



USAID | **JORDAN**
FROM THE AMERICAN PEOPLE

Constraints to Doing Business in Jordan: Workshop Results

AMIR II Achievement of Market-Friendly Initiatives and Results

January 2006

This document was produced for review by the United States Agency for International Development. It was prepared by Chemonics International Inc.

JORDAN AMIR II

Achievement of Market-Friendly Initiatives and Results

Contract No. 278-C-00-02-00210-00

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

Contract No. 278-C-00-02-00210-00

Contractor Name: Chemonics International, Inc.

USAID Cognizant Technical Office: Office of Economic Opportunities
USAID/Jordan

Date of Report: January 2006

Document Title: Workshop Results: 'Constraints to Doing Business in Jordan'
Final

Authors' Names: Greta Boye, Sameera Qadoura, Amber Sommer and Geoff Wright

Activity Title and Number: Achievement of Market-Friendly Initiatives and Results Program (AMIR Program)

ECI Component, Task No. 7299 'Events and Training'

Workshop Results: 'Constraints to Doing Business in Jordan'
Final Report
January 2006

The opinions expressed herein are those of the author(s) and do not necessarily reflect the opinions of the United States Agency for International Development or the United States Government or Chemonics International or any firms in the AMIR Program consortium or the management of the AMIR Program.

Data Page

| | |
|--|--|
| Name of Component: | Private Sector Policy Initiative |
| Authors: | Greta Boye, Sameera Qadoura, Amber Sommer and Geoff Wright |
| Practice Area: | Trade and Investment |
| Service Offering: | NA |
| List of Key Words Contained in Report: | Accountability, administrative staff, bureaucracy, business licensing, communication, constraints, customs, decision-making, education, inefficiencies, infrastructure, Jordan, management responsibility, ministry, policy, public administration, regulations, standardization, tourism, training, transparency, transportation, water |

Abstract

Multiple reports over the past year have identified constraints currently facing private business in Jordan. Many of these reports have focused on sector-specific issues and long-term goals. The “Constraints to Doing Business in Jordan Forum” held on January 16, 2006 created a cross-sector snapshot of these constraints and developed solutions to address the issues in the immediate future. The forum presented key private sector leaders in Jordan with the results of recent reports, obtained their feedback on the issues raised, and facilitated the creation of solutions that could be immediately implemented on the part of the Jordanian government. This report presents the results of that workshop, and includes transcriptions of the discussions and a summary of the pressing issues.

Abbreviations and Acronyms

| | |
|-------|---|
| CAA | Civil Aviation Authority |
| CEGCO | Central Electricity Generating Company |
| CP | Conditions Precedent |
| CSR | Corporate Social Responsibility |
| EJADA | Euro-Jordanian Action for the Development of Enterprise |
| GOJ | Government of Jordan |
| JAEID | Jordan Authority for Enterprise and Investment Development |
| TRC | Telecommunications Regulatory Commission |
| WTO | World Trade Organization |

Table of Contents

| | |
|---|----|
| Data Page | ii |
| Abstract | iv |
| Abbreviations and Acronyms | v |
| Table of Contents | vi |
| Executive Summary | 1 |
| I. Introduction | 3 |
| II. Background Information | 4 |
| A. Start-up Constraints | 4 |
| B. Information Constraints | 4 |
| C. International Trade and Investment Constraints | 5 |
| D. Other Constraints | 5 |
| III. Transcript of Plenary Session | 6 |
| IV. Government Policy Constraints Working Group | 9 |
| A. Introduction | 9 |
| B. Government Policy Constraints Working Group Session | 9 |
| C. Government Policy Constraints Working Group Presentation | 15 |
| V. Infrastructure Constraints Working Group | 17 |
| A. Infrastructure Constraints Working Group Session | 17 |
| B. Infrastructure Constraints Final Presentation | 18 |
| VI. Education and Training Constraints Working Group | 21 |
| A. Working Session and Final Presentation | 21 |
| VII. Institutional Inefficiencies Working Group | 23 |
| A. Introduction | 23 |
| B. Institutional Inefficiencies Working Group Session | 23 |
| C. Institutional Inefficiencies Final Presentation | 26 |
| Annex A Agenda | 27 |
| Annex B Participants | 28 |
| Annex C Plenary Session Presentation | 30 |

Executive Summary

Multiple reports over the past year have identified constraints currently facing private business in Jordan. Many of these reports have focused on sector-specific issues and long-term goals. The “Constraints to Doing Business in Jordan Forum” held on January 16, 2006 created a cross-sector snapshot of these constraints and developed solutions to address the issues in the immediate future.

The forum presented key private sector leaders in Jordan with the results of recent reports, obtained their feedback on the issues raised, and facilitated the creation of solutions that could be immediately implemented on the part of the Jordanian government.

The forum began with a presentation of constraints cited in recent reports. The constraints fell into four themes: government policy, infrastructure, education and training, and institutional inefficiencies. Specific constraints cited included:

- Low levels of public-private and public-public dialogue;
- insufficient transparency of government actions;
- unnecessary and overlapping bureaucracy;
- inefficient management of infrastructure; and
- insufficient targeted skills training.

Initial dialogue focused on issues of execution, accountability, redundancy, and the general uncertainty of the business environment in Jordan. One participant stressed the need for the creation of specified processes within government, noting that without such processes, there can be no accountability. Another focus of the discussion was the lack of both public-private and public-public dialogue, which causes an overlap of regulatory jurisdiction and hinders communication between policy-makers and related industries.

The participants were divided into four working groups, with each working group examining one of the major themes. Issues common among the recommendations of all four working groups included the need for greater transparency, the standardization of regulatory interpretations, increased accountability on the part of the public sector, and raising the qualifications and work ethics of the public sector’s administrative staff. Other issues raised repeatedly were the general frustration with the customs process and an insufficient division of regulatory jurisdiction, both among the ministries and between the ministries and municipalities.

The concerns of the government policy working group centered around issues of transparency, public availability of information, standardization, and simplification. It was noted that the lack of both transparency and public dissemination of regulations leads to uncertainty and variability of interpretation. The government policy working group recommended the creation of a public-private committee to simplify and standardize regulations. They also recommended the implementation of publicly-available manuals to inform the private sector of regulations and standardized interpretations.

The infrastructure working group focused on five specific types of infrastructure: technology, transportation, ports, water, and energy. Recommendations from this group included moving responsibility for broadband spectrum from the army to the Telecommunications Regulatory Commission (TRC), specifying management responsibilities for the airports, creating an English-language timetable for public transportation, and removing subsidies on water in order to encourage water-efficient crops and technology. The post-presentation discussion of this theme also raised issues of the quality of infrastructure and the need to respect the urban dimension with all new developments.

The education and training working group focused on the current disconnect between market demands and the output of the country's educational system. The group also noted a lack of innovative and creative thinking in the Jordanian workplace. It was recommended that a national study of human resource needs be conducted. A change in teaching methods at public educational institutions was also recommended, with a new stress on experiential teaching, including simulations and internships.

Constraints noted in the institutional inefficiencies working group included the multiplicity of regulations, the hindrance of the current bureaucracy, and a general lack of knowledge within the public sector of private sector needs. There was also a general consensus that public administrative staff were not properly trained or motivated. Recommendations from this group included the creation of a specified hierarchy for decision-making, instituting greater transparency in the hiring process of public employees, and the monitoring of public employees to ensure accountability.

I. Introduction

This report presents the results of the USAID-sponsored “Constraints to Doing Business in Jordan Forum” held in Amman on January 16, 2006, and background information prepared for this event. The forum brought together key private sector leaders in Jordan, who discussed constraints to doing business in the country and offered recommendations and solutions to those problems. However, USAID’s primary, undisclosed expectation for the forum was that it would reveal unidentified issues that might be crafted into conditions precedent (CPs) for use in driving dialogue with the Government of Jordan (GOJ) on policy and other change.

The forum was a half-day event composing plenary, break-out, and reporting sessions. Representatives of the USAID-funded AMIR Program and USAID facilitated the four break-out sessions that focused on (i) government policy, (ii) infrastructure, (iii) education and training, and (iv) institutional inefficiencies. It is worthwhile noting that many of the issues that the participants raised in the workshop on education and training appeared in the employment report that was recently requested by the top management of USAID/Jordan.¹ Following this introduction, Part II presents the background information prepared to define key issues to be used as the framework for discussion. Part III presents transcriptions of the plenary session and the break-out sessions. Annex A presents the agenda and presentation. Finally, Annex B presents the list of 21 participants and their affiliations.

¹ ‘Updating USAID’s 2004-2009 Strategy in Jordan: Remaining Employment Challenges’ prepared by Clarence Zuvekas, Jr., with research support from Mohammed Shahateet, Greta Boye and Anne Womer for the USAID-funded AMIR Program, final report, January 2006.

II. Background Information²

Jordan has a gross national income (GNI) per capita of U.S. \$2,140 and is classified as a lower middle income country. The informal economy is estimated to make up 19.4 percent, or one-fifth, of the gross national product (GNP). In the ease of doing business index, Jordan ranks relatively high (15th) in terms of taxes, but relatively low (124th) with respect to investor protection. Jordan ranked 45 in the 2005 Growth Competitiveness Index, falling ten places from its 2004 ranking.

The three main themes which appear when studying the issue of constraints to doing business in Jordan are:

- the high costs and complication of starting a business;
- difficulties in access to information; and
- barriers to international trade.

A. Start-up Constraints

Starting a new business in Jordan is costly, time consuming, and complicated. Eleven procedures, some requiring several steps, take approximately 36 days and cost almost half (45.9 percent) of the GNI per capita. This is almost twice the average time necessary in OECD states and over 6 times the average OECD state's percentage of GNI per capita. The two longest procedures are:

- 18 days – Obtaining a vocational license from the municipality, including a zoning verification and an on-site verification of conformity with legal requirements.
- 7 days – Registering at a Chamber of Industry or Chamber of Commerce.

An additional cost when starting a new business in Jordan is the requirement to deposit 10,000 Jordanian dinar into a separate bank account. This sum corresponds to 1,011.6 percent of the GNI per capita.

B. Information Constraints

Low access to information hinders business decisions. The past year (2005) has seen a decline in the transparency of economic policy making, according to the World Economic Forum survey. Concerned industry and business people are therefore less likely to be informed of changes in policy.

² This synopsis is based on the following documents: (i) 'Doing Business in Jordan, prepared by the World Bank and available online at <http://www.doingbusiness.org/ExploreEconomies/Default.aspx?economyid=99>>; (ii) 'Jordan Diagnostic,' prepared by the Millennium Challenge Corporation, first draft, December 2005, (iii) 'Starting a Business-Jordan, prepared by the World Bank, 2005; and (iv) 'Survey and Growth Competitiveness Index, 2003-2005,' prepared by the World Economic Forum.

The second major informational barrier is low access to credit information. Such access as is provided is reported to be of low quality and scope. No credit information is available from private sources, and less than 1 percent of the adult population is covered under the public registry.

C. International Trade and Investment Constraints

Barriers to international trade include lengthy official procedures and a high weighted average tariff rate. It takes 28 days to complete all official procedures necessary for importing into, or exporting from, Jordan. The large amount of time is attributed to inefficient customs procedures. By contrast, OECD countries average just over a third of that time.

Jordan's weighted average tariff rate is 11.3 percent. Such a high rate of protectionism reduces the import of, and competition by, many foreign products in the economy.

Jordan also suffers from a lack of foreign direct investment. Much of this can be attributed to an unfriendly business environment created by complicated and costly procedures and relatively weak private property rights.

D. Other Constraints

Several other constraints to doing business in Jordan bear mentioning in this synopsis.

- There is a relatively high cost of registering property in Jordan. Such registration costs just over twice as much (10 percent of the property value) as it does in OECD countries.
- Jordan is also a difficult country in which to enforce contracts. It takes 43 procedures and almost a year (342 days) to enforce a contract. To do so costs an average of 8.8 percent of the total debt.
- Jordan falls below both the region and the OECD countries in the Investor Protection Index, which includes the transparency of transactions, the shareholders' ability to sue officers and directors over misconduct, and the liability for self-dealing.
- Finally, closing a business in Jordan requires an average of 4.3 years and has a low recovery rate (27.9 cent on the dollar).

III. Transcript of Plenary Session

Participants: All (see Annex B for list)

Geoff: We need crisp solutions for the government and USAID to work on. Our study of recent reports came up with four themes: first, policy constraints; second, institutional constraints; third, infrastructure constraints; and fourth, education and training constraints. Perhaps we can talk about the themes themselves. Does anyone have an alternate theme?

Marwan: Thank you. If you talk to Jordanians, you may feel a sense of frustration. We are all facing the problems you mentioned. The first issue is about execution; it's about delivery. We've mentioned this to His Majesty and the government. You have to hold people accountable. But without systems, processes, and regulations, you can't hold people accountable. The second thing is the quality of people in both private and public sectors. It's the people under the minister, as well. You can't just say that you want to get top caliber people. It's not that simple and there are no quick fixes. This is a country that has relied on big government for five years. We want the government to deliver all the time. It's not going to happen. Now you want to shift the model overnight. The government has to put into works a plan and have the guts to say that over the coming twenty years they want to reduce the government by two percent every year. On that condition, you create an environment in the private sector. It's about system. It's about accountability, and about having the right people in the right places. The government has to make sure to hold people accountable.

Geoff: Do you think there is a role for the private sector?

Marwan: I definitely think there is a role. One of the problems in Jordan is that we don't set our priorities. We can do it, and we need to direct our funds towards our priorities. Someone has to make real deadlines and deliver on them. Who will do that? A lot is the government and a lot is the private sector. If you expect the government to know all, forget it (His Majesty has even said so). If the private sector is not united and we do not tell the government this is what we want, then we can expect the government to impose on us. It's easy to blame the government, but a lot of it has to do with a weak and scattered private sector. We tend to look after our own personal interests. We don't look after national interests. These are issues in the way we conduct ourselves in private business.

Geoff: You mentioned three areas we've touched on, especially policy and institution. This role of government reform: it's a long-term project. It's a start that the government has established a new directorate of performance. Another thing is public-private dialogue. How can the private sector become involved? The third point is the effect of governance itself on business.

Maisa: I happen to be serving on more than one board, and I'm working in the architecture and engineering sector. I feel there are a lot of redundancies. Time and money are being wasted by overlap. Several other points came to mind. We are very

creative, but we are not given the right support to concentrate on innovation. We are considered the most creative country in architecture, but it's a success no one mentions. It's a pity to see that wasted. On another note, there is no balance. We haven't been working in a way that pushes the sectors together. For transformation, you need to make sure you are pulling all the sectors together, pulling the whole industry, the whole nation, together. Moving forward now, time is not on our side.

Nadia: I'm an architect and jewelry designer. I don't belong to the government policy-making echelon at all. I see that bureaucracy is hindering a lot of things. You need two weeks to get anything done. You have to teach employees loyalty to work and that work is not something bad. I think that part of education is very important. These are the hindrances to me when I try to move forward. I would have not faced these if I had my company in England. Another hindrance is that while we do have copyright laws, I can't find one lawyer that can help with a copyright infringement. That is a very big problem. I can't expose my work to the U.K. So, these are the real problems we face, and it's not pleasant. If you want to encourage people to do business, the system needs to be less hindering.

Muhanad: One point I want to stress here is what Marwan said. What we're not thinking of is that ministers do not serve long in the public sector, and there is also the issue of the people below them. Any law that needs to be changed needs at least two years, so how can ministers do it? We are missing public-public dialogue, not only private-public dialogue. We are missing a lot of components here. For example, a Chinese group recently came to Jordan and was sent back because they needed certain paperwork to come into the country. Previously, it was done on the spot at the airport. The system changed, but even the minister did not know of this change. If we change things, it needs to be done at the ministry level and go higher. We have good strategies, but implementation is our problem.

Geoff: I think that's very true. It comes down to the system underneath the ministers, the civil service itself. Just to repeat some of the themes: work ethics, loyalty, public awareness. We've been dealing with JAEID for the last few years, and that's the goal of JAEID to coordinate...

Marwan: To this point, JAEID is an idea. We've talked about JAEID since 2000. Where is JAEID and what has happened there? There again, we have the best ideas, but the problem is in the execution. Another problem is customs. Customs people get paid low salaries, so the government gives them incentives. These incentives are based on fines, on how many transgressions and problems they can find with people bringing in goods. Based on the number of fines they give, they will get a bonus. Yes, give them incentives, but base them on how many shipments go through, and on the quality of the service. It boils down to execution, execution, execution. Most of the ideas in Dubai come from Jordan but they are being implemented in Dubai because they can actually execute ideas there.

Diane: I'd like to pursue this customs issue and get a sense how critical this is. It seems to me that for the bulk of the businesses in this country you are either importing or exporting. If these ideas have been around, and despite the money we've put into customs reform, what is precluding the changes and what would it take to make them? Secondly, is this a priority area and is it worthwhile to revamp the system? Is that something that would benefit the bulk of you?

Marwan: Customs and tax reform are definitely a priority in Jordan. There is zero competence of the tax authorities when dealing with the private sector. Even now we have a tax reform plan, but the government has failed to communicate the benefit of this new tax regime. Why is it only critics hammering the tax reform?

Mohammad Asfour: I agree with Ms. Putman. As a person who has been in touch with reform agendas, I could see five years ago that we were ahead, but today too many countries are going at a faster pace than us, and we have not achieved much. I asked Mr. David Lovegrove what was the main obstacle related to doing business in Jordan. He answered with one word; he said uncertainty. There is instability and a lack of certainty. Here I would also try to link that instability with initiatives such as JV 2020 and the National Agenda. Maybe there are a lot of lessons to be drawn. These are elitist, individualist initiatives that were not demand driven. Maybe the private sector itself should take a lead and be a party accountable. Is the private sector ready? It has become more institutional, with a lot more corporate governance within the country's business associations, so maybe empowering the private sector would help us a lot in the coming stages. As a person who worked in both public and private sectors, I can see that there is a mental divide between both sectors. At the end of the day, we want to know what is in our pockets in the private sector. But for the public sector, their priority is to see their names in the newspaper. Unless the public sector is given the opportunity to be accountable to the private sector, I don't think much can be achieved.

IV. Government Policy Constraints Working Group

A. Introduction

Participants:

Mr. Tawfiq Taba'a
Mr. Mohanad Malhas
Mr. Laith Fakhoury
Ms. Diana Puttman
Mr. Jamal Al Jabiri
Mr. Mustafa Mustafa
Ms. Sameera Qadoura

Major Constraints:

- Lack of a single location for start-up concerns.
- Lack of public-public dialogue regarding responsibilities, causing overlap of regulatory jurisdiction between ministries and between .
- Complicated procedures and regulations.
- Lack of transparency in decision-making.
- Most laws and regulations are not available to the public. What is available is not updated frequently.
- Relative weakness of the business associations.
- Instability created by constant changes of government.

Recommendations:

- The creation of publicly-available manuals specifying regulations and interpretations.
- The simplification of regulations and procedures.
- Give business associations any appropriate responsibilities.
- Give a portion of the revenue from tourism back to the Ministry of Tourism. It is all currently going to the Ministry of Finance.
- Liberalize tourism transportation.
- Speed up resolution processes. For example, the process for resolving bounced check is much too long.

B. Government Policy Constraints Working Group Session

The recorded dialogue was as follows:

Jamal: There seems to be a bit of a question mark as to what we want to get out of this, especially for this session on government policy constraints. Many of you are involved with USAID projects. You understand that there are ways that we can support the

implementation of short-term goals based on contacts with the government, and that is what we would like to get out of this. We are here to support the private sector.

Sameera: Let's look at the presentation and see if we agree with the points related to government policy, and then rank them, select the top five, and come up with solutions for each one. These are from reports, not experience.

Diana: The reports are talking about issues of transparency. Is that true from your experience?

Mohanad: When I see that something is left out of the regulations and want to ask about the specifics, the ministry official can interpret the regulations however he wants because the regulations are not clear, not transparent. For example, registering and starting up a business. There are hundreds of questions there, and you can't get simple answers by logging into a website. You always have to get something approved by multiple people, and you go back and forth. Regulations should be simple and easy. No interpretation should be left to the administrative level. I see this not just in the Ministry of Tourism, but all over. Ministries do not interact with each other. Public-public dialogue is a disaster.

Diana: When there are meetings, no one identifies common themes in their work. So that clearly is something that you could potentially get the government to start.

Mohanad: To solve that, they use smaller committees. Ten people from the government and two from the private sector. Supposedly to facilitate, but they only meet once a year.

Jamal: Is the problem that the secretary general is leaving and the staff choose someone who doesn't have authority, or that they are not choosing the right people in another respect?

Mohanad: I agree that's true.

Jamal: We face this with the WTO.

Mohanad: Whenever we face this problem, the easiest thing is to form a committee, but this committee does nothing in the end.

Mustapha: Are you saying that forming the committee is wrong?

Tawfik: The idea of forming a committee is okay.

Mustapha: How could the government of Jordan improve the process of forming a committee?

Mohanad: The Islamic affairs guy sits on the tourism committee. In my opinion, laws of any ministry should be cut in half. Give the responsibilities to the relevant association

and take them away from the ministry. For example, why should the Ministry of Tourism have a role in licensing guides and souvenir shops? It's a business, so why should the ministry be involved? Restaurants also belong to the Ministry of Health. It should all be in one place. End of story. That should all be private sector, but they put it in committees and come up with resolutions, and then the ministry has to implement it all and present it to other ministries.

Tawfik: Interesting point. I have an investor who wants to open restaurants. The Ministry of Trade says here is a letter, now go to the Ministry of Tourism and have them approve it. This starting point is very strange. Why should there be preliminary approval by the Ministry of Tourism? To have to go between four or five members who initialize the letter? If the idea is about diligence, there is none. At the end of the day, the investor also has to go through both the Ministry of Tourism and the municipality when the restaurant opens. We should talk about the Amman municipality. It's a hindrance to investment, as well. I'm not going to say corruption; I'm not sure if it exists. But it's just a nightmare trying to get a restaurant open. These unnecessary steps exist in tourism and media and every other industry. I haven't even started my business, but just the fact that I use the word "media" means we have to get prior approvals. Audio visual is a nightmare, too.

Mohanad: We are talking about interactions between government. Whenever something falls between three or four ministries, it becomes a problem.

Jamal: Do you believe it's an issue of lack of sharing?

Tawfik: Lack of specified policy.

Mohanad: Lack of transparency in policy. Do these regulations really exist? Some regulations are really funny. They say it's up to the minister. That's strange. Why is it up to the Minister of Tourism to close an office? That shouldn't be happening. If the owner is doing something against the law, he should be in jail. It's not up to a minister to decide to close his office.

Tawfik: This is a theme we face a lot. It's good to empower junior staff, but the problem is partly cultural, partly with training, and partly with ambiguous laws. The junior staff are scared, sometimes they are badly informed, and sometimes they are not happy where they are.

Jamal: It all revolves around the control versus the facilitation. The government is centered around control, but if they were serious about doing their job they would be trying to facilitate and not to control. Everyone wants to collect information, but they are not using it effectively.

Muhanad: Collecting information is something else we have to look at. The Ministry of Tourism is collecting a lot of statistics. How good are they? We have to look into these statistics. Again, it goes back to how clear we have to be on regulations and policies.

Policy formulation and dissemination is the number one issue. When they find a business, they don't know where it belongs. So they put you with a ministry. Sometimes they come up with a solution, but the business shouldn't have to belong to anywhere in the first place. It should just be registered and end of story. But it shouldn't belong to any ministry. If I want to complain about a restaurant I should go to a restaurant association, not the ministry. Do we have good associations that can replace ministries? Are they properly equipped?

Laith: I think we have to look at the problem differently. We always identify problems. When I read about all these problems I feel it's all cultural. If I have to deal with all these problems, then I have to deal with culture. Why are people only collecting information and not sharing it? Because we have a trust problem. We don't trust each other. We have to raise culture awareness. Before I deal with all these identified problems, I have to deal with cultural awareness.

Diana: It's not just Jordan. You're facing many of the same issues many other countries are facing. There is enough commonality about this in the private sector that we can all say that this is driving us crazy. Every single person in the private sector who is trying to set up a business says that it is a pain, and that that should be an area where we put resources. The public-public dialogue and public-private dialogue needs to hold equal weight. How do you make that happen and on what levels? In each of these laws, if regulations exist then they are not laid out. First, simplify processes and secondly, get them laid out in a way that anyone can follow.

Mustafa: And improving the licensing authority point should not require a membership, because then a select group would control my license if I'm not a member. Again, the problem you identified is that there are no clear regulations.

Muhanad: It's clear, but it's not written. And secondly, it's a long procedure. For example, they give you a check list and you follow it, and each point has another piece of paper that you have to follow.

Mustafa: You are identifying several key problems as one. Does he show you legal reasons about the registration process or does he give you his opinion?

Muhanad: If you want to register a company, you should fill in a form and that's all. If you meet the requirements and you are eligible, they should give you a license.

Mustafa: What makes you eligible in the U.S. and what makes you eligible in Jordan?

Muhanad: I'm just talking about how to make it simple and transparent. There should be an interpretation of all bylaws and regulations. They should be out there for the public. These interpretations are left to staff discretion.

Mustafa: To improve this system, the government official should have to license you unless you fail to meet a certain requirement.

Laith: And make the regulations understandable.

Diana: The private sector in this country is strong enough to really begin lobbying government. But once somebody has gone through these hurdles, they say that's enough and they are tired. But what if a person wants to sign up another business?

Tawfik: In the U.S., it's all about being legal and permissible. The regulation happens at a later stage of a particular industry, and you have certain criteria at that point. After I set up a business, I have to deal with the Amman municipality, which is not a transparent system, and it's a hassle. It's frustrating. I like the idea of an audit. I'm worried that it could end up being a big document, but the audit idea is an excellent idea.

Diana: The way to make it work is to actually have a joint committee of both the private and public sectors, screen the laws and regulations, and then start throwing out everything that is not necessary. It's a way of doing things that gets agreement from both sides. The problem you have is the constant change of ministers.

Muhanad: At least the Minister of Tourism is trying to do something. His problem lies with his staff. They are not qualified and are getting paid without having to do anything. It's all connected. In my honest opinion, there should be simplicity of the law.

Mustafa: There is a law out there somewhere that says if you don't get an approval within a certain period of time, you can just start your business.

Muhanad: Every company has to be registered at the Ministry of Trade, but licensed at the municipality level.

Diane: Which other ministries generally get engaged in this stuff? Interior, Health...?

Tawfik: Civil Defense.

Diane: Why Civil Defense and not the Amman municipality?

Tawfik and Muhanad: Good question.

Diane: Why does the Ministry of Health have to be involved with restaurants if the municipality is involved?

Muhanad: Why should it start from the ministry level? It should be the Restaurant Association.

Diane: You do need somebody on the regulatory side, and the Restaurant Association will only protect you and your restaurant, so you need this external regulation. But not both the municipality and the Ministry of Health. It should be one or the other.

Sameera: The information should be updated regularly. It becomes a personal experience. When you ask them, they say it's online, but it's not. It's a very silly thing, but it makes the process longer.

Muhanad: Written regulations will solve everything. We have to simplify them.

Diane: One, we have simplification. Two, we have elimination of redundancies. Then you need to have clearer regulations on how to give everyone their manual.

Muhanad: When you have a manual, at least you have a reference.

Diane: Would we be able to get the government to agree that these manuals should be available to people outside the government?

Mustafa: All these regulations are published. They are supposedly online. The problem is that they are not updated and not always online, because quite often the server is down.

Diane: How many of these officials are literate?

Mustafa: That's another thing.

Muhanad: Our problem is in the interpretation. Sometimes these regulations are left up to the minister. Why should it be left up to one person? It should all be regulated. The manual has to say that these are the steps.

Diane: What are the most pressing concerns? Policy formulation and dissemination: a one stop shop with reduced redundancies, public dialogue, simplified procedures and regulations, and manuals that interpret and define policies, procedures and regulations.

Muhanad: How do we prioritize these policy constraints? These are general solutions for all the points mentioned here.

Diane: If the U.S. government could do one thing, what would we ask them to do?

Tawfik: Customs is quite an urgent matter. Civil service, basically.

Muhanad: If you have a manual, your problem is solved. If we leave it up to someone's own judgment, we will always have a problem.

Tawfik: Leave the human element out of this.

Laith: Main thing is public-public dialogue. Then I don't have to waste my time visiting, going, and planning.

Tawfik: The constant change of government is certainly a hindrance to business.

Muhanad: All these constraints are equal, if you ask me.

Tawfik: The constraints are just examples; it's not limited to just these.

C. Government Policy Constraints Working Group Presentation

The Government Policy Constraints working group raised the following concerns in their presentation:

- Lack of a single location for start-up concerns.
- Lack of public-public dialogue regarding responsibilities.
- Complicated procedures and regulations.
- Lack of transparency. Most laws and regulations are not available to the public.
- Relative weakness of the business associations.
- Instability created by constant changes of government.

They presented the following short-term solutions:

- The creation of publicly-available manuals specifying regulations and interpretations.
- The simplification of regulations and procedures.
- Give business associations any appropriate responsibilities.
- Give a portion of the revenue from tourism back to the Ministry of Tourism. It is all currently going to the Ministry of Finance.
- Liberalize tourism transportation.
- Speed up resolution processes. For example, bounced checks take much too long to resolve.

The recorded dialogue following the presentation was as follows:

Tawfik: I think we should also discuss an idea of an audit. Maybe there should be an audit, or a due diligence process, to tell the government per each sector what is going on in terms of setting up a business. We mentioned how lengthy it is to get prior approvals and a license. This audit, from an outside party, will tell the party how many days it should take for licensing, inspecting etc...

Khaldoun: This process already exists.

Muhanad: What we want to have is a manual to say what is right and what is wrong. We discussed so many examples where an investor wanted to come and create a factory for Arabic sweets, but he wasn't given a license because they said that this wasn't an industry. The manual should tell us what is an industry and what isn't.

Maisa: When we talk about dialogue, I think we should always include the public sector, the private sector, and civil society.

Mohamad: Three questions. First, one stop shop: good thing or bad thing?

Muhanad: If we have a one stop shop and hire the right people, it will be a good thing.

Mohamad: Second, following the question of what is an industry and what is not. We are governed by international treaties and these treaties can give the answers. For example, the WTO. Now this is a tricky question, how important is economic reform to the government. What do you think?

Muhanad: You have to ask the government.

Mustafa: I just want to clarify a comment relating to the one stop shop idea. It's not related to just investors, but to anyone who wants to do business. This idea focuses on business across the board, not just the specific sectors covered by the Jordan Investment Bank, correct?

Jamal: The existence of a one stop shop implies that there is a failure in the system. By having a one stop shop, you are in fact admitting that your system has failed and you are trying to address the symptoms. But you are not addressing the issue.

Muhanad: You are right. If you have transparency then you will know what the regulations are and how long it will take to issue a license, and then you can then do business.

V. Infrastructure Constraints Working Group

A. Infrastructure Constraints Working Group Session

Participants:

Mr. Vinay Chawla
Ms. Amber Sommer
Mr. Ahmad Bashiti
Mr. Marwan Juma
Mr. Richard Eason
Mr. Ali Shahin
Ms. Ruba Jaradat
Mr. Chris Johnson
Mr. Mohammad Khraishah

Major Constraints:

- Broadband spectrum is considered a national resource and is controlled by the army.
- Low wages are not attracting workers with the proper skills to the Telecommunications Regulatory Commission (TRC) and infrastructure-related ministries.
- Low quality of current infrastructure. This is especially an issue with regards to public buses.
- Lack of quality infrastructure for independent tourism, such as regular buses to Petra, Jerash, and cities outside Amman. Public transportation is confusing for independent tourists.
- Uncertainty of management responsibilities at airports.
- A digital divide between west Amman and the rest of the country.

Recommendations:

- Create a system of accountability for all ministries.
- Move jurisdiction of broadband spectrum from the army to the TRC.
- Move the TRC to the private sector, increase its capacity, and increase salaries for TRC employees in order to attract qualified workers.
- Bring short-term consultants into the TRC to fix immediate issues.
- Specify responsibilities for the airport and create a system of accountability. Privatize the actual management.
- Privatize Royal Jordanian.
- Ensure that the Open Skies policy is completed.
- Remove transportation monopolies.

- Create an English-language timetable for public transportation.
- Create regular public transportation for tourist routes.
- Increase management capacity at the port. Privatize management.
- Strengthen customs at the port.
- Reduce water subsidies and encourage the use of water-saving technology.
- Remove high tariffs on produce that is not water-efficient (for example, bananas).
- Create an agricultural strategy.
- Support privatization of CEGCO.
- Remove fuel subsidies and encourage energy alternatives.
- Respect the urban dimension of all developments. Study issues of pollution and traffic.
- Respect the Heritage Law. Register buildings that are important to the national identity.
- Close national forests to investment.
- Create a model ministry. The TRC, as a small but important part of the government, could be used as the model.

B. Infrastructure Constraints Final Presentation

The recorded dialogue from the final presentation was as follows:

Chris: We had a big agenda: Air, rail, water, road, ports, energy, IT. The first one we jumped into was IT. The critical issue here came from the telecommunications sector, a major sector in Jordan. It was the issue of the TRC. It is a critical body, but it's inhibiting development of the telecom sector because it's weak. What can we do with the TRC? Move that to the private sector. We also need to focus on building its capacity and enhancing salaries. But the ultimate recommendation was to move it towards the private sector.

As for air, the main problem is the airport. It's simply quite clear that no one knows who runs the airport. It leads to confusion, especially for the tourism sector. The Civil Aviation Authority (CAA) is technically responsible, but no one is clear about their role. The actual management should move to private sector management. The other issues that came up are the continued privatization of Royal Jordanian and the open skies policy.

In public transport, there isn't any good public transport system in Amman. There are still major problems with the monopoly and the issue hasn't been tackled. This needs to be improved because it doesn't seem to be supporting a good public transport system. Our primary target here was to look at the reform of that monopoly. There is also some

kind of deficiency with the bus system to other cities, especially if you are a non Arabic-speaking tourist.

For the ports, in terms of Aqaba's port authority, the management is still an issue and privatization needs to be strengthened. Customs needs to be strengthened as well. These are the most important constraints here.

In terms of energy and water, we recommend removing subsidies on fuel, although we understand that this is difficult. But it should be looked at. CEGCO is in the process of being privatized and that needs support. For water, it's still used mostly for agriculture, and it's usage is highly inefficient. The water is too cheap, so there is no incentive to invest in water-saving technology.

Those were the basic things we covered.

The dialogue from the post-presentation discussion was as follows:

Maisa: This is a very interesting subject. We talk about developing Jordan. We talk about the economy. But we are people who want to live a day to day life. If we do this without paying attention to urban life then we are missing a major point. I'm on the Amman Commission, and my job is to make sure that all new developments here in Amman respect the urban dimension. We have too much pollution, all kinds of pollution. Visual pollution. We were called the city with a view. When we talk infrastructure, we have to look at the master plan. How are we respecting the pedestrian? How many people are dying due to traffic?

Muhanad: The most important thing with infrastructure is quality. The buses are getting old and are not up to standards on many international levels.

Khaldoun: To date, we don't know how much it's going to cost us to get new infrastructure.

Mohammad: We speak about discrimination. There is the other side of discrimination for the inventory. Foreign investors can buy our forests; they are open for investment. You mentioned the TRC, with the private sector running the show? Another important question is the cost of transportation.

Jamal: I don't think there is any telecom regulatory that is run by the private sector. Because of the difference in salaries, I don't think the private the sector should run the telecom industry.

Maisa: I want to add a small thing about the Heritage Law. We talk about knocking down buildings. Buildings can be registered. Anything that is old enough to be linked to our identity should be registered.

Mohamad: My final question: is all this incorporated in the infrastructure theme of the National Agenda?

Jamal: The support that we provided in making changes to the laws doesn't provide incentives to any specific sectors. In the law, we have supported the removal of incentives, either geographic or specific, for all sectors.

VI. Education and Training Constraints Working Group

A. Working Session and Final Presentation

Participants:

Mr. Mohammad Asfour
Ms. Meisa Bataineh
Mr. Ra'ed Shadfan
Mr. Khaldoun Zawaidah
Mr. Haidar Amayreh
Ms. Greta Boye
Ms. Tulin Bakeer

Major Constraints:

- Lack of work ethics and creativity in the workplace.
- Lack of incentives for innovation.
- No minimum salary in most professions, creating few incentives to join certain fields (for example, engineering).
- Insufficient linkage between the market's demand and the education system's output.
- Insufficient applied research.
- Lack of sufficiently high standards at educational institutes.
- Lack of internship opportunities.
- Lack of market research on high-level research and development strategy.
- Lack of English skills.

Recommendations:

- Facilitate research and development, especially through the usage of incentives.
- Promote workplace ethics among students.
- Conduct a national study of human resource needs.
- Conduct business simulations at universities, colleges, and other schools.
- Enhance and foster creativity in the education system.
- Create a stronger link between market demands and the output of the educational system.
- Increase vocational training.
- Increase incentives for trainees.
- Create a minimum wage and raise appropriate professional minimum wages (for example, engineers).

- Strengthen accreditation and create linkages with international bodies of accreditation.
- Promote corporate social responsibility (CSR), which should also be used as a source of funding.
- Increase technical training.
- Increase internship opportunities.
- Strengthen forums for communication about these issues.

VII. Institutional Inefficiencies Working Group

A. Introduction

Participants:

Mr. Rashed Darwazeh
Mr. Nidal Abu Esneneh
Ms. Lina Humaidallah
Ms. Lina Kurdi
Mr. Geoff Wright
Mr. Kale Driemeier

Major Constraints:

- A multiplicity of overlapping institutions.
- A multiplicity of regulations and no central database or other source of information on the regulations.
- Overlapping inspections.
- Too large a bureaucracy and too much paperwork.
- Customs regulations that hinder imports and exports.
- Regulations are created by people who are not properly informed about relevant industries.
- No centrality of financial planning within the government.
- A lack of communication within the public sector.
- A lack of a specified hierarchy for decision-making.
- The use of inappropriate ad-hoc committees.

Recommendations:

- Create a central location for information on regulations.
- Create a law to increase dialogue within the public sector.
- Monitor public employees and increase accountability.
- Increase transparency in hiring of public employees.
- Increase leadership ability within the ministries.
- Create proper incentives within the ministries.
- Hold systematic training of public employees and include a vision.
- Create a more holistic approach to government finance.
- Empower ministers.
- Create a systematic hierarchy for decision-making.

B. Institutional Inefficiencies Working Group Session

The recorded dialogue from the working group session was as follows:

Lina Humaidallah started the discussion by suggesting the creation of a committee that gathers the private and public sectors together to solve constraints the business sector is facing. Although this idea had been agreed upon in the past with the Minister of Trade, no such meeting had yet taken place. Ms. Humaidallah claimed that changes in regulations are not an easy decision for high management.

Kale: Do others have the same problem?

Nidal: I am having a problem with my employees, especially the ones who are taking care of the factory trash, carriers, etc. Forty percent of my employees are Egyptian and only sixty percent are local. We are facing problems of labor availability, as well as the workers' negative mentality, which leads to a terrible performance. Another obstacle we have is the high fees associated with hiring foreign workers. We are trying our best to solve this problem, but it is still one of our major concerns.

Lina: I believe we are having the following problems. First, there are too many institutions. We have a lot of regulations and no available database of them. Also, there is the question of how to start up a business. There are too many inspection visits. Each inspector who visits a factory will come up with his own opinions, and therefore the owner becomes confused as to whom to listen. Moreover, there are too many ideas without actual implementation. And bureaucracy should be shrunk. Then there are the customs regulations, the labor factors, and all the regulations pertaining to them. Finally, there should be a branding for the industrial community (Made in Jordan), which would create a sense of a working unit while promoting products abroad.

Lina Kurdy: My agriculture business is in a "missing sector" and no attention is given to this sector. My plant is in the north of the Jordan Valley and it faces many problems. First, a water shortage. Then, there are four markets for flowers, and high competition is a big concern. I work with entities like EJADA, to make sure that all flowers being used in our hotels are from the local farms. Also, there is no local labor available. The three workers I have are Pakistani.

Geoff: The main issues here are the labor law and governmental regulations. How do you think you can deal with them? I think you should focus on the short-term implementation solutions, as Marwan Juma suggested in the general discussion.

Nidal: Most of the sector problems mentioned before do not come from the private sector. In another words, the regulations are set by those who do not know enough about the field.

Lina H.: Our factory refers to the vocational training centers in order to solve the problem of unqualified labor, so we've actually started working on that issue. We try to encourage people to work in factories, especially people having problems finding work outside the general Amman area, in areas like Sahab. Also, we are trying to give better salaries for such labor. Finally, we are looking at improving the workers' qualifications in accordance with industry requirements.

Rashed: Training should not fall under government facilitation. It should be run by the private sector.

Lina H.: There are a great number of difficulties that are faced when implementing the regulations. The government has no experience in business facilitation. And then, we are having another problem with customs and too much paperwork, which is taking up too much time in the import and export process.

Nidal: Yes, I agree with that. Our factory is importing one kind of flour that's only available in Dubai. Getting it usually takes a lot of time and in turn effects our production. The time factor is very crucial for us.

Geoff: There should be a program to oversee that regulations are implemented in a quick manner.

Lina H.: There are also too many national holidays, which hinder the customs process.

Geoff: Is this a problem with the minister or with the administrative staff?

Lina H.: We need much more communication and involvement between the government and industry.

Lina K.: There is also no loyalty among workers. I also have problems importing a certain bulb, which is only available in Syria, because of the bad import regulations.

The following priorities were written on the group flip chart:

1. Database of regulations.
2. Increased export opportunities
3. New intra-government communication law.
4. Workshops for employees.
5. Institute dialogue among the public sector.
6. Monitoring of employees.
7. Transparency in hiring
8. Leadership.
9. Creation of incentive plans.
10. Creation of process.
11. Taxes.
12. Changes in the regulations.

Rashed: With regards to leadership versus management, there is a disconnect between the secretary general and the minister.

The priorities were then rewritten as:

1. Institutionalize process and regulations.
2. Train public employees appropriately and incorporate a vision.
3. Create a better workplace through incentives, accountability, and the hiring of qualified staff.
4. Create a culture of communication, including public-public and public-private dialogue.
5. Create a holistic approach to government finances.

Rashed: The government is giving money to one end and then taking it from other side.

Geoff: Let's talk about the internal dialog.

Rashed: If you went to a ministry meeting, you would see that they don't function. There were no incentives during the time Bassem Awadallah was minister.

All agreed that they were pleased with Shareef Zubi's management.

Rashed: Empowering ministers is a vital issue.

C. Institutional Inefficiencies Final Presentation

The recorded dialogue from the final presentation was as follows:

Lina Humaidallah presented the discussion on institutional constraints. She raised the following issues:

- Institutionalization of process: ad-hoc committees are not an acceptable method of creating positive change.
- Public-private dialogue and decision-making: there must be a systematic hierarchy in decision-making, and those who make decisions must be properly informed about the relevant industries.
- Incentives and accountability: the public sector must be accountable and transparent in order to function.
- Communication: there must be continuous public-private dialogue.
- Government budget: There must be a policy regarding short-term changes of taxes.

There was no discussion following this presentation.

AGENDA

“Constraints to Doing Business in Jordan” Forum

**Four Seasons Hotel
Monday, January 16, 2006**

- | | |
|-------------|-------------------------------------|
| 9:00-9:30 | Registration |
| 9:30-9:40 | Introduction by USAID |
| 9:40-10:45 | Presentation and General Discussion |
| 10:45-12:00 | Small Group Sessions |
| 12:00-13:00 | Group Presentations and Wrap-Up |
| 13:00 | Lunch |

Annex B Participants

| # | Name | Position | Company |
|-------------------|---------------------|-------------------------------------|---|
| 1 | Rashed Darwazeh | CEO | JGate |
| 2 | Tawfiq Taba'a | Vice Chairman | Jordan Intellectual Property Association |
| 3 | Meisa Batayneh | Vice President | YEA |
| 4 | Ahmad Bashiti | Executive Director | JITOA |
| 5 | Marwan Juma'a | Chief Executive Officer | Batelco |
| 6 | Lina Hundaileh | Factory Owner | Chocolate Factory |
| 7 | Chris Johnson | Director | Wild Jordan |
| 8 | Mohammad Asfour | Advisor to the Board of Trustees | Princess Summaya University for Technology |
| 9 | David Merrill | Senior Vice President International | Nathan Association Inc. |
| SME's | | | |
| 10 | Lina Al-Kurdi | Producer | |
| 11 | Haider Amayreh | General Manager | Union for Agricultural Development and Slaughtering |
| 12 | Nidal Abu Esneneh | General Manager | Jawad Modern Bakeries |
| 13 | Khaldoun Zawaideh | General Manager | Quality Food Co. Ltd |
| 14 | Ali Mohammad Shahin | General Manager | Jordan Sweden Medical and Sterilization Co. (JOSWE) |
| 15 | Ra'ed Shadfan | General Manager | Atlas Medical Factory |
| 16 | Nadia Dajani | General Manager | Al Bareeq Jewellery Trading Co. |
| 17 | Mohanad Malhas | Managing Director | Abercrombie & Kent Jordan |
| 18 | Laith Fakhoury | General Manager | Better Business |
| USAID | | | |
| 19 | Diana Puttman | Director, OEO | USAID |
| 20 | Jamal Al Jabiri | Deputy Director, OEO | USAID |
| 21 | Ruba Jaradat | Officer, OEO | USAID |
| US Embassy | | | |
| 22 | Richard Eason | Head, Economic Section | American Embassy |
| 23 | Mustafa Mustafa | Economic Section | American Embassy |

| # | Name | Position | Company |
|---------------------|--------------------|------------------------------------|------------------|
| 24 | Vinay Chawla | Economic Section | American Embassy |
| 25 | Mohammad Khraishah | Economic Section | American Embassy |
| AMIR Program | | | |
| 26 | Greta Boye | PSPI, Acting COP | AMIR Program |
| 27 | Geoff Wright | Team Leader, ECI | AMIR Program |
| 28 | Amber Sommer | Consultant | AMIR Program |
| 29 | Sameera Qadoura | Manager, Communications & Training | AMIR Program |
| 30 | Tulin Bakeer | Communications & Training | AMIR Program |
| 31 | Dima Mansour | Communications & Training | AMIR Program |
| 32 | Muna Dahdaleh | Communications & Training | AMIR Program |
| 33 | Kale Driemer | Acting DCOP | AMIR Program |



Constraints to Doing Business in Jordan

Four Seasons Hotel, Amman
Monday, January 16th 2006
9am to 1pm





Today's Agenda

| | |
|-------------|-------------------------------------|
| 9:00-9:30 | Registration |
| 9:30-9:40 | Introduction by USAID |
| 9:40-10:45 | Presentation and General Discussion |
| 10:45-12:00 | Small Group Sessions |
| 12:00-1:00 | Group Presentations and Wrap-Up |
| 1:00 | Lunch |





Objective

Multiple reports over the past year have identified constraints currently facing private business in Jordan. Many of these reports have focused on sector-specific issues and long-term goals for reform.

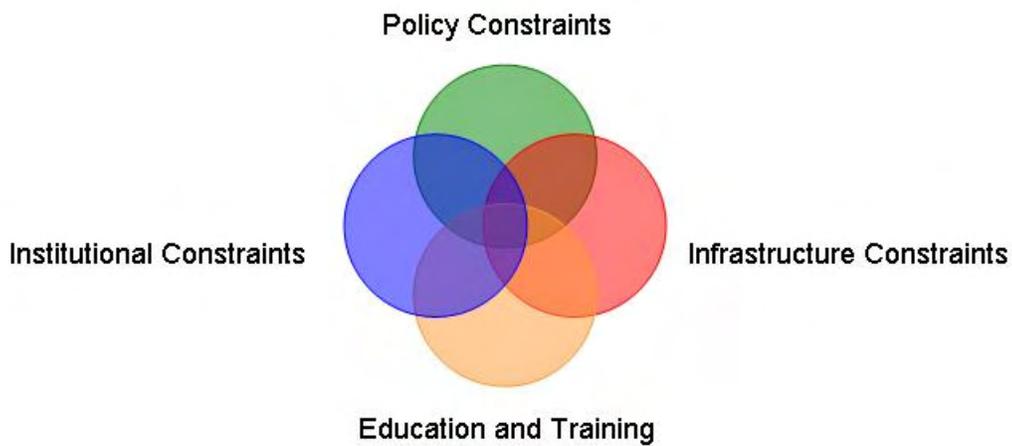
Today's objective is to take a cross-sector snapshot of these constraints and to develop solutions.

The general discussion will be dedicated to an identification of both the over-arching themes and the specific details of current constraints to doing business in Jordan. The goal of the small group sessions is to develop practical, realistic solutions to address these constraints in the immediate future.





A study of recent reports has identified four key themes:





Policy Constraints

| | | |
|--------------------------------------|---|--|
| Policy formulation and dissemination | ➔ | <ul style="list-style-type: none">• Low level of public-private dialogue.• Decreasing level of transparency. |
| Investment | ➔ | <ul style="list-style-type: none">• Weak competition law and enforcement.• Nationality and foreign equity caps• High minimum capital requirements. |
| Access to credit information | ➔ | <ul style="list-style-type: none">• No private reporting.• Low quality and scope of public reporting. |
| Company law | ➔ | <ul style="list-style-type: none">• Insufficient director liability.• Insufficient shareholder rights. |
| Labor law | ➔ | <ul style="list-style-type: none">• Difficulty in firing employees.• Firing costs equal 90 weeks of wages. |
| Tariffs | ➔ | <ul style="list-style-type: none">• Inconsistent tariffs. |

Doing Business in Jordan in 2005, The World Bank
Issues for Climate Statement for 2005, U.S. Department of State
World Economic Forum survey, 2003-2005





Institutional Constraints

| | | |
|------------------------------------|---|--|
| Competing and overlapping agencies | ➔ | • Duplication of responsibilities and requirements. |
| Bureaucracy | ➔ | • Unnecessary bureaucratic procedures. |
| Start-up procedures | ➔ | • Starting a business requires 11 steps over 36 days, including: 18 days to obtain vocational license 7 days to register with Chamber. |
| Legal/Bankruptcy | ➔ | • 342 days to enforce commercial contracts • Resolving bankruptcies takes 4.3 years. • Only 28% of amount claimed is recovered |
| Customs procedures | ➔ | • Lengthy time to complete customs procedures. |

Doing Business in Jordan in 2005, The World Bank





Infrastructure Constraints

| | | |
|------------------------------|---|---|
| Management of infrastructure | ➔ | <ul style="list-style-type: none">• Inefficient management. |
| Energy | ➔ | <ul style="list-style-type: none">• Increasing energy costs.• High electricity tariffs. |
| Transportation | ➔ | <ul style="list-style-type: none">• Regionally high transportation costs.• Lack of export transport capacity.• Lack of competition and high regulation. |
| Water | ➔ | <ul style="list-style-type: none">• Lack of sufficient water resources.• Price subsidies and consumption laws encourage inefficient usage. |

Doing Business in Jordan in 2005, The World Bank
Jordan Vols in 2020, Phase II





Education and Training Constraints

| | | |
|-------------------------|---|---|
| Resources | → | • Insufficient government funding. |
| Apprenticeship programs | → | • Lack of emphasis on internships and other experiential opportunities. |
| Technical training | → | • Poor targeting of courses to private sector needs. • Insufficient continuing education. |
| Research | → | • Inadequate facilities, including laboratories. • Lack of research opportunities for staff/students. • Poor commercialization of research. |
| Accreditation | → | • Insufficient transparency in promotional system of public universities. • Inappropriate government oversight of private and public universities. |

Jordan Vision 2020 Phase II
Higher Education Reform Strategy, Ministry of Higher Education and Scientific Research
Ottle Threefold: Private Universities in Jordan, Egypt and al-Hakd





Group Session Objectives

Each group will address one of the themes. The objective of this session is to develop practical, realistic solutions to address business constraints in the immediate future.

Questions to consider:

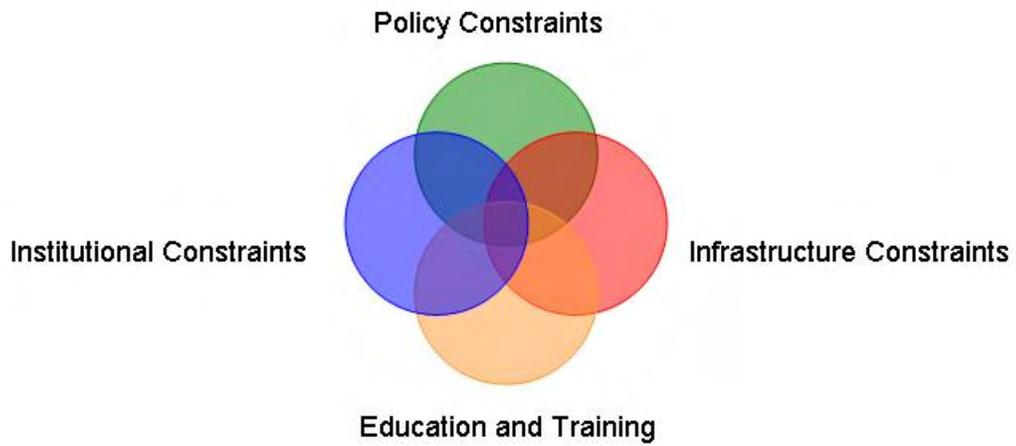
- ▶ What are the most pressing concerns in this theme?
- ▶ In what order would you prioritize these concerns? What are the top five?
- ▶ What are practical, realistic solutions that could be implemented in the near future to address these concerns?

Each group will be asked to give a ten minute presentation with their results.





Key Themes





On behalf of USAID and the AMIR program, thank you for participating in today's forum.

