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USAID Jordan Competitiveness Program

Monthly Report - November 2013

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JCP's Launch Event

On November 17th, JCP held an official project launch event at the Intercontinental Hotel in Amman attended by more than 250 business, government, university and civil society leaders. Special guests included Her Royal Highness Princess Sumaya Bint El Hassan, Jordanian Minister of Industry and Trade H.E. Hatem Halawani, U.S. Ambassador to Jordan Stuart E. Jones, USAID Mission Director Beth Paige, H.E. Mr. Marwan Juma and H.E. Mr. Khalid Irani.

The event opened with a formal plenary session where JCP representatives delivered an overview of the program, describing the project structure, four components, target clusters in which the program will initially focus and objectives, including increased employment, foreign direct investment and exports. Opening remarks were delivered by H.E. Mr. Stuart E. Jones, United States Ambassador to Jordan; H.E. Dr. Hatem Halawani, Minister of Industry, Trade and Supply; and Ms. Beth S. Paige, USAID Mission Director to Jordan. In addition, the event was attended by DAI's senior most managers including James Boomgard, President and Chief Executive Officer, Elizabeth ("Betsy") Marcotte, Senior Vice President, U.S. Government Business Unit and Bruce Spake, Regional Managing Director, Middle East and Afghanistan.

Attendees then participated in one of three break-out sessions, organized around JCP's three target clusters: Information and Communication Technology (ICT), Clean Technology, and Healthcare and Life Sciences. The discussion groups engaged in activities designed to set a collective vision for each of the clusters and identify the requirements for turning these visions into reality.

H. E. Mr. Marwan Juma moderated the closing session which comprised a panel of keynote speakers discussing the topic of "what will it take to implement the JCP vision." Panelists included H.R.H. Princess Sumaya Bint El Hassan; Mr. Emile Cubeisy, Managing Partner of Silicon Badia, representing the ICT Sector; H.E. Mr. Khaled Irani, CEO of E2E, representing the Clean Technologies Sector; and Mr. Mazen Darwazah,



H.E. Mr. Marwan Juma, DAI board member, moderating the JCP launch opening session.



Her Royal Highness Princess Sumaya Bint El Hassan delivering her speech during the closing session of the JCP launch.



H.E. Mr. Stuart E. Jones, the U.S. Ambassador to Jordan, delivering his opening remarks during the JCP launch.

Vice Chairman, MENA Region, and CEO of Hikma Pharmaceuticals, representing the Healthcare and Life Sciences Sector.

The event received considerable media attention, including by The Jordan Times and Al Rai.

Jordan Times: <http://jordantimes.com/usaid-launches-jordan-competitiveness-programme>

Al Rai: <http://www.alrai.com/article/617281.html>

Administrator Roundtable

On November 7th, Deputy Chief of Party Wissam Rabadi moderated a Roundtable Discussion with seven investors and entrepreneurs to discuss current issues in Jordan's economy with USAID Administrator Raj Shah and his staff. The seven participants were: Emile Cubeisy, Managing Partner of Silicon Badia; Saad Muasher, Deputy CEO of Jordan Ahli Bank; Khaled Hussein, Co-founder of Ishra7; Abed Shamlawi, CEO of the Internet and Communication Technology Association of Jordan (Int@j); Dr. Abdul Malik Al-Jaber, Founder and Chairman of Mena Apps, a leading accelerator; Nour Khrais, Founder and General Manager, Maysalward R&D; and Omar Hamarneh, CEO of El Hassan



Attendees of the roundtable discussion with USAID Administrator Raj Shah.

Science City. The discussion was very lively, and the participants provided Administrator Shah and his staff with a good picture of the key challenges facing start-ups and high-growth enterprises in Jordan.

Cluster Development

During November the work of the Cluster Development team continued to be the engine that propelled the project forward. At the Cluster Component level, the JCP team worked to establish an advisory board for the program. A first, preliminary meeting of that board has been held. During December both the membership and scope of this board will be further defined. Additional progress of the component, divided by sector (cluster) is detailed below.

Clean Tech Cluster

The Clean Tech Team is currently comprised of the Cluster Lead and three McKinsey team members. In preparation for the JCP Launch event the team reviewed and compiled more than 50 technical documents which provide a solid baseline of the current status and recent developments in the sector and interviewed more than 30 stakeholders and representatives from the private sector, research institutions, academia and public sector officials.

During the JCP launch event, the team organized a break-out session for 50 leaders in the Clean Tech Sector. The participants were divided into 6 sub-groups, each was tasked with identifying existing linkages between the private sector, academic institutions and government and exploring linkages to be added or reinforced to enable sector growth.

Following the launch event, the team turned to building a sub-sector selection model that will help the team narrow its focus on those sub-sectors that are the most competitive and have the highest potential for job creation. By the end of November, selection criteria were developed and 20 priority sub-sectors were defined and organized into four sub-sector groups.

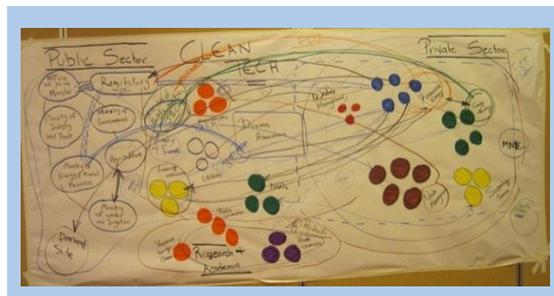
Subsequently, manufacturing and servicing value chains were developed for all 20 sub-sectors to facilitate opportunity identification and competitiveness assessments. In addition, a diagnostic for all four sub-sector groups has been completed based on five enabling elements (legal/regulatory, institutional development, human capacity, infrastructure and financing).

Based on this assessment, potential opportunities have been developed for each of the four focus areas. From 10 to 15 program intervention opportunities for each focus area (a total of 50) have been developed. Each opportunity is now being examined and ranked based on existing case studies and taking into consideration the opportunity's potential impact on jobs, investment and export potential.

Looking ahead to December, in addition to contributing to JCP's first year work plan, the team intends to conduct four focus group sessions on renewable energy, energy efficiency, wastewater management and water management and complete investment assessment for all opportunities. These assessments will include an examination of current capital available both from local and foreign sources.

Healthcare and Life Sciences (HLS) Cluster

The HLS Team is currently comprised of a cluster lead and three Mckinsey staff. In early November, the team developed a similar model as described under the Clean Tech section, above, to determine targeted sub-sectors. Selection criteria included growth potential, job creation potential and competitiveness. The team also collected relevant baseline data (such as current employment, number of companies operating in each sub-sector and estimated revenue). Based on the selection model, the team narrowed the number of potential target sub-sectors from 40 to 20 with the highest potential for job creation and growth. Four sub sectors have been identified with very high potential: medical education, medical tourism, pharmaceuticals and supporting services and healthcare services for the local population.



A stakeholder "base map" was an output of the breakout groups, which shows the linkages that should be improved within the Clean Tech Sector.



Participants of the Clean Tech breakout group during the JCP launch.

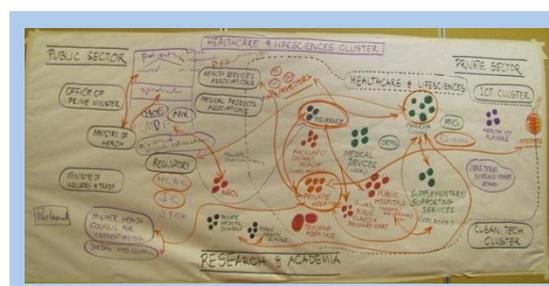
Following the identification and selection of sub-sectors, the team conducted interviews with 38 stakeholders and representatives from the Healthcare and Life Sciences Sector as well as educational institutes and non-government organizations (NGOs) to fill gaps in the team's knowledge of the sub-sectors, validate baseline data and test whether the team's assessment of Jordan's competitive position is accurate. Additional sub-sector opportunities were identified during these meetings such as prosthetics, e-health, and animal health.

During the JCP launch event, the HLS team organized a breakout session that brought together 50 people from the sector that covered several industries and groups, including: pharmaceuticals, hospital administration, healthcare providers, medical and pharmaceutical associations and higher education medical institutions. The participants discussed the elements of the HLS Sector and identified linkages that need to be established or strengthened to grow the sector.

During the coming month the team plans to conduct two focus group sessions on medical tourism and medical education and post graduate training. The team will also continue to test the sub-sector competitive advantage and job creation potential model during additional key stakeholder meetings.



Participants of the Healthcare and Life Sciences breakout group during the JCP launch.

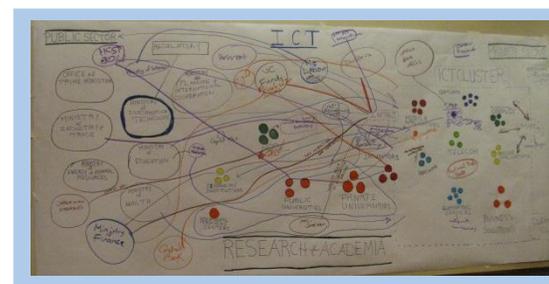


A "base map" was an output of the breakout groups which shows the linkages that should be improved within the HLS Cluster.

Information and Communication Technology (ICT) Cluster

The ICT Sector Lead position remains unfilled. After interviewing several candidates, an ICT Sector Leader was identified and proposed to USAID. While the proposed candidate is still under consideration, DAI has expanded its search. On an interim basis, the DCOP for Sector Development is filling in as the ICT Sector Lead.

During November, a representative from DAI subcontractor Duke University, Ms. Ghada Ahmad, arrived and began an initial global value chain analysis (GVC) for the Jordanian ICT Sector. Ms. Ahmad met with key stakeholders including Int@j (the ICT Sector association), the Hakeem National E-Health Program and the Gaming Taskforce. The Duke team was also tasked with working with the Clean Technology and HLS Sectors to identify cross sectoral linkages – that is, identifying possible roles for local ICT businesses in supporting the growth of Clean Tech and HLS businesses.



A "base map" was an output of the breakout groups which shows the linkages that should be improved within the ICT cluster.

Looking ahead to December, priority will be placed on filling the ICT Sector Lead position, initiating ICT sub-sector analysis and working with Int@j to determine a role for JCP in helping the association launch its Bridging Program (see Workforce Development section below).

Access to Finance

The Access to Finance Component Leader position remained open during November. As a result, work has not yet been initiated under this component. During November, JCP identified a candidate, who is able to fill the Component Leader role on an interim basis to provide overall leadership, guidance and support for the Access to Finance component, assist in the development of the Access to Finance portions of the project's PMP, work plan and Competitiveness Index. In December, priority will be placed on identifying a permanent Access to Finance Component Leader.

Workforce Development

For most of the month, the Workforce Development Component was staffed part-time by one of JCP's two DCOPs whose time was divided between Workforce Development and Operations. Despite this limited staffing a number of key stakeholder meetings were held and networking events attended during November. These included:

- Dajani Consulting. Dajani Consulting is a JCP resource partner and respected consulting firm in the area of Workforce Development;
- Youth, Gender and Employability in the MENA Region Conference, organized by FHI 360. Gender will be an important theme throughout all future Workforce Development activities;
- Al Quds Business Incubator for Entrepreneurs Launch Event, organized by HED (Higher Education for Development). Al Quds is considered one of the most progressive private community colleges in the country;
- Sherry Youssef. Ms. Youssef is one of DAI's lead thinkers in the workforce development area, has worked in Jordan and throughout the Middle East and was the lead contributor to the workforce development aspects of the JCP proposal.

November's stakeholder meetings yielded three key findings:

1. Key workforce development related problems such as workforce supply – demand skill mismatch, difficulties faced by youth in transitioning to formal employment upon graduation and an exceptionally low participation rate of women in the workforce, persist (the participation of females in the private sector is especially anemic -- as a percent of the total labor force in each sector, women comprise: 45% of employees in the public sector; 20% of employees in the academic sector; and, only 13% of employees in the private sector);
2. Despite, or perhaps because of these persistent problems, the workforce development field is crowded with a number of donors currently undertaking multiple activities in different WFD aspects, such as policy, curriculum, skills gaps, and labor market efficiency. Donor coordination in this area will be essential to avoid duplication of efforts;

3. Successful models for addressing workforce development issues exist but have yet to be scaled or demonstrate significant impact. A challenge for the team will be identifying those models that have the most potential for being brought to scale.

These findings will help inform ongoing stakeholder mapping and environmental analysis efforts which will continue through December and which will inform development of the Year 1 Work Plan. Although the JCP team began stakeholder mapping in November, local staff on-boarding was a constraint to the speed at which such mapping could occur. Such efforts should gain momentum in December as two of the three planned workforce development team members will start with JCP – one at the beginning of the month and a second at the end of December. The current plan for division of duties within the team is to have one person focused on the training aspects of workforce development (designing sector specific solutions -- i.e., replicating the Centers of Excellence model discussed in DAI's technical proposal), one person focused on alliance building (especially between the private sector (including associations) and universities) and a third person either focused on curriculum reform or private sector driven solutions to work force training and placement.

The team aims to conduct up to ten key stakeholder meetings before the mid-December workplanning session and has either already scheduled meetings with, reached out to or is pursuing meetings with: the E-TVET Council; Al Quds University; Jordan-German University; KAFADII; and INJAZ, as well as scheduling a follow-up meeting with Int@j to discuss in more detail their Bridging Program and how JCP can help them launch the program.

Business Enabling Environment

A Component Leader for Business Enabling Environment has been identified and pre-vetted with USAID. A formal approval request for the candidate was submitted to USAID on November 27. The Interim Component Leader was tasked with managing the launch event, which was successfully carried out on November 17, 2013.

Aside from working on the event, as part of the initial regulatory mapping exercise, the Interim Component Leader began to engage with GoJ counterparts at MoPIC's JNCT and its Policy Directorate as well as the senior advisor to the Minister of Industry, Trade and Supply. He has also been participating in cluster review sessions – Clean Tech, Healthcare/Life Sciences and ICT – with a specific focus on regulatory constraints to expanding these clusters.

The Interim Component Leader has also been participating in meetings with the DCOP Operations and WFD to develop a better understanding of the regulatory constraints related to WFD issues. Within that context he has met with the Senior Policy Advisor on the IYF implemented USAID funded Youth Employment project.

Looking ahead to December, the Interim Component Leader intends to schedule between 10 and 15 additional stakeholder meetings before the week of the work planning session. The team will also work on finalizing a subcontract with Ihtiraf (the local partner supplying JCP with business enabling staff) and filling three of the team's four technical staff positions.

Administration and Management

The operational start-up of JCP progressed steadily during November. Significant progress was made in the area of administrative staffing and as a result recruiting for long-term Jordanian administrative staff is nearly complete. Employment agreements were signed with a Procurement Manager (who will start on December 15), a Finance Manager (who will start on January 2), and a Grants Manager (who will start on January 15 – the other member of the Grants team, from DAI's original proposal, will start on December 8). The final week of November, the Operations Team submitted a package of four approval requests to the home office for review and



JCP new premises at King Hussein Business Park in Amman.

signature (for Director of Operations, Accountant, Office Manager and M&E Specialist). This package will be submitted to USAID for approval the first week of December. The project continues to recruit for the four remaining Amman-based administration positions which include a translator, second driver, finance assistant and IT systems administrator.



JCP new office at King Hussein Business Park.

Two additional staffing related events during November included the visit to the project by Matt Buzby, DAI's Delivery Central Manager, who assisted the operations team set up its payroll system and provided procurement systems training to local staff; and, the arrival on November 16 of Rados Dabetic, who will fill the role of Director of Operations on an interim basis until a permanent local director can be on-boarded. Mr. Dabetic has served previously as a Director of Operations on other USAID-funded, DAI-implemented projects.

Office Space

JCP moved into the permanent office space at the King Hussein Business Park in November.

Information Technology Procurement

JCP has successfully imported the first phase of IT equipment, including 12 laptops for staff which were hand-carried to Jordan by visiting DAI staff. The larger second phase, which will be shipped to Jordan, is in process and will include project servers, an essential piece of the project's IT functionality. A DAI home office IT specialist will arrive in December or January (depending on the arrival date of the equipment) to establish a local area network and set up all remaining IT functions needed by the JCP team.

Registration and VAT and other taxes Exemption

JCP is awaiting a letter provided by MoPIC that states DAI has been awarded the contract to implement the Jordan Competitiveness Program by USAID and is to receive all the rights and privileges extended to USAID under the US-Jordan cooperative agreement. This letter is needed to open bank accounts and will

be required by vendors as proof that DAI/Jordan Competitiveness Program is entitled to the tax free status granted in the documented entitled “U.S. Government (USG) Projects Exempt from Customs, Duties, Tariffs, Fees, Taxes and General Sales Tax as referenced in the Sales Tax Department’s letter No. 5/4/3384 dated March 28, 2012 to the Minister of Planning and International Cooperation”. This letter states that all equipment and services provided under USG-funded projects are exempt from all Government of the Hashemite Kingdom of Jordan customs, duties, tariffs, fees, taxes and general sales tax, though it is listed under a different name. *The current lack of this letter from MoPIC is the most significant obstacle in the further development of the project’s financial capacity.*

Bank Accounts / Finance

Except for the aforementioned letter from MoPIC, DAI has all the other required documentation needed to open project bank accounts. Without the accounts, JCP will not be able to process any large procurements or grant-related progress payments.

Upcoming

In December the Operations team plans to: 1) fill the few remaining administrative support positions; 2) expand financial functionality through the onboarding of the first Finance Office staff and the opening of project bank accounts; and, 3) produce and submit to USAID for review a draft of the project’s Grants Manual and associated Environmental Monitoring and Mitigation Plan.

Communication and Outreach

With the addition of a Senior Communications Officer and a full time Events Coordinator, the Communications team was nearly complete by the end of November. The Communications Officer’s main task is to oversee the program’s internal and external communications and knowledge management needs, and to ensure project compliance with USAID branding and marking regulations. The team got off to a quick start and took series of actions that helped JCP gain more visibility and helped those outside the project understand the JCP approach. These actions included:

- Five fact sheets for the project were developed for use during the launch event. The flyers included overviews of: JCP (in Arabic and English), the Clean Tech Sector, the Healthcare and Life Sciences Sector, the ICT Sector, and Workforce Development.
- A video about the program was developed entitled “The Path to Competitiveness – Jordan Knowledge Economy”. It was presented during the launch event, and has since been uploaded on Youtube and Facebook: https://www.youtube.com/watch?v=yr6ULY3_nPg
- The team coordinated closely with *Al Nasher* (USAID/Jordan’s local agent for publications, branding and media support services) on all the branding and handout materials that were distributed during the launch event, such as banners, printing and leaflets.
- The team developed a new one and a half pager overview of JCP and it has been translated into Arabic.
- A Facebook page for JCP was developed. The page currently includes posts about the launch of JCP. Since establishing the Facebook page just two weeks ago, nearly 400 people have joined the page.



- The team coordinated with Al Nasher on the media aspects of the Launch event, to ensure good media coverage, in addition to collaborating on the editing and issuance of the press release in English and Arabic.
- Coverage of the launch event in the local media was very high. The event was covered by more than 20 media outlets, including five daily newspapers, numerous news websites, three radio stations, and two television stations.

The new Facebook page for JCP.

Looking forward to December, the first draft of an RFP for developing a website for JCP was written and is currently undergoing internal review. The RFP will be released in December. In addition, the Comms Team will start development content for the anticipated website and create two new accounts on other social media tools (Twitter and Youtube).



Media coverage in Al Rai daily newspaper on the launch of JCP.

Upcoming in December, Project-wide

December is already shaping up to be an equally intense month. In addition to the continued progress on stakeholder mapping, sector focus group meetings, operational functionality and communications outreach mentioned above, the team, in the month ahead, will:

- Conduct a Year 1 Work Planning Session (the second week of December) that will result in the creation of an initial draft work plan;
- Engage an external facilitator that will help craft the initial draft Performance Monitoring Plan;
- Present USAID with a plan for advancing work on the Competitiveness Index;
- Submit a draft Grants Manual and Environmental Monitoring and Mitigation Plan to USAID for its review.