

Access to Microfinance & Improved Implementation of Policy
Reform
(AMIR Program)

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Baseline Efficiency Review Update

Final Report

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1. Executive Summary

A. Introduction

In June 1998, the IPC was reviewed in a report entitled, *Milestone 7: A Baseline Efficiency Review and 18 Month Re-Engineering Plan for the IPC*. This study provided a comprehensive analysis of the IPC 's progress since establishment in 1995. It noted a number of impediments to the IPC's effectiveness and institutional development.

The present review evaluates the progress made on these impediments over the eighteen-month period during which they have been addressed. It examines the IPC's progress within the current investment climate, both in terms of Milestone 7 impediments, and in terms of a subsequent USAID Matrix for improvement.

B. Conclusions

In June 1998, Milestone 7 concluded that "the IPC is not close to international best practice in investment promotion", and recommended an 18 month re-engineering program for the corporation. Re-engineering efforts have been underway for eighteen months. Of the 13 "impediments" identified in Milestone 7, the IPC has made significant progress on removing 7 of them:

- Impediment # 3 Internal Communications
- Impediment # 4 Database and Filing
- Impediment # 5 Investor Targeting System
- Impediment # 6 Investor Tracking System
- Impediment # 7 SOP Manual
- Impediment # 10 QIZ Promotion Strategy
- Impediment # 12 Management Style

Some progress has been made on Impediment # 2, Staff Comportment, and on # 9, Human Resources Development. Impediment # 8, the Lack of a Planning (Management by Objectives) System, will be addressed by technical assistance in 2000 through the AMIR work plan. Training and technical assistance details are presented in this review.

Three impediments are to date unremedied; rectifying these three impediments is crucial to the success of any promotion organization:

- ***Impediment # 1 Lack of Professional Quarters:*** IPC management is fully aware of this problem, as are the higher levels of the Jordanian government. The IPC anticipates a move to more professional quarters in the first quarter of 2000.
- ***Impediment # 11 Lack of Private Sector Board:*** Enactment of the new IPC Law will go a long way toward correcting this impediment to best practice.
- ***Impediment # 13 Mix of Promotional and Regulatory Function:*** With the passage of the new IPC Law, and given the proposed downsizing of IPC staff, the IPC should be oriented toward marketing instead of regulation.

Given the new direction in top management and the resulting operational and policy changes, and taking into consideration the progress that has been made in its overall institutional capacity, the Consultant finds that the IPC has made material progress toward international best practice.

C. Recommendations

The Consultant recommends that the IPC, with USAID/AMIR support, implement the following critical actions. These actions will solidify the movement of the IPC towards international best practice, and maximize foreign direct investment into Jordan in the medium term.

The Consultant further recommends that items 1,2 and 3 require implementation by the end of June 2000. The ongoing USAID support to the IPC should be conditional on the implementation of these three critical recommendations.

1. Immediately submit new draft law to Council of Ministers.	<i>END FEB. 2000.</i>	<i>IPC</i>
2. Move into new modern office building in Amman business district location.	<i>END JUNE 2000.</i>	<i>IPC</i>
3. Finalize regulatory staff downsizing prior to move to new building.	<i>END JUNE 2000.</i>	<i>IPC</i>
4. Implement a concerted national public relations effort to bring the successes of the IPC to the attention of the top decision makers in Jordan, and therefore increase the influence of the organization. Support the “Corporate Makeover” of the IPC.	<i>END MARCH 2000.</i>	<i>IPC/AMIR</i>
5. Implement an “ Accelerated QIZ Initiative ” program and maximize results from the program in the short term. Full details of this initiative are detailed below. AMIR to support.	<i>END MARCH 2000.</i>	<i>IPC/AMIR</i>
6. Implement a Management by Objectives (MBO) program in IPC.	<i>END APRIL 2000.</i>	<i>IPC</i>
7. Establish an Investment Policy unit reporting to the Deputy Director General, staffed by a competent Jordanian trade policy economist. AMIR to support.	<i>END APRIL 2000.</i>	<i>IPC/AMIR</i>
8. Implement a national Backward Linkages Program. This program is essential to maximizing the national economic benefit from FDI inflows, and will assist greatly in retaining potential footloose textile and apparel industry. AMIR to support.	<i>END MAY 2000.</i>	<i>IPC/AMIR</i>

2. Introduction

2.1 Background

The Investment Promotion Corporation (the IPC) is the official agency of the Government of Jordan (GOJ) which is charged with promoting Foreign Direct Investment (FDI) into the country. In 1995, Jordan's parliament established the IPC under the terms of the Investment Promotion Law.

In June 1998, The Services Group (TSG), as a subcontractor to Chemonics International which is the prime contractor on the USAID AMIR project, submitted *Milestone 7: A Baseline Efficiency Review and 18 Month Re-Engineering Plan for the IPC*. This *Baseline Efficiency Review Update* represents an update of Milestone 7, and, as such, an IPC progress report.

Since TSG presented Milestone 7 eighteen months ago, the company has maintained a full time advisor at IPC. The advisor has been the lead Consultant for implementing the 18 Month Re-Engineering Plan. While TSG presented Milestone 7 eighteen months ago, actual re-engineering efforts have only been underway for one year.

2.2 Objectives

The objectives of this report are as follows:

- To consider any changes in the investment and political environment which have impacted IPC operations in the last 12 months.
- To re-examine the 13 "Structural Impediments" found in Milestone 7, and to evaluate the progress (or lack thereof) made on each one.
- To recommend any further actions required complete the re-engineering effort.
- To accentuate the *USAID Matrix*, and to prescribe actions which the GOJ can undertake to accomplish the *Matrix*' recommendations.

2.3 Methodology

TSG consultant Hugh Doyle and TSG long-term advisor Samuel Morris (hereinafter referred to as "Consultant") have been materially involved in the implementation of the Re-Engineering Plan for the IPC; they are responsible for the content of this report.

In the production of this document, the consultants conducted extensive interviews with IPC management and staff, with USAID and AMIR representatives, and with private sector investors.

3. THE IPC and the Investment Environment in 1999

3.1 Accession of King Abdullah

Since ascending the throne in February 1999, King Abdullah has emphasized the economic aspects of Jordan's new agenda. The King has downplayed the political arena, putting most of his government's attention toward living condition improvements for Jordanians.

The King's new program for Jordan focuses on several issues:

- reduction of external debt
- resumption of economic growth through increased investment
- acceleration of the privatization process
- elimination of corruption
- increased government transparency

The King's agenda emphasizes promoting foreign direct investment; in fact, King Abdullah has visited the IPC on several occasions and even chaired meetings of the Council on Investment.

Impatient with the pace of progress, at the end of 1999, King Abdullah convened 180 representatives from the public and private sectors to a meeting at Moevenpick's Dead Sea Resort. The King challenged participants to arrive at new understandings and new approaches to improve the economic situation through joint public and private sector initiatives.

A council with public and private sector representatives, and chaired by King Abdullah, was established to follow-up on the following conference recommendations:

- Attract investments (domestic and foreign) which will propel Jordan into the global arena.
- Limit government's role to monitoring, regulation and service -- no role for government in production.
- Privatize production sectors including mining, transportation, ports, etc.
- Build confidence and coordination between the private and public sectors.
- Provide incentives to encourage financial mergers.
- Provide inducement for domestic capital to invest in big projects such as water, tourism, etc.
- Facilitate a venture capital fund for IT and QIZ projects.
- Expedite financial reform and debt restructuring.
- Seek sufficient funding for infrastructure projects.
- Reform government's administrative system.
- Put economic matters at the top of Jordan's agenda.

3.2 Jordan into the WTO

Another positive development - again occurring late in the year – is Jordan’s accession to the WTO. Membership will eventually improve Jordan’s investment climate by bringing the country further into the global marketplace.

WTO membership has not come without some opposition from domestic organizations and manufacturers. Jordan’s local manufacturers will no doubt face some initial challenges in meeting international standards. Jordan can learn a lot from Tunisia’s experience in this regard.

A former GATT member, Tunisia gained a grace period from the WTO, enabling the country’s industries to adjust to world class standards before lowering tariff barriers. With EU funding, Tunisia established a national program of technical assistance to domestic industry – considered a model technical assistance program. Jordanian leaders have already been exposed to the Tunisian model; AMIR invited the program director to make a presentation at Amman’s summer 1999 seminar on “Creating a Competitive Investment Environment”.

Jordan’s accession to the WTO will affect the IPC’s work in at least two respects:

1. The IPC will have another favorable aspect of the Jordanian investment climate to publicize and present to prospective investors as Jordan’s access to international markets is broadened considerably.
2. There will be an important role for the IPC to play in strengthening existing industry through its Backward Linkages Program, a program which the IPC is now ready to implement. This program is discussed in some detail later in this paper.

3.3 Progress with the QIZs

In 1999, a shortage of developed sites and buildings hampered QIZ progress. Nonetheless, significant progress was made as a number of international companies committed to undertaking large garment and luggage production in the QIZ at Al Hassan Industrial Estate. The Gateway project, which would add a large site with fully developed infrastructure, was not launched in 1999. This project is expected to become operational in 2000.

In late 1999, three more sites were approved for the QIZ: Ad Dulayl and Al Tajamouat, two privately-owned sites, and the Jordan Industrial Estates Corporation’s (JIEC) industrial park at Karak. A feasibility study for another JIEC industrial park in Aqaba is currently underway.

The growing availability of sites and buildings has brought a corresponding increase in activity and in projects realized in the QIZ. Annex C details investments which the IPC has currently in the pipeline, the majority of which are QIZ projects.

3.4 Conclusion

The ascension of King Abdullah and his investment promotion emphasis, WTO acceptance, and growing QIZ availability all significantly improve Jordan's investment climate. As such, these events will favorably impact the IPC's year 2000 activities. The investment environment improvements listed above are not mere cosmetic alterations to the Jordanian economic scene; rather, they represent the government's solid commitment to improving Jordanian's quality of life. Practical and visible results should be forthcoming.

4. Progress on the Structural Impediments

Introduction

AMIR's Milestone 7, the Baseline Efficiency Review and 18 Month Re-Engineering Plan, listed 13 deficiencies in the IPC's practices and procedures, which it labeled "Structural Impediments". AMIR designed the 18-month re-engineering plan to remedy a significant number of these "impediments" through technical assistance and training programs funded through AMIR.

In the following, the Consultant will evaluate the progress made on each impediment to good practice.

4.1 Lack of Professional Business Office Space and Reception

As of December 1999, the IPC had spent several months negotiating the purchase of a building in of Shmeisani. Negotiations were conducted through GOJ channels. Unfortunately, GOJ did not successfully conclude negotiations before the building was sold to another party.

The IPC intends to lease space in a modern office building in the same business district, and at present is considering two floors of a building. The Consultant believes the site would be entirely adequate.

Some improvements have been made to the present facility. Attractive directional signs in English and Arabic have been placed in the correct locations, and the look of the Promotion Department has been improved by the installation of mini blinds and new paint. A small conference room was put into the Promotion section, improving meeting arrangements.

Given the intention to move as soon as possible, IPC management is reluctant to invest further in the present facility. The consultants find this policy reasonable under the circumstances.

4.2 Lack of Professional Staff Comportment

Significant improvements in the internal communications, which will be noted in the next section, have served to correct a number of staff comportment problems. The use of computers for communication and an improved telephone system create a quieter, more professional atmosphere.

IPC management provides business suits for drivers and service staff, considerably improving the IPC's image.

Lack of Professional Internal Communications

Progress in this area has been outstanding. The fax machine in the Executive Secretary's office has been moved to a communications department; incoming messages and mail are promptly and efficiently delivered. A fax machine has also been installed in the Business Development Division.

Likewise, telephone service has been upgraded, and **email is now available for all professional staff**. Internet access is now assured through a leased line provided by IPC. Internet service is also more reliable due to a new server and computers provided by the AMIR program.

4.4 Lack of Planned Database and Filing Systems

The IPC, in accordance with Milestone 7 recommendations, and through USAID financing, has established a second web site as a database of detailed information. The web site will be interactive: Users can add data directly into the IPC's database via the web site. This should be quite useful and convenient for Jordanian citizens who have land for sale, buildings for rent, or skills to market, for instance. The interactive web site will furnish the IPC's database with extensive information that otherwise would have been costly and time consuming to find.

Again in accordance with Milestone 7 recommendations, the IPC is establishing proposed databases:

- industrial directory database
- industrial services directory database
- industrial site database
- available buildings database
- public utilities database
- labor force database
- transport services database
- allies and support organizations database
- engineering and technical services database
- financial institutions and financial services database

4.5 No Systematic Firm Level Investor Targeting System

AMIR's 1998 Milestone 9 report, *Investor Promotion Strategic Plan and Investor Services Guidelines*, gave the IPC a solid investor targeting foundation. Subsequent marketing missions to the Far East and India; several marketing missions within the Middle East region; and accelerated QIZ activity have further enabled the IPC to determine where and what its market is.

TSG recently complete an update of Milestone 9, which concentrates on four countries: Turkey, Egypt, Saudi Arabia and the UAE. The update provides the IPC with extensive, detailed targeting data on these Middle Eastern countries.

The IPC's *Year 2000 Strategic Marketing Action Plan* targets countries and sectors for investment missions. In the coming months, TSG will target companies in the identified

countries and organize investment missions. The IPC has made significant progress with investor targeting.

4.6 No Systematic Investor Tracking System

These shortcomings have been solved by USAID-financed assistance to the IPC, resulting in the installation of an MIS/ITS (Management Information System/Investor Tracking System) computerized system, customized to meet IPC needs. The MS Access-based system will enable the IPC to inform management about the following:

- Lead tracking
- Account management
- Work management
- Investor Servicing
- Permits and authorization tracking

The system will give IPC's management and staff current information on the status of investment projects. Moreover, the system will furnish the statistical information needed by management to constantly improve marketing tactics and strategy.

4.7 Lack of Standard Operating Procedures Manual

The long-term advisor has prepared an SOP manual for the IPC with the following section headings:

- A mission statement from the Director General
- Organization Chart
- Position descriptions
- Working days and hours
- Handling Media relations
- Handling Confidential information
- Reception Procedures
- File Creation and management
- Existing Industry Department
- Trade Shows and Expositions
- Direct Investment Missions

4.8 Lack of an MBO (Management by Objectives) System

To date, the IPC has relied heavily on consultants for market strategy planning, goal setting, and budgeting. In 2000, the IPC will start a planning and objectives-setting process to enable staff consensus regarding appropriate goals and subsequent actions. This planning process represents a mutual learning process for all IPC management and staff.

People doing the work should always create the work plan, preferably as a team. Too often, organizational planning is top-down, creating inflexibility and giving management a

false sense of security. Top-down planning also stifles creativity, a skill that investment promotion staff must possess.

Planning should be used for short and medium term projects, and should create a long-term strategy for the organization.

A model planning procedure:

a. Definition of Activity	<ul style="list-style-type: none"> • could be market QIZ in Turkey • could be "Mission Statement" • could be "image improvement"
b. Investor Analysis	<ul style="list-style-type: none"> • profile of typical investor • other investor profiles • characteristics of the market • typical project
c. Analysis of Jordan	<ul style="list-style-type: none"> • from investor's point of view • strengths and weaknesses • advantages and disadvantages • competition
d. Organizational Analysis	<ul style="list-style-type: none"> • strengths and weaknesses • needs • training needs • technical assistance needs • other
e. Research	<ul style="list-style-type: none"> • data base resources • outside resources and contacts • other information needs
f. Promotion Strategy	<ul style="list-style-type: none"> • define target market • where to advertise, when, message • investment missions • trade missions • evaluate other campaigns
g. Management Strategy	<ul style="list-style-type: none"> • situational analysis • management training
h. Major Objectives	<ul style="list-style-type: none"> • goals • priorities • marketing strategy
i. Budget	<ul style="list-style-type: none"> • funds for the project • source of funds

	<ul style="list-style-type: none"> • other assistance
j. Time Dimension	<ul style="list-style-type: none"> • work plan for the period concerned • subdivided by months, quarters ,etc.

4.9 No Planned Human Resource Development System

The program for Human Resource Development recommended in Milestone 7 has progressed only partially. A shortage of Business Development Department staff stymies human resource development efforts.

In 1999, the IPC trained staff on four Investment Promotion Best Practices modules. Training is scheduled to resume early in 2000 since three new staff have been hired in the Business Development Department. A more structured program of Human Resource Development is envisaged for the coming year.

Throughout 1999, the long-term advisor concentrated on day to day, practical training of the management and staff in customer service, investment promotion and advertising techniques.

Business Development Department staff have achieved outstanding results in customer service and investment attraction in 1999. See Annex D for interviews with investors.

4.10 No Qualifying Industrial Zone (QIZ) Promotional Strategy

The *Year 2000 Strategic Marketing Action Plan* sets out an aggressive QIZ promotional strategy. As noted above, QIZ activity has increased sharply with the opening of additional sites, and IPC personnel have been instrumental in attracting and facilitating much of existing QIZ investment.

The QIZ remains Jordan's most marketable attraction for foreign manufacturers. In 2000, the IPC will further promote QIZ activity by building upon the base of companies that already exist, and by realizing the list of prospects cited above. Stronger efforts will also be made to broaden the QIZ market to the textile industries of Turkey and Pakistan. Marketing missions will advance farther into the Indian market, to the cities of Bombay and Bangalore, following the advance mission to New Delhi of 1999. A Direct Mission to Taiwan and Hong Kong will profit from the advance mission already made there.

Experience gained from the advance mission to the UAE will inform further investor prospecting in the Jebel Ali Free Zone.

4.11 Lack of Adequate Private Sector Representation at Board Level

The new IPC Law will establish a Board of Directors consisting of 9 members, 5 of whom will be from the private sector. The Prime Minister will appoint a board chair from among the private sector representatives. Board members will elect the deputy chair from among themselves. The IPC director general will be seated as one of the 4 public sector members.

The Consultant finds the above constitution of the Board of Directors in keeping with good, world-class practice.

4.12 Outdated Management Style retarding internal/external Communications And Team Building

Milestone 7 observed “an authoritarian management style which is a retarding factor to all efficient communications and team building”.

The problems cited above have been resolved by the installation of new management at the IPC’s top echelon. In 1999, the IPC received a new Director General and Deputy Director General. The management style since their arrival exemplifies openness and a teambuilding spirit.

4.13 Undesirable Mix of Regulatory and Promotional Functions

IPC management is presently pursuing a plan to disengage the corporation from several of its bureaucratic functions by:

- transferring back to the Ministry of Industry those staff who are currently charged with verifying IPC law compliance
- returning the Customs staff lodged at the IPC to the Customs Department
- simplifying procedure with parliamentary passage of the new IPC Law

The IPC will retain its regulatory facilitation role, though in a more streamlined manner with only three staff. Annex B contains an organizational chart reflecting this reorientation from regulation to marketing. In implementing the plan, the IPC will reduce its 60 member staff to 38. Jordanian government regulations require the IPC to keep transferred personnel on the payroll for at least one year.

5. The USAID Matrix

Introduction

At the beginning of the fourth quarter of 1999, IPC top management met with USAID and AMIR to develop a plan of action for rapid change at the corporation. Participants produced a document referred to as the *USAID Matrix* (Annex A).

The *Matrix* specifies actions to be taken by the IPC, and corresponding USAID/AMIR actions to support the IPC. Over the past five months, the IPC and USAID/AMIR have made progress in achieving *Matrix* goals.

5.1 Initiative I (Relocate the IPC Offices)

As mentioned above, the IPC had selected a new building. The IPC planned to purchase the building through the Jordanian government's purchasing system. A new structure, the building was marketed by the private sector on a speculative basis. Unfortunately, the building was sold before the government could conclude purchase.

IPC management is currently evaluating other leasing options.

5.2 Initiative II (New/Revised Legal & Regulatory Framework)

The IPC has made material progress on this initiative. A new IPC Law has been drafted, and the enactment target date of the first half of 2000 is on schedule.

Under the new law, the IPC will fall under the Prime Ministry. The IPC will establish a Board of Directors with a private sector majority and chair.

5.3 Initiative III (Moving the IPC toward Institutional Sustainability)

Preparation of the Action Paper on objectives and requirements, an IPC responsibility under the *Matrix*, is underway and on schedule.

The IPC has been unsuccessful in securing representation on the Cabinet sub-committee on Economic Development. The IPC may elicit USAID/AMIR assistance in this regard.

5.4 Initiative IV (Rapid Transition to Marketing Orientation)

The IPC has made significant progress on this initiative.

A 12-month marketing plan has been proposed, and an action plan for the implementation of it has been presented to USAID/AMIR. The IPC has added three marketing staff to the Business Development Department under the current budget allocation, in accordance with *Matrix* requirements.

Enactment of the new IPC Law will greatly reduce the regulatory functions of the IPC by:

-
- Moving the current Customs staff housed in the IPC back to the Customs Authority
 - Eliminating the Incentives and Exemptions Approval Committee
 - Eliminating the Council on Investments
 - Moving the staff currently employed in policing the customs exemptions back to the Customs Authority

To further promote the IPC's new marketing orientation, the corporation must reduce regulatory staff. At present, IPC management proposes to downsize staff by assigning 22 of 60 staff members to other government agencies.

6. Conclusions and Recommendations

6.1 Conclusions

Milestone 7 concluded that “the IPC is not close to international best practice in investment promotion”, and recommended an 18 month re-engineering program for the corporation. Re-engineering efforts have been underway for one year.

Of the 13 “impediments” identified in Milestone 7, the IPC has made significant progress on removing 7 of them:

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- ***Impediment # 13 Mix of Promotional and Regulatory Function:*** With the passage of the new IPC Law, and given the proposed downsizing of IPC staff, the IPC should be oriented toward marketing instead of regulation.

In preparing the update, the Consultant interviewed several investors who have located manufacturing facilities in the QIZ. Typical of these types of interviews, the investors asked to remain anonymous. Annex D contains some observations from these interviews. Interviews revealed that, in general, investors are very pleased and surprised by the IPC’s high quality service. One top manager referred to the IPC as a “wonderful organization”, and praised the hands on effort from IPC’s Project Officers.

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Given the new direction in top management and the resulting operational and policy changes, and taking into consideration the progress that has been made in its overall institutional capacity, the Consultant finds that the IPC has made material progress toward international best practice.

6.2 Recommendations

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Accelerated QIZ Initiative

There is no doubt that the QIZ incentive environment is attracting foreign direct investment to Jordan. The recent major investments in Irbid (Al Hassen Industrial Zone) by Sari International, Boscan International, and the planned Jordache facility all point to this fact. Additionally, the IPC’s project pipeline is more promising than at any time over the last five years, primarily due to the QIZ related projects.

The IPC has facilitated many of these new industrial ventures, and the feedback provided to the Consultant from these industrialists indicates that IPC personnel are offering improved investment facilitation service.

The consulting team believes the existing QIZ program can and should be greatly expanded, and believe that USAID can make a substantial and visible short term job creation and export generation impact on the Jordanian economy through an Accelerated QIZ Initiative. The Consultant recommends an Accelerated QIZ Initiative based on the following factors:

- The obvious advantages of the QIZ program in Jordan over most incentive environments that exist worldwide, with regard specifically to the textile and apparel sectors, and the duty and quota access to the United States market
- The profile of the first wave of QIZ investors. Many of these are extremely large and well run international firms (such as Sari International, who operate in Sri Lanka as STAR Textiles and have over 7, 000 employees in that country). This profile indicates that long term investments are being made by these firms, and Jordan is being placed on the international map for the textile sector. These profiles are positive signals for the development of backward linkages into the local economy.
- The rapid start up and employment increases, and projected expansions are very encouraging.
- GOJ interaction with QIZ firms is generally regarded as positive and encouraging by industry, and has encouraged firms to contemplate expansion.
- The fact that current activity has taken place without any substantial worldwide or Asia regional marketing program.
- The fact that feedback from all industry sources, in Jordan and in Asia and the Gulf States, indicates that QIZ awareness is poor.
- The current strong pipeline of QIZ applicants without any major promotional campaigns by the IPC.

Over the next five years, Jordan has a window of opportunity to market the QIZ incentive environment. The Consultant recommends that USAID immediately implement an Accelerated QIZ Initiative to maximize inflows. An IPC/AMIR consultant team can quickly design a promotion and awareness campaign, targeted at five-six Asian countries, and supported by qualified personnel and best practices research.

The IPC is making sound progress towards international best practices. Over the following 12-15 months, the IPC should implement the critical actions detailed above, and be operating under international best practices. Moreover, THE IPC should boost its worldwide QIZ marketing effort. At present, the corporation lacks the experience, resources and personnel required for an aggressive QIZ marketing campaign. The Consultant strongly recommends that USAID not wait for the completion of the current program of technical assistance prior to supporting an acceleration of the QIZ marketing effort. The Consultant recommends an immediate implementation of an Accelerated QIZ

Initiative, to take place alongside the existing program of AMIR support.

The features of this Initiative would be:

- A **24 month** program, run jointly by AMIR and the IPC, based at the IPC offices
- A separate QIZ department established within the IPC (already planned by IPC management, See Annex B)
- The assignment of the existing two senior Project Officers at the IPC to be full time on QIZ marketing and facilitation
- The appointment of two senior expatriate long-term consultants for 24 months each, both Asian, and experts in textiles and apparel. One consultant will be based in Asia, most likely Hong Kong, and from that base, will lead the Asia regional marketing effort. The other consultant will be based in Amman and act as the in country liaison, and lead the expert facilitation discussions with potential investors on their site visits to Jordan. These consultants will work as a team with the two Jordanian marketing officers.
- A dedicated expatriate textile and apparel database expert to be placed in the IPC for a 12 month period at the start of the initiative. This would be a mid-level position. This person would transfer the skills and knowledge of the investment flows and sectors dynamics to the IPC research personnel. This function would prepare lists of target firms for the team.
- A marketing and promotional budget over 24 months, to facilitate marketing travel in the region by the team of Jordanians and Asian experts, and the production of suitable promotional material.
- A Backward Linkages Program focusing primarily on the QIZ sector, which has the objective of creating indirect jobs from QIZ inflows, and creating linkages with the local economy which will eventually strengthen the QIZ sectors roots in Jordan.

Targets

Over the period of the program, the Consultant anticipates attracting at least 25 new investment projects to the QIZs: 5 projects from each Asian target country of Hong Kong, Taiwan, India, Pakistan and Sri Lanka. Based on current QIZ company expansion plans, the Consultant expects each of the new projects to eventually employ 2,000 people. The Accelerated QIZ Initiative would result in the following:

- 25 projects
- 50,000 direct jobs
- 50,000 indirect jobs (based on a conservative 1: 1. ratio)
- positive economic multiplier effects for Jordan
- Gradual backward linkages into the local economy as the IPC Backward Linkage program becomes operational and effective.

Budget

The cost of the Accelerated QIZ Program is estimated (preliminary) as follows:

- 2 Senior Textile advisors x 24 months US\$1.0m.
- 1 mid level Database advisor x 12 months US\$0.2m

• Salary increments for two Jordanian marketing officers	US\$0.06m.
• Travel Budget for missions (to be detailed)	US\$0.4m.
• Marketing Material Budget (to be detailed)	US\$0.3m
• Administrative/equipment recurring	US\$0.3m
• Administrative/equipment non recurring	US\$0.2m
• Backward Linkages Program (to be designed)	<u>US\$0.5m</u>
Total	<u>US\$3.0m (rounded)</u>