

2015-2006

# National Agenda

The Jordan we strive for

# The National Agenda

## Why the National Agenda?

Jordan's continued economic, social and political improvement depends greatly on the quality and effectiveness of its public administration. Past efforts to reform the public service have provided much to build on, but they did not go far enough; and were not always sustained for long enough.

A major step change is now needed, building on past efforts, to develop a public service that is focused on delivering results, and founded on merit. Many improvements are needed, to structures, functions, management systems and working procedures. Above all, Jordan needs to develop and utilize the capacity and motivation of public servants themselves. Hence the need to formulate the National Agenda, specifying the Kingdom's priorities.

The National Agenda was based on extensive research and integrated inputs from key players and organizations from within and outside Government. The Ministry of Government Performance was established within the Prime Ministry to assist the Council of Ministers to develop the National Agenda, and to monitor and report on its implementation by means of key performance indicators. The aim is to achieve consistent policies and ensure that they will not be subject to government changes while taking into account the need to regularly develop and update these policies.

## National Agenda: Concept and Development

Development of the National Agenda represents an historic milestone in efforts to build modern Jordan and address enormous challenges facing the country. It stands as a unique, holistic and inclusive approach that aims primarily to improve the quality of life for Jordanians, build a strong economy, guarantee basic freedoms and human rights and strengthen democracy and cultural and political pluralism.

The National Agenda Steering Committee was formed by a Royal Decree issued on the 9th of February 2005, to develop the National Agenda. The Committee comprised representatives from the Government, Parliament, civil society, the private sector, media and political parties. Since the initiation of its mission, the committee has unanimously agreed upon two fundamentals; Jordan's Constitution and a conviction that political development is part and parcel of comprehensive economic, social, cultural and administrative development. The committee has not overlooked past accomplishments. It has in particular, studied and built upon the principles adopted by the National Charter and the "Jordan First" Committees, as well as the strategies and plans developed by the state institutions during the past decade.

The Committee chose to follow a process of "national inclusion" by involving stakeholders from the

various sectors of society to develop the National Agenda with the aim of ensuring fair distribution of the anticipated social, economic and political benefits. Thus, the National Agenda initiatives reflect a national consensus on the aspirations and ambitions of Jordanians.

Not everyone may agree with all the initiatives, which should in no way undermine the effort, as it represents the strong will and forward thinking of all sectors of society aimed at achieving a quantum leap, realizing the directives of His Majesty King Abdullah II, and being worthy of his trust.

### **National Agenda: A Holistic Approach toward the Jordan We Strive For**

The ultimate purpose of the National Agenda is to achieve sustainable development through a transformation program that puts Jordan on a trajectory path toward fast economic growth and greater social inclusion, resulting in comprehensive strategies and initiatives developed to realize social, economic and political development, evaluate and monitor progress of its implementation according to detailed performance indicators. Such effort is what makes the National Agenda different from past development programs. The initiatives included in the National Agenda reflect a clear vision of a set of mechanisms to achieve the following objectives:

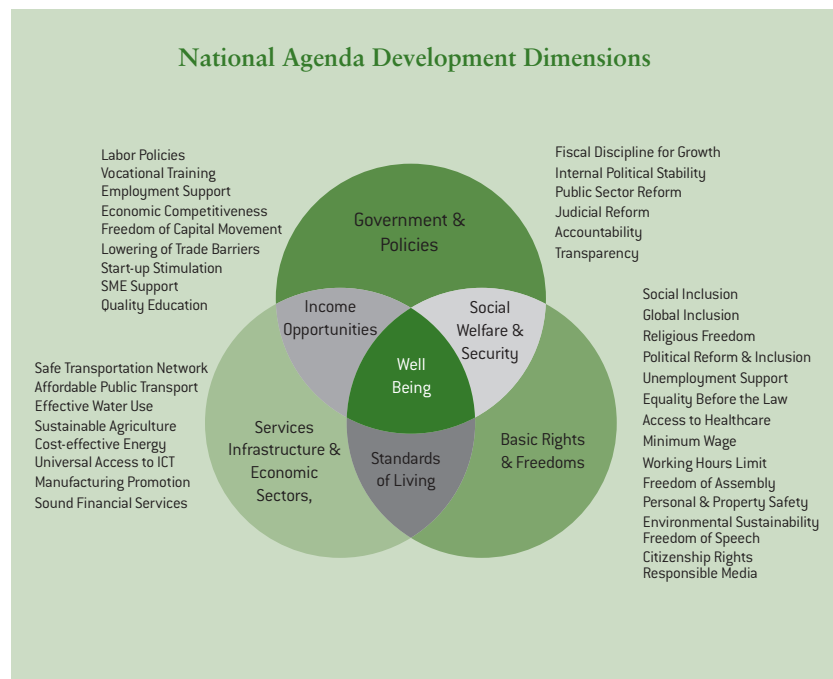
- Enhance public participation in the decision making process and strengthening the role of the civil society institutions.
- Guarantee the rule of law and independence of the judiciary.

- Safeguard public safety and national security in accordance with articles of the Constitution.
- Build trust between citizens and institutions and adopt principles of transparency, good governance and accountability.
- Strengthen principles of social justice and equal opportunity.
- Develop human and economic resources, upgrade the production base and expand development benefits.

The National Agenda policy initiatives were developed along three main dimensions.

1. Government & Policies involving reforms intended to contribute to the stimulation of economic development and the improvement of social welfare and security. These reforms revolve around creating a favorable investment environment, fiscal discipline, internal political stability, administrative development, justice, accountability, transparency, labor policies, vocational training, employment support, minimum wage, maximum working hours, economic competitiveness, freedom of capital movement, reducing trade barriers, and supporting small and medium enterprises, and quality education.
2. Basic Rights and Freedoms covering social inclusion, global inclusion, religious freedom, political and cultural development, equality before the law, access to healthcare, freedom of assembly, personal & property safety, freedom of speech, citizenship rights and free and responsible media sector.

3. Services, Infrastructure and Economic Sectors including a safe transportation network, affordable public transport, adequate water sources, effective water use and leveraging of non-conventional water sources, cost-effective energy supply, environmental sustainability, universal access to Information and Communications Technology ICT, manufacturing promotion, sound financial services, and access to adequate healthcare services.



## National Agenda: The Jordanian Challenge

Jordan is one of the smallest and poorest economies in the Middle East, with 14 percent of Jordanians living below the poverty line. The country suffers from structural unemployment, as the economy fails to absorb the annual inflow of new job seekers. Moreover, Jordan’s active-to-total population ratio is one of the lowest in the world, with an average of four non-active individuals depending on a single worker. Unless this situation is reversed, significant economic growth and wealth will be difficult to achieve. With the current population growth rate and the economic status-quo, unemployment rates could well exceed 20 percent and could account for over half a million unemployed in the coming ten to fifteen years.

Despite favorable public opinion on women’s participation in the economy, gender inequalities are systematically present in the employment market. Labor productivity has also been slacking, partially driven by the low level of education and skills of the workforce, which are not currently

adequately addressed by the public vocational training system.

Growth of Small and Medium Enterprises (SMEs) in Jordan is constrained by limited access to financing, bureaucracy, and quality of workforce. Despite a large number of institutions and programs that provide financial support and business development services to SMEs, these programs suffer from limited funding, uneven and insufficient government support, and lack of coordination among them, hindering their effectiveness. Furthermore, most programs are government-linked with limited understanding of business owners’ needs.

Administrative hurdles and system inefficiencies are also delaying creation of start-ups and discouraging potential investors. Sources of funding are not easily available, due to limited venture capital and commercial banks’ unwillingness to cater for this specific sector, leaving the few entrepreneurs with no choice but to resort to friends and family financing or put up large personal collaterals.

Development of private companies is also hindered by an unfavorable taxation structure, as Jordan has one of the highest tax pressures among Arab countries, in addition to high transport infrastructure costs, high electricity tariffs and non-competitive ICT end-user access costs, limiting gains and productivity.

The Government continues to be the largest employer of the Kingdom and controls many sectors of the economy which requires a high level of accountability and transparency. In response, the population is unable to react due to limited freedom of speech and low participation in political life. However, there are a number of challenges, which limit the country's ability to embark on rapid political reforms, such as prolonged periods of stagnant economic growth and other geo-political impacts on the country.

Despite the privatization program, the government controls over 30 percent of the Jordanian GDP and remains deeply involved in the country's key economic sectors such as utilities, mining, agriculture, education, transportation, and to a lesser extent construction, real estate and manufacturing. As a consequence, the Government has consistently run large budget deficits, which have led to soaring levels of debt, thereby hampering its ability to invest in development enablers.

With an expected decrease in foreign aid, the Kingdom is left with the delicate task of balancing between investment for growth and stringent fiscal discipline. At the same time, Foreign Direct Investments (FDI) have not succeeded in bridging the investment gap, as Jordan has lagged behind other countries in terms of competitiveness of key economic

sectors. Fast rising exports, driven mainly by the apparel, mining, pharmaceuticals and tourism industries, are threatened by considerable competitive challenges from producers with higher liquidity, better infrastructure, and more developed skills and knowledge base.

Finally, wide disparities exist in the provision and quality of public services, such as health care, education, and infrastructure, translating into regional inequalities in terms of standards of living. In particular, public healthcare spending is concentrated on urban areas, and does not properly target the population. Similarly, the availability of public kindergartens varies from one governorate to another, with pronounced shortages in rural areas. Many parents are also unaware of the benefits of pre-school education.

Jordan's challenges are not unique. Other countries had faced similar if not worse problems. Their Governments had resolutely developed transformation strategies and adopted holistic approaches toward defining policy needs in order to achieve aspired social and economic turnaround. The transformation efforts had ultimately paid off and those countries succeeded in realizing remarkable development, with real GDP growth rates exceeding 8 percent over multiple decades.

To ensure success, they followed a holistic development approach, in partnership with the private sector and simultaneously addressed all social and economic challenges, while phasing their strategies according to evolving economic conditions.

## National Agenda: Objectives

The chief objective of the National Agenda is to improve the quality of life of Jordanians through the creation of income-generating opportunities, the improvement of standards of living, and the guarantee of social welfare. The National Agenda sets ambitious targets to be achieved over the coming decade, among which are: achieving an annual real GDP growth rate of 7.2 percent, reducing public debt from 91 percent to 36 percent of GDP, converting the public deficit of 11.8 percent of GDP into a surplus of 1.8 percent, increasing national savings from 13 percent to 27 percent of GDP, and reducing unemployment from 12.5 percent to 6.8 percent of the active population by creating nearly 600 thousand jobs.

## National Agenda: Transformation Phases

Jordan's socio economic development will be under taken over three consecutive phases, each with a distinct focus.

The first phase spans over a period of five years, and focuses on creating employment opportunities by promoting export-oriented, labor-intensive industries, education, infrastructure and legislation regulating political life. The second phase focuses on gradually upgrading and strengthening the industrial base, and preparing the ground for the development of high value-added sectors in the knowledge economy.

### Phase I (2007-2012): Employment Opportunities For All

This phase sows the seeds of socio-economic development through the growth of labor-intensive and

## Main National Agenda Socio-Economic Targets

National Agenda Indicators	2004	Target (2012)	Target (2017)
Average Annual Real GDP Growth **	5% (*)	8%	7%
Public Debt as a Percentage of GDP	91%	63%	36%
Budget (Deficit)/Surplus as a Percentage of GDP, Excluding Grants	(11.8%)	(3.6%)	1.8%
Capital Investments as a Percentage of GDP	21%	21%	24%
National Savings as a Percentage of GDP	13%	23%	27%
Net Exports/Imports in US\$ Billion	(2.4)	(1.7)	(0.9)
Unemployment as a Percentage of Active Population	12.5%	9.3%	6.8%

(\*) Average real GDP growth rate over the 1998-2004 period

(\*\*) Average real GDP growth rate over a ten-year period, starting from 2007 is 7.2%

## Selected Social Development Targets for the National Agenda

Poverty				Education, Higher Education, and R&D			
	Current	2012	2017		Current	2012	2017
Poverty Rate	14.2%	12%	10%	Gross Enrolment in Pre-School Education	35%	50%	60%
Poverty Gap	3%	2%	1%	Gross Enrolment in Tertiary Education	35%	44%	50%
% of Poor People Attaining Secondary Education	11.4%	18%	25%	Expenditure on R&D as a % of GDP	0.4%	1.0%	1.5%
Health Care				Inclusion			
	Current	2012	2017		Current	2012	2017
% of Population Covered by any kind of Medical Insurance	70%	100%	100%	% of Female Employed out of Total Employed	12.5%	15%	20%
Total Health Expenditure per Capita (JD)	132	248	319	% of People Rating the Judicial System as Fair	67%	80%	90%
Life Expectancy	71.4	74	75	% of Disabled Employed out of Total Employed	~0%	1%	1.5%

export-oriented industries and traded services. It aims at eradicating structural unemployment and reshaping the skills of the labor force by significantly expanding vocational training and employment support. Public sector reforms, expanding political participation by formulating regulatory legislation to develop the political life and enforcing them, eliminating all forms of discrimination against women, the liberalization of state-controlled markets, as well as investments in key infrastructure, are a pre-requisite in this phase to encourage and facilitate investments in sectors with high growth potential. This phase also aims at progressively raising the knowledge level of Jordanians by

promoting capabilities and know-how transfers, and by reforming the basic and higher education systems.

**Phase II (2013-2017): Upgrade and Strengthen the Industrial Base**

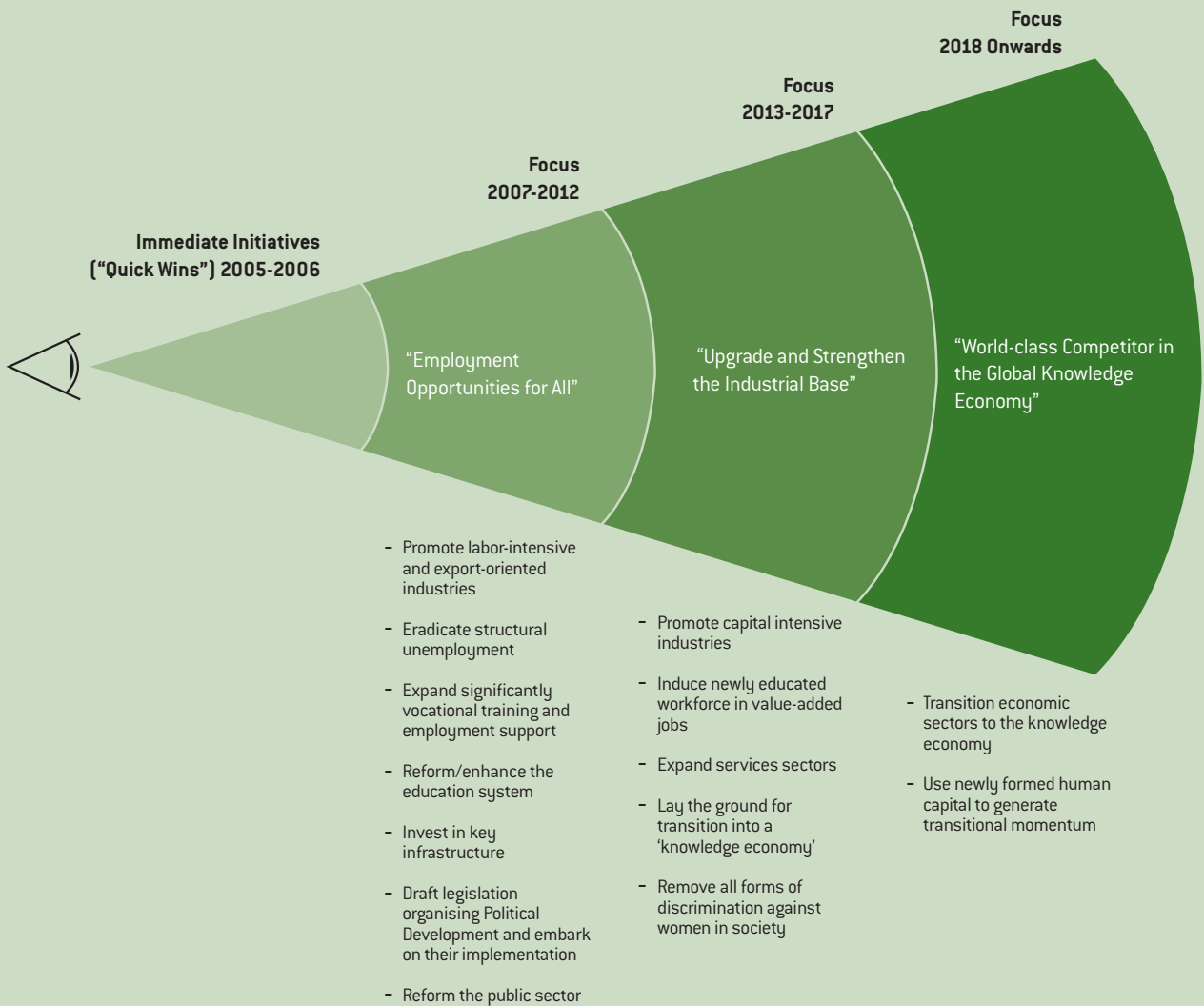
The focus of this phase will be to progressively promote more capital-intensive industries and to induce the newly educated workforce into value-added jobs. This also entails expanding the services sectors, which come in support of high growth industries. By doing so, the economy will transition to higher value-added occupations, and will privilege the

growth of productivity, over the addition of labor, to fuel socio-economic development. Partisan life and political pluralism are expected to develop during this phase with the completion of all legislation regulating political development.

**Phase III (2018- onward): “World Class Competitor in the Knowledge Economy”**

This phase will focus on evolving selected economic sectors in the knowledge economy.

**Phasing of Jordan’s Political and Socio-Economic Transformation**





## National Agenda: Themes

The National Agenda Steering Committee has structured the development of initiatives, in support of achieving National Agenda goals and targets, around eight themes. Task forces consisting of nearly 300 Jordanians with relevant knowledge and expertise were formed. The teams conducted in-depth reviews of challenges and developed the initiatives to address them. The themes are:

- Political Development and Inclusion
- Justice and Legislation
- Investment Development
- Financial Services and Fiscal Reform
- Employment Support and Vocational Training
- Social Welfare
- Education, Higher Education, Scientific Research and Innovation
- Infrastructure Upgrade

## National Agenda: Distinct Features

Jordan has witnessed over the past two decades several reform plans under different names but the level of implementation by governments varied, particularly as regards pressing social challenges such as poverty and unemployment. This has led Jordanians to be skeptical of the government's ability to achieve the desired reform. The biggest challenge now would be to ensure that the National Agenda would find its way to implementation.

**Philosophy:** The National Agenda adopted a holistic approach to address challenges facing Jordan, setting initiatives for the political, social, economic and cultural development,

unlike previous reform plans which fully focused on the economic dimension.

**Inclusion:** The National Agenda initiatives were the outcome of a concerted inclusive process, in which all sectors and schools of thought were represented. The Committee members included members of Parliament, government officials, political parties and representatives of the private sector, civil society and media organizations.

**Implementation:** The National Agenda included for the first time in Jordan and the region, a clear mechanism to measure implementation of the initiatives and evaluate impact of reforms. It also set clear targets for each initiative, which have to be met over the next ten years, with priorities reflected in the budget, supported by performance indicators to measure and assess the degree of success of implementation.

**Commitment:** The National Agenda initiatives represent the essence of the programs that will be adopted by successive governments in the coming decade.

**Accountability:** Unlike previous reform plans, the transparency of implementation mechanisms will foster accountability of the government, in addition to the publishing of periodic reports which monitor performance and evaluate progress of implementation.



## National Agenda: Monitoring and Evaluation

Publishing the National agenda is by no means the end of the road but the beginning of increased reforms that Jordanians strive for. In this respect, it is important to highlight the directives of His Majesty King Abdullah II on drafting the National Agenda. The King emphasized that attaining the goals was not restricted to quality and competency in formulating them, or precision and brilliance in defining them, but rather in the ability for implementation. His Majesty stressed the importance of establishing the principles and standards by which we measure success or failure, highlighting the need for a competent government apparatus that believes in team work targeted towards achieving goals and expected results, and that is based on the principles of competence, worthiness and accountability.

Successful implementation of the National Agenda initiatives by the Government will require the newly-established Ministry of Government Performance, within the Prime Ministry, to facilitate its development, monitor the progress of implementation and measure its impact on socio-economic development. Roll-out of the National Agenda recommendations will be coordinated by the Ministry to ensure that priorities are reflected in the national budget and are adhered to by all government institutions. Implementation also requires the following steps:

- Set up monitoring and evaluation units at ministries and public departments and institutions.

- Design and track performance indicators.
- Implement transparent performance reporting processes.
- Present progress reports issued by the ministries and public departments and institutions to the Council of Ministers and the public.

The National Agenda is a long-term plan whose implementation will span a period of ten years and requires periodic updating and revision , in light of internal and external political, economic and social developments.

# Political Development and Inclusion Theme

The Jordanian Constitution provides the primary framework for safeguarding basic freedoms. It is based on the principles of separation of powers, independence of the judiciary, accountability of the Executive Branch and rotation of authority. It provides for equality between citizens in rights and responsibilities and the protection of personal freedoms. The Constitution safeguards the freedom of expression through peaceful means, and the rights of assembly, establishing NGOs and political parties and addressing public authorities. It stipulates that no person shall be detained or imprisoned except in accordance with the provisions of the law. While securing these freedoms, the Constitution stipulates they be regulated through laws drafted by the Executive Authority to ensure such freedoms do not infringe on the basic rights of others, or violate people's dignity, security and freedom.

Therefore; it is essential that the government undertake regular revision of legislation to ensure they are consistent with international standards of human rights and with constitutional provisions that cater for such rights.

## Regulating Political Life

The Jordanian Constitution guarantees citizens the freedom to express their views through all available means, provided that the exercise of such rights does not violate the law. They also have the right to address public authorities with regard to matters of personal concern or those related to public issues through mechanisms and conditions set by the law. These freedoms are the essence of political activity in the legal sense. In order to ensure that regulatory laws do not restrict

these freedoms, the National Agenda initiatives include:

1. The enactment of a law which regulates political activity in Jordan, based on Constitutional principles. The law shall guarantee the freedom of political activity and ensure the protection of individuals and groups engaging in such activity.
2. Parties shall be committed to pursuing political objectives through peaceful means.
3. Parties shall be committed to cultural and political pluralism at all times.
4. It is essential to revisit the Public Association Law and abolish prior approval to hold public gatherings, while recognizing the executive authority's right to ensure peace and security.

## Freedom of the Media

The National Agenda, emphasizes the need to revise media legislation, out of conviction of the word and spirit of Article 15 of the Constitution, the role of the media as a fourth authority in supporting and protecting the goals of comprehensive development, and taking into account that revising media legislation by itself does not ensure freedoms.

The effort is aimed at ensuring laws are in line with international human rights principles, and guaranteeing freedoms of speech and media, through drafting a law which regulates the industry, based on principles, including:

1. Jordanians have the right to media ownership, as individuals, institutions, parties and public and private sectors without any limitations and within the law.
2. Limit state ownership of media to a certain percentage and introduce a by-law to separate ownership from editorial control.
3. Prevent state censorship of the media and interference in its work.
4. Prevent detention of journalists and refer all cases to the courts. Also, prevent the closure or license withdrawal of media organizations for any reason until their cases had been settled in court.
5. Abolish the Higher Media Council and encourage media representatives to form their own council.
6. Establish a commission to regulate the media sector, and serve as an umbrella organization for the Audiovisual Commission and the Press and Publications Department.
7. Prohibit public servants, government officials and state authorities from offering any financial or in kind assistance to editors, journalists or writers in media organizations.
8. Abolish mandatory membership in the Jordan Press Association in compliance with article 20 of the International Human Rights Declaration.

### **Inclusion and Civil Society Institutions**

Promoting public participation in the decision making and development processes, requires regulating The framework of civil society institutions. In order to develop civil society, it is necessary to support its role and ability

to promote a culture of human rights, democracy and tolerance, in places of worship and religious and cultural institutions. Encouraging dialogue between civil society institutions and the government is also of primary importance. The following are some of the main principles to be adopted in drafting legislation, pertaining to civil society institutions:

1. Individuals have the right to establish, manage, join and quit NGOs. No restrictions shall be imposed on practising that right except for those stipulated by the Constitution and those required by democratic societies.
2. Guarantee the freedom to establish NGOs by facilitating the creation of organizations and civil society institutions concerned with human rights, public freedoms, social justice and environment or any other cultural, social, economic, scientific or charitable activities that do not violate public order. These institutions shall be ensured the freedom to practice their activities. In addition, bureaucratic procedures pertaining to the creation of such organizations shall be swift, clear, simple and free of charge.
3. The public administration has no right to dissolve societies, unless such a decision is taken by their own administrative bodies or through a court ruling following a public and fair trial.

### **Political Parties**

Political parties are one of the cornerstones in the political development process. The principles stated below are aimed at re-defining political parties in Jordan in line with the goals of political development and the need to entrench the principle of rotation of authority according to principles of the Constitution. They also aim to ensure

the freedom to establish parties in Jordan in accordance with the provisions of the Constitution, and enhance the role of the State in supporting parties and encouraging them to be active at the national and local levels.

1. Jordanians have the right to join political parties with the aim of expressing their views.
2. Parties shall seek to achieve their goals through all constitutional means.
3. There shall be no discrimination of any form against Jordanians on the basis of their partisan affiliation and political orientation.
4. Parties shall not be allowed to:
  - a. Carry out any pro-profit commercial activity.
  - b. Form organizations of a military or paramilitary nature affiliated with the party.
  - c. Attract members of the Armed Forces, the Public Security, the General Intelligence, the Civil Defense or the Judiciary.
5. Political parties are equal before the law.
6. Each political party has the right to establish:
  - a. Research and polling centers.
  - b. Clubs and charities.
7. Parties are entitled to own and establish publications, audiovisual media outlets and websites.
8. The government shall finance political parties in accordance with the number of seats a given party wins in parliamentary or local elections, provided that this system is detailed in a special by-law.

## Women Empowerment

Over the past decades, Jordan has witnessed positive developments that

reflected on the status of women in Jordan. These developments include among others, a drop in illiteracy rates among women, the improvement in their health situation according to international standards and the rise of several women to leadership positions in the Legislative, Executive and Judicial Branches of Government.

To preserve and build on such accomplishments and to empower women to become active players in the development process, the National Agenda includes the following main principles:

1. Ensure equality and remove all forms of discrimination against women in Jordanian laws and legislation.
2. Eliminate all wrongful social practices against women and correct negative stereotyping that undermine their rights.
3. Increase women's contribution to the economy and ensure that they become "partners" with men in the development process.
4. Support an increase in women's representation in elected councils.
5. Ensure a reasonable share for women in official decision-making positions.
6. Reconfirm the principle of equal opportunity regardless of gender.

## Election Law

Members of the Steering Committee agreed to the fact that an Election Law is an integral part of political development and set principles that govern the law, meet the requirements of political activity and lead to national cohesion among Jordanians. These principles also ensure open channels of communication between citizens and their respective

representatives in Parliament and enhance the concept of “national deputy”.

Accordingly, the Election Law should achieve the following objectives:

1. Fair and transparent elections.
2. Development of political life.
3. The election of a politically representative parliament.
4. Encourage political parties to take part in the elections.
5. Encourage civil society institutions to participate in the process.
6. Encourage and develop public participation in order to ensure balanced representation.

To achieve these goals, the Committee adopted a number of initiatives, including:

1. A mixed electoral system that combines both district and proportional (party) list.
2. The Law shall adhere to the letter and spirit of the Constitution.
3. The law shall cover all election stages and procedures, starting from setting the election date to the announcement of results.
4. All procedures related to the announcement of results shall be public and transparent.
5. Electoral districts shall be drawn in line with the set objectives.
6. The law shall set deterring penalties against those who manipulate or influence the elections.
7. Supervision of the elections shall be assigned to an independent committee comprising judges and public figures known for their integrity and impartiality.

Subcommittees, in which judges are represented, shall supervise elections in each district. Their task shall be to ensure the soundness of procedures, and immediately deal with violations.

8. Candidates contesting election procedures shall be referred to the judiciary, but those related to election results are subject to Article 71 of the Constitution, which gives this authority to Parliament.
9. Electoral lists shall be compiled on the basis of Civil Status records.
10. Define clear mechanisms for the registration of voters and distribution of ballot centers. Restrictions shall be imposed on the movement of voters between districts.
11. Each candidate shall be ensured access to all documents related to all stages of vote count.
12. Vote count shall take place at the ballot centers and the announcement of initial results shall be made public in the presence of candidates’ representatives.
13. Campaigning shall be ensured in accordance with the letter and spirit of the Constitution, and with an agreed code of conduct for the media and candidates during the campaign.
14. Eliminate the current closed districts and other appropriations (quota) systems, and divide the Kingdom into electoral districts along demographic, geographic and social lines, ensuring fair representation of the country’s regions.

## Legislation and Justice Theme

The reinforcement of the state of law and institutions denotes that the state be founded on just legislation and effective institutions that are committed to, and abide by, the principles of legislation, derived from the provisions of the Constitution, which guarantees justice and equality and regulates the relationship between the various constitutional institutions of the state and guarantees their independence. In addition, achieving progress and development requires constant updating and development of legislation in order to respond to the needs of countries to communicate and cooperate, as well as facilitate transfer of knowledge and trade exchange.

Moreover; legislation is meaningless if not matched with guarantees to implement the principles of justice in the best possible manner. Theoretically, justice prevails through the drafting of just and lucid legislation that aim to achieve public interest, strengthen and guarantee citizens' rights and freedoms, achieve equality among them, maintain their security and safety, protect their funds and property and ensure equal opportunity. Just legislation should also organize people's social relations and their relations with the state, provide the right conditions for people to practice their rights and free their energies in work, organization, creativity and production.

Legislation and regulations alone cannot achieve the objectives of establishing justice, since that responsibility should be undertaken by an independent, impartial, fair

and efficient authority, aided by executive organizations, to carry out its directives.

### Legislation

The National Agenda document contains detailed clarifications and specific recommendations which are the result of an in-depth analysis of the development of the legislative process in democratic systems, leading to the realization of objective and realistic conditions for just legislation based on public conviction. This document provides needed support for legislation as a credible and legitimate instrument of reform, through the implementation of its main initiatives:

1. Reinforce the participation of Members of the Lower House of Parliament (MPs) in drafting legislation by giving them adequate time to examine and rule on issues pertaining to legislation. This can be achieved through extending Parliament session to at least eight months.
2. Provide the offices of MPs with logistical and technical support as well as expertise.
3. Develop the commission delegated with drafting legislation in the executive authority through:
  - a. Re-examining laws governing the work and structure of the Legislation and Opinion Bureau, to ensure independence of its staff and help it carry out its

responsibilities during the coming phase.

- b. Amending its by-law to guarantee the separation of its legislative responsibility from the task of providing opinions and rulings, in view of the risk that arises from combining both tasks, and in order to ensure total independence and impartiality in the process of drafting legislation.
4. Establish an independent commission to develop and modernize legislation, where and when necessary.
  5. Set general guidelines, instructions and principles that should be followed when drafting legislation, the most important being:
    - a. Legislative amendments shall aim to achieve increased protection and greater respect for human rights, as stipulated in international charters and conventions. In addition, such principles shall reinforce social solidarity, maintain social security, ensure gender equality and protect family and child rights.
    - b. Promote principles of national pride, objectivity and tolerance, and reject sectarianism, fanaticism and racism.
    - c. Reinforce the existence of the “state of law” whose objective is ensuring public interest, equality and equal opportunity.
    - d. Abide by the provisions of international agreements when issuing or amending legislation.

6. Formulate a set of policy recommendations, mainly pertaining to:
  - Temporary laws
  - Constitutional court
  - International treaties and agreements
  - Constitutional amendments
  - Criminal legislation
  - Anti-Corruption Law

## Justice

In order for justice to prevail, laws on litigation procedures need to undergo fundamental amendments, along the principles of openness towards progress which seeks to meet the people’s needs and aspirations.

The following are some of the main National Agenda initiatives to achieve judicial independence and development:

1. Establish an impermeable legislation for the work of judicial structures by drafting the “Judicial Authority Law”.
2. Reinforce the constitutional principle that stipulates that judges are independent and are subject to no authority when dispensing their duties, except that of the law.
3. Ensure an independent budget for the judiciary.
4. Establish an “Appeals Examination Commission” at the court of cassation to relieve some of the work load on judges.
5. Administrative judiciary shall be a two-tier based system by establishing a First Instance administrative court(s) in addition to the existing High



Court of Justice, and carry out the necessary amendments to the High Court of Justice Law, and keep litigation before the High Court of Justice pleadings-based.

6. Endorse special criteria and procedures in appointing judges.
7. Ensure continuous training of judges.
8. Revise all legislation related to court procedures.
9. Develop Personal Status (Sharia) judicial apparatus.
10. Leverage the judicial upgrade strategy developed by the Ministry of Justice.
11. Reinforce the authority of the Bar Association to enable it to carry out its duties and keep abreast with developments in the profession.

## Investment Development Theme

Jordan has held, over the past four years, a relatively good track record in developing selected high-growth economic sectors, albeit aided, in part, by external factors. The Kingdom made several steps to improve the business environment but only partly succeeded in enhancing the overall country and sector-specific attractiveness to investors. This was partially due to the absence of an adequate institutional framework for investments to coordinate and unify investment policies, gaps in infrastructure quality and its high costs, in addition to inflexible labor laws and complex tax structures. The National Agenda has addressed these challenges with the aim of bringing Jordan at par with top investment locations worldwide.

Enhancing the investment environment in Jordan depends on the government's ability to formulate, plan and execute economic and investment policies in a coherent and coordinated manner. As such, the Investment Development Theme lays the foundation for an institutional decision making process for all issues relating to investment, trade and enterprise development in the country. To that end, all policies and initiatives of the Theme have been derived from a quantitative analysis of the decision-making process and were presented along two main tracks: the **first track** aims at developing an institutional framework to support investment policies, promote investment, foster cooperation and enable decision making among all concerned public and private entities. The **second track**

focuses on prioritizing government support to industrial and services sectors and creating mechanisms to improve their competitiveness, enable their growth and increase their economic returns.

The proposed initiatives of the Investment Development Theme are expected to cost a total of JD1.5 billion over a 10-year period. If properly implemented, these initiatives would return a net surplus of JD1.7 billion, double the GDP per capita and create more than 270 thousand jobs, out of 600 thousand new jobs that will be created by the national economy in the same period.

### Track One: Establish a New Institutional Framework for the Jordan Agency for Enterprise Development (JAED)

1. The proposed (JAED) structure should group under one umbrella the existing development entities ((JAED), Jordan Investment Board (JIB), Jordan Enterprise Development Corporation (JEDCO), Jordan Industrial Estates Corporation (JIEC), and the Free Zones Corporation (FZC)).
2. Grant JAED the necessary powers.
3. Restructure Jordan Investment Board and increase allocations for the entity's investment promotion programs.

4. Restructure JIEC and FZC with a view to merging both entities under the JIEC umbrella.
5. Expand the role of JEDCO to cover all support activities related to Small and Medium Enterprises (SMEs) and start-up businesses.
6. Enhance capacity and efficiency of the Competition Directorate.
7. Execute near term development projects in Aqaba Special Economic Zone (ASEZ).

Selected Indicators for Monitoring the Performance of the Institutional Framework for Investments

Key Performance Indicator	Current	Target (2012)	Target (2017)
Cumulative Value of Investment Deals Directed Through the JAED Framework, in JD Billion	N/A	4	9
Inward FDI Stock as a Percentage of GDP	27%	35%	40%
Number of Procedures to Set up a New Company through JIB	11	6	6
New Company Set-up Time through JIB(days)	36	10	5
Percentage of SMEs Contribution to GDP	27%	35%	40%
Percentage of SMEs Contribution to Employment	33%	40%	45%
Annual Spend on Financial and Other Support to SMEs (in JD Million)	< 15	40	60
Proportion of Surveyed Small Businesses Citing Regulation as an Obstacle to Growth	N/A	10%	2%
Total Annual Spend on R&D as a Percentage of GDP	0.4%	1.00%	1.50%
Number of Surveyed Small Businesses Reporting "High" or "Very High" Difficulties in Obtaining Financing for Start-up and Growth	N/A	20%	10%
Cumulative Value of Privately Run Venture Capital Funds (in JD Million)	0	90	240

N/A = Not Available

## Track Two: Prioritization of Economic Sectors

Prioritizing key economic sectors, as engines for economic growth, aims at enhancing their competitiveness and their attractiveness for investors. The Investment Development Theme followed a quantitative analysis approach to identify priority sectors which will serve to illustrate the

methodology that must be adopted by JAED and the Government to decide on all future public policies related to investment, trade and enterprise development.

Track Two initiatives are divided into the following two components:

### 1. Cross-Sectoral Initiatives:

**Human Capital:** Restructure the Vocational Training Center and implement a workforce development plan based on JAED's Enterprise Development Strategy. Review labor laws in line with the requirements of priority economic sectors.

**Capital & Financial Markets:** Ease loan procedures by providing loan guarantees and higher liquidity of collateral for priority sectors. Eliminate bank guarantees for temporary entry of raw materials for industry. Set up a financial rating agency to facilitate access to funds, and ensure long term funding for SME.

**Technology and Processes:** Provide funding to strengthen the links between economic sectors and university Research and Development (R&D) programs. Provide incentives for private companies to participate in R&D. Enhance patent registration and intellectual property protection.

**Infrastructure:** Complete full deregulation of the communications sector, restructure pricing of public utilities, develop and implement a strategy for air transport liberalization, and deregulate the ground transport sector. Additionally, ease the customs procedures and investigate the development of a comprehensive strategy for land usage at municipality levels.

**Judicial, Regulatory and Administrative Procedures:** Harmonize and integrate laws and regulations with the aim of facilitating, rather than controlling business activities. Review the regulatory framework for

doing business in Jordan, in line with the Enterprise Development Strategy. Accelerate judicial procedures by creating commercial law courts or arbitration tribunals specialized in investment matters and sector-specific disputes, and build expertise and qualifications of arbitrators in sector-specific investment matters.

**Fiscal Environment:** Simplify and clarify tax codes and rates, extend customs exemptions to export-oriented non-manufacturing companies, eliminate customs duties on raw material and equipment for products destined for re-exports. Review customs processes and procedures to instill transparency and consistency in their application.

**Trade Agreements:** Enhance market positioning through international agreements, and secure involvement of the private sector in drafting and negotiating trade agreements through JAED institutional framework for investments.

**Business Support Environment:** Periodically develop and publish, through JAED, an Enterprise Development Strategy and sector-specific competitiveness assessment reports. Create a data repository, within the JAED framework, for all drivers of competitiveness to support investors in decision-making and conduct marketing campaigns targeted at attracting Multi-National Corporations to invest in labor-intensive manufacturing sectors. Support the development of SMEs by creating a dedicated agency to provide counseling, and ensure international presence. Support R&D through direct financing and ensure links between investors and researchers, and improve the overall quality of human resources capabilities.

## 2. Key Sector-Specific Initiatives:

**Apparel:** Improve the logistics infrastructure and enhance quality of the workforce.

**Pharmaceuticals:** Build a reputation for quality and move to higher value-added products.

**Food and Beverage:** Develop a comprehensive strategy to attract multinational companies.

**Minerals:** Fund vocational training programs for workers being laid off as a result of the restructuring of mineral companies.

**Iron and Steel :** Support existing companies to enhance their competitiveness and encourage consolidations.

**Furniture:** Develop and implement a comprehensive strategy for the furniture sector to substantially increase exports and reinforce trade agreements.

**Dimension Stone:** Enhance local capabilities by modernizing related vocational programs.

**Agriculture:** Improve quality of agricultural produce and direct production toward high-yield revenue crops, which optimize water-use efficiency.

**Tourism:** Execute the National Tourism Strategy.

**Health Care:** Initiate quality management programs to achieve quality standards and eventually be accredited according to world-class standards.

**Software and Information Technology (IT):** A favorable investment and infrastructure environment should be established, and quality of education improved.

Selected Performance Indicators for Sector Development

Sector	Curr.	2012	2017	Curr.	2012	2017	Curr.	2012	2017
	Sector Output (JD Million)			Exports (JD Million)			Cumulative Employment		
Apparel	940	3,200	5,100	920	3,100	5,000	44,000	138,000	175,000
Pharmaceutical	280	560	900	200	430	720	5,500	7,200	11,500
Minerals	400	500	600	340	430	530	6,500	6200	6100
Iron and Steel	163	333	493	-	-	-	1,900	1,900	1,900
Furniture	70	220	310	15	110	150	8,400	16,300	17,000
Food & Beverage	560	1,600	2,300	150	810	1,200	26,000	50,000	53,000
Tourism	610	1,700	3,000	-	-	-	44,000	120,000	215,000
Healthcare	390	520	650	-	-	-	-	-	-
IT Services	120	290	630	32	130	400	5,800	10,000	17,600
	Agriculture Subsidies as a % of GDP			Agriculture GDP as a % of Agriculture Subsidies			Agriculture Output per Unit of Water (US\$ per m <sup>3</sup> )		
Agriculture	2.70%	1.50%	0.50%	81%	250%	350%	N/A	3.6	5.0

N/A = Not Available

# Financial Services and Fiscal Reform Theme

## Financial Services

A well-developed financial services sector plays a key role in supporting socio-economic development, as successful banking services and capital markets are the main financing channels for new venture creation and SME growth. Well-developed insurance services strongly contribute to increasing private savings, providing yet another important source of funding for economic development. Furthermore, access to efficient financial services is essential to encourage the adoption of bank savings by the poor and marginalized, thus contributing to poverty alleviation.

Overall, the financial sector in Jordan fares well when compared to other countries in the region in terms of monetization and financial intermediation. The sector has benefited from the continuous increase in economic activity and cross-border capital inflows in recent years. Moreover, the banking and insurance sectors made a quantum leap over the past decade in updating the organizational frameworks and control procedures governing company operations. Other improvements in the banking environment between 2002 and 2005, including the introduction of new financial instruments, and increased competition and focus on retail banking, significantly improved access to financing. Nonetheless, further development of the sector is hindered by the fragmentation of the banking and insurance sectors, sub-optimal legal and regulatory frameworks,

and a lack of cooperation and coordination between the various regulatory entities. Discriminatory or inadequate tax and exemption treatments between different financial product categories further impede the acceptance of new financial services. Access to financing remains an issue for start-ups and micro projects. Furthermore, the insurance and corporate bonds sectors remain underdeveloped.

Financial Services theme initiatives are presented in four areas:

- 1. Financial Services Sector Structure and Governance:** reviews the overall regulatory and legislative frameworks governing the financial services sector as well as the availability of proper financial services information transparency and qualified human resources.
- 2. Banking Sector and Access to Financing:** covers challenges slowing the adoption of banking services, the facilitation of funding to start-ups and SMEs, the development of specialized lending institutions, and micro-financing and Islamic banking products.
- 3. Insurance Sector:** aims at developing long-term savings, particularly private pension plans and life insurance, and developing the insurance market and social protection.

**4. Capital Markets:** emphasizes mainly long-term investments in capital markets.

Selected Performance Indicators for Financial Services

Key Performance Indicators	Current	Target (2012)	Target (2017)
Currency in Circulation as % of GDP	20%	12%	10%
Total Banking Sector Deposits and Bonds with Maturity Greater Than 1 Year (as % of Total)	5%	10%	20%
Average Maturity of Government Bonds (in Years)	4	7	10
Private Pension premiums /Life Assurance Premiums (as % of Total)	0	10%	30%

### Fiscal Reform

Jordan's public finances suffer from persistent distortions and deficits, despite relative improvements in fiscal performance. With a public budget deficit of 12 percent of GDP (excluding-grants) and a public debt burden of 91 percent of GDP in 2004, there is an urgent need to reduce the fiscal deficit to reach the debt sustainability target of 80 percent of GDP as set by the Public Debt Law. This requires radical reforms in order to improve budget performance and increase Government efficiency, which are at the core of the initiatives and objectives of Fiscal Reform. Such reforms are particularly needed in order to secure funding for socio-economic development programs, which will be launched under the National Agenda.

The increasing budget deficit is mainly due to the growth in government expenditures, which continue to be driven by capital expenditures, defense and security, public sector salaries and pensions. Furthermore, the expected decrease in foreign grants, coupled with a high dependence on oil subsidies, make the budget extremely vulnerable to oil price fluctuations, prompting the urge for fiscal reforms.

Reforms proposed to improve budget performance include the following:

#### a. Fiscal Reform

1. Oil Subsidies
  - Phase out oil subsidies completely by 2007 and eliminate other forms of subsidies.
  - Channel aid to the most needy families to mitigate the impact of subsidies elimination.
2. Pension System
  - Transfer civil service employees (recruited before 1995) to the social security system in order to reduce the burden of pension expenditures.
  - Use privatization proceeds, expected to reach JD 1 billion, to create an investment fund to cover civil retirees pension salaries and remove this account from the national budget.
3. The Wage Bill
  - Conduct a full review of the civil service pay scale and incentive system to enhance



expenditure effectiveness and improve productivity of the civil service employees.

#### 4. Privatization

- Use proceeds of the ongoing privatization program, while accelerating it, to finance fiscal reform.

#### 5. Tax and Customs

- Conduct a review of the tax system to simplify procedures, ensure fairness and equal treatment, widen the tax base, improve revenue collection procedures, reduce

the possibility of tax evasion and increase its cost.

- Modernize the Customs administration to reduce bureaucracy, facilitate movement of goods and enhance safety criteria.

### b. Government Efficiency

- Complete the implementation of the Public Sector Reform Program, which was approved by the Council of Ministers in 2004.
- Develop and implement a comprehensive e-government program.

Selected Performance Indicators for Fiscal Performance

Key Performance Indicators	Current	Target (2012)	Target (2017)
GDP (real growth)	5%	8%	7%
Public Debt as a Percentage of GDP	91%	63%	36%
Budget (Deficit)/Surplus as a Percentage of GDP, excluding Grants	(11.3%)	(3.6%)	1.8%
Domestic Revenues as a Percentage of Current Expenditures	85%	140%	170%
Tax Revenues as a Percentage of Total Government Revenues	54%	71%	75%
Civil Service Pension Costs (in JD Million)	111	0	0
Oil Subsidies (in JD Million)	495	0	0
Subsidies on Wheat, Malt and Bran (in JD Million)	57	0	0
Subsidies to State-Owned Enterprises (in JD Million)	133	78	78

Selected Performance Indicators for Government Efficiency

Key Performance Indicators	Current	Target (2012)	Target (2017)
Control of Corruption* percentile ranking	69%	80%	90%
Central Government Wage Bill as a Percentage of GDP	14%	9%	7%
Government Effectiveness(*) Percentile Ranking	63%	80%	90%

(\*) World Bank Governance Indicators

# Employment Support and Vocational Training Theme

The Jordanian economy has been going through a rapid and noticeable development over the past five years, yet it has not been developing fast enough to absorb the increasing annual inflow of new job seekers. Unemployed Jordanians have had difficulties in locating job opportunities due to the fragmentation and inefficiency of the job placement agencies network. As a result, many unemployed, discouraged by months of searching, quit the workforce altogether. Under current conditions, unemployment could well reach an alarming rate of 20 percent by the year 2015, up from around 12.5 percent in 2004.

In addition, the vocational training sector, has been yielding poorly trained and uncommitted workers. Moreover, the lack of private sector collaboration at all stages of training has widened the gap between private sector expectations and the skill-set taught to vocational trainees. Consecutive governments have taken these challenges seriously yet the efforts have yielded modest results, primarily due to fragmented programs adopted and the lack of a holistic approach in addressing this issue.

And based on the above, Jordan can drastically reduce unemployment through investments in priority economic sectors, resulting in faster job creation. However, this is only possible if the right employment support mechanisms are put in place, coupled with the restructuring of the vocational training sector, increasing its efficiency and the

quality of its outputs. And in order to reach the National Agenda target unemployment rate of 6.8 percent in 2017, which means the creation of 600 thousand new jobs, the Employment Support and Vocational Training Theme initiatives will have to pursue three objectives simultaneously:

- a. Increase workforce employability through adequate training and training programs aligned with market needs.
- b. Improve labor market flexibility and productivity through less stringent labor laws, coupled with the introduction of safety nets.
- c. Increase workforce size through effective job placement and increasing the economically active segments of the population.

The Employment Support and Vocational Training Theme aims to achieve the above objectives through the following initiatives:

1. Restructure the institutional framework of the employment support and vocational training and all related entities, through:
  - Establishing the Employment, Technical and Vocational Education and Training (ETVET) Council. The Council's responsibilities include setting strategies related to vocational training, technical training, vocational education, and employment support and overseeing their implementation.

- Establish a higher council for Human Resource Development to serve as an umbrella for other governing councils and bodies overseeing education and training, (a shared initiative with the Education, Higher Education, Scientific Research and Innovation Theme).
  - Create an Outplacement Department, with the aim of matching regional and international demand with the Jordanian labor force and providing assistance to Jordanians working abroad.
  - Design an unemployment insurance scheme in a way to increase incentives for job seekers to remain in the workforce and for the economically inactive to enter the workforce.
  - Create the Licensing and Accreditation Council for the Vocational Training sector, which reports to the ETVET Council and regulates the sector, through licensing training providers from the public and private sectors, guaranteeing fair competition amongst training providers, matching vocational training programs with market needs as per the ETVET Council strategies and directives, setting quality and performance indicators and overseeing their implementation and providing accreditation for vocational training instructors.
  - Develop targeted communication programs and awareness campaigns to change the public's perception of all issues related to employment and vocational education and training.
2. Encourage the gradual substitution of foreign labor.
  3. Encourage the registration of workers in the informal sector at the employment support network.
  4. Design and implement targeted programs to reduce unemployment among the disabled.
  5. Increase women's participation in the labor force.

The following are performance Indicators for the Employment Support and Vocational Training Theme initiatives:

Key Performance Indicators	Current	Target [2012]	Target [2017]
Percentage of Unemployed that are Registered at the Employment Support Network	N/A	50%	60%
Number of Jordanians Directly Placed into Jobs by the Employment Support Network Annually (In Thousands)	N/A	10	20
Cumulative Number Of Net New Jobs (in Thousands, Starting from 2006)	N/A	340	600
Number of Jordanians Placed Abroad by the Outplacement Department Annually	N/A	1,000	3,000
Percentage of Unemployed, Benefiting from the Unemployment Insurance, Out of Total Unemployed	N/A	30%	50%
Percentage of Unemployed, Benefiting from Unemployment Insurance for Less Than 3 Months	N/A	50%	75%
Percentage of Employers "Satisfied" or "Very Satisfied" with the Skills of Certified Trainees (VTC or Private)	N/A	70%	80%
Number of Jobs Held by Foreigners and Substituted with Jordanian Workers Annually (In thousands)	N/A	3	5
Percentage of Employed Jordanians with Disabilities Out of Total Employed	N/A	1%	1.5%
Number of Workers Registered with the Employment Support Network and not Registered with the Social Security Corp for the Past 12 Months (In Thousands)	N/A	60	70
Percentage of Economically Active Females Out of the Total Female Population of Working Age	10%	11%	15%
Percentage of Employed Females Out of the Total Employed Population	12.5%	15%	20%

N/A = Not Available

## Social Welfare Theme

Jordan has always placed the provision of social services and the alleviation of poverty at the top of the country's priority list. The Leadership recognizes the right of all citizens to health services and is committed to fighting poverty. As such, in 2004, Jordan's social services spend amounted to 18 percent of GDP, a percentage that is among the highest in developing countries.

This theme directly addresses two of the National Agenda goals which relate to good health and public assistance, and is directly linked to the ultimate goal of the National Agenda effort, namely ensuring the well being of Jordanians.

### a. Public Health Care

The health care system is facing a number of challenges, including a shortage in nursing staff and health care professionals, a decline in health services, lack of coordination among the different health service providers, operational inefficiency and cost ineffectiveness of medical services provision.

To address these challenges, the following initiatives have been included in the National Agenda:

1. Reform health sector policies and improve the institutional framework.
2. Develop a cost-effective medical insurance system to cover all Jordanians.
3. Enhance the operational efficiency of the public health care system, while improving the quality of service.
4. Improve emergency medical services.
5. Strengthen preventive medicine and further expand primary health care centers.
6. Ensure availability of qualified medical staff.

### b. Poverty Alleviation

Although substantial improvements have been achieved along poverty indicators since 1997, poverty in the Kingdom remains pervasive with 14.2 percent of the population living below the poverty line, mainly in rural areas.

In order to reduce poverty, the following initiatives must be implemented:

1. Create a National Council for Development and Poverty Alleviation.
2. Develop a comprehensive national social policy with a focus on social development and productivity enhancement .
3. Strengthen capacities of human resources to implement poverty alleviation programs.
4. Develop a clear understanding of the poverty root causes and characteristics.
5. Restructure the National Aid Fund.
6. Provide assistance to the unemployed poor to integrate in the workforce.
7. Upgrade social work skills of welfare workers.
8. Increase penetration of micro-finance services in poor communities.

- Expand village cluster programs and services in rural areas.

### c. Social Security

The Social Security Corporation (SSC) enjoys a strong institutional capacity and a positive cash balance; yet, half of the Jordanian workforce remains uncovered by a public retirement scheme. Current estimates forecast a cash deficit for the SSC by 2053.

Furthermore, the SSC faces an evasion problem, as participation of firms with less than five employees in the social security system, is not mandatory. In order to restore the accrual balance to the SSC, the following initiatives must be implemented:

- Develop a strategy to reform the retirement system.
- Maintain the financial stability and sustainability of SSC .
- Expand coverage schemes of the Corporation, revise benefits, eligibility conditions and reform the pension system.
- Establish other pension funds to be managed by the private sector or insurance companies.

A set of performance indicators has been established to monitor the development progress of the Social Welfare Theme initiatives, a subset of which is presented in tables 1, 2 & 3:

Table 1 - Selected Performance Indicators for Public Health Care

Key Performance Indicators	Current	Target (2012)	Target (2017)
Percentage of Population Covered by any Type of Medical Insurance	70%	100%	100%
Life Expectancy	71.5	74	75
Public Health Expenditure as a Percentage of GDP	4.3%	4.3%	4.3%
Total Health Expenditure per Capita in US\$	187	350	450
Fertility Rate	3.7	2.9	2.5

Table.2 - Selected Performance Indicators for Poverty Alleviation

Key Performance Indicators	Current	Target (2012)	Target (2017)
Poverty Rate	14.2%	12.0%	10.0%
Poverty Gap	3.3%	2%	1%
Percentage of Poor People Attaining Secondary Education	11.4%	18%	25%
Percentage of Poor Population with Access to Micro Finance Services	N/A	45%	65%

N/A = Not Available

Table.3 - Selected Performance Indicators for Social Security Benefits

Key Performance Indicators	Current	Target (2012)	Target (2017)
Percentage of Workers not Covered by Any Retirement Plan	47%	25%	10%
Year of Cash Deficit for SSC (with Investment Income)	2053	Indefinite	Indefinite
Early Retirement Age	45	>50	>55

# Education, Higher Education, Scientific Research and Cultural Innovation

Jordan has forged, over the past decades, a comprehensive, high-quality education system aimed at developing its human capital. The country has also demonstrated, by virtue of the foresight of the Hashemite leadership, a clear commitment to ensure free access to basic education for Jordanians. Nonetheless, education, higher education, scientific research and cultural innovation in Jordan still face many challenges hindering further development of the country's human resources, a critical requirement for the Kingdom's drive to develop into a knowledge economy.

## a. Governance and Administration

The education and other sectors concerned with the development of human resources, such as the vocational training sector, lacks effective mechanisms to coordinate human resources development policies, to monitor and evaluate quality of educational and training programs. For example, entities such as the Education Council, Higher Education Council, the Technical and Vocational Education and Training (TVET) Council, and the National Center for Human Resources Development (NCHRD), conduct policy making and monitoring activities at sub-sector or program level lacking a coordination mechanism needed to ensure cohesiveness of their policies and strategies to develop them and ensure that they meet economic and

development needs. The following include some of the main initiatives:

1. Establish a Higher Council for Human Resources Development to serve as an umbrella organization for all education and training governance bodies and to coordinate policymaking, monitoring and evaluation efforts.
2. Revise laws and legislation governing the work of the educational bodies and councils.
3. Establish a National Commission for Accreditation and Quality Assurance of Education Institutions to uphold quality standards throughout the educational system.

## b. Public Education

Centralized governance and bureaucracy remain a deterrent to progress in public education. Despite recent improvements, low enrollment in pre-school education remains an issue, while curricula and teaching quality across all levels of public education still offer room for improvement. Furthermore, vocational education suffers from decreasing enrollment, lack of funding and several narrow occupational specializations that do not match the labor market requirements. The following initiatives were agreed to overcome these problems:

1. Establish a Public Education Accreditation and Quality Assurance Council under the



- umbrella of the National Commission for Accreditation and Quality Assurance of Education Institutions.
  - 2. Decentralize decision-making authority and improve monitoring and evaluation of the sector.
  - 3. Expand public kindergartens particularly in poor and rural areas.
  - 4. Expand access to basic and secondary education while enhancing expenditure efficiency.
  - 5. Improve the quality of basic and secondary education.
  - 6. Increase private sector involvement in the management of vocational education and reform programs and curricula to meet market needs.
- 1. Establish a Higher Education Accreditation and Quality Assurance Council under the umbrella of the National Commission for Accreditation and Quality Assurance of Education Institutions.
  - 2. Approve a comprehensive strategy for higher education.
  - 3. Develop alternative funding strategies for universities.
  - 4. Revise universities' admission policies.
  - 5. Reform university curricula in line with requirements of the knowledge economy.
  - 6. Upgrade skills of faculty and administration at universities.
  - 7. Improve the governance and funding of community colleges.
  - 8. Reform community colleges curricula in line with market requirements.

### **c. Higher Education**

The Higher Education sector lacks a unified and comprehensive strategy to strengthen governance and drive sector development. The sector structure is also highly skewed toward academic learning at the expense of technical education. This is placing increasing pressure on public universities as demand for higher education soars. The Ministry of Higher Education is not well-equipped to address the sector's needs as it lacks the required capacity to conduct effective policy-making. Furthermore, rising demand and funding shortages have led to lax admission policies and a decline in teaching quality. In order to improve the sector's efficiency, the National Agenda proposed the following:

### **d. Scientific Research and Innovation**

Scientific research can play an effective role in efforts to find solutions to Jordan's socio-economic problems but the sector suffers from a fragmented administration, unclear channels and linkages, limited cooperation and coordination, and inefficient financial management. Main National Agenda initiatives to promote scientific research:

- 1. Establish a National Commission for Scientific Research.

2. Encourage scientific research and a culture of innovation.

### e. Cultural Innovation

The National Agenda defines the landmarks of the culture that Jordan strives for. It highlights the importance of fostering the national culture as part of the Arab culture with strong roots in Islamic values of peace and tolerance. A culture that builds on the achievements of others, promotes dialogue and diversity and that rejects all forms of prejudice, isolation and intolerance. The National Agenda also emphasizes the right of Jordanians to enrich their individual culture and the freedom to express and enjoy it.

Cultural development plays an important role in political, economic and social development. In Jordan, however, the cultural sector is witnessing many challenges that threaten to compromise cultural and artistic outputs and constrain

innovation, mainly, due to the lack of clear national policies and strategies required to coordinate efforts and provide funding. The following is one of the main National Agenda initiatives aimed at activating and supporting the cultural sector:

1. Establish a Higher Council for Culture and Arts, chaired by the Minister of Culture, to draw up policies and strategies and oversee their implementation. The Council should also oversee the creation of a Cultural Support Fund, administered by both the public and private sectors, with the aim of financing independent artists and cultural projects.

The National Agenda has set performance indicators designed to monitor implementation of the initiatives of the Theme. The following tables include major indicators:

Selected Performance Indicators for Public Education

Key Performance Indicators	Current	Target (2012)	Target (2017)
Gross Enrolment Ratio (GER) in Pre-School Education	35%	50%	60%
Gross Enrolment Ratio in Primary Education	99%	100%	100%
Gross Enrolment Ratio in Secondary Education	86%	90%	95%
Employment Rate of Secondary Vocational Education Graduates	55%	65%	80%
National Student Scores in TIMSS (Math)	424	Exceed international average	Exceed international average
National Student Scores in TIMSS (Science)	475	Exceed international average	Exceed international average
Percentage of Schools with Intranet Access	72%	100%	100%
Internal Efficiency Index (*)	0.89	0.93	0.96

(\*) The proportion of initially entering students who successfully complete basic and secondary education, taking into account annual student attrition as well as pass rates on the General Secondary (Tawjihi) Exam

Selected Performance Indicators for Higher Education

Key Performance Indicators	Current	Target (2012)	Target (2017)
Tertiary Education Gross Enrolment Ratio	35%	44%	50%
Percentage of University Graduates Employed within 12 months of Graduation	N/A	85%	95%
Percentage of Students Admitted under the Parallel Teaching Scheme	21%	0%	0%
Percentage of Universities where Faculty Trained by FDCs(*) Exceeds 60% for the Year	0	100%	100%
Percentage of Community College Graduates Employed within 12 Months of Graduation in their Area of Specialization	N/A	85%	95%

(\*) FDC = Faculty Development Center

N/A = Not Available

Selected Performance Indicators for Scientific Research and Innovation

Key Performance Indicators	Current	Target (2012)	Target (2017)
Expenditures on R&D as a Percentage of GDP	0.34% (2003)	1.0%	1.5%
Number of Internationally Published Science Papers, as Indexed by Thomson ISI	485	1,300	2,500
Number of Patent Applications Submitted by Jordanians Since the Year 2000	246	1,300	5,000
Number of manuscripts deposited at the National Library Since the Year 1994	22,550	42,000	58,000

# Infrastructure Upgrade Theme

The Infrastructure Upgrade Theme is a central pillar supporting socio-economic development in Jordan. Infrastructure quality and access cost are of prime concern to private investors, as they have a direct impact on the competitiveness of Jordanian companies. Moreover, Infrastructure plays a central role in enhancing the quality of life of citizens. This Theme also advocates environmentally-sustainable economic development, a matter of increasing concern given the fast rate of degradation of Jordan's natural resources.

The Infrastructure Upgrade Theme covers the Water, Energy, ICT, Postal Services and Transportation sectors as well as Environment Sustainability

## Water Sector

Water sector is of strategic importance as water scarcity can significantly impede socio-economic growth. In addition to the scarcity of renewable water resources and depletion of underground water, the water sector suffers from distribution inefficiencies, inadequate tariffs, limited wastewater treatment capabilities, and restricted private sector involvement.

A host of initiatives must be implemented in order to redress the current water situation. These initiatives include the following:

1. Develop water supply and new resources, exploit unconventional resources, and enforce the Kingdom's water rights according to international

agreements related to water sharing within a framework of regional cooperation.

2. Improve efficiency of water distribution networks to decrease operational costs and non-revenue water.
3. Restructure tariffs and progressively reduce subsidies.
4. Develop and upgrade wastewater treatment facilities by using state-of-the art technology and re-use treated water for agriculture and industry.
5. Encourage involvement of the private sector in developing the water sector and creating investment-friendly environment.

## Energy Sector

The energy sector is facing essential challenges, most importantly, the reliance on international energy markets for direct imports, the rising cost of crude oil and oil derivatives imports with the bill estimated at 17 percent of GDP in 2005, a growing demand for oil derivatives expected to exceed its 3 percent rate per annum and electricity consumption maintaining an upward trend and expected to exceed its 4 percent rate per annum. Other challenges include the provision of necessary funding for investment in the development of energy industry and its installations within time frameworks to meet energy needs, promoting an efficient

use of energy in all sectors and upgrading oil derivatives specifications in line with international standards in order to ensure safety and environmental protection. The following has been recommended to address these challenges:

1. Achieve security of oil derivatives supply.
2. Shift the energy fuel mix from oil to gas in power generation and energy-intensive industries.
3. Achieve security of electricity supply.
4. With respect to development of domestic energy resources:
  - Evaluate the technical and economic feasibility of oil shale exploitation in Jordan through direct burning to generate electricity or through distillation to produce petroleum.
  - Expand exploration projects in an attempt to discover indigenous natural gas and oil resources through promoting and marketing areas open to investment in the Kingdom, building and enhancing skills of human resources in this field, developing Al-Reesha gas field through the initiation of local development plans and encouraging the private sector to invest as a strategic partner while accelerating restructuring of the Natural Resources Authority.
  - Strengthen the role of the National Energy Research Center to develop the exploitation of new and renewable energy resources, promote energy conservation

and establish suitable regulatory frameworks to manage these resources.

## Transport Sector

Over the past decade, Jordan invested heavily in developing its transport sector, expanding its road network and introducing improvements to logistics networks. Despite these successes, the sector needs further efforts to enable it to play a positive role in stimulating development by upgrading the public transport services and building a modern and efficient transport network through implementing sound regulations and attracting investments to the sector. Initiatives recommended in the National Agenda to develop the transportation sector include:

### a. Land Transport

- Build an efficient and modernized network and affordable services by implementing sound regulations, improving service quality and encouraging investments in the sector.
- Set up a regulatory body for the land freight and liberalize cargo and container tariffs.
- Upgrade the roads network and centralize road network planning and maintenance.

### b. Rail Transport

- Complete the Railway Master Plan study to confirm financial viability of the required investments.

### c. Sea Transport and Ports

- Upgrade the Aqaba Port infrastructure and improve sea transport regulations.

#### **d. Air Transport**

- Develop a strategy to liberalize the sector and restructure the Civil Aviation Authority.
- Upgrade the infrastructure of Queen Alia International Airport and other airports to prepare for their privatization.
- Privatize Royal Jordanian.

## **Information and Communications Technologies (ICT) and Postal Services**

The ICT sector is a major contributor to economic growth and social development. The increase in ICT investment drives GDP growth and is vital to attracting investments to other sectors. ICT is a key tool to educational reform and development and enhancing effectiveness of public services.

A number of initiatives have been developed to increase digital penetration, improve education and stimulate demand for internet services in particular and communications services in general:

#### **1. Regulatory Framework**

- Develop a comprehensive legislative and regulatory framework to adapt to new technologies and convergence of media and telecommunications and ensure a transparent licensing regime.

#### **2. Fixed Line Telecommunications**

- Allow market forces a bigger role in making tariffs more affordable to citizens and businesses.

#### **3. Mobile Telecommunications**

- Improve the legal framework to facilitate the adoption and usage of new technologies such as 3G and mobile commerce, and ensure a healthy competitive environment for current and future investments in the sector.

#### **4. Information Technology and Internet Service Providers**

- Promote the use of information technology applications to contribute to socio-economic development.

#### **5. Postal Services**

- Privatize Jordan Post and seek a strategic partner to expand and improve postal services.

## **Environmental Protection and Sustainability**

Jordan is facing challenges in the environmental sustainability sector relating to legislative and regulatory frameworks, waste management, air pollution, combat of desertification, natural reserves and land use and the protection of the Dead Sea and the Red Sea. Several initiatives were recommended to address these challenges:

#### **1. Regulatory and Institutional Framework**

- Strengthen legislative and institutional framework for environmental sustainability and enforce relative legislation.

## 2. Waste Management

- Develop solid waste management policies, promote environmentally-sound disposal sites, encourage recycling and minimize solid waste generation.
- Develop a hazardous and chemical waste institutional framework which includes knowledge dissemination mechanisms and information tracking, along with an enforcement regime, in order to ensure that hazardous and chemical waste is adequately stored, collected, and disposed of.
- Improve medical waste segregation, transportation, storage and treatment. In order to support the implementation of effective management, the legislative framework should be updated and enforced.
- Reduce wastewater discharge outside the sewage system and increase wastewater treatment capacity.

## 3. Air Pollution

- Strengthen mechanisms to ensure pollution monitoring, reduction and control in urban and industrial areas.

## 4. Natural Resources and Land Use

- Improve management of natural reserves and develop a master plan for land use and ensure its implementation.
- Formulate a long-term comprehensive policy to combat desertification and integrate it in national sustainable development policies.
- Enforce sound management policies relating to the uses of water in the Dead Sea and surrounding areas.
- Integrate policies relating to the protection of the Red Sea and its environment in relevant development policies including the implementation of appropriate monitoring programs for water and coral reefs.

A set of performance indicators was established to monitor the development progress of the Infrastructure Upgrade Theme initiatives. A subset is presented in the following:

Selected Performance Indicators for Water

Key Performance Indicators	Current	Target [2012]	Target [2017]
Percentage of Households With Access to the Water Supply Network	97%	98%	98%
Percentage of Households Connected to the Sewage Network	58%	70%	80%
Non-Revenue Water for Domestic Use	46%	30%	20%
Water Supplies per Capita	150 m <sup>3</sup>	160 m <sup>3</sup>	170 m <sup>3</sup>
Average Cost Recovery (O&M in the Short Term, O&M and Part of Capital Expenditure in the Long Term)	70%	75%	80%
O&M Cost Recovery for Irrigation Water in the Jordan Valley	45%	100%	120%

Selected Performance Indicators for Energy

Key Performance Indicators	Current	Target (2012)	Target (2017)
Gas Use as a Percentage of Total Energy Consumption	18%	25%	30%
Renewable Energy Sources as a Percentage of Total Energy	1%	2%	3%
Percentage of Households Using Solar Energy for Water Heating	14%	20%	25%
Energy Consumption per GDP (Ktoe per US\$ 1,000 in 1995 US\$)	620	550	500
Percentage of New Buildings that Meet Energy Conservation Standards	~0%	40%	70%
Percentage of Electricity Distribution Loss	13.4%	12.8%	12%

Selected Performance Indicators for Transport

Key Performance Indicators	Current	Target (2012)	Target (2017)
Number of Premium Taxi Licenses	0	4	6
Average Age of Public Transport Buses (years)	20	15	12
Percentage of Citizens "Satisfied" or "Very Satisfied" with Public Transport Bus Services	N/A	60%	80%
Freight Cost per Ton per Km for a 40 inch container (in US\$)	2.4	1.2	0.8
Percentage of Licensed Trucks owned by Registered Transport Companies	35%	50%	65%
Percentage of Citizens "Satisfied" or "Very Satisfied" with Road Infrastructure	N/A	60%	80%
Number of Passengers per Day on Light Rail Amman-Zarqa	-	60,000	100,000
Percentage of Regional Maritime Trade through Aqaba	2%	4%	8%
Number of Tourists Arriving by Air (Million Tourists per Year)	1.3	5.0	8.0

N/A = Not Available

Selected Performance Indicators for ICT

Key Performance Indicators	Current	Target (2012)	Target (2017)
Fixed Line – Teledensity (Number of Lines/100 Households)	12%	12%	12%
Mobile Sector – Penetration	40%	56%	79%
Mobile Sector – Minute Rate for Local Calls (Fils)	80	60	30
PC Penetration	6%	21%	42%
Internet Penetration	2%	5%	20%
Access bandwidth	340	846	6425
Mail Delivery on the next day	0%	99%	99%



Selected Performance Indicators for Environment

Key Performance Indicators	Current	Target (2012)	Target (2017)
Percentage of Hazardous Waste Being Effectively Treated to Remove Its Hazardous Characteristics	0-5%	100%	100%
Percentage of Medical Waste Treated	53%	100%	100%
Percentage of Houses connected to the Sewage Network and Septic Tanks	58%	70%	80%
Wastewater Treatment Plants Utilization Rate	153%	125%	90%
Particulate Matter Concentration in Downtown Amman (in Micrograms per Cubic Meter)	165	60	20
Air Quality Index (ESI)*	0.24	0.65	1.0
Biodiversity Indicator (ESI)*	0.14	0.25	0.4
Number of Nature Reserves	25	29	33
Dead Sea Level	414 m below sea level	414 m below sea level	414 m below sea level

(\*): ESI: Environmental Sustainability Index

# National Agenda: Facts and Figures

- The National Agenda includes policy programs to ensure all Jordanians are covered by medical insurance by the year 2012.
- The national Agenda initiatives will reduce unemployment from 12.5 percent to 6.8 percent by creating 600 thousand jobs during the next ten years.
- The National Agenda will reduce poverty among the population from the current 14.2 percent to 10 percent.
- Implementation of National Agenda initiatives will increase GDP per capita from JD 1532 to JD 2540.
- The National Agenda has set programs to remove all forms of discrimination against women in laws and legislation by 2015.
- The National Agenda initiatives will convert the public deficit from 11.8 percent of the GDP into a surplus of 1.8 percent in 2017.
- The National Agenda sets mechanisms for tax reforms to ensure fairness and equality, reduce tax evasion and improve revenue collection procedures.
- The National Agenda programs and initiatives will achieve real GDP growth of 7.2 percent over the next ten years.
- The National Agenda initiatives will achieve public debt reduction from 91 percent to 36 percent of the GDP.
- The National Agenda describes how to increase spending on scientific research from 0.34 percent to 1.5 percent of GDP by 2017.
- The National Agenda implementation mechanisms include setting up monitoring and evaluation units at ministries and public departments and institutions, to design and track performance indicators, present progress reports to the Council of Ministers and the public.
- The National Agenda is not about promises, but well researched initiatives defined by performance indicators.
- The National Agenda evoked healthy discussions on dormant national issues.
- The National Agenda is by no means the end of the road, but the beginning of increased reforms.
- The National Agenda represents not only figures and tables, but the strong reformist will and forward thinking of all sectors of society.
- The National Agenda initiatives are measurable through clear sets of performance indicators.
- The National Agenda sets a dividing line between being viewed as just a document or a roadmap towards political, economic and social development. Expanding ownership of the National Agenda to include all Jordanians will ensure its success.
- The National Agenda presents an opportunity for national inclusion and consensus aimed at developing mechanisms for effective democratic practices and achieving aspired results.