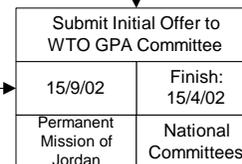
### Technical Support Units (Technical Committees, Local and International Consulting Firm:



### International Committees



### Jordanian Representation before WTO and WTO GPA Committee



## 5. A Summing Up

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This report has examined the steps that Jordan must take in its accession negotiations with the WTO Government Procurement Committee in Geneva in the context of the two mechanisms of that process: (a) the so-called ‘initial entity offer’ for the Appendices containing the threshold value of supplies of goods and services directed to specific entities, and (b) the reform of national legislation to bring it in line with the provisions of the Agreement. To put forward an initial entity offer, the government procurement information system will need to be updated, industry effects assessed, entities to be offered identified, threshold values defined, legal revisions to the present procurement system considered, and an initial offer list drafted. At the same time, the Government will need to build support with the private sector and overcome institutional bottlenecks to quickly move the process forward. While these tasks may appear daunting, the WTO Government Procurement Committee considers the remaining six months before its September/October meeting sufficient time for Jordan to accomplish these tasks, if there is the political will to accede.

The Government of Jordan, through the coordinating activities of the Ministry of Industry and Trade, has already taken important steps to move the process forward through a combination of technical assistance provided by international donors and internal actions. Early this year the National GPA Committee was formed with public and private sector representation to guide the process of accession negotiations and to prepare the initial entity offer. The Committee has held four meetings so far to discuss technical assistance needs and the process leading up to the initial offer. It has also established a technical working group to help determine the economy-wide impact of accessing to the GPA. For the second mechanism, there have been administrative reforms to centralize all procurement activities, and new procurement legislation has been partially drafted.

For the remaining steps leading up to the submission of the initial entity offer in September/October of this year, the report has laid out the various tasks that will need to be completed as part of the three integrated phases of activities approved by the National GPA Committee. Phase I is to compile data for the procurement database, and prepare a set of studies examining the impact of Jordan’s accession on selected industries and the economy in general. Phase II aims to draft the initial entity offer and synthesize the results of the impact studies and the Committee’s negotiating strategy into a policy paper. Phase III covers the final transmittal of the initial entity offer by the National GPA Committee and its submission to the WTO Government Procurement Committee.

The success of Jordan’s offer submission to the WTO Government Procurement Committee will depend on the close collaboration between the public and private sector, as well as the continued support of the AMIR Program. Collaboration between the public and private sectors in formulating the offer will ensure that the views of stakeholders from both sectors are heard, that potential resistance to liberalization of government procurement policies is minimized, and that Jordan continues to move forward in becoming fully integrated into the international economic system.

**Annex A  
Comparative Government Procurement Conditions**

	<b>CHILE</b>	<b>CANADA</b>	<b>HONG KONG, CHINA</b>
<b>Administrative Structure</b>	<p>Government procurement in the Philippines is segregated into three fields -- namely, for goods/supplies, civil works/construction contracts, and consulting services. Procurement is highly decentralized, with each procuring agency or government-owned or controlled corporation handling its own purchasing according to the rules and regulations promulgated for each. Procuring agencies have their respective procurement committees to conduct the bidding and contract award process, e.g. the Prequalification, Bids and Award Committee in the case of goods/supplies and civil works contract procurement and the Prequalification, Evaluation and Awards Committee for consulting services. Final contract approval rests on the respective head of agency. For procurement of common-use supplies, materials and equipment, the Procurement Service implements and operates a central procurement system for the government nationwide. An inter-agency Procurement Policy Board supervises this centralized procurement.</p>	<p>The Treasury Board Secretariat of Canada is responsible for the establishment of the procurement policy of the federal government. All government procurement is decentralized to departments and agencies except the procurement of goods, which centrally rests with the Department of Public Works and Government Services (PWGSC). There is no formal long-term procurement schedule.</p>	<p>For the purchase of goods, the Government employs a central purchasing system, using the Government Supplies Department as its agent, except for low-value items purchased by individual <i>government</i> departments directly, and some specialist stores such as vehicles and boats which are purchased by the Government Land Transport Agency and the Marine Department respectively. The Secretary for the Treasury has overall responsibility for ensuring that all government procurement activities are conducted according to the regulations and tendering procedures issued by her. For tenders exceeding specified limits, <i>government</i> departments must seek acceptance by the appropriate approving authority before entering into a contract with the successful tenderer. For contracts with a value not exceeding the respective financial limits of the subsidiary tender boards appointed by the Financial Secretary, authority to accept a tender is vested in one of those boards, subject to the conditions and limitations specified.</p>
<b>General Procurement Policies</b>	<p>Philippine Government procurement policies are based on the pursuit of economy and efficiency while upholding integrity and transparency. The general criterion for contract award is based on the most economical and advantageous price offer/bid. In the procurement of goods and works, the contract is awarded to the bidder with the lowest evaluated cost. For consulting services, the consultant offering the best technical proposal based on the terms of reference, regardless of price, is selected, save in cases of simple engagement, where the price offer becomes a factor for selection. It has been the policy of the government to procure its requirements for goods, works and services from local suppliers/contractors. This policy has been liberalized in the interest of economy and cost-efficiency, so foreign suppliers may participate in the procurement under certain specified circumstances. For goods procured by the Government, suppliers/manufacturers should be at least 60 percent owned by Filipinos.</p>	<p>The objective of federal government procurement contracting is to acquire goods and services and to carry out construction in a manner that enhances access, competition and fairness and results in best value or, if appropriate, the optimal balance of overall benefits to the Crown and the Canadian people. Inherent in procuring best value is the consideration of all relevant costs over the useful life of the acquisition, not solely the initial or basic contractual cost. While adhering to its responsibilities towards international trade agreements, Canada seeks to ensure equal access to procurement to all Canadian suppliers in order to contribute to lower purchasing costs (best value) and development of a strong economy in a context of competition, transparency and efficiency.</p>	<p>The Government has an open, fair, transparent and non-discriminatory tendering system that aims to ensure that bidders are treated impartially and the Government gets the best value for money. Normally, the lowest-priced offer that conforms to the tender specifications is selected. Tender evaluation takes into account price and quality of the goods or services, the present value of the tendered sum, and recurrent costs, etc. The policy is to purchase on a worldwide basis, through open, competitive tendering whenever possible. There is no preference for domestic suppliers or for small and medium-sized enterprises. Selective, restricted or single tenders are used only in limited, approved circumstances, such as to ensure compatibility with existing equipment, for patented or proprietary products or to meet an urgent delivery schedule. Services are also usually procured using open tendering.</p>
<b>Procurement Practices</b>	<p>Implementing Rules and Regulations for each procurement field have been formulated to standardize their respective procurement processes. Under open bidding procedures, the invitation to prequalify and to bid is advertised in order to maximize the number of potential qualified bidders. Prequalification documents are issued to all interested, eligible bidders. Clear and precise tender documents with all necessary information are given to prequalified bidders to ensure fair and transparent competition. Bidders are given ample time, at least 15 calendar days, to examine the bid documents. For consulting services, the deadline for receipt of proposals is not less than 15 days or more than 90 days from when the invitation to bid is mailed. For almost all procurements a pre-bid/selection conference is held prior to the date of the bidding/selection.</p>	<p>Procurement practices are fully consistent with established policies and with Canada's obligations under the World Trade Organization Agreement on Government Procurement and the North American Free Trade Agreement. There are no local content requirements. Canada has taken an exception for small and minority businesses under international agreements. The only current program under this exception is a set-aside for Aboriginal business. For procurement by federal government departments and agencies, a preference is granted to domestic suppliers when the procurement is not subject to international trade agreements and there is sufficient competition among Canadian suppliers. Competition always prevails except in the case of pressing emergencies, for purchases less than \$25,000, where it is not in public interest, or where only one supplier can perform.</p>	<p>Two kinds of procedures are employed, depending on the nature of procurement. For purchase of goods and services, including engineering and construction works, where tasks can be specified and performance standards quantified, "tendering procedures" are followed. In obtaining services of consultants for problem-solving and where the quality of service depends on factors that cannot be precisely specified or quantified, "consultants selection" procedures are followed. A minimum of three weeks is normally provided to allow tenderers within and outside Hong Kong to prepare and submit tenders. For procurement covered by the WTO GPA, at least 40 days would normally be allowed for receipt of tenders and no less than 25 days for application to be pre-qualified to tender. As noted, authority to accept a tender is vested in one of the relevant subsidiary tender boards or, for high-value contracts, the Secretary for the Treasury herself, who normally acts on the advice of the Central Tender Board.</p>

**Annex A (Continued)**

**Comparative Government Procurement Conditions**

	<b>INDONESIA</b>	<b>KOREA</b>	<b>PHILIPPINES</b>
<b>Administrative Structure</b>	<p>The Indonesian Government is divided into three separate levels: the central (State) government, the 27 provincial governments, and the 483 <i>kabupaten</i> (county) governments. The State government comprises 21 Departments, 13 State Ministers, four Coordinating Ministers, 21 Non-Departmental Agencies, and nine other State institutions. The government procurement system is highly decentralized: line departments generally procure their own needed goods and services in accordance with the State budget coordinated by the Department of Finance and the National Development Planning Agency (Bappenas). In the departments, purchases are carried out by a Procurement Committee supported by a Project Manager appointed by the department. A Tender Committee assists the Project Manager.</p>	<p>Korea's system represents a mixture of centralized and decentralized features. For the procurement of goods and services exceeding a given threshold value a centralized supply system is adopted, while each government authority is responsible for its own procurements below the threshold. In the centralized case, procurement is conducted through the Supply Administration of the Republic of Korea (SAROK). However, even in this case, SAROK's end-users are classified into two categories. "Obligatory" ones consist of central and local government agencies, which should purchase their needed goods valued over 50 million Won through SAROK.</p>	<p>Government procurement in the Philippines is segregated into three fields -- namely, for goods/supplies, civil works/construction contracts, and consulting services. Procurement is highly decentralized, with each procuring agency or government-owned or controlled corporation handling its own purchasing according to the rules and regulations promulgated for each. Procuring agencies have their respective procurement committees to conduct the bidding and contract award process, e.g. the Prequalification, Bids and Award Committee in the case of goods/supplies and civil works contract procurement and the Prequalification, Evaluation and Awards Committee for consulting services.</p>
<b>General Procurement Policies</b>	<p>The primary objective of the Indonesian government procurement system is to acquire needed public goods and services at fair and reasonable costs. This objective can most effectively be achieved by encouraging a greater number of contractors to compete for government contracts. The Government's procurement regulations aim to foster effective, broad-based competition to maximize fairness and efficiency. Other important objectives of the system are to promote utilization of domestic products and professional services; to strengthen the capabilities of domestic contractors; and to create an environment to nurture the growth and development of economically weak contractors and cooperatives. Indonesia's primary procurement regulation is "The Decree of the President of the Republic of Indonesia No. 16 Year 1994 Concerning Implementation of the State Revenues and Expenditures Budget."</p>	<p>Korea became a Party to the WTO Agreement on Government Procurement (AGP) in 1994 and has complied with its requirements for procurements over certain thresholds. In international tendering covered by the AGP, the contract will be awarded to the lowest price bidder that meets all the requirements provided in the solicitation and is fully capable of undertaking the contract. The basic principles the Korean government applies to international tendering are those of national treatment and non-discrimination and open competition. Korea provides treatment to the suppliers of other Parties no less favorable than that accorded to domestic and any other Party's suppliers.</p>	<p>Philippine Government procurement policies are based on the pursuit of economy and efficiency while upholding integrity and transparency. The general criterion for contract award is based on the most economical and advantageous price offer/bid. In the procurement of goods and works, the contract is awarded to the bidder with the lowest evaluated cost. For consulting services, the consultant offering the best technical proposal based on the terms of reference, regardless of price, is selected, save in cases of simple engagement, where the price offer becomes a factor for selection. It has been the policy of the government to procure its requirements for goods, works and services from local suppliers/contractors. This policy has been liberalized in the interest of economy and cost-efficiency.</p>
<b>Procurement Practices</b>	<p>The Project Manager is responsible for procurement planning, coordinating preparation of a statement of work and an owner's estimate, and determining the type of contract and whether to conduct the procurement competitively. Line departments have considerable authority to select the contractor and manage the project. However, contracts over Rp. 10 billion require the review and approval of the Coordinating Minister for the Economy, Finance and Development Supervision. Indonesia uses four types of tendering or selection. "Public tenders" must be competed openly through extensive advertising in the mass media, printed media and official bulletin boards to encourage prospective, capable bidders to compete.</p>	<p>Korea enacted the Act Relating to Contracts to which the State is a Party (ARCSP) in line with the AGP in 1995, which is the fundamental law that outlines the basic principles and procedures of government procurement. In particular, the Special Regulations of the Enforcement Decree of the ARCSP for Specific Procurement (hereafter "special regulation") was enacted in order to regulate the procedures for international tendering in detail, which entered into force on 1 January, 1997. Pursuant to the AGP, the special regulation prescribes three types of tendering: open and competitive tendering, selective tendering, and limited tendering.</p>	<p>Implementing Rules and Regulations for each procurement field have been formulated to standardize their respective procurement processes. Under open bidding procedures, the invitation to prequalify and to bid is advertised in order to maximize the number of potential qualified bidders. Prequalification documents are issued to all interested, eligible bidders. Clear and precise tender documents with all necessary information are given to prequalified bidders to ensure fair and transparent competition. Bidders are given ample time, at least 15 calendar days, to examine the bid documents.</p>

**Annex A (Continued)**  
**Comparative Government Procurement Conditions**

	<b>NEW ZEALAND</b>	<b>THAILAND</b>
<b>Administrative Structure</b>	<p>New Zealand has an open and non-discriminatory government purchasing policy that operates in the context of a decentralized and deregulated approach to public sector management as a whole. Chief Executives are free to manage for results. This management freedom is balanced by their strict accountability to their Ministers for delivery of agreed outputs within budget. Their performance is also subject to regular scrutiny by Parliament and the Audit Office to ensure efficient, cost-effective and ethical use of public resources. There are accordingly no laws, regulations or central controls relating specifically to government procurement. State-owned enterprises (SOEs) are required to operate like profitable private sector companies and, accordingly, can determine their own purchasing policies and procedures. The Ministry of Commerce has overall responsibility for the Government's purchasing policy.</p>	<p>Thailand's procurement system is highly decentralized. There is no central procuring authority, and each of Thailand's 200 government agencies can procure the goods, services, and works it needs itself. However, the Prime Minister's Office (PMO), by cabinet approval, has authority to issue and update regulations that stipulate procurement procedures and standardized contracts. All government agencies in central administration and provincial administration must comply with these regulations. Local administration and state enterprises, though not under direct control of the central government, have to uphold key cabinet procurement policies, such as the preference for Thai products. The Bureau of the Budget plays a role in overseeing government procurement by stipulating standards for some commonly used items (for others, the procuring agency can set its own specifications). The Auditor General has oversight power over government procurement by auditing and evaluating procurement activities of any agency.</p>
<b>General Procurement Policies</b>	<p>New Zealand government purchasing policy is based on the principle of best value for money through open and effective competition, including full and fair opportunity for domestic suppliers to compete. Government purchasing decisions are essentially no different from corporate or private purchasing decisions taking place in an open, deregulated and competitive marketplace, Government departments and SOEs are under no obligation to arrange purchases from, or through, any other government agency or from any particular private company. State sector purchasers generally have freedom of choice in what they buy, how they buy, and from where they buy. Purchasing guidelines first issued in 1991 suggest ways in which purchasers can ensure that they are giving full and fair opportunity to domestic suppliers. The guidelines also state that purchasers should "make the final choice on the basis of value for money after considering all relevant factors including through life costs".</p>	<p>Procurement regulations aim to spend public funds economically and efficiently, give fair and equal opportunity to anyone to supply goods and services required, prevent corruption, and respond to the Government's social and economic policies. Competitive bidding (open tendering) is the best method of achieving these objectives and must be employed for higher value contracts. But preference is given to Thai products, contractors, and consultants as follows. The price preference for Thai products that meet national standards is 7 percent, and if there are three such Thai products bidding, only such products will be considered; the preference for Thai products registered at the Ministry of Industry is 5 percent; the preference for other Thai product is 3 percent; and for consultancy and engineering services, a Thai consultant must be engaged as the leading firm.</p>
<b>Procurement Practices</b>	<p>The purchasing guidelines do not prescribe or mandate a uniform procedure to be followed by purchasing agencies. The only specific requirement is that government departments are instructed (other purchasing agencies are requested) to require origin and local content information on all offers to supply goods and to obtain such information from any brokers before buying goods under contracts arranged by them. Where there is difficulty in identifying local content (eg in complex technical purchases) this requirement should be undertaken on a "best endeavours" basis. This requirement enables purchasing agencies to gauge whether they are giving full and fair opportunity to domestic producers and thus not overlooking any "value for money" advantages for the purchaser.</p>	<p>Procurement of goods and services, excluding consultancy and engineering services, is handled according to one of the following five procedures. (1) The "price agreeing" (negotiating) procedure applies to contracts of not more than 100,000 baht (US \$4,000). (2) The "price inquiry" (selective tendering) method applies for contracts of 100,000 baht to 2 million baht (US \$80,000). (3) Competitive bidding (open tendering) applies to contracts over 2 million baht; under the international competitive bidding variant, invitations to tender are prepared in English and foreign firms may bid. The price inquiry method is simpler than competitive bidding in that it imposes less stringent requirements for publicizing tender notices.</p>

## Annex B: Table 1

## Ranking of Jordan's Industries by Selected Performance Criteria, 1994-99

ISIC	Economic Activity	Export Growth Rate	Value Added Growth Rate	Value Added Growth Rate to Total Production	Worker Productivity Growth Rate	Exports to Total Sales	Local Sales to Total Sales	Vertical Integration	Local Sales Growth Rate	Total Ranking	Final Ranking
1421	Mining of chemical and fertilizer minerals	30	20	28	11	1	13	11	12	126	1
1600	Manufacture of tobacco products	19	29	21	9	26	3	7	23	137	2
1551	Distilling, rectifying and blending of spirits	29	4	4	7	40	43	18	9	154	3
2221	Printing	12	16	17	18	14	26	35	27	165	4
2411	Manufacture of basic chemicals, except fertilizers and nitrogen compounds	5	2	2	4	5	35	56	61	170	5
2691	Manufacture of non-structural non-refractory ceramic ware	2	3	3	3	63	65	24	8	171	6
2731	Casting of iron and steel	3	8	9	2	58	58	36	5	179	7
2929	Manufacture of other special purpose machinery	7	5	6	28	51	67	9	6	179	8
3311	Manufacture of medical and surgical equipment and orthopaedic appliances	13	9	8	19	35	56	26	16	182	9
2424	Manufacture of soap and detergents	20	11	11	34	6	12	60	33	187	10
2222	Service activities related to printing	40	1	1	5	72	72	1	1	193	11
3130	Manufacture of insulated wire and cable	16	10	10	38	15	28	71	13	201	12
2423	Manufacture of pharmaceuticals	51	24	22	35	3	17	33	18	203	13
2921	Manufacture of agricultural and forestry machinery	45	7	5	10	57	75	6	4	209	14
1810	Manufacture of wearing apparel, except fur apparel	27	22	20	53	11	24	15	47	219	15
2212	Publishing of newspapers, journals and periodicals	39	12	15	26	67	44	5	11	219	16
2899	Manufacture of other fabricated metal products n.e.c.	9	25	34	29	19	20	39	45	220	17
1541	Manufacture of bakery products	1	35	42	32	30	6	54	28	228	18
2892	Treatment and coating of metals	43	6	7	16	75	76	4	2	229	19
4010	Production, collection and distribution of electricity	49	27	19	21	77	2	16	22	233	20
2412	Manufacture of fertilizers and nitrogen compounds	28	19	27	65	2	23	66	3	233	21
1711	Preparation and spinning of textile fibres; weaving of textiles	57	33	40	15	12	34	25	21	237	22
2919	Manufacture of other general purpose machinery	23	21	18	45	18	47	42	25	239	23
2694	Manufacture of cement, lime and plaster	60	47	29	40	7	4	13	44	244	24
2520	Manufacture of plastics products	25	46	50	24	9	8	53	32	247	25
2710	Manufacture of basic iron and steel	33	17	25	43	27	5	59	41	250	26
2695	Manufacture of articles of concrete, cement and plaster	63	30	38	14	37	10	45	24	261	27
2109	Manufacture of other articles of paper and paperboard	21	31	39	30	28	18	67	36	270	28
2320	Manufacture of refined petroleum products	41	14	13	22	73	1	74	34	272	29
2422	Manufacture of paints, varnishes and similar coatings	17	36	35	33	13	22	72	50	278	30
1531	Manufacture of grain mill products	35	37	24	12	70	9	75	20	282	31
ISIC	Economic Activity	Export Growth Rate	Value Added Growth Rate	Value Added Growth Rate to Total Production	Worker Productivity Growth Rate	Exports to Total Sales	Local Sales to Total Sales	Vertical Integration	Local Sales Growth Rate	Total Ranking	Final Ranking
1511	Production, processing and preserving of meat and meat	24	49	53	17	33	27	64	17	284	32

	products										
3430	Manufacture of parts and accessories for motor vehicles and their engines	50	41	49	13	31	59	31	10	284	33
1554	Manufacture of soft drinks; production of mineral waters	72	26	23	54	45	7	21	40	288	34
3610	Manufacture of furniture	15	43	43	77	29	11	27	43	288	35
2429	Manufacture of other chemical products n.e.c.	31	15	12	51	36	51	63	31	290	36
1533	Manufacture of prepared animal feeds	71	23	30	20	24	32	77	30	307	37
1520	Manufacture of dairy products	4	44	31	56	60	16	69	29	309	38
2421	Manufacture of pesticides and other agro-chemical products	8	13	16	68	25	50	61	70	311	39
1543	Manufacture of cocoa, chocolate and sugar confectionery	18	48	52	25	44	41	58	26	312	40
1549	Manufacture of other food products n.e.c.	14	53	51	47	21	19	62	49	316	41
3691	Manufacture of jewellery and related articles	48	18	14	63	61	66	3	46	319	42
2893	Manufacture of cutlery, hand tools and general hardware	44	28	36	23	66	61	49	14	321	43
2519	Manufacture of other rubber products	10	40	48	6	52	71	34	62	323	44
2102	Manufacture of corrugated paper and paperboard	26	51	56	31	38	31	55	37	325	45
1513	Processing and preserving of fruit and vegetables	61	38	41	42	23	42	65	19	331	46
2101	Manufacture of pulp, paper and paperboard	22	55	37	55	10	30	68	59	336	47
2915	Manufacture of lifting and handling equipment	52	45	44	8	47	53	44	48	341	48
2693	Manufacture of structural non-refractory clay and ceramic products	55	56	46	39	41	40	14	58	349	49
1920	Manufacture of footwear	6	60	62	60	32	36	32	64	352	50
2811	Manufacture of structural metal products	68	54	45	49	43	14	38	51	362	51
2511	Manufacture of rubber tyres and tubes; retreading and rebuilding of rubber tyres	42	50	54	36	74	62	10	35	363	52
3512	Building and repairing of pleasure and sporting boats	47	57	60	37	76	77	2	7	363	53
2610	Manufacture of glass and glass products	53	34	33	48	48	55	43	52	366	54
1514	Manufacture of vegetable and animal oils and fats	56	61	55	50	4	15	73	53	367	55
2696	Cutting, shaping and finishing of stone	32	65	66	46	50	21	37	55	372	56
2720	Manufacture of basic precious and non-ferrous metals	11	67	68	62	39	33	51	42	373	57
1722	Manufacture of carpets and rugs	54	52	57	44	20	39	46	63	375	58
3140	Manufacture of accumulators, primary cells and primary batteries	59	68	67	27	22	45	41	57	386	59
1721	Manufacture of made-up textile articles, except apparel	69	39	47	69	55	52	22	38	391	60
3410;3420	Manufacture of bodies (coachwork) for motor vehicles	62	70	70	73	8	54	48	15	400	61
2812	Manufacture of tanks, reservoirs and containers of metal	75	42	26	67	46	49	57	39	401	62
		<b>Export Growth Rate</b>	<b>Value Added Growth Rate</b>	<b>Value Added Growth Rate to Total Production</b>	<b>Worker Productivity Growth Rate</b>	<b>Exports to Total Sales</b>	<b>Local Sales to Total Sales</b>	<b>Vertical Integration</b>	<b>Local Sales Growth Rate</b>	<b>Total Ranking</b>	<b>Final Ranking</b>
<b>ISIC</b>	<b>Economic Activity</b>										
2022	Manufacture of builders carpentry and joinery	70	58	59	41	49	38	29	60	404	63
2930	Manufacture of domestic appliances n.e.c	58	59	61	52	34	29	47	68	408	64
1410	Quarrying of stone, sand and clay	34	63	65	58	69	37	20	65	411	65
1729	Manufacture of other textiles n.e.c.	73	32	32	74	64	74	12	54	415	66

2010	Sawmilling and planing of wood	36	74	74	59	68	57	17	56	441	<b>67</b>
1911	Tanning and dressing of leather	64	64	58	57	16	48	70	66	443	<b>68</b>
2413	Manufacture of plastics in primary forms and of synthetic rubber	65	75	75	64	17	25	52	74	447	<b>69</b>
2029	Manufacture of other articles of cork, straw and plaiting materials	38	71	71	61	65	64	19	71	460	<b>70</b>
1730	Manufacture of knitted and crocheted fabrics and articles	67	66	63	66	56	46	30	69	463	<b>71</b>
2924	Manufacture of machinery for mining, quarrying and construction	66	72	72	71	53	63	8	76	481	<b>72</b>
3692	Manufacture of musical instruments	77	77	77	1	42	60	76	77	487	<b>73</b>
1912	Manufacture of luggage handbags and the like saddlery and harness	74	62	64	70	62	70	23	67	492	<b>74</b>
3120	Manufacture of electricity distribution and control apparatus	46	69	69	76	54	68	50	73	505	<b>75</b>
2023	Manufacture of wooden containers	37	73	73	72	71	69	40	72	507	<b>76</b>
2925	Manufacture of machinery for food, beverage and tobacco processing	76	76	76	75	59	73	28	75	538	<b>77</b>

Source: Ministry of Planning and Ministry of Industry and Trade.

## Annex B: Table 2

## Service Activities: Economic Performance and Rankings, 1994-98

ISIC	Economic Activity	Employment	Value Added Growth Rate	Worker Productivity to Total Production Growth Rate	Total Points Ranking	Final Ranking
8030	Higher education	9	12	3	24	1
8511	Hospital activities	6	14	5	25	2
7493	Building-cleaning activities	10	8	13	31	3
7412	Accounting, book-keeping and auditing activities; tax consultancy	19	11	7	37	4
7430	Advertising	14	15	8	37	5
7499	Other business activities n.e.c.	20	3	14	37	6
8021	General secondary education	5	18	15	38	7
7491	Labour recruitment and provision of personnel	37	1	1	39	8
8090	Adult and other education	12	19	9	40	9
5520	Restaurants, bars and canteens	1	25	17	43	10
7010	Real estate activities with own or leased property	26	13	4	43	11
7421	Architectural and engineering activities and related technical consultancy	8	23	12	43	12
7250	Maintenance and repair of office, accounting and computing machinery	30	9	6	45	13
5510	Hotels; camping sites and other provision of short-stay accommodation	3	24	19	46	14
8519	Other human health activities	22	16	11	49	15
9302	Hairdressing and other beauty treatment	4	27	18	49	16
9249	Other recreational activities	24	4	25	53	17
8010	Primary education	2	26	26	54	18
9211	Motion picture and video production and distribution	28	10	16	54	19
7411	Legal activities	11	21	27	59	20
7130	Renting of private and household goods n.e.c.	18	20	22	60	21
7220	Software consultancy and supply	27	5	28	60	22
7492	Investigation and security activities	23	6	31	60	23
8512	Medical and dental practice activities	7	30	24	61	24
9301	Washing and (dry-) cleaning of textile and fur products	13	29	20	62	25
7122	Renting of construction and civil engineering machinery and equipment	31	7	33	71	26
7414	Business and management consultancy activities	29	32	10	71	27
9309	Other service activities n.e.c.	32	2	37	71	28
ISIC	Economic Activity	Employment	Value Added Growth Rate	Worker Productivity to Total Production Growth Rate	Total Points Ranking	Final Ranking
7111	Renting of land transport equipment	21	17	34	72	29

7020	Real estate activities on a fee or contract basis	17	33	23	73	30
7413	Market research and public opinion polling	36	36	2	74	31
9219	Other entertainment activities n.e.c.	25	31	21	77	32
7494	Photographic activities	15	34	30	79	33
9212	Motion picture projection	16	37	36	89	34
8520	Veterinary activities	34	22	35	91	35
7129	Renting of other machinery and equipment n.e.c.	35	28	32	95	36
9214	Dramatic arts, music and other arts activities	33	35	29	97	37
<b>Source: Ministry of Planning and Ministry of Industry and Trade.</b>						

## **Annex C: Sample Offer – Korea<sup>8</sup>**

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### **KOREA**

(Authentic in the English language only)

### **ANNEX 1**

#### ***Central Government Entities which Procure in Accordance with the Provisions of this Agreement***

#### ***Supplies***

*Threshold:* 130,000 SDR

*List of Entities :*

- Board of Audit and Inspection
- Office of the Prime Minister
- Office for Government Policy Coordination
- Ministry of Gender Equality
- Ministry of Finance and Economy
- Ministry of Planning and Budget
- Financial Supervisory Commission
- Ministry of Unification
- Ministry of Government Administration and Home Affairs
- Civil Service Commission
- Ministry of Science and Technology
- Government Information Agency
- Government Legislation Agency
- Patriots and Veterans Administration Agency
- Ministry of Foreign Affairs and Trade
- Ministry of Justice
- Ministry of National Defense
- Ministry of Education and Human Resources Development
- Ministry of Culture and Tourism
- Cultural Properties Administration
- Ministry of Agriculture and Forestry
- Ministry of Commerce, Industry and Energy
- Ministry of Health and Welfare
- Food and Drug Administration
- Ministry of Labor
- Ministry of Construction and Transportation

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<sup>8</sup> This illustration is for Appendix I only. The remaining three (shorter) appendices contain the list of publications of Specifies the publications used by Korea and other signatories for notices of intended procurements (Appendix II), qualified suppliers in the case of selective tendering procedures (Appendix III), and laws, regulations, judicial decisions, administrative rulings of general application and any procedure regarding government procurement covered by this Agreement (Appendix IV).

- Ministry of Maritime Affairs and Fisheries
- Ministry of Information and Communications
- Ministry of Environment
- Public Procurement Service (limited to purchases for entities in this list only. Regarding procurement for entities in Annex 2 and Annex 3 in this list, the coverages and thresholds for such entities there-under shall be applied.)
- National Tax Service
- Customs Service
- National Statistical Office
- Korea Meteorological Administration
- National Police Agency (except purchases for the purpose of maintaining public order, as provided in Article XXIII of the Code.)
- Supreme Public Prosecutors' Office
- Military Manpower Administration
- Rural Development Administration
- Forest Service
- Korean Intellectual Property Office
- Small and Medium Business Administration
- Korea National Railroad Administration (The Korean Government plans to change the NRA into a public corporation in 1996, in which case the Korean Government has the right to transfer the NRA from Annex 1 to Annex 3 without any consultation and/or compensatory measures.)
- National Maritime Police Agency (except purchases for the purpose of maintaining public order, as provided in Article XXIII of the Agreement.)

### **Services**

*Threshold:* 130,000 SDR

*List of Entities which Procure Services Specified in Annex 4:*

Same as "Supplies" section

### **Construction Services**

*Threshold:* 5,000,000 SDR

*List of Entities which Procure Services Specified in Annex 5:*

Same as "Supplies" section

### **Notes to Annex 1**

1. The above central government entities include their subordinate linear organizations, special local administrative organs, and attached organs as prescribed in the Government Organization Act of the Republic of Korea.
2. This Agreement does not apply to the products and services procured with a view to resale or to use in the production of goods or provision of services for sale.
3. This Agreement does not apply to the single tendering procurement including set-asides for small- and medium-sized businesses according to the Act Relating to Contracts to which the State is a Party and its Presidential Decree,

and the procurement of agricultural, fishery and livestock products according to the Foodgrain Management Law, the Law Concerning Marketing and Price Stabilization of Agricultural and Fishery Products, and the Livestock Law.

4. This Agreement does not apply to the procurement of satellites according to the Aviation and Space Industry Development Promotion Law for five years from its entry into force for Korea.

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## **ANNEX 2**

### ***Sub-Central Government Entities which Procure in Accordance with the Provisions of this Agreement***

#### ***Supplies***

*Threshold:* 200,000 SDR

*List of Entities :*

- Seoul Metropolitan Government
- City of Pusan
- City of Taegu
- City of Incheon
- City of Kwangju
- City of Taejon
- Kyonggi-do
- Kang-won-do
- Chungchongbuk-do
- Chungchongnam-do
- Kyongsangbuk-do
- Kyongsangnam-do
- Chollabuk-do
- Chollanam-do
- Cheju-do

#### ***Services***

*Threshold:* 200,000 SDR

*List of Entities which Procure Services Specified in Annex 4:*

Same as "Supplies" section

#### ***Construction Services***

*Threshold:* SDR 15,000,000

*List of Entities which Procure Services Specified in Annex 5:*

Same as "Supplies" section

**Notes to Annex 2**

1. The above sub-central administrative government entities include their subordinate organizations under direct control and offices as prescribed in the Local Autonomy Law of the Republic of Korea.
  2. This Agreement does not apply to the products and services procured with a view to resale or to use in the production of goods or provision of services for sale.
  3. This Agreement does not apply to the single tendering procurement including set-asides for small- and medium-sized businesses according to the Local Finance Law and its Presidential Decree.
  4. This Agreement does not apply to the procurement of satellites according to the Aviation and Space Industry Development Promotion Law for five years from its entry into force for Korea.
- 

**ANNEX 3**

***All Other Entities which Procure in Accordance with the Provisions of this Agreement***

***Supplies***

*Threshold:* 450,000 SDR

*List of Entities :*

- Korea Development Bank
- Industrial Bank of Korea
- Kookmin Bank
- Housing and Commercial Bank (H&CB)
- Korea Tobacco & Ginseng Corporation
- Korea Minting and Security Printing Corporation
- Korea Electric Power Corporation (except purchases of products in the categories of HS Nos. 8504, 8535, 8537 and 8544)
- Korea Coal Corporation
- Korea Resources Corporation
- Korea National Oil Corporation
- Korea General Chemical Corporation
- Korea Trade-Investment Promotion Agency
- Korea Highway Corporation
- Korea National Housing Corporation

- Korea Water Resources Corporation
- Korea Land Corporation
- Korea Agriculture and Rural Infrastructure Corporation
- Agricultural and Fishery Marketing Corporation
- Korea Telecom (except purchases of common telecommunications commodity products and telecommunications network equipment)
- Korea National Tourism Organization
- Daehan Printing and Publishing Co. Ltd.
- Korea Labor Welfare Corporation
- Korea Gas Corporation

### **Construction Services**

*Threshold:* 15,000,000 SDR

*List of Entities which Procure Services Specified in Annex 5:*

Same as "Supplies" section

### **Notes to Annex 3**

1. This Agreement does not apply to the products and services procured with a view to resale or to use in the production of goods or provision of services for sale.
  2. This Agreement does not apply to the single tendering procurement including set-asides for small- and medium-sized businesses according to the Government Invested Enterprise Management Law and Accounting Regulations on Government Invested Enterprise.
  3. This Agreement does not apply to the procurement of satellites according to the Aviation and Space Industry Development Promotion Law for five years from its entry into force for Korea.
-

## ANNEX 4

### Services

Of the Universal List of Services, as contained in document MTN.GNS/W/120, the following services are included (others being excluded):

<b>GNS/W/120</b>	<b>CPC</b>	<b>Description</b>
1.A.b.	862	Accounting, auditing and bookkeeping services
1.A.c.	863	Taxation services
1.A.d.	8671	Architectural services
1.A.e.	8672	Engineering services
1.A.f.	8673	Integrated engineering services
1.A.g.	8674	Urban planning and landscape architectural services
1.B.a.	841	Consultancy services related to the installation of computer hardware
1.B.b.	842	Software implementation services
1.B.c.	843	Data processing services
1.B.d.	844	Data base services
1.B.e.	845	Maintenance and repair services of office machinery and equipment (including computers)
1.E.a.	83013	Rental/leasing services without operators relating to ships
1.E.b.	83104	Rental/leasing services without operators relating to aircraft
1.E.c.	83101, 83105*	Rental/leasing services without operators relating to other transport equipment (only passenger vehicles for less than fifteen passengers)
1.E.d.	83106, 83108, 83109	Rental/leasing services without operators relating to other machinery and equipment
	87107	Rental/leasing services without operator relating to construction machinery and equipment
1.F.a.	8711, 8719	Advertising agency services
1.F.b.	864	Market research and public opinion polling services
1.F.c.	865	Management consulting services
1.F.d.	86601	Project management services
1.F.e.	86761*	Composition and purity testing and analysis services (only inspection, testing and analysis services of air, water, noise level and vibration level)
	86764	Technical inspection services
1.F.f.	8811*, 8812*	Consulting services relating to agriculture and animal husbandry
	8814*	Services incidental to forestry (excluding aerial fire fighting and disinfection)
1.F.g.	882*	Consulting services relating to fishing

<b>GNS/W/120</b>	<b>CPC</b>	<b>Description</b>
1.F.h.	883*	Consulting services relating to mining
1.F.m.	86751, 86752	Related scientific and technical consulting services
1.F.n.	633, 8861	Maintenance and repair of equipment
	8862, 8863	
	8864, 8865	
	8866	
1.F.p.	875	Photographic services
1.F.q.	876	Packaging services
1.F.r.	88442*	Printing (screen printing, gravure printing, and services relating to printing)
1.F.s.	87909*	- Stenography services - Convention agency services
1.F.t.	87905	Translation and interpretation services
2.C.j.	7523*	On-line information and data-base retrieval
2.C.k.	7523*	Electronic data interchange
2.C.l.	7523*	Enhanced/value-added facsimile services including store and forward, store and retrieve
2.C.m.	-	Code and protocol conversion
2.C.n.	843*	On-line information and/or data processing (including transaction processing)
2.D.a.	96112*, 96113*	Motion picture and video tape production and distribution services (excluding those services for cable TV broadcasting)
2.D.e.	-	Record production and distribution services (sound recording)
6.A.	9401*	Refuse water disposal services (only collection and treatment services of industrial waste water)
6.B.	9402*	Industrial refuse disposal services (only collection, transport, and disposal services of industrial refuse)
6.D.	9404*, 9405*	Cleaning services of exhaust gases and noise abatement services (services other than construction work services)
	9406*, 9409*	Environmental testing and assessment services (only environmental impact assessment services)
11.A.b.	7212*	International transport, excluding cabotage
11.A.d.	8868*	Maintenance and repair of vessels
11.F.b.	71233*	Transportation of containerized freight, excluding cabotage
11.H.c	748*	Freight transport agency services <ul style="list-style-type: none"> <li>- Maritime agency services</li> <li>- Maritime freight forwarding services</li> <li>- Shipping brokerage services</li> <li>- Air cargo transport agency services</li> </ul>

<b>GNS/W/120</b>	<b>CPC</b>	<b>Description</b>
		- Customs clearance services
11.I.	-	Freight forwarding for rail transport

**Note to Annex 4**

Asterisks (\*) designate "part of" as described in detail in the Revised Conditional Offer of the Republic of Korea Concerning Initial Commitments on Trade in Services.

**ANNEX 5**

**Construction Services**

*Definition :*

A construction services contract is a contract which has as its objective the realization by whatever means of civil or building works, in the sense of Division 51 of the Central Product Classification.

*Threshold:* 5,000,000 SDR for entities set out in Annex 1  
 15,000,000 SDR for entities set out in Annex 2  
 15,000,000 SDR for entities set out in Annex 3

*List of construction services offered :*

<b>CPC</b>	<b>Description</b>
511	Pre-erection work at construction sites
512	Construction work for buildings
513	Construction work for civil engineering
514	Assembly and erection of prefabricated construction
515	Special trade construction work
516	Installation work
517	Building completion and finishing work

## Annex D: Draft Scopes of Work

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### Scope of Work I: Specific Tasks of the Consulting Firm

Activity:	531.1 Support to Department of International Organizations (WTO/FTA Unit)
SOW Title:	Draft Government Procurement Agreement Accession Plan
Modification:	1
SOW Date:	April 1, 2002
SOW:	Draft
Total LOE:	40
Task and Consultant:	Eight Sector Studies to Support Negotiations for Government Procurement Agreement (GPA)

#### I. Specific Challenges Addressed by this Consultancy

The AMIR 2.0 Program is dedicated to increasing economic opportunity and prosperity for Jordanian citizens by facilitating and stimulating the development and growth of private enterprise. The Private Sector Policy Initiative (PSPI) is a key element of this program, which focuses on improving the economic policy environment and in developing, improving and streamlining the institutions and organizations responsible for private sector policy, promotion and facilitation. The PSPI aims to introduce international best practices into the organizations with which it works and to develop the structures, skills and other resources needed for effective implementation of these practices.

In April 2000, Jordan acceded to the World Trade Organization (WTO), and in 2001 concluded and put into effect a Free Trade Agreement (FTA) with the United States. An important focus for the PSPI under AMIR 2.0 is to assist the Jordanian Government and the private sector to achieve the maximum potential economic benefit from the FTA and from WTO membership. Jordan's accession to the WTO brought with it several commitments to improve numerous areas of Government regulation and monitoring of business activities. It is a priority during 2002 to help Jordan achieve full compliance with these commitments and to develop the procedures and capacity needed to participate more fully in WTO negotiations and proceedings. The Trade and Market Access (TMA) sub-component of the PSPI focuses principally on these issues.

One of the main technical issues the Government must deal with during the coming year is accession to the Government Procurement Agreement (GPA), a WTO protocol that Jordan has not yet joined. On signing the FTA with the United States, Jordan committed to making "best efforts" to accede to the GPA. The GPA aims to expand world trade by providing a framework for international competition in government procurement. The framework sets out measures to eliminate discrimination against and among foreign products, services and suppliers by improving the transparency of laws and regulations of signatory countries and ensuring prompt and fair enforcement

of international provisions on government procurement. The GPA now includes local governments and other public entities including enterprises that are under the control or influence of the national government. In terms of scope, it includes the procurement of services, including construction services as well as the so-called excluded sectors of utilities and transportation.

## **II. Objective**

Assess the impact of the GPA on the following industries by preparing eight separate diagnostic sector studies: (i) chemicals and pesticides; (ii) food supplies; (iii) construction services and products; (iv) engineering products; (v) pharmaceuticals and medical supplies (healthcare products); (vi) information technology sector; (vii) furniture and (viii) paper, printing and packaging.

## **III. Specific Tasks of the Consulting Firm**

Under this Scope of Work, the consulting firm shall perform, but not be limited to, the tasks specified under the following categories:

### **A. Background Reading Related to Understanding the Work**

The consulting firm shall read, but is not limited to, the following materials related to fully understanding the work specified under this consultancy:

1. WTO Accession Materials prepared under AMIR 1.0
2. Overview of the Agreement on Government Procurement (WTO)
3. AMIR 1.0 Report "Economic Implications for Jordan of Joining the WTO Government Procurement Agreement"

### **B. Tasks Related to Achieving the Consultancy's Objectives**

For each of the eight industry studies, undertake the following analyses:

1. Prepare a diagnostic overview of the selected industry that includes:
  - (a) Industry facts and figures;
  - (b) Volume of work (output) of the industry;
  - (c) Labor employed in the industry projects and number and types (manufacturing, trading) of companies;
  - (d) Contribution of the industry to the local economy;
  - (e) Identification of major importers of services or products of selected industry, and quantity (volume, value) of service or products imported in terms of overall imports and local production;
  - (f) Vertical and horizontal integration between the selected industry and other economic industries;
  - (g) Future expectations of the industry's performance and output;
  - (h) Benchmarking with other countries ;
  - (i) Gap analysis between capabilities of industry in Jordan and industry in other countries, especially competing countries.
2. Assessment of the impact of GPA agreement on the industry regarding the following:
  - (a) Breakdown of benefits and costs to industry, consumers and public industry of GPA accession;

- (b) Direct effects regarding contribution to the local economy as well as the effect on employment;
  - (c) Direct effects on public industry procurement, especially in terms of materials or services costs;
  - (d) Indirect effects on supporting industries;
  - (e) Net benefits and costs to Jordanian economy from (2.b) through (2.d);
  - (f) Current and future opportunities and threats;
  - (g) Needs assessment to improve the capabilities of selected industry to attain international standards and practices;
  - (h) Technical assistance and other support measures that would assist local industries in the transition to GPA implementation .
3. Provide the negotiator with tools and negotiation strategy that will include:
- (a) Major direct and indirect effects of accession to the GPA on the industry;
  - (b) Special and differential treatment being provided to specific industry of other GPA member countries (e.g., Israel, Latvia, Korea and Lithuania);
  - (c) Technical information on current capabilities of industry and time needed to upgrade the industry performance.

#### IV. Time frame for the Consultancy

Unless otherwise specified, the following time frame will govern the timing for the completion of this consultancy:

Start	LOE	To Post	From Post	Field Work	3rd Country	U.S.A.
08-April-2002	40	0	0	40	0	0

#### V. LOE for the Consultancy

This consultancy will require the effort of the following consultants:

<u>Consulting Company</u>	<u>Travel</u>	<u>Field</u>	<u>U.S.</u>	<u>3rd</u>	<u>Total</u>
[Consulting firm to be determined]	0	40	0	0	40

#### VI. Consultancy Qualifications

The Consulting firm shall have the following minimum requirements:

- Proficiency in economic and international trade analysis, and industry impact studies.
- Ten years experience in economic development, international trade and/or industry assessments.

#### VII. Cost

Total funding required: (i) 4,000 JD a study, or 32,000 JD for eight studies; (ii) XX,XXX JD for translation into Arabic and English.

### Scope of Work II: Specific Tasks of the Consultants

Activity:	531.1 Support to Department of International Organizations (WTO/FTA Unit)
SOW Title:	Draft Government Procurement Agreement Accession Plan
Modification:	1

SOW Date: April 1, 2002  
SOW: Draft  
Total LOE: 70  
Task and Consultant: Legal Advisory Services to the Government of Jordan on Jordan's Accession to the Government Procurement Agreement (GPA)

## **I. Specific Challenges Addressed by this Consultancy**

The AMIR 2.0 Program is dedicated to increasing economic opportunity and prosperity for Jordanian citizens by facilitating and stimulating the development and growth of private enterprise. The Private Sector Policy Initiative (PSPI) is a key element of this program, which focuses on improving the economic policy environment and in developing, improving and streamlining the institutions and organizations responsible for private sector policy, promotion and facilitation. The PSPI aims to introduce international best practices into the organizations with which it works and to develop the structures, skills and other resources needed for effective implementation of these practices.

In April 2000, Jordan acceded to the World Trade Organization (WTO), and in 2001 concluded and put into effect a Free Trade Agreement (FTA) with the United States. An important focus for the PSPI under AMIR 2.0 is to assist the Jordanian Government and the private sector to achieve the maximum potential economic benefit from the FTA and from WTO membership. Jordan's accession to the WTO brought with it several commitments to improve numerous areas of Government regulation and monitoring of business activities. It is a priority during 2002 to help Jordan achieve full compliance with these commitments and to develop the procedures and capacity needed to participate more fully in WTO negotiations and proceedings. The Trade and Market Access (TMA) sub-component of the PSPI focuses principally on these issues.

One of the main technical issues the Government must deal with during the coming year is accession to the Government Procurement Agreement (GPA), a WTO protocol that Jordan has not yet joined. On signing the FTA with the United States, Jordan committed to making "best efforts" to accede to the GPA. The GPA aims to expand world trade by providing a framework for international competition in government procurement. The framework sets out measures to eliminate discrimination against and among foreign products, services and suppliers by improving the transparency of laws and regulations of signatory countries and ensuring prompt and fair enforcement of international provisions on government procurement. The GPA now includes local governments and other public entities including enterprises that are under the control or influence of the national government. In terms of scope, it includes the procurement of services, including construction services as well as the so-called excluded sectors of utilities and transportation.

## **II. Objective**

Provide legal advisory services to Government of Jordan, and in particular to Technical Legal Committee of National GPA committee on Jordan's government procurement legislation.

### **III. Specific Tasks of the Consultant**

Under this Scope of Work, two consultants (one international, one Jordanian) shall perform, but not be limited to, the tasks specified under the following categories:

#### **A. Background Reading Related to Understanding the Work**

Consultants shall read, but is/are not limited to, the following materials related to fully understanding the work specified under this consultancy:

1. WTO Accession Materials prepared under AMIR 1.0.
2. Overview of the Agreement on Government Procurement (WTO).
3. Hashemite Kingdom of Jordan (2002), "Draft Public Procurement Law". Revised Draft.
4. World Bank (1999), "Hashemite Kingdom of Jordan: Country Procurement Assessment Report (CPAR)". Middle East and North Africa Region.

#### **B. Tasks Related to Achieving the Consultancy's Objectives**

In close collaboration with the Technical Legal Committee of the National GPA Committee, and in consultation with representatives of the private sector who are represented in the National GPA Committee, undertake the following:

International Consultant:

Extend previous World Bank grant that provided funding to draft procurement legislation by:

- (a) Finalizing the draft Government Procurement Law and draft regulations on government procurement, with a view in particular to align that legislation with the GPA;
- (b) Rendering advice on institutional and organizational machinery to implement Jordan's obligations under the GP;
- (c) Preparing a report on how the draft Government Procurement Law and draft regulations would implement Jordan's obligations under the GPA; and
- (d) Conduct briefings for interested circles/officials on the draft legislation and its relationship to the GPA.

Local Consultant:

In collaboration with the international consultant, undertake the following:

- (a) Review Jordanian regulations on procurement in order to align them with the GPA;
- (b) Prepare a report on how the draft regulations on government procurement would implement Jordan's obligations under the GPA; and
- (c) Conduct briefings for interested circles/ officials on the draft legislation and its relationship to the GPA.

### **IV. Time Frame for the Consultancy**

	<b>Start</b>	<b>LOE</b>	<b>To Post</b>	<b>From Post</b>	<b>Field Work</b>	<b>3rd Country</b>	<b>U.S.A.</b>
International Consultant	01-May-2002		2 days	2 days	16 days	20 days	40 days
Local Consultant	01-May-2002		0 days	0 days	30 days	0 days	30 days

**V. LOE for the Consultancy**

This consultancy will require the effort of an international and local consultant:

<u>Consultant Name</u>	<u>Travel</u>	<u>Field</u>	<u>U.S.</u>	<u>3rd</u>	<u>Total</u>
[To be determined]	4	16	20	0	40
[To be determined]	0	30	0	0	30

**VI. Consultancy Qualifications**

The Consultant(s) shall have the following minimum requirements:

*1. Educational Qualifications*

- Law degree or other relevant discipline.

*2. Work Experience Qualifications*

- Proficiency in international law.
- 10 years experience in economic development and/or international law.

## **Scope of Work III: Specific Tasks of the Consultant**

Activity:	531.1 Support to Department of International Organizations (WTO/FTA Unit)
SOW Title:	Draft Government Procurement Agreement Accession Plan
Modification:	1
SOW Date:	April 1, 2002
SOW:	Draft
Total LOE:	24
Task and Consultant:	Economic Advisory Services to the Government of Jordan on Jordan's Accession to the Government Procurement Agreement (GPA)

### **I. Specific Challenges Addressed by this Consultancy**

The AMIR 2.0 Program is dedicated to increasing economic opportunity and prosperity for Jordanian citizens by facilitating and stimulating the development and growth of private enterprise. The Private Sector Policy Initiative (PSPI) is a key element of this program, which focuses on improving the economic policy environment and in developing, improving and streamlining the institutions and organizations responsible for private sector policy, promotion and facilitation. The PSPI aims to introduce international best practices into the organizations with which it works and to develop the structures, skills and other resources needed for effective implementation of these practices.

In April 2000, Jordan acceded to the World Trade Organization (WTO), and in 2001 concluded and put into effect a Free Trade Agreement (FTA) with the United States. An important focus for the PSPI under AMIR 2.0 is to assist the Jordanian Government and the private sector to achieve the maximum potential economic benefit from the FTA and from WTO membership. Jordan's accession to the WTO brought with it several commitments to improve numerous areas of Government regulation and monitoring of business activities. It is a priority during 2002 to help Jordan achieve full compliance with these commitments and to develop the procedures and capacity needed to participate more fully in WTO negotiations and proceedings. The Trade and Market Access (TMA) sub-component of the PSPI focuses principally on these issues.

One of the main technical issues the Government must deal with during the coming year is accession to the Government Procurement Agreement (GPA), a WTO protocol that Jordan has not yet joined. On signing the FTA with the United States, Jordan committed to making "best efforts" to accede to the GPA. The GPA aims to expand world trade by providing a framework for international competition in government procurement. The framework sets out measures to eliminate discrimination against and among foreign products, services and suppliers by improving the transparency of laws and regulations of signatory countries and ensuring prompt and fair enforcement of international provisions on government procurement. The GPA now includes local governments and other public entities including enterprises that are under the control or influence of the national government. In terms of scope, it includes the procurement of services, including construction services as well as the so-called

excluded sectors of utilities and transportation.

## **II. Objective**

Provide economic advisory services to Government of Jordan, and in particular to Technical Research Committee of the National GPA Committee on Jordan's economic implications of joining the WTO GPA.

## **III. Specific Tasks of the Consultant(s)**

Under this Scope of Work, the Consultant(s) shall perform, but not be limited to, the tasks specified under the following categories:

### **A. Background Reading Related to Understanding the Work**

Consultant(s) shall read, but is/are not limited to, the following materials related to fully understanding the work specified under this consultancy:

1. WTO Accession Materials prepared under AMIR 1.0.
2. Overview of the Agreement on Government Procurement (WTO).
3. 'Economic Implications for Jordan of Joining the WTO Government Procurement Agreement,' AMIR, 2001.
4. 'Master Plan for Jordan's Accession to the Government Procurement Agreement'. AMIR 2002.
5. Industry studies, as they become available.

### **B. Tasks Related to Achieving the Consultancy's Objectives**

1. Review and finalize *Master Plan for Jordan's Accession to WTO Government Procurement Agreement* in accordance with National GPA Committee appraisal of draft submission.
2. Provide guidelines and other support to studies on for individual and economy-wide impact of GPA accession, in close collaboration with the Technical Research Committee of the National GPA Committee, comprised of researchers from the Ministry of Planning and the Ministry of Industry and Trade, and in consultation with representatives of the private sector who are represented in the National GPA Committee and the specific components related to industry and economy-wide studies assessments.

This task will comprise guiding and supporting economy-wide and sector specific assessments being undertaken by both the Technical Research Committee on the Jordanian economy and the local consulting company preparing eight sector studies:

- (a) Analytical overview of the selected industry, the government sector, and the overall economy.
- (b) Benefits and costs to industry, consumers and public industry of GPA accession;
- (c) Current and future opportunities and threats;
- (d) Needs assessment to improve the capabilities of selected industry to attain international standards and practices;

- (e) Technical assistance and other support measures that would assist local industries in the transition to GPA implementation.

#### IV. Time Frame for the Consultancy

Unless otherwise specified, the following time frame will govern the timing for the completion of this consultancy:

Name	Start	Finish	To Post	From Post	Field	3rd Country	USA
M. Lord	April 13, 2002	May 9, 2002	1	1	8	14	0

#### V. LOE for the Consultancy

This consultancy will require the effort of the following consultants:

<u>Consultant Name</u>	<u>Travel</u>	<u>Field</u>	<u>U.S.</u>	<u>3rd</u>	<u>Total</u>
Montague Lord	2	8	0	14	24

#### VI. Consultancy Qualifications

The Consultant(s) shall have the following minimum requirements:

##### 1. Educational Qualifications

- Advanced degree in economics or other relevant discipline.

##### 2. Work Experience Qualifications

- Experience with WTO accession and compliance
- Good knowledge of procedures involved in the GPA accession process
- Quantitative background with experience in measuring the impact of trade policy options
- Proficiency in economics and international trade.
- 10 years experience in economic development and/or international trade.

## Annex D: Meetings Conducted

Person	Organization
Mr. Charles Krakoff, Team Leader Policy Component	AMIR Program
Mr. Jamal Al-Jabiri, Project Management Specialist – Private Sector	USAID/Amman
Mr. Ian Campbell, Economic Officer	US Embassy
Mr. Kakhry Hazimeh, Counselor, Economic Affairs	Permanent Mission of Jordan in Geneva
Mr. Martin Loken, Chairman and First Secretary	WTO Government Procurement Committee Permanent Mission of Canada, Geneva
Ms. Vesile Kulacoglu, Counselor	Intellectual Property Division, WTO Geneva
Dr. Salah Al-Bashir, Minister	Ministry of Industry and Trade (MIT)
Mr. Majed Hamoudeh, Head	WTO Unit, MIT and Head, National GPA Committee
Eng. Yahya Al-Kisbi, General Manager	Government Tenders Directorate (GTD)
Eng. Mahmoud Murad, Deputy Director	GTD
Eng. Suhair Amireh, Deputy Director	General Supplies Department
Ms. Nesreen Barakat, Director	Competitiveness Unit, Ministry of Planning (MOP)
Mr. Amjad Al Attar, Economic Researcher & Analyst	National Competitiveness Team, MOP
Dr. M.K. Tell, Chairman Board of Directors	Zarka Chamber of Industry
Mr. M. Raslan, Chairman Board of Directors	Amman Chamber of Industry
Eng. Abeer	Industrial Development Directorate, MIT
Dr. Jamal	Industrial Development Directorate, MIT
Mr. Thabel I. Elwir, Deputy Chairman	Zarka Chamber of Industry
Mr. Halim F. Abu-Rahmeh, Managing Director	Jordan Exporters Association
Dr. J. Maani, Managing Director and Chairman	The Arab Supplies & General Trade Co. Association of Medical, Scientific & Laboratory Traders
Mr. Ibrahim Beirouti, General Manager	Amin Shocair The Arab Drugstore
Mr. Maher S. Matalaka, Secretary General	The Jordanian Association of Manufacturers of Pharmaceuticals & Medical Appliances
Mr. Waleed Mekdadi, Head	Construction Association
Mr. Amer Nasser El-Dein, Managing Director	CNS Data Services
Mr. Kamel Rayek, Head	Jordan Consultant Offices Association
Eng. Raeq Amin, Head	Engineering Association
Ms. Salwa Bamieh, Managing Director	MMIS Management Consultants

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