JORDAN 2025

A National Vision and Strategy

Citizen	**Active Citizens with a sense of belonging.**
Society	**Safe and Stable Society.**
Business	**Dynamic and Globally Competitive Private Sector.**
Government	**Efficient and Effective Government.**

Prosperous and
Resilient Jordan
Active Citizens with a sense
Of belonging
Safe and Stable Society
Dynamic and Globally Competitive
Private Sector
Efficient and Effective Government

First Section

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His Majesty King Abdullah II's Letter to Dr. Abdullah Ensour

In the name of God, the Most Merciful, the Compassionate
Your Excellency Prime Minister Abdullah Ensour,
Peace be upon you, God's mercy and blessings,

I extend to you and to your colleagues in the ministerial team, my greetings and wishes of success, as you carry on your responsibilities diligently and proceed with executing the letter of designation I entrusted you with to realise specific goals, chief among them is securing our citizens with decent living conditions.

Today, the Jordanian economy faces a set of difficult challenges, resulting from successive crises as well as international and regional conditions, namely continuous suspensions in Egyptian gas supplies and the ramifications of the Syrian crisis, particularly the influx of Syrian refugees, as Jordan currently hosts 1,300,000 of our brethren Syrians, which is depleting our limited resources and creating enormous pressures on our infrastructure and national economy. This situation has led to an increase in deficit and debt over the past few years.

The implications of these difficult economic conditions have left their mark on the standard of living our citizens enjoy. Today, the number one priority and the foremost challenge our citizens face is to improve their living conditions and to secure better jobs that provide them and their families with a decent living and hope for a better future. These are concerns that I witnessed first-hand during my ongoing field visits. Price hikes and financial pressures our citizens face today are the hard realities we need to address. Accordingly, the state – in all its institutions – must provide socio-economic solutions and programmes to alleviate these burdens.

Over the last few months, I have followed closely the government's performance, and the diligent and well-appreciated efforts it has exerted, which resulted in passing the budget, implementing economic reforms and enacting legislation in cooperation with Parliament.

In light of the recent challenges, we affirm our determination to continue developing our national economy and chart our future direction in tandem with efforts to secure decent living standards and a promising bright future for the men 10 and women of our beloved Jordan. Against this backdrop, it is of the utmost urgency that the government devises an economic blueprint to guide our national economy over the next ten years. This economic blueprint should have a comprehensive framework targeting the following: enhancing financial and monetary policies and assuring their consistency; improving economic competitiveness; enhancing values of high productivity and self-reliance to realise sustainable and comprehensive development.

In this context, I emphasise that the success of devising this blueprint hinges on adopting a participatory and consultative approach towards all stakeholders, namely governmental institutions, Parliament, private sector, civil society organizations and local communities.

The blueprint should build on accumulated efforts and institutional studies, such as the "Privatization Evaluation Committee," "Governorates Development Strategy," and "National Employment Strategy," in an effort to benefit from these strategies in devising future socio-economic policies, with specific programmes and work plans that address short- and long-terms challenges.

The blueprint must also build on the government's policy statement and its program for the years 2013-2016, which have been presented to the 17th Lower House in its Extraordinary Session, on which the government won a vote of confidence, in addition to other national economic and political reform programmes. This shall provide a frame of reference for the current and successive governments in achieving sustainable growth rates and enhancing economic reforms.

It is important to emphasize here that the requested economic blueprint should be based on the following principles:

1. Preserving macro-financial stability and developing financial policies; improving Jordan's business environment; enhancing policies that promote innovation and sectoral development; enhancing local governance and implementing decentralization.

2. Supporting engines of growth; limiting budget deficit; preserving financial and monetary stability; enhancing competitiveness and investment attraction to generate more jobs for Jordanians.

3. Strengthening programmes targeting poverty and unemployment alleviation as well as consumer protection and channelling subsidies to those who deserve it in order to enhance Jordan's social safety net in an effort to protect and expand the middle class.

4. Supporting productive and entrepreneurial projects as well as Small and Medium Enterprises, through encouraging competition and preventing monopolies.

5. Elevating the quality of governmental services provided to citizens in various fields in a manner that builds on public sector reform programmes; giving priority to health and education sectors, in addition to training and employment programmes that meet labour market requirements; and assuring the highest levels of equality and justice in providing these services.

6. Ensuring a just distribution of developmental dividends by giving priority to governorates' development programmes.

7. Devising a comprehensive system to enhance food, water and energy security and its diversification, in addition to expediting the execution of mega projects.

Your Excellency Prime Minister,

I shall emphasize here the importance of addressing this task with utmost attention and care to achieve feasible working plans, based on a specific time-frame with clear priorities and adopting successive action points, which are assessed in an institutional manner and are binding to governments. I also stress the importance of upholding accountability in measuring progress and achievement and a collective sense of shared responsibility as well as keenness to overcome shortcomings in the future.

It is of equal importance, that these directives are handled with the utmost seriousness and avoid laxity in execution, in order to enhance the credibility of the state and all its institutions in addressing citizens' concerns and assuring the decent standard of living they rightly deserve. Above all, we do not wish for this economic blueprint, upon which we have very high hopes, to be a mere document that gets shelved away, but rather a productive endeavour, with tangible results and a clear time-frame.

We face numerous and difficult challenges, but our cherished Jordanian citizens deserve the best we can provide. We are confident that Jordan, empowered by the will of its sons and daughters, will overcome these challenges through team work, diligent efforts and follow-up, aiming to realize our vision for the future of Jordan.

Praying to God Almighty to preserve Jordan's pride and prosperity through the hard work of all Jordanians and to help us realize the aspirations of our beloved people.

Peace be upon you, God's mercy and blessings,

Abdullah II ibn Al Hussein

Amman, 28 Jumada Al-Awwal 1435 Hijri

29 March 2014

The Government's reply to His Majesty King Abdullah II's letter

In the name of God, the Most Merciful, the Compassionate

Your Majesty King Abdullah II ibn Al Hussein, Leader of the reform process and protector of Jordan and its stability and prosperity,

Peace, God's mercy and blessings be upon you,

My Cabinet and I have received, with gratitude and honour, Your Majesty's letter directing the government to draft a 10-year economic blueprint for Jordan. I would like to affirm to your Majesty that putting forward full-fledged plans, aimed at enhancing the country's financial and monetary policy and guaranteeing their consistency, improving economic competitiveness, promoting the values of productivity and self-reliance in order to achieve sustainable and inclusive development and ensure a decent living and bright future for Jordanian men and women, has been a constant practice and a key goal of this government.

The Cabinet and I assure Your Majesty that we will work diligently to prepare this blueprint, adopting a participatory approach, based on openness to all of the country's social and economic stakeholders, including government agencies, parliament, the private sector, civil society organizations and other national entities. Through this approach, the blueprint will be the fruit of a collective national endeavour, where all stakeholders have an active role to play, not only its drafting, but also in the process of its implementation and follow-up. Further, in line with Your Majesty's directives, this effort will result in drawing a roadmap for my government and the governments to follow. It will be based on the challenges facing the national economy, particularly those faced by the sectors of energy, water, transportation and infrastructure. In addition, the roadmap is expected to address the high rate of unemployment, especially among youth, the low level of women's participation in the workforce, discrepancies in the levels of development between governorates and the mounting public debt as well as the growing state budget deficit. Added to that is the impact of the difficult regional situation, particularly the Syrian refugee crisis, which poses a burden on Jordanian citizens and the national economy.

I would like also to emphasize that this undertaking will be built on sectoral and national efforts, policies and strategies, such as the National Recruitment Strategy and National Anti-Poverty Strategy, along with strategies tailored for vital sectors such as energy, agriculture, tourism, transportation and others. The blueprint will also be built on the National Agenda, in a way that ensures coordination and consistency between all these plans at the economic and social levels.

The blueprint will complement the government's action plan and programmes for the years 2013-2016, which we presented to the 17th Parliament in its non-ordinary session. It will also be aligned with other national fiscal and economic reform programmes. Based on Your Majesty's letter, the vision aims to position Jordan as a regional hub of economic activities, capitalizing on the relative advantages of certain economic sectors.

The task aims to achieve the following objectives:

- Boost economic growth, achieve fiscal stability, reduce financial waste, deliver support to those who deserve it and reduce public debt to safe levels.

- Enhance the business and investment environment and raise its competitiveness to attract local and foreign investment in the various economic sectors, enhance partnership between the public and private sectors and revisit the role of the private sector in terms of its size and its contribution to the development process.

- Develop economic sectors, encourage market creativity and hone the tools and means of supporting priority and high-value added export-oriented sectors.

• Encourage small and medium-sized businesses, increase financial support for these enterprises, provide them with a suitable environment to prosper as engines of economic growth and promote their role as employers of young people, by encouraging the spirit of entrepreneurship and innovation.

• Enhance the policies governing the labor market, focus on building a labor force through vocational training, especially youth, so that they gradually replace foreign workers and encourage women to join the labor market.

• Stimulate local and comprehensive development in communities, narrow developmental gaps between governorates and apply decentralization to empower local communities and engage them in the decision-making process related to the development of their areas.

• Increase women's participation in labor market through specific programs.

• Give necessary attention to people with special needs and work to fully integrate them in society.

Your Majesty,

As we prepare this blueprint for the future of the Jordanian economy, which will be completed before the end of this year, we will identify the roles and responsibilities of all stakeholders, during both the drafting and implementation stages. The blueprint will be formulated by technical committees represented by all concerned sectors. It will harness all available expertise, locally and internationally, in order to produce an outcome that will be a national achievement for Jordan, in line with best international practices.

The practical aspect of the blueprint will entail an executive program, extending to 2025, including indicators to measure performance and progress. The Unit of Follow-up and Oversight of Government Performance at the Prime Ministry will be activated to oversee all arrangements and proposals entailed in the plan. Reports will be published regularly, making them accessible to the Jordanian public to detect any failures in the process. This process is intended to increase the government's credibility and people's confidence in it. Those who fail to deliver will be held accountable.

The challenges we face are numerous and formidable, but they motivate us to carry out the task in the spirit of teamwork, turning difficulties facing the national economy into opportunities that lead to the economic revival you envision, and allow us to serve our noble nation under your wise leadership.

**May God keep you as the leader and precious asset of our homeland,
and preserve Jordan as a prosperous and proud country.**

Peace, God's mercy and blessings be upon you,

Executive Summary

Over the past decade, Jordan has seen considerable economic and social achievements; GDP per capita has increased from JD (1512) in 2004 to about JD (3670) in 2014. Jordan has also invested significant resources in infrastructure facilities serving the citizens, made remarkable human development achievements, maintained stability and attracted foreign and domestic investment.

These achievements were accompanied by some challenges that are still unresolved, mainly the development gap between governorates, high unemployment rates, especially among young people, low female economic participation and the relative decline in certain competitiveness indicators. However, the general situation in Jordan, the level of infrastructure and the institutional development help Jordan to leap ahead and start addressing and overcoming challenges. His Majesty King Abdullah II has highlighted the most prominent challenges, the way to the future and the social and economic model that we aspire in his letter to the government to develop this vision for the next decade.

"Jordan 2025" charts a path for the future and determines the integrated economic and social framework that will govern the economic and social policies based on providing opportunities for all. Its basic principles include promoting the rule of law and equal opportunities, increasing participatory policy making, achieving fiscal sustainability and strengthening institutions. To achieve this, it is necessary to improve infrastructure, enhance education and health and strengthen the role of the private sector and civil society institutions to contribute to the development process. Based on these principles, the vision proposes a roadmap for the future that requires consensus among broad segments of society on the roadmap and the roles of all concerned authorities and stakeholders, led by the private sector, which should play a prominent role in achieving the desired objectives. The government should also provide an enabling environment to achieve this. In addition, the success in achieving the vision and implementing policies contained therein requires a commitment by citizens, the government, the private sector and the civil society, reflecting the ideology of active citizenship referred to in His Majesty's discussion papers.

Given the difficulty of predicting the future and the many changes that are ahead, "Jordan 2025" is based on identifying a set of goals that we aspire to, how they can be achieved through certain procedures and policies that will be adopted on the sector level according to a flexible timetable that takes into account the developments on the global and regional levels and how to adapt to those changes. Therefore, the vision offers two scenarios depending on the progress achieved and the degree of commitment to implement the agreed upon policies. The baseline scenario assumes adopting some, and not all, of reform measures that are contained in the second section of this document. Consequently, growth rates achieved depend on the progress achieved and the degree of commitment to implement the proposed policies.

The targeted scenario assumes taking further measures that would achieve high growth rates; this scenario includes a number of interventions in various sectors that would launch the development process in many sectors in order to achieve high and sustainable growth rates, reduce unemployment and poverty and increase economic participation, especially among young people and women. This scenario assumes a balanced and consistent distribution of roles between public and private sectors, a commitment to the implementation and institutionalization of the public- private partnership.

The most important goal that the vision seeks to achieve is improving the welfare of citizens and the basic services provided to them, to create a balanced society where opportunities are available to all and the gap between governorates is bridged. The vision puts Jordanian citizens in the heart of the development process; success and failure are measured by the extent of the progress made at the level of individuals, and therefore the welfare of the community. On the economic and social level, the goal is to achieve self-reliance and financial stability based on financial sustainability, enhance the productivity and competitiveness of the Jordanian economy, gradually eliminate all forms of indiscriminate subsidies and target groups who really deserve the subsidy. This would further strengthen the economy's resilience and reduce the impact of external shocks.

This document represents a long-term national vision and strategy rather than a detailed government action plan.
It includes more than 400 policies or procedures that should be implemented through a participatory approach between the government, business sector and civil society.
It is based on basic principles supporting the development model for the next decade, the compliance with the law and the strengthening of the institutionalization.

The proposed development approach based on these principles clarifies the roles of all actors in the community and requires determination and anticipation for the future. Achieving stability and reducing dependence on foreign countries require necessary short-term sacrifices to achieve sustainability.

The vision shows that the initiatives contained therein should be implemented within a sequential and transitional time frame, and since the 2015 budget has been passed in the year in which the financial reform program ends under the agreement with the International Monetary Fund, there are a number of high-impact and relatively low cost initiatives that should be started.

"Jordan 2025" vision requires all citizens, whether in the public or private sector, to adhere to the implementation and the general principles, supported by faith in the rule of law and the importance of setting high standards of excellence.

The other crucial element for success is the relentless determination to implement the reforms in order to strengthen financial independence and self-reliance. Therefore, it is necessary to increase productivity and competitiveness in the long term to achieve the desired objectives. This requires commitment and effective implementation by setting measurable and easy to follow-up goals. To that end, the Prime Minister's Delivery Unit was re-established to follow up the most important initiatives proposed and overcome the obstacles facing their implementation.

"Jordan 2025" vision is divided into two parts. The first part includes a number of chapters, the first of which provides a summary of the economic and social reality, and covers issues related to the sectors of health, education, employment and economic participation. This part indicates that Jordan has achieved successes on some levels, although the performance of several comparable countries indicates that there are certain challenges that need to be addressed immediately. For example, the assessment of the health sector shows some aspects of development, but the rate of non-communicable diseases in Jordan is considered very high.

The main challenges facing the education sector, which was, until recently, a success story, are the growing pressure on the infrastructure and the capacity of the education sector as a result of population growth and the increased forced migrations, as well as the lack of financial allocations needed to develop the educational system to keep pace with the rapid development of modern educational systems in developed societies. Challenges also include the weak ability of the educational system to produce quality outputs that respond to the requirements of the knowledge economy and the labor market. The poor performance of a comprehensive system of quality that is associated with a monitoring, evaluation and accountability system and an accreditation system for educational institutions, in addition to the low enrollment rate in vocational and technical education and training.

The low employment rates are a source of concern, given their social and political implications. The document highlights the main challenges facing the labor sector in Jordan, mainly the low economic participation, especially by women, the decline in the size of the labor force relative to the working age population, high unemployment rates, especially among women, youths (age 15-24) and university graduates as well as differences in the unemployment rates between governorates. The challenges also include the increased flow of foreign workers into the kingdom who crowd out Jordanian workers in certain professions and disciplines because of the great disparity in wages.

The document addresses resource management and security, particularly water, energy and food security. The vision provides an analysis of resource security, especially in energy, water and food sectors and presents a number of initiatives and policies on how to ensure the sustainability of these sectors that are related to the rest of the sectors. The transport sector is also considered one of the vital sectors within the infrastructure facilities that should be given priority in implementing the related initiatives.

This chapter also addresses the social aspects of poverty, unemployment and social protection. The analysis discusses the progress that has been made on these levels and the urgent challenges that require policies and procedures to mitigate the effects of poverty and unemployment in particular, especially in the governorates where these rates are high.

The document analyzes these various sectoral challenges within the four pillars: citizens, the society, the business sector and the government. The vision shows the challenges faced by citizens, especially those related to education, health, employment and economic participation as well as how to increase it. At the society level, the cohesion of the Jordanian society has protected it against many external shocks. However, the development of societies and the nature of the current, or expected, challenges they face require an approach that takes into account certain indicators; the poverty rate is still high and there are many indicators, such as domestic and campus violence and road accidents, which need to be assessed. Therefore, this vision seeks to formulate a road map in order to improve some indicators related to the society's stability and balance.

As for the private sector, the general business environment in Jordan has worsened compared to other countries, which requires extensive attention to improve the quality of the business environment in order to attract direct domestic and foreign investments. It is necessary to enforce the laws firmly, fairly and equally and achieve legislative stability with respect to the business environment. It is also necessary to focus on small and medium-sized enterprises, improve their access to finance, innovation and creativity, encourage their entrepreneurship, increase their competitiveness in local and export markets.

On the macroeconomic level, the most important priorities include achieving economic growth and maintaining overall performance indicators. During the past two years, Jordan has managed to achieve growth rates of about 3% in spite of the unfavorable regional conditions. Jordan has honored its international obligations with regard to addressing the imbalances, particularly public spending and debt. However, challenges still lie ahead and require keeping up the pace of reform to achieve sustainable growth, which will positively affect all segments of society all over the kingdom.

This section also evaluates the performance of the public sector and the improvements in indicators of transparency and integrity and addresses the restructuring of the public sector and the effectiveness of public service delivery; achievements and shortfalls have been reviewed and some policies and measures to improve the government performance have been suggested.

The second chapter reviews the new growth model that will enable us to achieve the goals and aspirations we hope to attain in 2025, the national development efforts that should be implemented and priority markets and sectors. It will demonstrate how to stimulate growth, achieve prosperity for Jordanians and determine required skills and resources, as well as reviewing the mechanisms for creating the enabling environment. This chapter also reviews two scenarios, the baseline scenario and the targeted scenario, depending on certain measures and initiatives on various sectoral levels, taking into account the internal and external factors. The difference between the "baseline" scenario and the "targeted" scenario is the expected range within which the value of the realized performance indicators which may fluctuate, that will be discussed in detail in the second part of this document.

According to the targeted scenario, the document intend to achieve real economic growth rates of about 7.5% in 2025, at a rate of 5.7% within the vision period, while the baseline scenario aims to achieve an economic growth rate of 4.8%. With regard to poverty and unemployment, the targeted scenario aims to reduce poverty and unemployment rates to about 8.0% and 9.17% respectively, compared to about 10% and 11.7% respectively in the baseline scenario. The targeted scenario seeks to reduce the ratio of public debt to GDP to 47%, compared to about 60% in the baseline scenario.

In this chapter, the vision identifies a number of clusters that have been determined through studies, analysis and consultation as priority high-potential clusters to stimulate economic growth and create job opportunities for Jordanians. The vision provides an analysis of the reality of these clusters and identifies the initiatives and measures that should be implemented to develop them. These clusters include, for example, engineering industries and construction, health care and medical tourism, digital services and information technology, tourism and conferences and financial services. They are distributed between industrial and services clusters and they have proven their success in creating decent job opportunities for Jordanians, which can be rolled out throughout the kingdom.

This was followed by a review of how to achieve growth, deepen reforms and identify the new foundations advocated by this document in preparation for a new start. This section includes direct recommendations that focused on reinforcing the rule of law, strengthening the role of institutions and encouraging the competition on all levels. It is also necessary to adopt a culture of excellence and adhere to international best practices.

In the second part, all initiatives and measures in the various economic sectors were reviewed; these sectors are divided into four main groups according to the document: the government, the business sector, the society and citizens. The chapter also reviews the various sectoral indicators intended to be achieved in 2025 according to the proposed implementation phases. The review includes the policies and measures related to the targeted scenario and the results expected to be achieved during the expected implementation periods.

Introduction

In accordance with His Majesty's directive, the government has consulted widely over the past 12 months through a number of channels in order to develop a roadmap for national prosperity to 2025. This effort of developing 'Jordan 2025' was led by a Steering Committee chaired by the Prime Minister and including the participation of a number of ministers and representatives from the private sector and from across civil society .

The Steering Committee was supported by 17 sectoral committees convened and managed by the Ministry of Planning and International Cooperation (MOPIC) that included more than 300experts and representatives from government, business and civil society across Jordan.

These 17 technical committees identified the strengths, weaknesses, opportunities and threats faced by the Jordanian economy and society today. They also reviewed more than 1600 recommendations already made in over 80 previous plans and strategies developed over the past decade in order to understand what where previous policies and plans have succeeded and failed and to identify those proposals that have not yet been implemented but should over the coming decade. These plans and strategies have subsequently been collated for public access and are now available on the website www.inform.gov.jo.

In addition to the work of these 17 committees, a broader process of engagement was also launched to ensure that every citizen, civil society organization, political party and business association was provided with the opportunity to contribute their views and ideas into the process of developing "Jordan 2025". The government issued a Public Call for Submissions in national newspapers in September 2014 and through the MOPIC website. This process followed international best practice for public participation and consultation and was the first time in Jordan that this form of open public participation has been used. In addition to newspaper advertisements, 45 business associations, civil society organizations, political parties and other groups were directly contacted by MOPIC and encouraged to take part in the process through this open submissions process.

A National Conference was also held at the Dead Sea on 20 September 2014. Over 780 Jordanians from all segments of society were invited to attend. 450 individuals and institutions accepted the invitation and participated in the one-day conference, which was attended by the Prime Minister and members of the government. Participants exchanged views and ideas about how Jordan can and should move forward through seven working groups each focused on a specific strategic area important for the kingdom's future.

As a result of these consultative and collaborative efforts, "Jordan 2025" provides a clear and honest assessment of the Kingdom's current situation; outlines a vision with specific goals to be achieve; and provides a roadmap, including specific initiatives and timelines, to be followed to achieve our aspirations.

It is however important to note that the priority initiatives outlined in this document do not represent everything the government needs to do over the coming decade. As circumstances change, including the emergence of new risks, threats and opportunities, future governments will need to identify additional initiatives to be undertaken. Nevertheless, the policies contained in "Jordan 2025" represent significant and important structural reforms and programmatic improvements that we cannot lose sight of over the coming decade. They have been selected and prioritized based on a number of criteria, including:

- The nature of barriers and constraints that hindered previous reform efforts.
- Their expected positive, long term and sustainable impact on our citizens and society.
- Their contribution in promoting exports as our key engine for growth and job creation.
- The jobs they can generate for Jordanians over the long term.
- Their potential to improve income distribution between and within Governorates.
- Their cost to implement and sustain give our given our objective of restoring and sustaining fiscal sustainability.

Many of these proposed actions and policies are not new; some have already been recommended in previous plans and strategies developed by the Government, private sector and/or civil society organizations. , such as the National Agenda Document, the National Employment Strategy, the Poverty Reduction Strategy, the "We Are All Jordan" document and other sectoral strategies. Since many of these sound proposals and recommendations remain valid and are likely when implemented to make real change, they have been restated in "Jordan 2025".

"Jordan 2025" also includes Key Performance Indicators (KPIs) related to the desired outcomes in each reform area in order to enable the government, the business community, civil society organizations and citizens to assess the extent to which progress in real outcomes is being achieved from the actions being taken.

These KPIs have been provided not just for 2025 but at four year intervals over the next decade. This will allow future governments to monitor and assess whether the reforms being undertaken are generating the desired outcomes. Equally, if implementation is behind schedule and/or the desire outcomes are not being realized, the Government will have the opportunity to course-correct the executive programs for subsequent years and annual budgets to re-scope priority initiatives and related government activities.

Like any roadmap or plan for the future, the targets that we set at the beginning of our journey must represent a level of confidence and ambition for the future and a commitment to address the challenges and barriers that have held back progress in the past. In addition to identifying the specific actions required, this Plan provides a high-level sequence for the proposed actions in each reform area. Ultimately, the government is responsible for setting budgets and priorities in any given year and must retain the flexibility and discretion to modify priorities based on economic, social and financial conditions at the time. While the logical sequence of activities and milestones are clear, the intention of the timelines outlined in this document is to be indicative rather than prescriptive, in order to provide flexibility to decision makers.

There is a widespread belief in Jordan that implementation is the task of government alone and that the failures of the past have been due to failures in government. There is no doubt that there are inadequacies and poor accountability and that the government bears the lion's share of the responsibility for the Kingdom's past under-performance in implementation. However, successful reform requires the commitment of all stakeholders- the private sector, the civil society and individual citizens- to do their part, by, for example, paying their taxes and abiding by the rule of law and the principle of equal opportunity.

The evaluation of past experience includes lessons and recommendations that will help move forward to the future. The common understanding of the nature of the challenges, the destination that we need to reach and the degree of urgency would dictate the policies to be followed within a clear timeframe to build the Jordan we want by 2025.

Chapter One

1. JordanToday

Before charting a course for the next decade, it is important to begin with a clear and honest assessment of where we have come from over the past decade since the National Agenda and where we stand today as a society and an economy across all aspects of our development. This chapter provides an integrated and holistic assessment of our Kingdom's social and economic condition at the end of the 2014 through four windows: the current state of our citizens, our society, the private sector and the performance of Government.

Figure 1: Jordan 2025 Pillars

Through this framework, Jordan 2025 seeks to understand the current state of Jordanians and Jordanian families; the state of our society as a whole; and how the interaction of civil society, the private sector and the government enables or inhibits our prosperity as citizens.

In order to put our current social and economic outcomes into some context for judgment, a range of economic and social performance indicators were compared with a selection of benchmark countries both from our own region in the Middle East as well as countries around the world with similar characteristics to Jordan, such as population size, business environment and natural resources. In order to define our ambitions for the future over the next decade, we must compare ourselves not just to those at a similar level of development today, but also to ountries with more advanced levels of development to which we aspire to achieve in the future. By considering world's best practice even if those economies are much more advanced than Jordan is today, we can help define our ambitions and the road map for action over the next decade.

Based on a comprehensive scan of countries with comparable characteristics, Jordan was compared to a number of countries, as shown in the table below:

Table 1: Jordan 2025: Benchmark Peer Countries

Countries	Population size 2013	GDP 2012 ($billion)	GDP per capita ($)	GDP per capita (PPP, 2012)	Total natural resources rents (as % of GDP)	Geographic size (1000 sq km)
Georgia	4,5	15,7	3,489	6,808	0.90%	69
Tunisia	10,8	45,7	4,231	10,797	7,40%	155
Jordan	6,3	31,0	4,921	11,539	2,8%	89
Bulgaria	7,3	51	6,986	16,041	2,80%	109
Uruguay	3,4	49,9	14,676	18,280	2,50%	175
Croatia	4,3	59,2	13,767	20,961	1,60%	56
Hungary	9,9	124,6	12,586	22,635	0,90%	91
Lithuania	3	42,3	14,100	24,356	1,00%	63
Finland	5,4	247,4	45,815	39,199	1,40%	304
Ireland	4,6	210,6	45,783	43,834	0,10%	69
Switzerland	8	631,2	78,900	53,191	0,00%	40
Singapore	5,3	267,5	52,170	72,724	0,00%	0,7

Source: World Bank, IMF.

1.1 Citizen Outcomes Today

Jordan today is considered an "upper-middle income" country by the World Bank. Jordan has achieved this status in 2012 because of the growth rates achieved over the past decade. This is represented by Jordan's ranking on the Human Development Index (HDI), and the Health and education pillar in the World Economic Forum's Competitiveness report.

Figure 2: Human Development Outcomes

Jordan's ranking shows that it is ahead of some countries, such [other upper middle income countries such as] Tunisia and Georgia, on the Human Development Index. However, the health and education pillars, as measured by the World Economic Forum's Global Competitiveness Index, show a relative decline over the past decade compared to some countries.

This suggests that some countries have been able to achieve larger gains in health and education outcomes than those achieved in Jordan. It also reflects the stress placed on our education and health system due to the pressures placed on Jordan's hosting of over 1.4m Syrian refugees as a result of the unprecedented regional instability we have been living through since 2011.

In terms of the composition of the population, Jordan's large proportion of young people represents a unique opportunity of strategic importance to achieve long- term prosperity of the Kingdom. As shown in the demographic pyramid below, the essence of this opportunity is the age profile of the Kingdom's population, which is a unique demographic "gift". More than half the Jordanian population are under the age of 24, and over the next decade, the population is projected to grow at 1.35% and the labour force is expected to rise by 2.3% per year. This means that for the next 20 years to 2035, the working age population in Jordan (15-64) will be larger than the dependent population (children and the elderly).

Our demographic reality lies at the centre of "Jordan 2025". To seize the benefits of this "gift", educational attainment levels and training must be dramatically improved and workforce participation rates among both males and females must be increased. This represents one of the most important opportunities to improve the well-being of Jordanians.

Figure 3: Population Distribution by Age Groups

1.1.1 Health

As prosperity has risen in Jordan, public health outcomes have improved considerably over the past 30 years. Since 1980, life expectancy has increased from 66 to 74.4 in 2014, while infant mortality has decreased from 45 to 17 per 1,000 live births over the same period.

Figure 4: Infant Mortality and Life Expectancy at Birth

Furthermore, Rates of infectious diseases are much lower than international averages. These achievements are the result of consistent investment in, and expansion of, the national healthcare system. Jordan now has one of the best healthcare systems in the region. Health workers in Jordan, especially doctors and nurses, are recognized, regionally and internationally, for the excellence of their skills and training. As a result, Jordan is also now recognized as a global leader in medical tourism.

Despite these achievements in health outcomes, a number of challenges are still evident and growing. Jordan has one of the world's highest rates of non- communicable diseases (such as diabetes), typically caused by lifestyle choices. It is estimated that more than 30% of average healthy life years in Jordan is lost due to early mortality, sickness, and disability. This result is the lowest score among Jordan's benchmark group of countries and third lowest in region (ahead of only Iraq and Syria). The economic consequences and costs are undoubtedly significant and growing. These factors contribute to lower workforce participation rates and higher costs to the public healthcare system, especially for employers due to worker absenteeism, earlier retirement and lower overall productivity.

Figure 5: Relative Health Performance

Preventing non-communicable diseases requires a national preventative health care campaign to encourage Jordanians to improve their lifestyles, eating patterns and health consciousness. Further improvements in the quality and cost of care in the healthcare system are also key priorities. The majority of healthcare institutions in the Jordan are not accredited to international standards. Only 45% of military hospitals, 16% of Ministry of Health hospitals and 13% of private hospitals are accredited today.

1.1.2 Education

Over many decades, Jordan has established a regional and international reputation for the quality of its education system. It is one of our major national assets and a source of national pride. Educational outcomes, the knowledge, skill and attainment levels of our people, is vital to the cohesion and vibrancy of our society and strength and competitiveness of our economy. Our education system helps to reaffirm our cultural identity and prepare our young people to be responsible and active citizens.

Nevertheless, the available evidence suggests that Jordan's education system has begun to decline, particularly in the public school system. In general, education outcomes – the levels of achievement attained by students moving through and graduating from the national school and university system - suggest a decline in the standards of quality and excellence and a steady erosion of what was once a key source of national competitive advantage. The measures and reforms that have been implemented by the Ministry of Education over the past two years, particularly the reconsideration of high school examination, the ongoing review of the cross-cutting educational disciplines and the possible adoption of an approach of independent evaluation of the educational process outputs for all educational levels, are all steps in the right direction to improve the quality of the education system and restore its reputation.

At the primary and secondary school levels, test scores and pass rates indicate that Jordan is no longer preparing the majority of its next generation for a globally and regionally competitive workforce. At the international level, Jordan's overall attainment in the Trends in International Mathematics and Science Study (TIMSS) has declined in comparison to other countries of similar levels of economic development. The average mathematics scores of Jordanian students were 406 compared to 498 for countries of the same category. Scores declined by 5% between 1999 and 2011, while almost all comparable economies have improved their scores during that period.

Figure 6: International Education Outcomes

Jordan's private school attainment levels are outstanding on an international level suggesting that there is no barrier to our ability to create outstanding learning environments for our children. One of Jordan's top private schools had 47% of its students achieve IB scores of more than 35 points (against a global average of 27% of students).

It is clearly possible for us to build globally competitive secondary education institutions. The real challenge is spreading the opportunity for higher quality education so that the majority of Jordanians can benefit from the public education system.

As highlighted in previous education strategies, there are a number of possible reasons for the stagnation of outcomes from Jordan's public education system, including:

• Public expenditure per student is low by international standards
(although increased spending alone does not guarantee better outcomes).

• The quality of basic public school infrastructure is highly variable across the Kingdom. Many public schools are in need of investment and a regime of ongoing maintenance.

• The school curriculum and teaching methods are outdated and largely rely on rote learning instead of stimulating critical thinking.

• The administration of the public school network is highly centralized.

• Parental and community involvement in various school activities is very low.

• Teacher training is underfunded and behind international best practice in terms of training methods.

• The pressure on school infrastructure, particularly in the northern and central governorates as a result of the influx of Syrian refugee children, has forced a shortening of hours and the introduction of double shifts to accommodate the surge in demand.

Figure 7: Expenditure on Primary and Secondary Education

Note: Data for Singapore is from 2010
Source: World Bank (TIMSS)

At the tertiary education level, there are two key issues. First, employers have noted for several years that the Kingdom's universities are not consistently delivering graduates with the skills and training required for the workforce. Second, there is too much focus on academic as opposed to vocational training. Only 13% of students in the public education system are studying vocational course, well below comparable international standards. This means that a significant number of graduates will immediately join the ranks of the jobless, despite the ready availability of jobs for vocationally skilled workers.

Employer perceptions are reinforced by the fact that, unlike several universities in the GCC, Lebanon and Egypt, no Jordanian university is ranked within the top 500 universities worldwide according to the Times Higher Education-British Quacquarelli Symonds (THE-QS) global ranking of universities. According to the National Employment Strategy, employer satisfaction with the quality of graduates is low because they believe the curricula and teaching methods at the university level do not focus primarily on the needs of the labor market.

The most concerning indicator about the quality of outcomes achieved by the tertiary education sector is the high unemployment rate amongst Jordan's university graduates. This represents a negative return on investment from the national tertiary education system. Many university students could build their skills and employability faster and at less cost by enrolling in vocational training programs to facilitate access to the labor market instead of choosing three or four year degree programs at university that do not necessarily guarantee decent jobs.

The steady relative decline of the quality of outputs of higher education institutions in Jordan is reflected in the number of non-Jordanian students enrolled in Jordanian universities, as indicated by the Higher Education Strategy 2015-2018 that identified the major challenges facing the sector.

In addition to low enrolment rates, the vocational training sector is "yielding poorly trained and uncommitted workers" according to a recent independent assessment. The assessment of the Technical and Vocational Education and Training (TVET) system indicates limited linkages between labour market needs and Jordan's vocational training institutes, poor instructor qualifications, lack of proper equipment for training, and overall lack of official occupational standards validated by employers to ensure there is a clear frame of reference for all training programs.

1.1.3 Culture and Youth

The growth of the culture and youth sector during the past few years has led to raising awareness among all segments of society and developing youth cultural civil society institutions, by contributing to the provision of financial and logistical support to them, which is one of the most important factors in the sustainability of their positive impact. It has also led to activating the role of youth in the multiple aspects of the development process. Despite the modest cultural, youth and sports infrastructure, Jordan has made remarkable progress by increasing the number of cultural center and sports cities in several governorates. This has had a clear positive impact in the development of this sector by increasing and diversifying cultural youth activities. Large segments of society, whether individuals or civil society institutions, have benefited, from these infrastructures, which has positively increased community awareness and contributed to the economic and social development.

The culture and youth sector can be an effective economic and social lever for promoting national development by investing in the cultural industries sector, known for their efficiency and ability to spread to Arab countries, especially film and drama industry, knowledge, publishing and festivals. If activated, this sector can also be a real driver for tourism development, or more specifically cultural tourism, in Jordan.

The promotion of cultural development in its holistic sense, and raising awareness and enlightenment, is the basis for protecting stability and ensuring civil peace in light of the growing negative societal phenomena that is threatening the stability and civil peace, such as violence in its many forms, intellectual extremism and exaggeration. The culture and youth sector, as well as the education sector, bear the greatest burden in this regard.

1.1.4 Participation in the Workforce

A new development model must be built; the current development model is unable to encourage young population to take advantage of the opportunities provided by the national economy by finding decent job opportunities and support youth Innovation and entrepreneurship. The levels of participation in the workforce, and the revised participation (workforce "employed and unemployed" relative to working-age population), clearly show that Jordan, according to the World Bank, ranks215th out of 218 countries in the world in terms of level of participation in the workforce. Jordan has made little progress on this dimension of development for the past two decades.

The numbers behind this outcome are important to acknowledge. The Jordanian workforce in 2013 was estimated at 1.7 million people in both formal and informal sectors. It is estimated that only 37.1% of the working age population are economically active, while 62.9% (or 2.5 million people of working age) are inactive. Distribution by gender shows that 65% of males are economically active compared to only 15% of females. In comparison, averages in the MENA region are 76% for males and 27% for females, and the world averages are 77% for males and 51% for females.

Our single biggest challenge over the next decade is addressing this workforce participation challenge. Our current development model is clearly not creating the number and quality of jobs demanded by our citizens; and our citizens must be willing to take-on the jobs that are available in our economy.

This is a multi-dimensional problem that requires an equally multidimensional set of policy and program responses. In particular, the low female participation rate is a significant lost opportunity for Jordan. Our current 15% rate of female participation in the workforce is amongst the lowest in the world reinforced by Jordan's rank on the Gender Inequality Index of 99 out of 146, and 134 of 142 in the Global Gender Gap Index. Jordan ranks 13 out of 16 countries in the Middle East and Africa, lagging behind most Arab countries, including Algeria, Morocco, Tunisia, Egypt Mauritania and GCC countries. Furthermore, average wage for females is 67% lower than the average wage for males in all types of jobs.

Figure 8: Gender Equality

According to the macroeconomic model that has been used as part of the development of Jordan 2025 this vision, increasing female participation rate in Jordan to the MENA average (from 15% to 27% over the next decade) would have major positive impacts on economic growth in Jordan, by at least 5% by 2025.

Achieving better workforce participation and retention rates would not only drive growth and raise household prosperity, but would accelerate improvements in the nation's finances by increasing the number of tax-paying workers in the formal sector. This would also help to fund social security programs for the less privileged and improve government services in all governorates of the Kingdom.

1.1.5 Employment

Although strong growth in key sectors has driven significant employment creation on the demand side over the past decade, many of the newly created jobs are being filled by low-cost, low-skilled foreign workers instead of Jordanians. An estimated 658,000 foreign workers work in Jordan, nearly two-thirds of work in the informal sector. Foreign workers are most present in construction, agriculture and manufacturing (41%, 38%, 37% of respective sector workforces), which are also three of the fastest-growing sectors outside the public sector.

While the presence of cheaper foreign labour enhances the competitiveness of several key sectors of Jordan's economy, it also puts downward pressure on the wages of Jordanians in those sectors. This has historically added to the 'culture of shame' that some jobs available in the private sector are not suitable for Jordanians, which has led many Jordanians instead to seek out the better paid and more secure opportunities that have been made available in the public sector.

As the National Employment Strategy highlighted, if we manage to encourage Jordanians to enter and remain in the workforce, the next challenge will be creating more jobs and improving labour market mechanisms that help young people to find available job opportunities. However, typical labour market mechanisms that exist in healthy and productive economies are largely absent or dysfunctional in Jordan today– replaced instead by non-institutional job hunting methods. There is a need to develop a dynamic and transparent labour market on both the supply and demand sides. The Ministry of Labour has recently started to develop mechanisms and organize employment campaigns to bridge the existing gap. These efforts should be supported and institutionalized to develop active labor market policies.

Several sectors face a supply and demand mismatch. In healthcare, for example, Jordanian universities currently produce 3,500 medical and nursing graduates each year, while Higher Education Strategy estimates indicate that only 1,300 new medical professionals are hired by Jordan's domestic healthcare industry each year.. This suggests that the supply of doctors and nurses is almost three times the level of demand.

An estimated 236,000 Jordanians currently work in Saudi Arabia, 170,000 in the UAE and 70,000 in Kuwait. While the Jordanian expatriates in the region and the world can contribute to national development, sustainable long term economic development cannot be built by having a large number of the nation's 'best and brightest' work abroad and replacing them with unskilled foreign workers who transfer their savings outside the country. The first priority of our national education system and labour markets should be to provide meaningful opportunities for Jordanians to work in Jordan.

In addition to improving the performance of our education system and the efficiency of our labour markets, we must also address the desires and aspirations of youth and their parents. Most importantly, social attitudes towards vocational jobs need to change and the incentive system between public sector and private sector employment needs to be fundamentally re-evaluated. The government continues to the employer of both the first and last resort for the majority of Jordanians. Consequently, there are over 250,000 people on the Civil Service waiting list for a public sector position because of the perception of the public sector offering a more attractive and secure package to many young job seekers.

To change this reality, Jordan's private sector must be the primary engine for growth and job creation for Jordanians. Too many of the private sector jobs created today are filled by foreign workers rather than Jordanians. Young people should be encouraged to work in vocational professions and the private sector should be the most desired place to work. Our education system needs to focus on equipping our youth with vocational skills and, as they enter the workforce, our youth need to be encouraged and enabled through a more transparent and level playing field when they apply for vacant positions. New market matching mechanisms need to be accompanied by hiring practices that reinforce a broader cultural change away from wasta and towards meritocracy, because perceptions about wasta are entrenched across the labour market today.

1.2 Social Outcomes

The measurement of social outcomes is a relatively new but increasingly recognized and expanding field internationally. Citizens and policy makers are increasingly interested in looking beyond the traditional measurements of wealth (e.g. GDP and poverty) to broader and more holistic assessments, such as social cohesion and notions of wellbeing and life satisfaction felt by individuals and communities. The state of our society today can also be assessed through a set of criteria, such as the rule of law, justice, social inclusion and marginalization.

1.2.1 Rule of Law

Belief in, and widespread social adherence to, the rule of law is fundamental to the confidence, stability and proper functioning of any society and state. In broad terms, Jordan's judiciary is seen to be relatively independent but needs capacity building. According to World Bank indicators, contract enforcement is a particular area of weakness that must be addressed as a priority because of its negative impact on local and foreign investor confidence.

Figure 9: Rule of Law

In recent years, progress has been made in strengthening the country's fight against corruption and building up the capabilities of the national integrity institutions, as evidenced by Jordan's performance on the Transparency International corruption perceptions index 2014. In terms of international comparison, Jordan is perceived to be less corrupt than most countries in the world, including several EU member states such as Hungary, Bulgaria and Croatia. This is of course no room for complacency and Jordan 2025 includes measures to continue to strengthen the national integrity system in the fight against corruption.

The broader social challenge for the Kingdom will be building a genuine culture of respect and compliance with the rule of law in everyday life. Many Jordanians have become accustomed to using wasta and social connections to short-circuit official procedures.

Figure 10: Anti-Corruption Performance Measurement Indicators

Source: Transparency International, The Global Competitiveness Report 2013-2014

1.2.2 Citizenship

Citizenship – the sense of belonging, equality before the law and equal opportunities - is a vital prerequisite for any prosperous and stable society. Acts of good citizenship come in many forms, for example voting in national and municipal election, driving safely, and volunteering time to support a community group. Along with strong family ties, citizenship is one of the vital threads that strengthen the social and cultural fabric for our future.

Public debate about the importance of citizenship has gained significant prominence over the past year through the discussion papers issued by His Majesty King Abdullah II Majesty, in which he has outlined what 'Active Citizenship' means, why it is so important and how Jordanians can embrace the principle of active citizenship in their everyday life. Just as it is a vital ingredient into our political development journey, Active Citizenship also has vitally important economic as well as social implications. For example paying taxes is an important act of responsible citizenship. Good neighbors, who are mindful of rubbish and keeping shared spaces clean, are also good citizens.

The growth of our civil society sector over the past decade is encouraging, with 127 international non-governmental organizations and 4500 local organizations operating in Jordan in this area, in addition to new programs and platforms for volunteerism that are spreading fast. Improving the depth and resilience of our social fabric through a strong sense of shared pride and a culture of active civic engagement must remain a key priority for the future.

1.2.3 Families and Local Communities.

The family, which constitutes the bedrock of Jordanian society, has witnessed tremendous change in the face of numerous external pressures over the last decade. The rapid growth of the Kingdom in the decade prior to the 2008 Global Financial Crisis brought about significant changes in daily life, including new amenities and services and the proliferation of technology. As they have all around the world, these new developments have reshaped the identity, lifestyle and habits of all our citizens.

The education level of Jordanian women has also significantly improved and brought about a shift in the outlook and expectations of many Jordanian women, including a desire by many to have a career as well as a family. The confluence of these factors has placed new and challenging pressures on Jordanian families. It is not surprising in light of social and economic pressures that the fertility rate in Jordan has fallen and that incidents of divorce have increased. In 1976, the fertility rate in Jordan was 7.4 children per female. By 2012, it had fallen to 3.5 children per female. Conversely, the divorce rate has increased significantly in recent years rising to 2.6% in 2011, 2.8% in 2012 and 2.9% in 2013.

Families are also vitally important for shaping the aspirations of our youth and instilling them with the civic values and ethics. Parenting attitudes have a direct impact on the life skills and attitudes passed on to the next generation, which in turn can have a big impact on educational attainment levels and employability skills later in life when they join the labour market.

1.2.4 Poverty and Disadvantaged Community

Jordan has developed a wide-reaching and robust social safety, which has resulted in significant and important gains in reducing poverty and creating a more equal society over the past decade. The percentage of the population living in poverty has fallen from over 21% in 1997 to 14% in 2010 (the last year for which comprehensive national data is available). Nevertheless, poverty remains a national challenge and is more pronounced the further a governorate is located from Amman. If relatively large governorates like Zarqa, Amman and Irbid are excluded, the average poverty level rises to 20%. This shows that despite achieving gains at the national level, reducing the disparities between governorates continues to be an important policy priority for the next decade. Furthermore, a significant percentage of the population are struggling just above the official poverty line, underlining the importance of focusing on the development of lower-middle income groups to keep these groups from falling under the poverty line.

1.2.5 Cost of Living

The government's attention and priorities have focused for decades on the expenditure side of the household budget ledger, including alleviating cost of living pressures through various direct and indirect subsidies. Social welfare spending, defined as total spending on direct and indirect subsidies for the poor, such as commodity subsidies and supporting health and education sectors, has increased in recent years. Social spending is estimated at about JD two billion annually, or 8.4% of GDP and 23.7% of the general budget for 2013.

The reasons for increased social spending are:

- First, the increased demand for direct and indirect subsidies as a result of population growth and refugee crises faced by Jordan.
- Second, pension spend has increased to 12% of the national budget and is expected to more than double within 10 years.
- Third, subsidies on electricity production, transmission and generation have increased significantly in order to help contain the cost of electricity to households and certain sectors. Financial assistance to the National Electric Power Company (NEPCO) and Water Authority of Jordan (WAJ) and their subsidiaries was estimated at 4.8% and 0.8% of GDP for 2014 respectively.

While this has clearly helped to contain price increases, it has stretched the nation's finances and created a welfare dependence among many Jordanian families as they try to manage the rising cost of living in an environment in which the income side of their household ledger has not made sufficient gains.

Jordan's hard-fought gains in tackling poverty and inequality over the past decade remain fragile and at risk of being reversed unless we continue to support the poor and underprivileged. But the methods and approach we take to providing that support must change. It is not feasible to maintain the current levels of social spending as a share of GDP over the next decade given our budget pressures today and our expanding population in the years to come. The social support we can provide must be better targeted on those who are genuinely in need and we must help Jordanian families respond to cost of living concerns by expanding their income earning potential through employment rather than providing general subsidies to offset price increases.

1.2.6 Housing and Neighborhoods

Finding and securing decent housing remains a source of concern for many Jordanian families. Home ownership in Jordan is low by international standards, and real estate prices have risen dramatically over the past decade in many parts of the Kingdom driven by a sharp rise in land prices and the pressure on housing supply created by successive waves of refugee migration to Jordan. As a result, the majority of housing units today are not affordable for the majority of Jordanian families. There is now a surplus of high-end housing and a lack of supply of affordable housing for low and middle-income families despite clear market need at that level. Multi-family households and overcrowding are now increasingly common as 25% of households include one sleeping room and 44% have two sleeping rooms. Average household size is 5.4 with over 40% of urban households. 47% of rural households have 6+ people in one dwelling.

International research also highlights that inadequate and overcrowded housing leads to worst health outcomes due to lower hygiene and poorer educational outcomes for children, especially in poor areas. Given the significance of housing as an issue for families, a clear and integrated national housing policy needs to be developed.

Neighborhood and community safety is also an important issue for families and communities, and a vital factor for maintaining the confidence of local businesses and foreign tourists alike. One of Jordan's great strengths is its comparative advantage as a safe and tolerant society in the middle of a troubled and volatile region. Jordan is considered by the international community to be a relatively stable society, providing citizens with a general sense of safety in public spaces, and making Jordan a more attractive location for foreign direct investment, particularly in comparison to other countries in the region.

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According to rankings assembled by the World Economic Forum, Jordan is strong in the areas of public safety, performing well on dimensions such as the business costs of crime and violence (#16/148), organized crime (#13/148), and the reliability of police services (#43/148).
Road safety stands out as a particular area of concern for the Kingdom. Jordan has one of the world's highest rates of road fatalities, suggesting that urgent attention is required to create safer roads and neighborhoods for Jordanian families. Part of the solution must also be a change in driver attitudes and behaviors on our nation's roads.

Figure 11: Mortality Rate due to Traffic Accidents

1.3 Business

1.3.1 Trade and Competitiveness

As a small economy, our ability to be a successful exporting nation is fundamental to our future prosperity. Our domestic population and domestic economy is too small to provide the jobs and the growth we require to provide the quality of life Jordanians aspire to.

Jordan has many competitive advantages including as a strategic location at the intersection of three continents (Asia, Europe and Africa) and within the Middle East region between the GCC and the Levant. It also boasts a stable political climate and strong relations with neighboring countries and the world and has established a position as a strategic supplier of highly-skilled human resources for the GCC market.

The private sector and Jordanian business leaders have proven their ability to compete at the regional and international levels. While there are many success stories we can be proud of, more needs to be done in order to strengthen the competitiveness of Jordan's business environment as a basis for export success and as a hub for regional headquarters and investments by foreign investors.
As shown in the figure below, despite significant growth in foreign trade during the past five years in absolute terms, export share of GDP declined from 48% in 2004 to 42% of GDP in 2014. The ratio of Jordan's exports to GDP is low compared to other similar countries.

Figure 12: Foreign Trade Developments

This has led to a widening trade balance deficit, amounting to about JD9906.9 million in 2013, a rise of nearly JD772.7 million compared to 2012. Our high and persistent trade deficit is one of the most important challenges facing our national financial position. Our trade deficit reached 41.5% in 2013 of GDP due to increased imports of oil and oil derivatives and sluggish growth in exports as a share of GDP due to declining relative competitiveness of the economy as a whole. As highlighted in the graph below, our exports are also highly concentrated in many sectors on one or two markets highlighting the need to further diversify both the product mix and destination for our exports.

Figure 13: Export Ratio by Countries and Commodities

1.3.2 Business Environment

Jordan has adopted several policies aimed at improving the business environment to attract investments. It also enjoys political, security and macroeconomic stability, excellent infrastructure, qualified human resources, in addition to the legislation governing the investment process. The volume of investments in 2013 was about JD2.2 billion, and they were concentrated in the sectors of industry, tourism entertainment cities, hotels, maritime transportation, hospitals and agriculture.

As part of the ongoing efforts to develop the business environment and investment, the government has reviewed and amended several economic and trade legislation, notably those relating to investment, reorganization of the business, bankruptcy, liquidation and activating public-private partnerships, in line with best international practices in this area.

Crucial to our trade and investment success is the quality of our local business environment. The volume of investments in 2013 was about JD2.2 billion, concentrated in industrials, tourism and entertainment, maritime transportation, hospitals and agriculture sectors.

Nevertheless, as measured by respected international rankings, there is significant need for improvement in the competitiveness of the Kingdom's business environment. In 2015 Jordan was ranked 117th out of 189 economies in the World Bank'sEase of Doing Business ranking, compared to 116th out of 189 countries in the previous year. Jordan's ranking in the 2015 World Economic Forum's competitiveness indicators improved by four places to 64th globally out of 144 countries.

According to these comparative international assessments, the areas most in need of reforms include investor protection arrangements, the cost of establishing a business, access to credit, the tax system, resolving insolvency and contract enforcement.

Figure 14: Jordan's Performance on the Ease of Doing Business Index

As part of the ongoing efforts to develop the business environment and investment, the government has reviewed and amended several economic and trade legislation, notably those relating to investment, reorganization of the business, bankruptcy, liquidation and activating public-private partnerships, in line with best international practices in this area Labor productivity is a second area of critical importance to the overall competitiveness of the economy and an area in which we have achieved significant progress over the past decade. The average private sector worker's contribution more than doubled in value between 2000 and 2013. The biggest productivity increases in the past decade were in the mining sector, with 56% increase, and the finance sector, with 53% increase.

Nevertheless, these impressive productivity gains still place us significantly behind the productivity levels of more advanced economies and they have been limited to the private sector. Compared to OECD countries, Jordan performs below all benchmark countries on labour productivity, averaging US$13 of value-added per person-hour worked. This was much lower than, for example, $29 for Turkey, $31 for the Czech Republic, $55 for Switzerland or $71 for Ireland.

Productivity is also closely related to the innovative capacity of the economy and the ability to create new and better products, services and business models that meet the market needs. Despite being ranked seventh in the world for the availability of scientists and engineers, Jordan does not generate many patent applications. Jordan ranks below average in its peer group and only average amongst the region on the Global Innovation Index.

Improvements in the general business environment should also help to drive further improvements in productivity and innovation, by encouraging the importation of new technologies, systems and processes. Furthermore, a study of international benchmarks shows that public sector productivity is highly correlated and responsive to private sector productivity, indicating that an improvement in the overall functioning of the government and more efficient service delivery would have a significant impact on improving private productivity levels.

1.3.3 Access to Capital

Despite the growing instability and insecurity in the region, Jordan has experienced a significant influx of direct and indirect foreign investment in many economic sectors. This strengthened the Central Bank's ability to develop a financially resilient and sophisticated banking system in accordance with international standards and practices, in comparison with regional and Arab banking institutions. This is shown by the indicators of financial strength of the banking system, particularly those related to rates of liquidity, profitability and capital adequacy, which has had the greatest impact in significantly increasing the investment attractiveness of banking institutions. 50% of equity in licensed banks in Jordan is held by non-Jordanians, which is considered one of the most important and strategic investments, due to their stability and growth.

On the other hand, the negative repercussions of the global economic crisis in recent years and the increased uncertainty in the region have led banks to adopt tougher lending policies. The growing financing needs of the government and the trend towards the local market to fulfill a large part of these needs have reinforced banks' conservative lending behavior, which in turn created a safe and competitive investment opportunity for lending to the private sector. Similarly, total deposits in local banks increased by 10.5% at the end of 2013, while non-resident deposits have seen a steady growth of 19.2%, which is an indicator of increased confidence in the Jordanian economy and banking system.

The Central Bank acknowledges that funding for Micro, Small and Medium-sized Enterprises has been modest (10% of total facilities granted), which highlights the need to strengthen the sector's ability to access required finance with favorable lending conditions, since it is one of the vitally important sectors to drive economic activity. In light of this reality, the Central Bank strengthened its role in supporting local high value added economic sectors in order to stimulate economic growth. The Bank has given more attention to SMEs, providing funding programs directed towards local industry, tourism, renewable energy and agriculture, for terms appropriate to clients' financing needs (five years for industry, tourism and agriculture and ten years for renewable energy), and with a ceiling of 5% of loan portfolio of operating banks. In addition, the Central Bank has sought to provide credit lines for SME through the banks operating in the Kingdom. Jordan has managed to secure $70 million soft loan from the World Bank and a credit line of $50 million with similar conditions from the Arab Fund for Economic and Social Development. This was later followed by another credit line of $150 million from the same fund due to the success of the banking sector in utilizing these amounts in the development of SME in Jordan. Almost the full amount of the World Bank loan was used in developing more than four thousand micro, small and medium enterprises, 60% of which were established outside the capital city. Work is underway to complete final terms of reference for a special loan from the European Bank for Reconstruction and Development (EBRD) worth $150 million for the same purpose. The Central Bank has provided the needed facilities and support to enable banks to benefit from this loan at appropriate costs and maturities. Accordingly, the funds that have been, or will be, provided to the sector amount to $420 million.

According to a study conducted by the World Bank, 49% of large enterprises were able to access needed bank credit, compared to 35% for medium enterprises, 26% for small enterprises and 15% for micro enterprises. It is worth noting that several non-bank financial institutions provide finance for micro, small and medium enterprises.

Hopefully, the activities of these institutions will significantly grow in thanks to the central bank's determination to organize and monitor the work of these institutions. The Bank has set up a system to monitor and supervise microfinance institutions in order to strengthen their role in financing micro and small enterprises, which play a vital role in the fighting poverty and unemployment and promoting financial depth and economic growth. This system has recently been approved by the Council of Ministers.

In addition to domestic capital, foreign capital- especially foreign direct investment (FDI)- is critical to the economic growth, productivity increase and technology transfer. Available data indicate that Jordan has managed to increase foreign direct investment (FDI stock amounts to 80% of GDP, second only to Lebanon in the region). Much of the FDI inflow was from the GCC, Iraq and the Jordanian working abroad. A large part of FDI inflow has gone into the real estate sector.

In comparison with the countries in the region, Jordan has managed to attract 3% of the total FDI coming into the MENA region. Jordan's GDP accounts for 0.8% of the combined MENA GDP. This indicates that Jordan has become a favorite destination for many investors. However, Jordan still can position itself as an important hub on the global investment map, and a regional investment incubator for financial services, renewable energy and information technology, like those countries that managed to position themselves as regional hubs for service exports. By comparison, other regional hubs for services exports, such as Ireland and Singapore, achieve much higher levels (142% and 252% of GDP respectively compared to Jordan's 80% of GDP).

1.3.4 Entrepreneurship and Small and Medium Enterprises

Jordan is a country of entrepreneurs and start-ups. According to the World Bank, 10% of working age population are startup owners and micro, small and medium enterprises represent more than 98% of total establishments in Jordan.

The high level of entrepreneurship in Jordan may be due to the weak growth of jobs created by large companies, the decline of employment in the public sector institutions after the privatization program and government policies aimed at reducing the public budget deficit and rationalizing the public sector in recent years.

Nevertheless, the new business and SME segments of the private sector have experienced modest growth in recent years. Net growth in the number of non-agricultural economic projects was only 1.3% per year over the period 2006-2011. The lowest growth rate was that of enterprises that employ less than 5 workers, at just over 1% per year, compared to 4% per year for enterprises that employ 10-19 workers, 20-49 workers and more than 100 workers.

Entrepreneurs and startup owners in Jordan face several difficulties in starting their business or expanding their scope and objectives. The most important challenges they face are the lack of specialized funding programs, high costs of funding, inflexible funding conditions that are not aligned to the needs and capabilities of small and medium enterprise owners, the administrative and procedural difficulties related to business registration and high indirect taxes and fees for the registration and licensing of businesses.

Jordan Enterprise Development Corporation (JEDCO) provides several financial and technical support programs for SME. In 1994, the Central Bank established Jordan Loan Guarantee Corporation to provide guarantees for SME loans and increase their access to appropriate funding. The Bank contributed in providing a special fund for industrial finance managed by the Corporation because of the importance of this sector within the small and medium enterprise sector. Nevertheless, the small capital of the company and the limited funding available to the Fund remain the biggest obstacles to expanding the umbrella of the guarantees provided, at affordable and competitive commission rates, by commercial banks or other financing institutions that provide funding. In addition, the Central Bank provided several initiatives and funding programs to increase economic sectors' capacity, notably renewable energy, industry, tourism and agriculture, and particularly SME, to access needed funding through banks, to 5% of total credit facilities provided by banks, and offered credit lines from foreign sources for the same purpose. In spite of these efforts, SME sector still faces several challenges, due to the lack of technical support, training, guidance and funding programs.

As illustrated below, this has created the so-called "missing middle" in the structure of the economy. A significant decrease in the number of firms is observed when businesses reach the size of 10 or more employees. Ninety-six percent of firms in Jordan are "micro" firms, with less than 10 employees, accounting for just 8% of total company revenues. Large firms of 100 employees or more make up 0.4% of all firms and account for 75% of total revenues.

Figure 15: The Private Sector Structure (The Missing Middle)

The nature of competition between small and medium-sized enterprises is quite rigid due to the absence of a robust national competition. Small and medium-sized enterprises do not contribute in certain capital-intensive sectors, such as telecommunications. Nevertheless, as shown in the illustration, concentration levels remain high in a number of non-capital intensive sectors in Jordan such as information technology, pharmaceuticals (medicines), financial services and tourism. This creates barriers to entry for new players and can suffocate the potential both for lower prices and better quality products and services for consumers. In some cases this lack of competition is magnified by preferential legislation and tax concessions that enable industry incumbents to maintain their dominant position in some markets.

Since small and medium-sized enterprises are vital in the development of the national economy and the creation of job opportunities, the National Strategy for the encouragement of entrepreneurship and the development of micro, small and medium-sized enterprises for 2015-2019 was prepared. Work is also under way to develop a law for small and medium enterprises.

Figure 16: Market Structure for Key Sectors in Jordan

1.4 Government

1.4.1 Economic Growth

Over the past decade, large sums of government resources have been allocated to support the development of our private sector across a number of industries and sectors seen as engines for growth and job creation. As a result of these investments and the success of our private sector, the Jordanian economy is more diversified than many neighboring economies in the Middle East.

To maintain and strengthen the diversity in our economy, it is necessary to continue to develop the export-potential of our economic sectors and activities with comparative advantages at the regional and global levels. Jordan 2025 identified a number of priority sectors for further development and promotion given their export and job creation potential.

There is no doubt that Jordan has achieved high economic growth during the period 2002-2008. This growth, however, did not contribute to reducing poverty and unemployment or bridging the gap between governorates to the desired extent. This highlights the need to focus on improving social indicators rather than assuming that they go hand in hand with growth. Instead, these indicators should be directly measured and adopted as signs of development and goal achievement.

Figure 17: The Sectoral Composition of GDP

Source: Ministry of Planning and International Cooperation (MOPIC), Input-Output Tables.

1.4.2 Public Sector Size and Effective

Government institutions, policies and programs have played a central role in the evolution and development of Jordan as a modern nation. Jordan has been subject to waves of immigration that have contributed to population growth in a turbulent regional environment. As a result, the responsibilities of public institutions have increased. As Government has become larger and more complex, it has also become expensive to manage and sustain. At 31.3% of GDP in 2014, Jordan's public expenditure as a share of the economy is very large by international standards and needs to be reduced and made more efficient.

In this context, we must build on previous efforts that have been undertaken as part of the restructuring of some public sector institutions under Law No. (17) for the year (2014) regarding the restructuring of governmental institutions and departments, under which some institutions were cancelled or merged. The creation of government department and development of organizational structures bylaw was also issued in order to create a legislative framework governing the organizational structure of the government and regulating the process of creating new institutions or preventing financial and administrative independence.

Where appropriate, we should also look to the private sector to perform some basic functions currently undertaken in the public sector where they can deliver better quality services on a more sustainable financial basis while still being accountable to citizens. According to the Government Effectiveness Index, Jordan's performance has declined during the period 2002-2013 and ranked lower than comparable countries.

Figure 18: Government Effectiveness Indicators

1.4.3 Public Sector Management and Coordination

One of the central functions of Government is to administer the laws and regulations of the Kingdom. The central challenge is to implement the laws and regulations that already exist in an equal, fair and transparent manner. Government officials are not alone in the need to comply with the rule of law and administer it fairly. This requires a reciprocal commitment from citizens and business owners to comply with the law whether, for example, by paying taxes, abiding by government customs procedures or building design and safety regulations. Nevertheless, Government does need to set the example but unfortunately today the administration of laws and regulations remains highly uneven and subject to too much discretion and arbitrary interpretation.

This is symptomatic of a broader problem in government which is that too often informal relationships and protocols take precedence over formal protocols and procedures. Importantly, this also includes hiring and firing decisions. This has resulted in a loss of citizen confidence in government. As the process of making decisions slows down, the costs in terms of lost time and additional transaction fees for citizens, businesses and entrepreneurs goes up. Our society and our system of government must become more strongly rule-based as this is fundamental to building a society and an economic system based on a level playing field.

It also requires building administrative capacity and delegating responsibility to apply the law and regulations within government to the lowest level of management. In Jordan today, too many minor decisions are sent up the chain of command in some ministries or institutions instead of delegating authority to middle level managers for routine procedures and instructions. This has created a crisis of middle management in the public sector. Middle managers, who should be empowered to follow standard operating procedures and requirements clearly set down in laws and regulations, have become reluctant to make decisions. This has become most problematic with respect to making routine and regular financial decisions, such as the processing of regulated fees and charges and the signing of routine supply contracts. The system of delegation of powers to Secretary Generals adopted by the Council of Ministers last year us an important step forward in the process of improving decision making in the public sector and in accelerating the enforcement of laws and regulations in government institutions.

The frequency of leadership changes in government together with centralized decision-making and the weakness of institutions have conspired to encourage and reinforce a short-term, tactical approach rather than strategic management approach to policy and public administration. This has resulted in frequent changes in legislative and regulatory settings, further undermining investor and citizen confidence in the strength and meaning of the rule of law.

In this context, more needs to be done consistent with the recommendations of the National Integrity System review and the Privatization Evaluation Committee report. The management habits that permeate through the public sector can be changed if the following is done:

- Genuine, rule-based delegation of authority and commensurate accountability for results.
- Greater commitment to competence and merit as the bases for recruitment and promotion in the civil service, in accordance with the appointment to leadership positions bylaw No. (3) for the year 2013, and the amendments to the Civil Service bylaw by developing employment and evaluation criteria the public sector.
- A shift from last minute time management to well-planned plans at all levels of management.

1.4.4 The Size and Quality of Services

The Kingdom's public sector is a large national institution with extensive reach and influence across all aspects of economic and social life. Jordan's public sector reflects the social contract between citizens and decision makers. What really matters for citizens and for the business community is performance and efficiency.

In relation to the size and structure of public administration, it is helpful to consider several dimensions including:

- the employment in the public sector.
- direct ownership of economic activity through state-owned enterprises.
- service delivery activities, such as provision of public education, healthcare and housing.
- the scale of subsidies and tax exemptions offered to citizens and to the business community.

Our public sector today suffers from overemployment, inefficiency and low levels of productivity. Jordan's public sector is now one of the largest in the world measured on a number of dimensions. The civil service consists of 110 ministries, units and subdivisions, and accounts for 20% of GDP. As a result, public sector salaries and pension obligations account for 27% of annual government expenditures. Many government entities have little or no funds available to pay for investment in training, systems and facilities maintenance to enhance the quality of services provided or to improve their productivity, which requires attention over the medium term.

The level of direct ownership by the state in our economy has decreased in the past two decades due to the privatization program under which many assets were sold to local and international investors. The Privatization Commission report issued in 2014 estimates state-owned assets of about $15 billion today. These assets need to be managed in a way that ensures covering costs, achieving the best public benefits for citizens and relinquishing those remaining assets that should not be managed by the state because they interfere with the basic functions of government or because they potentially compete with the private sector. The Privatization Commission report has identified the principles and foundations for managing these assets in the public interest.

Delivery of key services to society is a major part of the government's activities and an important form of connection between the Government and the people. Public spending on healthcare amounted to 6.2% of GDP in 2013, almost comparable to Switzerland (7.0% of GDP) and Finland (6.9% of GDP). Public spending on education was slightly lower than benchmark countries (3.9 % of GDP), while pensions spending was considerably higher (12.3% of GDP).

Table 2: Public Expenditure on Social Services

Provision of social services

Public Expenditure on Social Services % share of GDP, 2013

Country	Healthcare	Education	Pensions
Georgia	1.7%	2,0%	3,1%
Jordan	6.2%	3,9%	12,3%
Hungary	5,0%	4,7%	9,9%
Lithuania	4,7%	5,2%	6,0%
Tunisia	4,2%	6,2%	-
Ireland	5,2%	6,2%	6,2%

Source: World Bank
Note: According to Government of Jordan sources, health expenditure in 2013 was 7.6% of GDP

Over the past five decades, the government has provided an extensive array of subsidies, tax exemptions and other direct transfers that have improved the lives of many Jordanian families. Subsidies have also played a vital role in helping Jordanians and their families manage the rising cost of living, particularly over the last decade. High income tax exemption levels also mean that only 3% of Jordanians actually pay any income tax today. The new law aims at expanding the tax base.
As noted above, despite the success of recent reforms to fuel subsidies, the aggregate cost of direct consumption subsidies still remains unsustainably high, at JD2 billion, or 8.5% of GDP. Jordan 2025 proposes a series of measures designed to help maintain social services and safety nets for Jordanians who genuinely need assistance, while at the same time ensuring the cost of those social services is financially manageable for the country over the longer term.

With respect to the quality of services delivered by Government, public satisfaction levels have declined over the past decade across all major areas of service delivery impacting the daily life of Jordanians. The Government Performance Development Program 2013-2014 acknowledges this challenge and renews efforts within Government to upgrade basic services across the board. E-Government solutions provide significant promise to increase convenience for citizens and efficiency for Government (including greater efficacy to help combat corruption). Despite having identified the potential for e-Government as early as 2001 early and despite having the capabilities of Jordan's ICT sector to support implementation, Jordan has not succeeded in realizing the full potential of e- Government and now finds itself lagging the rest of the region in this area.

Figure 19: Percentage of Government Departments that are committed to Meeting the Requirements of Service Delivery Improvement System

1.4.5 Transparency and Accountability

Transparency of government action is critical to the accountability of government to citizens.
By shedding light on the decisions and actions of government, transparency helps to build a more informed citizenry and a government that is more responsive to the needs and demands of citizens. Citizens should have ready access to information about what government entities are doing, how taxpayer money is being spent by public sector entities and the rationale as to why leaders in government believe those activities are going to create specific or broad-scale public goods of benefit to all citizens.

It is clear from a number of international indicators and rankings that Jordan has made progress, but has significant room for improvement in transparency and accountability to citizens.

Setting high standards of excellence government performance requirements generally, and information disclosure to citizens specifically, is an important foundation for effective transparency. In this context, it is noteworthy that Jordan is the first and so far only Arab country to be part of a multilateral transparency initiative called the Open Government Partnership (OGP). Using international standards of excellence and commitment mechanisms, this initiative is an effective way to set a high bar of excellence and to use the power of international obligations and commitments as a motivator for local action and real implementation. Jordan's participation in the OGP and the commitments it has made as part of this initiative provides an independent way of assessing current outcomes on transparency and accountability dimensions of government performance. In terms of application within the public sector, a Practice Guide on Public Sector Governance issued in 2014 to translate the principles of transparency and accountability into every day practice.

One area of importance to transparency is the disclosure of basic government performance information to the public. Simply publishing a lot of raw information in the public domain, such as statistics and reports, does not constitute effective transparency nor does it aid accountability. To support strong accountability to citizens the information provided by government must be accurate, easily understood and timely. The advent of new communication tools and platforms over the past decade, including the internet, has helped to make the government's mandate and activities more transparent to citizens. It is now commonplace, for example, for Government ministries and entities to have a website articulating their vision, mission and core responsibilities. Nevertheless, these information and reporting platforms need to be maintained on a daily basis and new tools and capabilities added, such as e-Government processes and social media tools for sharing information
In addition to basic information, there is significant room to improve the way in which information on budget and finance is shared with the public, and performance data of relevance to citizens is disclosed, such as graduation rates from schools and the successful treatments rates achieved by hospitals and medical clinics in the national health system.

Another key area for transparency and accountability is the institutionalization of public consultation mechanisms in the development of new policies. Recent major policy reviews, such as the Privatization and National Integrity reviews, have involved public consultation mechanisms, as did the process of developing Jordan 2025 (as outlined in the Introduction), including consultations between government and business and civil society organizations as well as an open Call for Submissions process. These methods for public consultation need to be institutionalized across Government in the development of future plans and strategies.

The national media also play a vital role as the 'fourth estate' by using publicly available information as the basis for commentary and investigative reporting to stimulate national debate and dialogue about the major issues facing our country and the performance of the government in addressing those challenges. A recent report prepared by the Jordan Media Institute (JMI), the new media fact checking initiative supported by the King Abdullah Fund for Development and JMI, found that over 60% of news stories published in the Kingdom's newspapers were sourced from Petra and other press statements issued by Government entities, civil society organizations and the private sector. This highlights both the opportunity to leverage the nation's newspapers to broadcast government information and the need to strengthen the capacity of journalists to analyze, interpret and comment accurately on publicly available information.

1.4.6 Resource Security and Management

Jordan faces significant national challenges due to the extreme scarcity of water, energy and arable land assets coupled with rapidly increasing consumption trends. This has been compounded by a lack of diversification in its sources for these key inputs (energy and food in particular), leaving the economy vulnerable to external shocks.

Given consumption trends and Jordan's plans for rapid economic expansion, demand is projected to significantly outpace current supply levels. However, recent years have seen an expansion in projects related to the diversification of energy sources, and initiatives related to strategic projects in the water sector.

1.4.6.1 Water Security

Jordan suffers from clear imbalance between water demand and available water resources. On the one hand, the demand for water and sanitation services is unprecedented and growing while renewable water resources are limited. This is accompanied by the overconsumption and over-pumping from the majority of aquifers. The gap between demand and available supply has widened due to climate change; dam storage and groundwater recharge have fallen, which led to decreasing per capita use to less than 135 m3 per year.

On the other hand, fiscal deficit in water and sanitation services has greatly increased as a result of the stagnation of self-revenue generated from low tariff of domestic and agricultural water and high operational costs due to the long distance of water sources to consumption centers. Moreover, the sector's revenues do not cover its expense due to the high cost of finding and providing new non-traditional water sources, such as Disi, the rising input prices, particularly electricity prices due to Jordan's dependence on importing more than 96% of its energy needs and the hosting of large influxes of refugees by Jordan. Reports indicate that the financial return only covers two-thirds of service delivery cost, and that the sector losses have increased by 1% of GDP. Furthermore, future predictions show a growing deficit in the coming years.

Water loss rate (water not paid for) is 41% as a result of the attacks on water networks and sources and low efficiency of supply and distribution systems for domestic and industrial and agricultural purposes due to financial inability to sustain them.

This situation has led to economic, social and political pressures. To prevent water from becoming an obstacle to development, the government allocated more money to meet the growing demand for water and to find additional water sources. Serious efforts have been made to ensure the sustainability and maximum utilization of water and reduce waste of water, and therefore using water for developmental purposes. In addition, legislation and laws have been passed to preserve water resources, develop water sustainability strategies and distribute water equally across the Kingdom.
Jordan withdraws approximately 25-30% more water than its internal resources can provide. The problem of scarcity is compounded by chronic inefficiency. The national water network is estimated to lose approximately 41% of the available daily supply through leaks and theft from the network. Keeping the current price of water to end users constant and assuming full usage and efficiency in the distribution network, this water loss represents JD120 million of lost government revenue each year, which represents 67% of the current revenues earned from water charges.

Despite severe scarcity, Jordan has been able to provide its people with high levels of water supply and sanitation services whereby 97% of its urban and 91% of its rural population have access to water. However, water supply is intermittent, with many households receiving water once a week. Sanitation services cover 58% of the population. Although the efforts to boost supply, such as the Disi water conveyance project, and stem losses from the system by reducing leaks and theft, are important, more can and should be done on the demand side to change consumption behaviors. The successful private sector participation in the water sector (Wastewater Treatment Plant Project and the Disi Water Conveyance Project) and commercial-based business through establishing water companies, have contributed to increasing water security.

Future plans include improving the sector's financial efficiency to ensure sustainable achievement of sectoral goals of raising per capita domestic water consumption rate over the next ten years to about 115 liters/day, and increase the population connected to water networks to 95%. The Ministry will seek to distribute water equally among the Kingdom's governorates and remote areas, and provide enough water to meet the needs of economic, agricultural, industrial, tourism and trade sectors. Plans also include increasing the population connected to sewage networks from 58% to 75% by 2025. With regard to the reuse of treated wastewater, the Ministry seeks to increase the quantity to be used in agricultural and industrial fields, so that 100% of treated water is used.

1.4.6.2 Energy Security

Jordan imports about 97% of its energy requirements, which includes mainly crude oil, oil derivatives and natural gas. Local sources cover the remaining 3% of requirements with renewable energy contributing only a small proportion to this mixture. In 2013, total primary energy consumed in Jordan was about 8.2 million tons of oil equivalent, 82% of which are Crude oil and oil derivatives, 11% natural gas, 3% renewable energy and imported electricity and 4% petroleum coke and coal.

The high annual growth rates of demand for energy (5.5% for primary energy and 6.4% for demand for electricity), compared to global levels is one of the Kingdom's most significant development challenges. The influx of Syrian refugees into Jordan has increased the demand for energy and electricity. Per capita primary energy consumption is 1250 Kilograms oil equivalent (kgoe), and per capita share of electricity is 2230 kilowatt-hour (kWh), which are higher than in comparable developing countries.

Energy consumption density was 208 kgoe per $1,000 of GDP, which is high compared to developed economies where energy consumption density is about 150 kgoe per $1,000 at fixed prices.

The installed electricity generation capacity is currently 3900 MW. Work is underway to ensure additional generation capacity by expanding power generation through special generation projects owned and funded by the private sector.

The national electricity grid for transmission and distribution has expanded to cover the Kingdom's governorates and most rural and remote communities. The percentage of the population with electricity supply reached 99.9% in 2013, which is similar to rates in advanced economies.
Electricity tariff rates for consumers are heavily subsidized at about 100% of consumer prices. To address this imbalance, a national plan for the gradual removal of subsidies by increasing electricity tariffs annually was approved so that by the end of 2017, full costs will be recovered and the Treasury will stop subsidizing the electricity sector. Work is also underway to reduce electrical losses by 17% on transmission and distribution networks.

In order to ease the burden of the energy sector on economic and social development, a comprehensive national strategy is now being pursued to increase the contribution of local sources in the total energy mix through a number of initiatives. The most important of these are expanding renewable energy projects, activating energy efficiency programs, using oil shale as an alternative resource for producing electricity and producing shale oil, using nuclear power as an alternative energy source, further expanding the use of natural gas in power generation and promoting energy interconnection projects between countries in the region to achieve greater energy security.

1.4.6.3 Food Security

Jordan imports 81% of its food requirements. This includes importation 63.4% of the Kingdom's cereals requirements. Unlike energy supplies, Jordan's portfolio of food supplies is reasonably well diversified and the Kingdom has a three to twelve month strategic stockpile of basic commodities. Nevertheless, Jordan is highly exposed to international commodity price fluctuations.

In 2014, the Kingdom imported about 600.000 tons per year of basic commodities, an increase of 11% compared to 2013. Jordan's imports of sugar, rice, dry milk and vegetable oils were between 3% and 20% compared to 2013. There is a three to twelve months strategic stock of basic commodities in the Kingdom.

Jordan imports wheat and barley throughout the year at an annual rate of between 1.6 and 1.5 million tons to maintain the strategic reserves required to achieve a balance between imported and consumed quantities and capacities of various storage sites. The Kingdom's consumption of wheat increased in 2014 by 21% compared to 2010. Its consumption of flour also increased since the beginning of this year by 5,000 tons per month due to the population growth and the influx of Syrian refugees.

The most important challenges in this area are the fluctuation of international prices of basic food commodities and the high consumption levels, which requires increasing local production and food security requirements and expanding storage capacity in the Kingdom. Moreover, the population increase due to the influx of more than a million and four hundred thousand Syrian refugees, in addition to the Kingdom's population of about six million and seven hundred thousand people, led to a significant increase in the consumption of food items. This places financial burdens on the government, particularly in relation to bread; total subsidies for grains (wheat and feed) amounted to about JD222 million in 2014.

With regard to energy and water prices, the government has worked hard to contain the impact of commodity price shocks on households through price controls and subsidies. While Jordan continues to review the subsidy reform policy in the next decade to direct support to those who deserve it and to remove the distortions caused by subsidies, these measures should be addressed gradually, taking into account the sources of income and the ability of the various segments of the society to adapt.

1.4.7 Infrastructure

According to the World Economic Forum, Jordan ranks comparatively well for the quality of its infrastructure (38th out of 148 comparable economies). The road and air transport infrastructure, electricity supply, and mobile phone networks are key strengths for future economic growth and integration with regional and global markets.

Transportation infrastructure along road and air links is well developed, with plans to improve the maritime and railway infrastructure. Jordan has an extensive 8,000 km road network spanning across the Kingdom, connecting it with all its neighboring countries. The Port of Aqaba and the new Queen Alia International Airport are the Kingdom's two major gateways to the rest of the world, and both are undergoing significant upgrades in capacity and the quality of services provided.

In addition, other long-term infrastructure mega-projects, such as the Red-Dead Sea Canal and the national rail network also offer more opportunities to significantly enhance the Kingdom's economic security and resilience and improve Jordan's position as a hub for regional commerce.

It is clear that infrastructure projects are critical to enhancing the Kingdom's energy, water and food security as well as stimulating private sector growth and trade expansion with the region and the world. While the new projects recently delivered and those that are currently underway are encouraging, the lesson learned from the last decade is that more forward planning is required as is greater expertise in Government with respect to tendering and negotiation of Public Private Partnership agreements for these types of megaprojects. Foreign investors are interested in coming to Jordan and supporting the Kingdom's infrastructure development requirements, but they need a stable legal and contractual framework. The new Investment Law and the Public-Private Partnership Law are the legislative framework that will help to speed up the approval of projects and underpin contractual obligations for major projects.

The transport sector is one of the important sectors on which focus should be placed and for which a clear strategy should be developed, especially public transport as one of the critical priorities. In this context, the long-term national transport sector strategy is an opportunity to consolidate the results already achieved and to strengthen the modernization of the transport system to fully support economic development in Jordan. The proposed strategy is a combination of regulatory measures (legislation and regulations) and infrastructure projects designed to meet these challenges. It is noteworthy that there are a number of important strategic projects to enhance the sector's performance, both in public transport- such as the Amman- Zarqa Bus Rapid Transit- and national rail network.

1.4.8 Macroeconomic Outcomes

Sound and sustainable finances are fundamental to the health of any economy. A steady sequence of external shocks, including the Global Financial Crisis, the Arab Spring, the disruption of natural gas supplies from Egypt and the pressures caused by the influx of Syrian refugees, have placed tremendous pressure of the nation's macro-economic fundamentals. Jordan's debt as a percentage of GDP is 83%. The government budget deficit is unsustainably high, at about 8.3% of GDP for 2014.

The fiscal and current account deficits continue to put a major strain on all areas of the economy, restricting the policy options available to the government. Nevertheless, the recent measures taken by the government over the past two years have improved the sovereign credit rating of Jordan, according to Standards & Poor's latest report on Jordan. There are certainly some external factors beyond our control that constrain our ability to accelerate growth. Nonetheless, making real progress is an urgent task, and we must proceed with further reforms in order to restore long-term fiscal sustainability, notwithstanding the external environment.

The Government has taken a number of difficult decisions and implemented several difficult reforms, for which it received international recognition, including the lifting of fuel subsidies at the end of 2012. There will be more difficult choices and reforms required over the coming decade, on both the revenue and expenditure sides of the Government's accounts.

1.4.8.1 Government Revenue

The Government's revenue base today is highly dependent on indirect taxes, especially income tax, rather than direct taxes. The charts below illustrate the composition of the government's revenue in 2013. The rate of growth in tax revenues as a percentage of GDP shows that government tax revenue has been stagnant for a decade despite the growth in the economy. The new income tax law aims to improve the government's revenue based on rates that are more socially accepted.

Figure 20: Government Revenue

As highlighted earlier in this document, Jordan suffers from a low level of formal workforce participation by its working age population. It is estimated that 50% of Jordanians of working age are either actively seeking work but unemployed or working in the informal sector. That low level of participation in the formal economy, combined with a high tax-free threshold on income, means that only 3% of Jordanians contribute to the income tax base of the Kingdom.

To offset the cost of living on Jordanian families and to encourage growth and job creation through the private sector, the Government also grants a significant number of tax exemptions. Tax exemptions granted to both individuals and corporate are estimated at more than JD834 million in foregone revenue in 2013, or 2.5% of GDP. This requires a comprehensive review and a new approach to these exemptions and how they are to be granted.

In addition to rates and approved exemptions, the capabilities and capacities of government tax collection agencies are critical factors. As highlighted in the chart below, the enforcement of current tax laws and regulations by revenue departments raises many question marks and erodes the confidence of taxpayers in these departments. An estimated JD370 million in taxes due remained unpaid in 2012 and tax evasion was estimated at JD750 in the same year. The financial reform plan, which was recently adopted by the Council of Ministers and whose executive program will be prepared, seeks to deal with these challenges in order to enhance the government's ability to increase its revenue effectively and efficiently.

Figure 21: Tax Evasion

Figure 22: Government Expenditure and Total Subsidies

Implementing financial reforms and improving public sector efficiency remain an urgent priority. Improving the efficiency and effectiveness of public spending and developing targeting systems that take into account the social and economic environment in Jordan are important approaches to achieving both social stability and financial sustainability. Better identification and targeting of the poor and vulnerable families is essential to support those genuinely in need and prevent segments of our new and emerging middle classes from falling back into poverty. A combination of measures implemented gradually over time will be required, including improved tax collection mechanisms, application of the law, increased transparency and accountability and the replacement of consumption subsidies by cash payments to those who need it the most.

Chapter Two

2. Transforming our model of development

Jordan has experienced difficult and volatile conditions over the past decades. Nevertheless, it has achieved several important accomplishments although regional conditions were not conducive to planning for the future. Developing a vision for 2025 will be extremely difficult due to several changes. However, there is consensus on the need to strengthen the internal social and economic situation, develop the policies, and identify the initiatives that strengthen the society and economy, as well as the ability to reflect on and deal with the emerging issues, in order to achieve development. The assessment of the current situation clearly shows that a significant progress has been made over the past decade in improving the welfare of average Jordanian families, reducing poverty and achieving equality in society. This progress, however, has not been accompanied by an improvement of the Jordanian economy's competitiveness. As a result, these gains remain vulnerable to being overturned because of the current weaknesses and the relative decline in the competitiveness of the business environment in Jordan.

There is no doubt that given the current financial pressures on our economy and its people and the elevated and continuing level of insecurity and conflict in our region, Vision 2025 is ambitious. However, as His Majesty has said, Jordan has proven time and time again throughout its history that our people are resilient and resourceful. As we have throughout our history, we must continue to pull together as a nation despite the challenges and obstacles in our path to achieve the levels of wellbeing and prosperity we aspire to for all Jordanians and the peace and security we would like to see across our region.

The prosperity of every Jordanians family ultimately comes from the opportunities generated by a dynamic and competitive economy in which all citizens participate through employment and entrepreneurship. What is clear from the 'Jordan Today' assessment is that we have made considerable progress over the past decade in improving the wellbeing of the average Jordanian family and reducing poverty and inequality across our society, but that progress has not been achieved on the basis of a more dynamic and competitive economy. As a result hard-won gains of the recent past are now at risk of being lost because of the current weaknesses and vulnerabilities in our national finances and the declining overall competitiveness of our business environment.

As the chart below shows, the competitiveness of Jordan's economy has deteriorated relative to other economies. Our central challenge over the next decade must be to reverse this decline. By building a more competitive economy, we will create the jobs Jordanians aspire to and achieve inclusive and sustainable prosperity and progress in individual and household income.

Figure 23: Achieving Growth based on Competitiveness

As this chart makes clear, Jordan needs to chart a fundamentally different course to achieve the aspirations of Jordan 2025. As many commentators and stakeholders pointed out throughout the consultation process to develop Jordan 2025, the challenge is more of achieving effective and disciplined implementation rather than knowing 'what to do'. Over the past decade, the government, the private sector, civil society associations, donor organizations, Royal Commissions and think tanks have produced many plans and strategies articulating 'what to do'.

These include, for example, the National Agenda (2005), the National Education Strategy (2006), the National Employment Strategy (2012), the Privatization Committee report (2013), the Higher Education Strategy (2013), the Public Sector Development Strategy and Government Executive Programs (2014-2016) and the National Integrity Commission outputs (2013). These initiatives and many others have accurately diagnosed Jordan's strengths, weaknesses, opportunities and threats, and made many sound recommendations. Nonetheless, the central challenge we have faced over the past ten years has been implementation: how to stay on course with agreed plans and strategies and complete all required tasks and activities at a high standard of excellence, on time and within budget.

Figure 26: Expected Public Debt to GDP Ratio according to the Targeted Scenario

With regard to the structural composition of GDP, the contribution of the industrial sector in GDP is expected to increase to 27.4%, compared to the current contribution of 22.4%. The contribution of the construction and agriculture sectors will expectedly increase to 5.8% and 3.4% respectively, compared to 4.2% and 2.9% currently. The contribution of the services sector is expected to decline from 68.1% to 61.4%, due to the decline in government services sector size, while the contribution of private services sector is expected to increase.

Figure 27: Structural Composition of Current and Expected GDP according to the Targeted Scenario

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Where to Focus our National Efforts – Priority Markets and Sectors

Jordan is a small open economy with population growth rate much higher than the global average. Therefore, due to the small size of our local economy, it is difficult to deliver high-quality sustainable growth and create the number and quality of jobs needed to employ Jordanians over the next decade and beyond. Accordingly, Jordan's economy must be export-oriented, to be able to compete and innovate in order to attract investments into Jordan to serve markets throughout our region and produce high-quality goods and services. This is a basic requirement to drive growth which will in turn create jobs and higher household incomes for Jordanian families.

Like other small economies, configuring our economic system for export success in this way is a big challenge. Over the past decade the Kingdom's overall export performance has been disappointing, growing at just 1.7% per year between 2004 and 2013 (Jordan Department of Statistics, 2013). Export growth has trailed overall GDP growth, and the current account balance has widened substantially, although in large part this is a result of a forced increase in energy imports due to regional instability. With limited natural and financial resources, our key asset is the skill and ingenuity of the Jordanian people. Ultimately, the private sector must be the central engine to achieve economic activity at home and encourage exports. Our business leaders and entrepreneurs should make decisions about what products we can manufacture at home for export purposes and the expertise we can sell to others as services, such as IT solutions, tourism, healthcare and education. The ultimate test for our businesses – and our economy – is why customers overseas will buy from Jordan as opposed to somewhere else. For example:

- Why will hospitals in GCC countries buy pharmaceutical products from Jordan instead of from India?
- Why will some countries continue to import phosphate from Jordan instead of from another phosphate producing country?
- Why will European and Asian tourists choose to visit Jordan instead of somewhere else in the region of comparable natural and historical interest?
- Why will students from around the Arab and Muslim world choose to come to Jordan for higher education studies instead of somewhere else in the region or beyond?

The government has a vital role to play in creating the enabling environment for our private sector to grow and compete successfully on the regional and global stage, and developing a sound fiscal and monetary policy as a pre-condition for investment. Rules, regulations and instructions must be clear, predictable and efficient so as not to impose undue cost and uncertainty on business decisions.

Governments have a powerful 'toolbox' for supporting economic and social development. They can create or change laws and regulations, impose fines, allocate land, promote companies abroad through embassies and trade delegations and take many other actions. Nevertheless,"our"system"of"Government"will"always" have"limited"financial"resources." As such, it needs to make choices about how to deploy its resources in order to best support the growth of the economy.

With the objective of building a more competitive export-oriented economy in mind, it is vital for the economic development strategy of the country to be clear about two key drivers for export success:

- Which countries should be, in the long term, our largest and most important priority markets for Jordanian exports?
- What goods and services are we well-placed to competitively develop in Jordan, given our existing capabilities and resources, and successfully and sustainably export them to those priority markets?

2.1 Priority Export Markets

Small, open and export-oriented economies are typically most successful when they become integral to the trade and investment flows of their surrounding region. MENA economies, including Jordan, are not nearly as integrated into their regional economy as are those in Asia and Europe. Intra-regional trade flows in MENA are extremely low in global terms: 11% compared to 55% in Asia and 74% in the EU.

While the current conflict in the region will continue to constrain the growth of intra-regional trade and investment, Jordan must look beyond the immediate regional crisis. The fact that intra-regional trade is so low across the MENA region represents a tremendous opportunity for Jordan. The following figure shows the regional market of interest to Jordan, which represents US$ 3.8 trillion market comprising 380 million consumers.

Figure 28: Jordan's Regional Market

Given its geographic location at the intersection between the Levant and the GCC, Jordan has the potential to become a hub for investment into the Levant and upper Gulf. Within this total regional market, there are four distinct opportunities for Jordan:

- First, the stable GCC economies.
- Second, the economies of the Palestinian Territories.
- Third, the larger but less stable markets of Iraq, Syria, Egypt and Libya.
- Fourth, the large 'over the horizon' markets or Turkey and Iran.

Jordan can play this regional hub role if we can create a business environment that is significantly superior to our near neighbors, and if our political stability remains a real and differentiated advantage as it is today. As highlighted in the figure below, Jordan has already also established an edge as an export hub to the large adjacent markets of Iraq and Syria based on cost and time to market. This must be further improved and Jordan's commercial, transport and logistics capabilities – the port in Aqaba, the new Abdali business district, the new Queen Alia International Airport and Jordan's road networks into adjacent markets – need to be fully leveraged.

Figure 29: Export Competitiveness

2.2 Priority Clusters to Drive Growth and Create Jobs

Over the past two decades Jordan has established several significant industries in the economy which anchor private-sector economic activity. As the Kingdom looks ahead to the next decade, the Government's role is to facilitate the consolidation and expansion of our existing areas of strength, such as mining and pharmaceuticals, and encourage the build-out of competitive 'clusters' of related and supporting industries to drive growth and job creation. This requires both careful analysis of the emerging needs and demands of our domestic economy and regional neighbors. It also requires creative thinking and some carefully chosen and well managed strategic bets. The criteria for deciding where to disproportionately invest Government policy attention and available resources should be clusters with the following characteristics:

- Attractive demand characteristics in the domestic and regional economy.
- Adjacent to, or building off, existing areas of strength.
- Where Jordan can build and hold a sustainable position of competitive advantage over the medium to long term.
- High potential for creating jobs for Jordanians.
- Domestic and regional demand for products.
- High export potential.
- Sustainable competitive advantage in the medium and long term to provide job opportunities for Jordanians and contribute to bridging the development gap between governorates.

This last criterion, job creation for Jordanians, is particularly important. Some of the economy's fastest growing industries, most notably construction, have exhibited strong demand characteristics, but have failed to generate meaningful and sustainable jobs for Jordanians. Forty-one percent of the workforce in the construction industry, for example, is comprised of foreign workers, many of them undocumented workers in the informal sector who are therefore not contributing to the nation's tax base and not adequately protected with healthcare and other social safety nets.

With these prioritization criteria in mind, the illustration below highlights the clusters that have been identified through research, analysis and consultation as high-potential priority clusters for the next decade.

Figure 30: Existing, Emerging and High Potential Clusters for Growth

2.3 Building on Existing Strengths

2.3.1 Construction and Engineering Cluster

Jordan's rapid economic development and economic openness has led to a significant influx of capital into the construction sector, which has benefited from an efficient and well-capitalized banking sector and very high amount of building and construction activity in recent years. There is an opportunity to grow and expand this cluster as Jordan becomes a regional hub for events and logistics, thus driving further commercial business activity, which requires more real estate assets and services.

Building and construction now accounts for 10% of GDP and it is one of the fastest growing sectors in Jordan. Despite a significant slowdown during 2011-2013, the number of construction permits issued in Jordan has almost doubled in 2014. This cluster is also a major employer, employing roughly 85,000 Jordanians, although it is estimated that 60.000 jobs are held by non-Jordanians. This represents a major opportunity to employ more Jordanians if perceptions of the jobs in this cluster can be changed and greater vocational training provided to prepare Jordanians for the higher-skill segments of this cluster, while following the recommendations of the National Employment Strategy.

In order to develop and position Jordan as a regional hub for architectural and engineering services, this cluster must access engineering contracting work for construction projects in the Gulf region and Levant countries.

The MENA market is estimated to have $2.5 trillion of construction permits, represents a huge opportunity for Jordanian companies to increase exports, along with that of related clusters, such as transport and logistics.

Within this cluster and given the regional security situation and the rapid growth in defense and military spending in the region, Jordan could also look to expand light equipment manufacturing in the defense sector. The capabilities already established at the King Abdullah Design and Development Bureau (KADDB) provide the nucleus of a potentially high-value cluster of related and supporting firms servicing the defense equipment market in the region, based on qualified engineering professionals in Jordan. Highly skilled vocational jobs can also be created downstream in the area of machinery and equipment manufacturing.

2.3.2 Transport and Logistics Cluster

Jordan's central location between the Levant and GCC has driven exceptional growth in the air transport and logistics sector in recent years. This sector is now one of Jordan's largest employers. A significant opportunity exists to continue to develop into a regional hub, leveraging the newly expanded Queen Alia International Airport, ongoing expansion of Aqaba port and Jordan's extensive road networks into adjacent markets.

Diplomatic and Humanitarian Logistics Services Jordan should look to leverage its international standing and soft power to establish the Kingdom as the preferred humanitarian logistics and diplomatic services hub for the region. Expansions of both Queen Alia International Airport and Aqaba Port will provide new excellent air and sea transport and logistics hubs for access by the global humanitarian community, donors and UN agencies. The quality of Jordan's road network ensures rapid time-to-market to reach affected communities both across the border to Syria or to many nearby refugee camps and settlements within Jordan. Further investment in warehousing and cold chain logistics could consolidate Jordan's capabilities to support humanitarian activities.

Amman is already a starting point to several thousand diplomats, UN officials, aid workers and their families. This requires increasing investment in livability proposition for foreign expatriates –particularly schools and family-friendly recreational activities – and developing Amman could as a preferred station for diplomats, UN officials and foreign aid workers.

2.3.3 Tourism and Events Cluster

The tourism sector in Jordan has long been seen as having a number of unique and differentiated competitive advantages, not least the country's many valuable tourist sites of high historical, religious and heritage importance. In spite of the huge potential of the Jordanian tourism sector, its contribution in the Jordanian economy is still limited due to the political instability ongoing across the region. Further progress also needs to be made in establishing the concept of balanced development of the sector and taking full advantage of tourism's potential across the various governorates of the Kingdom.

While regional instability has adversely affected foreign tourism volumes into Jordan, the number of Arab tourists, especially GCC citizens, has increased substantially due to the perceived insecurity of other Arab destinations. In addition, the specialized tourist services in Jordan that cater to the needs of this category of tourists, such as family, medical and wellness tourism, are significant given the reputation of the Kingdom's healthcare sector and the opportunity to integrate treatment with recuperative care and spa treatments. Medical and wellness tourism is forecast to triple between 2014 and 2017.

Tourism currently provides only around 50,000 Jordanian jobs, representing 6% of the total employment in the various economic sectors. There is a big opportunity to improve the ability of the tourism sector to increase the employment rate to global averages, estimated at about 18% given its ability to create more job opportunities.

This increase should include all the Kingdom's governorates. In this context, it is necessary to take measures that would increase job-generating tourism investments, develop the education and training system in various tourist areas and replace foreign labor with Jordanian labor as much as possible.
In order to develop Jordan's tourism sector, the efforts that are being made by the concerned authorities, particularly the Ministry of Tourism and Antiquities, should be continued, by developing the various tourism subsectors in Jordan, such as the religious tourism, continuing to creating new tourist routes and developing those already existing in various governorates of the Kingdom and offering various tourist services in these areas.

At the intersection of Jordan's attractiveness as a tourist destination and its potential positioning as a regional diplomatic and humanitarian hub sits conferences and events. The ongoing expansion of Jordan's 5-star hotel market and unique world-class facilities such as the King Hussein Conference Centre at the Dead Sea mean that the basic MICE infrastructure is already in place. Jordan is already host to World Economic Forums and major international industry conferences but could win a greater share of the regional MICE market.

2.3.4 Healthcare Cluster

The healthcare sector in Jordan has excellent reputation both regionally and globally. It exploits the abundance of highly qualified doctors and nurses and high investment in healthcare infrastructure. It accounts for 5% of Jordan's GDP and has achieved an international reputation.

A number of factors in the short to medium term will continue to drive growth in the industry. These include the high levels of domestic healthcare spending (7.6% of GDP), high levels of insurance cover for the Jordanian population, the large number of Syrian refugees and the established reputation of Jordan as a destination-of-choice for medical treatment.

The sector produces a significant amount of jobs, estimated at 55,000, which are also generally high-skilled jobs. Job growth has been slow, but it is expected to increase in line with an expanded wellness tourism industry. Medical and wellness tourism is a particularly attractive opportunity for Jordan given its unique" combination of high-quality medical facilities and unique wellness assets such as the Dead Sea.

2.3.5 Life Sciences Cluster

Jordan's internationally competitive pharmaceuticals manufacturing industry is one of Jordan's most established and fastest-growing industries, growing at 25% per year in recent years. It constitutes Jordan's third-largest export product group after fertilizers and apparel. The MENA market for pharmaceuticals is estimated at $ 8 billion per year with Jordan's industries currently capturing only around 6% of that market. This suggests significant room for expansion of Jordanian exports across the region.

Employment in this industry remains low (about 8.000 jobs), as it is a capital- intensive activity, however, this figure is growing at 10% per year and many firms said they plan to expand their operations in Jordan.

The combination of a globally competitive pharmaceuticals industry and excellent medical facilities provides a strong foundation upon which to build-out a broader life sciences cluster, including clinical trial services, biotechnology research and product development. Jordan has one of the highest rates of physicians per capita in the world. Having clinical trial centres is an essential step for pharmaceutical innovation, which could contribute to diversifying local pharmaceutical industry beyond drug manufacturing

2.3.6 Digital and business services cluster

The availability of skilled workers, developed infrastructure and the strategic location of Jordan have made ICT and Business Services a core sector in Jordan. The telecommunications market in Jordan is mature, with a mobile penetration rate of 147% in proportion to the population, and the sector is filled with innovative software developers, service providers and start-ups.

The ICT sector needs to be highly export oriented because domestic demand will remain modest due to the predominance of SMEs who are largely unable to absorb high value added ICT products or related business services. The critical challenge for the sector is helping Jordanian ICT companies in accessing regional export opportunities. The demand for ICT services in MENA is expected to reach $120 billion over the next two years.

This sector provides, directly or indirectly, a significant number of job opportunities for Jordanians (about 80,000 jobs in 2013). Direct job opportunities were about 16,000 in 2013. However, employment in the sector has contracted recently, shrinking by about 2.5% annually between 2007 and 2013, due to the export of talent and expertise that has taken place, particularly to GCC countries, in addition to the forced reduction of employees by companies due to technological developments in the sector.

As the size of the middle class in the GCC grows, spending on consumer goods and tourism has expanded substantially, which has driven associated demand for payment processing, customer service support and back-office operations support. Jordan is potentially uniquely placed in the region to provide these services, given its current comparative advantage of bilingual (Arabic-English) well-educated youth, who are well suited to serving the countries of the region. These Business Process Outsourcing (BPO) operations are potentially also well suited for young, skilled Jordanian women, and could thereby contribute to increasing female participation in the workforce in Jordan.

2.3.7 Educational Services Cluster

Jordan has traditionally had a very high-performing higher education sector and a strong reputation across much of the Arab World. In addition, Jordan's climate and political stability make it uniquely attractive place for Arab youth to live in and study. Nevertheless, the quality of higher education outcomes has flattened in recent years. No Jordan-based university is currently ranked in the top 500 universities worldwide, while the GCC countries are investing heavily in building a developed tertiary education sector through partnerships with world-renowned education institutions.

This sector has significant potential to become an economic growth driver with very good job creation characteristics, but Jordan will need to focus on raising the quality of its educational institutions through demanding standards of excellence, new investment and public private partnerships with leading international institutions.

Despite the low enrollment of Jordanians in vocational training, this sector is set for significant growth given the unemployment rate and youth unemployment problems across the region. Given its existing higher education infrastructure and transport connections, there is no reason why Jordan could not become a vocational training hub and content development centre-of-excellence for the Arab World.

2.3.8 Financial Services Cluster

The financial sector in Jordan is stable and efficient thanks to the continuous improvement in the performance of its institutions and the quality and comprehensiveness of its services, which indicates the financial depth of this sector in comparison with countries in the region. At the end of 2013, the contribution of the financial and insurance services sector in GDP was about 11.5%, and the ratio of licensed bank assets to GDP was nearly 180%. This is an indication of the comprehensiveness of banking services and the important role of banks in the development of other economic sectors.

Nevertheless, the utilization of these services is still modest and needs to be expanded. Furthermore, Financial and banking products need to be diversified to meet the needs of institutions and individuals and stay in line with developments in more advanced financial services markets.

The financial services sector has always been one of the vital sectors of the national economy. Therefore, there is a need to intensify efforts aimed at further expanding its activities by creating the infrastructure necessary to facilitate broader and better access for all Jordanians to financial services, especially in remote areas, and improve access to finance, particularly for micro, small and medium enterprises that will play an active and vital role in the inclusive and sustainable development of Jordan. In this area, the new programs (Jordan Loan Guarantee Corporation) and the establishment of Credit Information Company will have an important role in speeding up credit grant decisions, improving access to loans for productive sectors, in particular SMEs and reducing credit risk. Moreover, spreading financial and banking awareness and the development of payment and settlement systems will help expand financial services and enhance customer protection. In addition, expanding the scope of work of the Deposit Insurance Corporation to include Islamic banks and activating its role in the banking protection network will have an active role in deepening confidence in the banking system and stimulating the financial services in the market.

The existence of a developed financial market helps promote and encourage local investment, develop financial services, raise the efficiency of the investment process and increase the effectiveness of the performance of saving and investment funds. Strengthening and expanding the umbrella of the social protection network and raising insurance awareness about Social Security will have a positive impact on promoting investment activity in the financial services sector and providing insurance services for many categories of the society. Furthermore, improving the efficiency of the insurance sector, diversifying its products and publicizing the benefits of investment in this sector will contribute in expanding its activities from the local market to the regional markets and positioning Jordan as a regional insurance hub, especially in light of the growing unrest in the region.

2.4 The Importance of Agility: Openness to New Opportunities and Trends

Given the pace of technological change, the rapid changes in global financial markets and the uncertainty of the regional security outlook, new risks and opportunities will emerge which will inform whether these clusters remain the right ones to focus government policy attention and incentives on or whether adjustments are required. Jordanian businesses and entrepreneurs are best placed to spot risks and opportunities in the global market. Regular dialogue between the public and private sector will ensure that national policy settings towards sector and cluster development can adjust in line with changing market dynamics.

2.4.1 How to Create Inclusive Growth and Achieve Prosperity

Although we have made significant progress over the past decade, significant challenges lie ahead as we seek to achieve greater and better quality prosperity for all Jordanians. What is clear from the trajectory of our development over the past decade is that recent prosperity gains have not been based on improvements in competitiveness. This is not a sound footing upon which to strive to achieve inclusive and sustainable growth. At the heart of a new development model must be a candid admission that simply doing more of the same will not achieve our aspirations. We need to embrace new ways of doing things.

This means creating a dynamic that paves the way for a new start, based on first determining the principles for collective action - the consensus basis upon which all Jordanians agree to move forward collectively to achieve our shared goals and aspirations we have as a nation.

There are seven core principles embedded in Jordan 2025. Together, these principles should serve all of us -" as" citizens," public" officials," private" sector" employees,"civil"society"leaders"– as our guiding star for our economic and social development journey over the next decade and beyond.

Figure 31: Jordan's Principles for Collective Action for 2025

2.4.1.1 Rule of Law: From Avoidance to Adherence

The importance of the rule of law to all Jordanians citizens was highlighted earlier. Rule of law in an institutionalized and consistent manner is critical for citizens and investors to have confidence that disputes will be resolved through a fair and efficient process and contracts will be enforced as agreed. Trust is difficult to secure and is easily lost. In the absence of trust in the rule of law and the fairness of regulations that are supposed to regulate the relationship between society members, we end up in a vicious cycle of low trust as illustrated below. When trust in the law is low and compliance is weak, the government typically responses by introducing new and tougher regulations to try to force better compliance. However, this often leads to further constraining citizens and businesses.

At the core of our national development challenge is transforming from a society whose confidence in the rule of low is relatively low towards a society with a high level of trust and confidence among citizens that the law will be applied equally and without bias. Jordan 2025 identifies a number of specific initiatives and actions aimed at building a higher-trust society as the basis for improving confidence and belief in the rule of law.

Based on the recommendations of the National Integrity System, these initiatives include:

- **Improving the transparency and accessibility of government information** – so that citizens can be better informed about what government is doing and how taxpayer money is being spent on their behalf.
- **Institutionalizing public consultation mechanisms** – to give citizens the chance to have their voice heard on major policy issues.
- **Investing in the improvement of the capabilities of regulatory agencies to promote law enforcement**– to ensure that the government has the tools it needs to enforce the law properly and not sporadically or indiscriminately.
- **Improving the communication of government decisions and regulatory changes** –to enable citizens and businesses to understand the changes and prepare themselves to adapt to new developments."

The outputs, recommendations and executive programs of the Integrity Committee are an appropriate roadmap to enhance confidence in the rule of law and seek to achieve the desired social justice.

Figure 32: Social Trust and the Rule of Law

2.4.1.2 Meritocracy – From Wasta and Favoritism to Equal Opportunity

In both the private and public sector, Jordanians continue to perceive that wasta is the critical success factor, both in terms of obtaining employment and securing preferential treatment by government entities. When asked, "What are the key deciding factors in obtaining a job in the public and private sectors,?," 21% of Jordan youth responded that "wasta" is the most important factor, while another 50% of respondents answered that "wealth" or "social relations". Just 26% responded that "personal merit" was the most important factor in securing a job.

A system that does not reward personal merit will not incentivize our youth to put in the effort and determination required to excel in their studies as the next generation of entrepreneurs and employees in our workforce. Opportunities to access jobs and to move up the career ladder must be equalized in order to change this incentive structure.

Transforming the incentive structure will require a change in deeply engrained attitudes and beliefs, and will therefore take time. However, many of the systems and structure of public administration have come to create an 'un-level playing field'. For example, the tertiary education system has also become an un-level playing field because a significant percentage of university positions are assigned to sons and daughters of particular types of employees in the public sector. As a result, students who may have worked harder and earned better grades are denied a position in their preferred course. The same thing applies to the labor market in the public and private sectors.

Jordan 2025 includes a number of initiatives designed to help address important social and economic development priorities in a way that also 'levels the playing field'. These initiatives include:

- **Establishing a unified and universal national health insurance system** that is not linked to employment but available to all Jordanians. This will not only enhance the healthcare coverage provided to all Jordanians but also neutralize one of the areas of perceived difference between the merits of public sector over private sector employment.
- **Reforming the university and vocational training admissions process,** so that entry into university is based fundamentally on merit and that young students in need of financial assistance are still supported but through alternate mechanisms linked to their successful graduation from higher education rather than their preferential entry into a university or vocational college.
- **Linking public sector pay rises and promotions** to good performance assessments and successful completion of minimum, mandatory and certified training requirements, so that hard-working and competent civil servants can be confident that their efforts dedication will be rewarded.
- **Phasing out tax exemptions and concessions,** to ensure that our businesses are able to compete on fair and equal terms within their industry and able to calculate the true cost.

2.4.1.3 Participatory – From Culture of Entitlement to Active Citizenship

The government in Jordan has historically taken a very expansive role in caring for citizens, primarily by trying to mitigate external impacts on the cost of living for households. This has typically taken the form of management of supply of critical goods and subsidies to cushion the impact of unexpected price increases.

However, the nation's finances can no longer support government policy setting focused on controlling the 'cost' side of the household ledger. Instead, government policy must shift emphasis to focus on enabling all Jordanians to increase the income side of the household ledger, through employment and entrepreneurship. In other words, the government must increasingly focus on policies – in education and labour markets in particular – that ensure all Jordanians are equipped with valuable skills and a mindset for success to help them enter the workforce and by ensuring that the business environment and labour markets are as competitive and transparent as possible.

This shift in policy, from trying to control and contain the cost of living to enabling the economic rights and income-earning potential of citizens, through education and training investments, is one of the most fundamental requirements for the Kingdom's future. It is therefore at the heart of this Jordan 2025 plan. Macroeconomic model conducted as part of the development of Jordan 2025 clearly highlighted that the biggest driver of improvements in national wealth and household prosperity is boosting participation in the formal economy by Jordanians men and women.

In line with the principle of participation and consistent with the principle of meritocracy, Jordan 2025 reiterates the need for the ongoing and full implementation of the National Employment Strategy and other measures designed to accelerate as fast as possible job creation and workforce participation. This is a formidable challenge given that Jordan currently has one of the lowest workforce participation rates in the world and the regional security context is currently constraining the ability of the economy to grow through exports and investment. But it must remain our central focus.
The specific initiatives in Jordan 2025 aimed at boosting participation include:"

- **Significant expansion of vocational training -** including active measures to channel more young Jordanians into vocational rather than academic higher education. It is proposed to achieve this scaling-up of the vocational training. sector through Public Private Partnerships (PPP) with best-in-class international providers of vocational training linked to the priority economic clusters that have been identified. An approach of embracing PPPs will mean that Jordan not only benefit from investment in new and improved facilities, but also world-class content through teacher training methods and curricula, as well as the opportunity to certify Jordanian vocational graduates with internationally recognized qualifications.

- **Deeper and more transparent job vacancy market–** so that young Jordanians have easy and transparent access to job vacancies rather than relying on friends and family networks to find opportunities.

- **Expansion of career counseling services at universities, schools and labour** departments – to help raise the awareness of school and university age Jordanians about different career paths and employment opportunities in the workforce.

- **Continuation of career fairs and recruiting events -** organized by, and linked closely to, the priority clusters for development identified earlier.

- **Institutionalization of partnership with the sector's representative institutions** to undertake their responsibilities of reducing employments by establishing units to perform these tasks.

2.4.1.4 Excellence – From locally accepted quality levels to global best practice

The strongest lever for driving the ambition and performance of a nation is to set high and demanding standards of excellence. Standards of excellence are already a part of everyday life.

- As citizens, we expect that the cars we purchase and drive have passed rigorous safety standards before they can be sold.
- We expect restaurants and cafes to abide by hygiene standards and protocols so that we do not get sick.
- We would not fly overseas if we were not confident that the aircraft had been maintained to the highest standards of safety and that the pilots have met or exceeded their required number of hours to maintain their pilots' licenses.

There are however many aspects in our economic system and daily social life in which standards of excellence either do not exist, are not rigorous enough or exist but are not enforced. We should embrace higher standards of excellence and strive.

to meet or exceed those standards of excellence through training, and when necessary, through enforcement It is possible to identify and adopt international best-practice standards in most aspects of daily life and our economic system. Adopting international standards not only saves time and cost, but also speaks to our ambition and aspirations as a society and as a country. There is no doubt that trying to achieve those standards will be difficult and, in some cases, take many years, but our economy and society will become stronger and more resilient even as we move towards achieving international best practice.

Many companies and government institutions advertise having won excellence certifications as a mark of their quality and excellence. Jordan had only 39 ISO registered companies in 2013, versus 1,119 in the UAE and 7,186 in Hungary. These 39 companies represent just 0.03% of all firms in Jordan. In addition, the National Export Strategy has concluded that most small and medium-sized enterprises are unable to benefit from bilateral trade agreements because their standards are not sufficient to access major European and MENA markets, despite the lack of trade barriers working to our advantage.

Specific initiatives in Jordan 2025 to pursue excellence include:

- **Provide tax credits for companies that successfully achieve international certification for their company or their products and services.** This will help to offset the cost of training and compliance that companies incur in applying for certification. Tax credits will only be granted upon documented evidence of successful certification and for a specific period.
- **Extensive use Public Private Partnerships (PPPs)** across infrastructure, vocational training and selected social service provision areas to provide not just finance to support our development, but more importantly to import with them international best practice standards, including in the form of training curricula and certification processes to improve the skills of Jordanians workers for the future.
- **Mandate that a number of government entities secure internationally accredited certification** to help strengthen public institutions. This will equire a dedicated program, linked to other initiatives in Jordan 2025, to upgrade facilities, systems and processes and staff training.
- **Strengthen the capacities of the Ministry of Public Sector Development/ Institute of Public Administration** to help government institutions achieve international standards.
- **Strengthen the capacities the King Abdullah Center for Excellence (KACE)** as the nation's principal advocate and independent evaluator of standards of excellence achievement across the public and private sectors.

Transparency is a vital component, indeed a pre-requisite, for excellence. Transparency is also the best mechanism for boosting accountability, generating confidence at all levels and making ambitious commitments that require active and hard work to achieve.

Jordan 2025 includes a number of important transparency initiatives, including:

- **The development of public reporting systems for the disclosure of outcomes achieved in certain public services areas such as education and health,** thereby enabling citizens so see the results (outcomes) that are being achieved against pre-determined standards of excellence, whether learning outcomes for their children or treatment outcomes achieved by their local hospital.
- **Publication of annual reports of public institutions,** in a timely manner to help media and citizens evaluate the outputs produced and the outcomes achieved from the spending of public money by each government entity.
- **Publication of progress reports on the implementation of Jordan 2025** through www.plan.gov.jo over the next 10 years.

2.4.1.5 Competitive – From a small domestic economy to a dynamic regional hub

Jordan is a small country with limited resources and a young and still rapidly growing population. These limitations mean that Jordan must become a regional hub for trade and investment and a successful export nation. As outlined above, Jordan is located at the geographic heart of a regional economy worth over US$ 3 trillion with 380 consumers.

To achieve this aspiration, in the short to medium term, Jordan 2025 includes the following recommendations:

- **Develop priority industry clusters as outlined earlier, including by updating the industrial policy for 2015-2018.** To increase the international competitiveness of the domestic clusters identified earlier so that they can become successful exporters of goods and services.
- **Develop the services sector** by adopting and implementing the inclusive plan for the development of services sector and creating a national database for services trade.

• **Launch cluster coordination committees under the National Competitiveness and Innovation Council,** to accelerate the process of cluster formation among related and supporting industries and to strengthen public-private collaboration in each priority cluster. These committees will be comprised of chambers of industry and commerce," sectoral business associations and government representatives. Their tasks will include developing mechanisms necessary for cluster networking and directing vocational education and training institutions to support workforce development needs of their cluster.

• **Intensify initiatives aimed at enhancing and developing the competitiveness of SMEs,** promoting the culture of entrepreneurship and innovation by adopting the National Strategy to Encourage Entrepreneurship and develop micro, small and medium enterprises 2015-2019 and accelerating reforms of the regulatory and legal environment, such as adopting the Law on Small and Medium Enterprises. Moreover, the ability of small and medium enterprises to access finance should be strengthened and their entrepreneurial and managerial skills should be improved. This must be accompanied by narrowing the gap between the outputs of vocational education and training and the needs of the labor market in an integrated manner with both the National Education Strategy and the National Employment Strategy and the National Strategy for Science and Innovation.

• **Accelerate and deepen export promotion capabilities and support programs and position Jordan as a regional hub for trade and logistics** by updating trade policy 2015-2018, and opening new markets for Jordanian products and services, raise their quality and maximize their benefits from free trade agreements signed by the Kingdom. In order to enable Jordan to take advantage from its geographic location and competitive advantages to become a regional trade hub, trade facilitation measures should be developed and improved, including the infrastructure of transport, logistics and free zones, import procedures should be facilitated, examination measures should be standardized and storage capacity should be increased.

• **Increase efforts to improve business environment for Jordanian companies and create investment opportunities to be distributed to the Kingdom's governorates** by developing a national investment strategy for the next ten years, further improving the Kingdom's investment climate, developing legislation governing the business environment and investment to strengthen investors' confidence and providing the needed infrastructure, including increasing the spread of industrial cities in all the Kingdom's governorates.

• **Strengthen the National Competition Policy and consumer protection mechanisms** by developing a supply and consumer protection policy for 2015-2018, activating the Competition Affairs Committee and developing consumer protection mechanisms to strengthen the government's role in monitoring and addressing anti-competitive practices that contribute to unjustified price rises, lower the quality of products and services provided to consumers and limit the ability of small and medium enterprises to grow and compete on a level playing field.

2.4.1.6 Sustainable – From living beyond our means to achieving sustainable and inclusive growth

As outlined earlier in Jordan 2025, sustainability is a critical challenge in a number of areas. First, we must achieve long-term fiscal sustainability, which means restoring a sound balance between government revenues and expenditures through a combination of tax and spending measures.

Second, Jordan faces significant challenges maintaining a sustainable use of our limited natural resources, especially water and energy. There are also the issues of food security and the heavy reliance on imports, which make Jordan vulnerable to supply shocks and global price volatility beyond our control.

To address these sustainability challenges, Jordan 2025 recommends a number of initiatives:

• **Take urgent measures to improve tax administration and collection** – including investments in expanding collection and enforcement capabilities.

• **Implement a set of medium and long-term measures aimed at making more structural reforms to reduce costs and improve the effectiveness of the public sector.** This includes restructuring human resources across the Civil Service, outsourcing non-core government activities to the private sector and reinvesting in the skills and capabilities of public servants, so that they can better use modern systems and tools of public administration to create long-term productivity and efficiency gains.

• **Use Public-Private Partnerships (PPPs) to secure the financing the technical expertise required to invest in infrastructure expansions -** to boost supplies of energy and introduce new efficient technologies to optimize production and consumption, for example through smart grid technologies.

• **Ongoing investment in governorate development projects -** through the Governorate Development Fund and other vehicles to ensure that local communities across the Kingdom have a viable and sustainable local economy capable of providing local jobs for local communities.

2.4.1.7 Institutionalized – From personalized to institutionalized decision making and management

The lack of management skills is one of the most important determinants in the management of public institutions; efforts to boost performance are focused on technical rather than administrative aspects. The lack of general management skill must be addressed by making effort on a large scale in the coming years that includes both public and private sectors and focus on enhancing both administrative and technical skills. The capacity of senior and middle managers should be examined and they should be "rehabilitated" with new and modern administrative practices, such as time management and people management.

Our national deficit of general management skill must be addressed in a systematic, large-scale and national effort over the coming years and encompass both the private and public sectors. Current senior and middle managers need to be exposed to, and 'retooled' with, new, modern management practices – from time management to people management skills. Furthermore, training in these management techniques and tools need to begin at the high school and tertiary education level so that we begin to shape the management skills of the next generation immediately.

It should be noted here that it is necessary to build on, review and develop the system of performance evaluation of incumbents of top positions. Performance evaluation instructions and forms have recently been updated.

With this challenge in mind and based on the Public Sector Reform Plan of 2013 and Jordan 2025 proposes several initiatives to deepen the institutionalization of management practice across Government and the economy and society more generally, including:

- **A significant upgrading of the Institute of Public Administration** – to reposition it as a specialist, high-quality provider of management training for the public sector. This should be done through a PPP arrangement with a leading international civil service training school or college, so that international best practices are brought immediately to Jordan through the Institute. Once operational, the Institute could expand its service offerings on a commercial basis to the private sector and position itself as a regional centre of excellence by offering its programs to the civil services of neighboring countries.

- **Establishing a Jordanian Institute of Company Directors** – to serve as an association of internationally trained and accredited Jordanian company directors. This should be a private sector led and operated initiative, potentially in partnership with a well-established international partner, and could be used in conjunction with the Institute of Public Administration to train senior government officials in preparation for appointment to the boards of government agencies and government related business enterprises.

- **Making the necessary adjustments to institutionalize the decision making process at the centre of government.**

The Public Sector Reform Plan 2013 and its executive details is the framework on which Jordan 2025 is based.

In summary, the seven principles outlined here are embedded throughout the recommendations of Jordan 2025. Through the implementation of the initiatives recommended in Jordan 2025 our society and economy will begin to make the transitions outlined below, which will underpin the evolution of a new economic and social development model for the Kingdom.

Figure 33: Parameters for Transforming the Development Model

2.5 Required Resources for National Development

In order to achieve our desired goals of stability and prosperity, we must work together based on the principles outlined above to use our available resources and capabilities as wisely and sustainably as possible. We must do so at a time when we face tremendous constraints given the pressure on the Kingdom's finances and the impact of regional instability on our economy.

2.5.1 Water, Land and Natural Resources

Jordanians have become accustomed to creating opportunities from limited natural resources.. It is vital that we manage our available stock of arable land by ensuring careful and long-sighted land use allocation and planning.

Due to the low per capita share of available water sources, new sources should be found by desalinating (the Carrier of Bahrain), developing other non-traditional sources, assuring the sustainability of groundwater and maximizing the use of surface water by building dams (water harvesting). Raising the sector's financial efficiency includes reducing cost by improving energy efficiency and renewable energy use, and reducing theft and leaks.

It is also necessary to begin implementing a structural reform program for the sector that includes restructuring in the water tariff to reflect the true value of the service has and this will have important implications for the agricultural and industrial sectors. Moreover, efforts to control and regulate the demand for water through a range of price and non-price mechanisms and incentives should be continued. The sanitation and purification of domestic and industrial wastewater and infrastructure for irrigation should be expanded.

Another priority is to restructure water transport and distribution networks to ensure services are provided equally to all governorates. This includes the development of Wadi Araba from a holistic perspective.

2.5.2 Citizens

As outlined earlier, our greatest asset is our people. Not surprisingly, our people have been placed at the centre of Jordan 2025 with a primary focus on ways and means to enhance employability, increase workforce participation of all of citizens and ensure that labour markets are flexible and efficient so that everyone able and seeking employment has an opportunity to work . In this context, the problem of unemployment in governorates should be addressed, and attention should be given to the issue of unemployment differences between the centers of governorates and their districts and between men and women generally. Making real progress to reduce disparities is one of the central outcomes that Jordan 2025 seeks to achieve over the next decade.

A renewed and sustained national effort – as called for by the National Employment Strategy and involving both public and private sectors – needs to be made to dramatically expand vocational training and address cultural stereotypes and biases that encourage too many young Jordanians to pursue academic university study over vocational training. Part of the solution must be to expand the number of vocational training programs on offer to both men and women and transform the quality of the learning experience in this course. The private sector also needs to be closely involved in advising on the design of skills-based training programs that will best meet the needs of the economy.

Addressing the training needs of young Jordanians by itself will not be sufficient. The economy also needs to be growing to facilitate the creation of new jobs. Better harnessing the full potential of the Jordanian people therefore requires an integrated set of reforms:

- First, our private sector needs to be the primary engine for economic activity and growth to create new job opportunities.
- Second, reforming the education system needs to be a national priority to better prepare young Jordanians to join the labour market, in particular the vocational and medium-skilled opportunities that are already available.
- Third, attitudes and mindsets – among our youth and their parents – need to change with respect to long-held views about what constitutes as 'honorable' job for a Jordanian. We cannot build Jordan on the back of engineers and doctors alone. Jordanians must see other vocations as equally valuable jobs in our economy and society.
- Fourth, the relative price of Jordanian and foreign labour needs to change so that there is a stronger incentive for business to hire Jordanians over non- Jordanians.

Finally, those already working in the informal sector must be motivated to move to the formal economy, where they will be properly covered by social security and health insurance and contributing to the betterment of the country as a whole by paying tax. . This is the essential act of citizenship back to one's own country but may requires offering appropriate incentives to encourage this move.

2.5.3 Infrastructure

Over the past two decades, Jordan has made significant improvement in upgrading the scope and quality of national infrastructure networks including the national road network, electricity and water grids and the national telecommunications and IT network. The Kingdom now has well-developed business infrastructure. The new Queen Alia International Airport terminal is one of the newest in the world and Aqaba port's capabilities are being expanded. The Kingdoms ICT and transport networks have been strengthened through recent investments such as the Amman Airport Road expansion; and the national energy and water grids have also been expanded with completion of major projects such as the Disi water pipeline and the new 250MW Manakheer power plant opened in October 2014.

These new infrastructure investments are vital to enhance the ability of the economy to deliver future growth. To meet financing needs, we should think about enabling the use of innovative financing methods including through laws and regulations such as the Investment Law and Public- Private Partnership Law.

2.5.4 Financial Resources

Of all of the resources required to implement Jordan 2025 and move towards achieving our desired outcomes by 2025, financial resources are the most constrained. Because we are not blessed with a large supply of a strategic commodity such as oil, we do not have the accumulated national wealth that many in our region rely on to fuel their national development aspirations. Instead, we have relied heavily on foreign development assistance which has traditionally accounted for 4-5% of annual GDP. While we have received short-term financial assistance from donors and our regional allies in the GCC, restoring the health of our national finances requires a determined focus on achieving long-term fiscal sustainability. To reduce debts and deficits, the government must continue to move forward with a number of reform measures aimed at cutting expenditures and raising government revenues.

The financial reform program, developed by the Ministry of Finance, with its planned executive program, already provides our foundation for the reforms ahead on the road back to fiscal sustainability.

2.5.5 Non-Government Financing for National Development

A number of important non-government tools can be accessed over the coming decade to help finance our economic and social development priorities. These tools should be used to finance both the 'hard infrastructure' of our economy, such as power stations and roads, and the 'soft infrastructure' such as skill improvement training programs and programs to deal with difficult-to-solve social issues, such as youth unemployment, road traffic accidents and fatalities.

There are several important and emerging channels of non-government financing that should be explored over the coming decade that would take pressure off the Government's core budget:

1. Domestic and foreign direct investment.

2. Public Private Partnerships.

3. Islamic Finance instruments, including sukuk.

4. New models of social finance, including Social Impact Bonds.

5. Corporate Social Responsibility.

2.5.6 Domestic and Foreign Investment

Through the national banking system and the Social Security Corporation, the savings of Jordanians can be deployed to assist in the funding of projects and programs of national significance, if proved to be financially feasible, with sufficient guarantees provided to contributing parties.

Foreign investment plays a vital role in supporting the development of every economy around the world. There was $25 billion of foreign direct investment (FDI) capital stock in Jordan, according to 2012 data, representing more than 80% of GDP. Obviously, foreign investors have always been strategic partners for Jordan.

We must recognize that we compete against other economies to win the interest and commitment of foreign investors. To succeed, we need to offer a regulatory environment that is more attractive and stable than their alternative investment options, low transaction costs and skilled hard-working people. The new investment law, which unified investment authorities, seeks to achieve this, and the practical application is the true translation of this trend.

Investors naturally prefer investment destinations that offer a large domestic market as well as export opportunities. Given that Jordan cannot offer a large domestic market, we must outperform our competitors by a significant margin on the dimensions against which foreign investors make their investment decisions. Furthermore, if Jordan is to be a regional hub to a number of large markets – such as Iraq, Syria, Saudi Arabia and Egypt –our transport connections to those markets and our national ICT and telecommunication infrastructure must be sophisticated compared to the rest of the world.

2.5.7 Public-Private Partnerships

Public-private partnerships have been used around the world for over three decades now. They have expanded from an initial focus on 'hard infrastructure', such as roads and power stations, to 'soft infrastructure' such as schools and hospitals. There are now well development models for structuring collaborative financing and project delivery arrangements between the government and the private sector, in order to appropriately share the risks and financial benefits.

Structuring and overseeing PPP projects is complex and requires a combination of legal, financial, engineering and project management expertise. To be successful in negotiating PPP project arrangements with foreign investors, the government needs to invest wisely in the specialist, multi-disciplinary capabilities and be willing to hire external specialists to advise the government on the appropriate risk-reward sharing mechanisms. These capabilities are currently being developed at the Ministry of Finance, at the Partnership Unit established under the Public-Private Partnership Law.

2.5.8 Islamic Finance

Islamic finance is widely accepted and rapidly growing segment of the global financial services sector. Global centers of excellence for Islamic Finance are now established. Such emerging centers also exist in Kuala Lumpur, Bahrain, Dubai and London. The year 2015 will see the first issuing of finance instruments to finance some financing needs of the government.

2.5.9 Social Finance

In the United Kingdom and the United States, innovative and new financing mechanisms, knows as Social Impact Bonds (SIBs), are now being adopted to fund programs aimed at addressing difficult-to-solve social problems, such as infectious diseases and road safety challenges. Otherwise known as pay-for-performance contracts, these arrangements mean that the government only pays for a program if it is proven to deliver the desired results. The risk of failure is borne not by the government, as with traditional budgetary funding of social programs through Ministries, but by a group of third party investors who provide the initial capital and other funding required to launch the program. The government provides the appropriate environment and commits to pay if the program proves to be successful.

In this way, SIBs help governments solve several problems at the same time. It only pays once certain performance outcomes have been achieved, typically several years into the future. Management and delivery of the services provided to the target audience is provided by a civil society organization not the government. If they work, the government will have made progress against difficult problems. If the new approaches do not work, the government will not have expended large sums of money. As the use and sophistication of SIBs grows internationally, Jordan will want to have the capacity to explore their application to the Kingdom's development challenges.

2.5.10 Corporate Social Responsibility

Over the past decade Corporate Social Responsibility (CSR) programs have expanded in Jordan and many of Jordan's largest companies have CSR programs that provide vital sources of funding various activities. The Kingdom also has numerous philanthropic foundations, including numerous foundations and initiatives that support programs and initiatives for civil society development, education, social services and social entrepreneurship programs and initiatives to the poor.
All participants engaged in these various funding avenues need to be active participants in helping to implement this vision. The government will need to put in place appropriate consultation and collaboration mechanisms to assess and verify the suitability of different funding models and approaches for the initiatives outlined in this vision.

2.6 Creating the Enabling Environment

Fundamental to Jordan's success in implementing a new economic and social development model (as proposed here) is clear alignment among the key stakeholders about the direction, magnitude and urgency of change required.

For this vision to succeed, a number of critical conditions must be put in place in the short term in order to enable the full and effective implementation of the priorities initiatives outlined in this vision over the longer term to 2025.

Those critical enabling conditions are:

1. A shared consensus across stakeholders – Executive and legislative branches, the civil society and the business community - around the basic requirements and principles for the new economic and social development model.

2. An agreement about the urgency with which reforms need to be implemented.

3. Effective and efficient decision making within the government and Parliament grounded in high-quality evidence-based policy analysis.

4. Continuous leadership and management development across the government sector.

5. Active citizenship and participation from the private sector and civil society organizations, including participation in debate and dialogue about major national issues and challenges and balanced analysis by the print in the interests of enabling well-informed public debate.

6. Effective and directed partnerships with donor and international financial institutions in order to channel available financial and technical assistance into the priority initiatives outlined in this vision.

7. Strategic partnership with the private sector, including foreign investors through Public Private Partnership (PPP) models that encourage long term commitment, the highest quality of standards and appropriate risk sharing between the government and investors.

8. Legislative stability and increased credibility and predictability of legislative amendments.

Based on the "road map" outlined in this chapter, the next section of this vision recommends the priority initiatives that should be pursued by successive governments with the active support and participation of citizens, the private sector and the civil society sector.

Second Section

SOCIETY
Safety & Security
Rule of Law
Poor & Underprivileged
Active Citizenship
Jordan Communities
CITIZEN
Workforce Participation
Health
Employment
Eduction
BUSINESS
Trade & Competitiveness
Business Environment
Clusters for Growth
Capital for Growth
Small & Medium Business
GOVERNMENT
Decentral -ization
Macro Economic Stability
Size & Work of Government
Infrastru -cutre
Resource Security
Public Sector Performance

Performance Management Framework for Implementation

"Jordan 2025" aims to deliver outcomes to all Jordanians citizens. As outlined in the first part of this document, the government, the civil society and the private sector can undertake many training activities, develop new IT systems and fund community groups and volunteer activities, but this is different from delivering real outcomes that positively reflect on citizens' quality of life.

"Producing Jordanians equipped with the skills to succeed in life and work and join the labour market" is an example of a specific (education) outcome valued by all Jordanians. As highlighted below, there are many inputs and activities necessary to achieve this desired outcome, including, for example:

- High quality teachers.
- Well-built school environment with the most important requirements, such as libraries, laboratories and means of communication.
- Active parental involvement to give their opinions on curriculum and life issues.
- A school curriculum that develops the skills and capabilities required by youth for their adult life.
- Local community support and participation encouraging national values in their young people.
- Private sector participation through practical training, vocational guidance and other activities necessary to build the capacity of young people and enable them to enter the labor market.

Outlined below are the statements of desired outcome for all development priorities in this vision.

Figure 34: Jordan 2025- Desired Outcomes

Tracking and Measuring the Delivery of Outcomes

This chapter provides the initiatives and priorities based on an assessment of the challenges; priority initiatives will be identified to enable the Prime Minister's Delivery Unit to continue implementation. A number of key performance indicators against which to measure progress in implementation and speed delivery with respect to improving outcomes were selected.

In each section, a number of KPIs have been chosen to measure progress, and where possible, objective and internationally used KPIs have been selected. This is to ensure transparency in measuring progress. The executive programs that will be prepared based on this vision will measure progress in the short and medium term. The time-period covered by the vision was divided into three phases, and each phase will be evaluated to see what has, and what has not been, achieved in order to ensure continuing the implementation of policies and initiatives of this vision.

Figure 35: Implementation timetable framework

Macro Economic Stability
Size & Work of Government
Public Sector Performance
Resource Security
Infrastru -cutre
Decentral -ization

Macroeconomic Stability

Targeted scenario

Targeted scenario	Priority Initiatives
Enhance tax revenue management and improve tax collection	Review revenueJrelated government legislation, including tax legislation, to achieve greater equity in the distribution of tax burdens and enhance government revenue.
	Strengthen the capacity of tax departments, including income and sales tax departments, particularly with regard to tax inspection and corporate and sales tax.
	Activate mechanisms of collecting accumulated arrears owed by various entities to the government.
	Conduct a periodic assessment to demonstrate the impact of financial decisions concerning revenue increase and the impact of tax laws on the achievement ofeconomic goals.
	Improve the income tax data at the household level by requiring all Jordanian families to file an annual tax return even if their income is exempt from tax.
Expand the use of electronic revenue collection system	Expand the use of technology and information technology in collecting public revenue in order to facilitate collection procedures, such as the National Payment System and payment through electronic cards.
	Expand the application of the electronic land and building system to all municipalities, including the Greater Amman Municipality, and"including revenue, occupation licenses and other fees in the system."
	Apply the international scanner system (barcode) to the collection of receipts.
Reduce tax Exemptions and tighten exemption rules	Reduce tax exemptions and set clear conditions for them.
	Publish exemption decisions issued by the Council of Ministers and the reasons for exemptions.
Capital spending	Periodic follow Jup of capital allocation spending to be used on aspects that have a positive impact on economic growth.
	Focus on the establishment of capital projects through grants, partnership projects or Islamic bonds (sukuk) in the general budget and the budget of independent government units.
Review the	Review financial legislation to achieve greater fiscal discipline.
mechanisms and procedures designed to rationalize and control public expenditure	Set up a mechanism to ensure that financial obligations and arrears owed by ministries and government departments do not accumulate by staying within budget allocations except in exceptional cases and duly justified.
	Develop effective mechanisms to rationalize operating expenses, especially in electricity, water and fuel consumption and limit such expenses in ministries, government departments and units, public universities and municipalities.
	Conduct a comprehensive review to reduce the cost of premises rented by the government, both inside or outside the Kingdom such as embassies, and develop a gradual plan for optimal use of leased premises and the gradual shift towards the ownership of government buildings in the light of the priorities and available financial resources.
	Take the necessary measures and implement the time plans to reduce loss of electricity, water and fuel.
	Review the government support policy and adjust the mechanism designed to direct support to those who deserve it.
	Follow up the implementation of the financial aspects of the government's decisions in restructuring, integration and the abolition of some governmental bodies and institutions.
	A comprehensive review of the annual financial costs of the government's contributions in international institutions and organizations and assess the direct and indirect benefits of these contributions.
Expand the use of electronic systems in the rationalization of expenditures	Review the public debt law and manage it in line with international practices and set debt Jceiling controls, whether for the central government or independent units such as electricity and water.
	Complete the necessary legislative amendments to encourage the private sector to enter into partnership agreements with"the public sector to implement major development projects in key sectors.
	Conduct a periodic review of external and internal funding tools to periodically reduce funding costs.
	Optimum exploitation of financial grants provided to Jordan and coordinate with donors to secure external grants to prevent deficit from increasing.
Reduce the budget deficit	Update legislation on financial audit and control in line with international practices.

Targeted scenario	Priority Initiatives
Control	Complete the implementation of the Government Financial Management Information System (GFMIS) to include all government ministries and departments, and develop a new electronic system to manage the financial information of independent units.
	Continue the government's efforts to strengthen public financial management operations.
	Activate and expand the scope of the control mechanisms over public funds.
	Strengthen and qualify workers in government financial and control field.
	Follow up the requirement of passing the Government Accountant Programs before employees can conduct financial business.
	Prepare the implementation plan to apply international control standards in the public sector.
	Adopt a new program for internal auditors of the public sector.
	Prepare new instructions and foundations to nominate, follow up and evaluate government representatives in companies in which the Government has a shareholding.
Promote transparency and financial disclosure	Issue the final account of the central government and the final account of independent units early before the expiration of the constitutional period specified, and include a comparison of achievements against the identified goals, key performance indicators and standards.
	Publish financial statements in accordance with international financial reporting standards, and publish the public finance statements in a timely manner without delay.
	Incorporate the financial statements of independent government units in the monthly public finance statements of the central government.
	Promote transparency in the dissemination of financial statements to include municipalities, universities, the Aqaba Special Economic Zone Authority and government Jowned companies.
Prepare the general budget	Continue the reforms towards the full implementation of the outcome Jbased budgeting.
	Earmark reserve for planning in midJterm expenditure framework for indicative years in order to allocate financial resources for new projects and initiatives in the subsequent budget.

Key Performance Indicators- Macroeconomic Stability

Targeted Scenario

This scenario reflects the perspective of the Ministry of Finance in implementing the above mentioned initiatives, the impact of these initiatives on economic growth and the public budget deficit and debt related developments. This financial model assumes progress in economic performance depending on the response of the national economy to the improvements planned for the next few years, in collaboration with other sectors of the economy:

Indicator	Baseline 2014	2017	2021	2025
GDP real growth rate	3.1%	4.9%	6.9%	7.5%
Ratio of local revenues to current expenses (%)	86.4	100.1	114.0	130.0
Budget deficit as a percentage of GDP (%) (after grants)	(3.5)	(1.2)	(0.8)	0.0
Budget deficit as a percentage of GDP (%) (before grants)	(8.1)	(4.0)	(1.0)	0.0
Government units' deficit (%)	(5.0)	(2.0)	0.0	0.0
Consolidated budget deficit (%) (after grants)	(8.5)	(3.2)	(0.8)	0.0
Ratio of total public debt (as a percentage of GDP) (%)	82.3	76.0	57.0	47.4

Initiatives related to Size and Work of the Government

Targeted scenario

Targeted scenario	Priority Initiatives
Improve the structure of the government and reform of the regulatory environment	Continue the implementation and improvement of the Government Performance Development Program 2014 J2016 with all its major themes and contents.
	build on what has been achieved to implement government restructuring programs to build an agile government that achieves efficiency and effectiveness in the implementation of tasks through mergers, cancellations, task transfer and consolidating regulatory and supervisory bodies in sectors.
	Increase the rate of occupants of specialized technical positions against supporting jobs (technical, administrative).
	Continue to build institutional capacity in human resources management and planning and improve the capacity of human resources units in the government.
	Review and develop the legislative frameworks governing the processes of restructuring and development of organizational structures of government institutions (the law on"restructuring public institutions and departments, creation of government department and development of organizational structures bylaw).
Develop the e-government	Accelerate the implementation of self Jservice to citizens through the use of e-government interfaces as described in the EJGovernment Strategy 2014J2016.
	Promote the use of computerized systems in ministries and government institutions and departments which allow electronic linkage with the rest of the computerized systems in government institutions and departments.
	Combine government websites into a single government portal of a consistent appearance and structure of the individual websites of ministries and departments and develop the EJGovernment Strategy 2015J 2018.
	Issue and develop the necessary legislation to provide services electronically so that citizens do not have to visit government offices (Electronic Transactions Act).
	Raise awareness of eJgovernment at the national level among citizens, businesses, and government institutions.

Key Performance Indicators- Size and Work of Government

Targeted Scenario

Indicator	Baseline 2014	2017	2021	2025
Government effectiveness	49.8%	55%	60%	65%
E-government ranking in the United Nations Report	30	25	22	Top 20
Institutions implementing and using Human Resource management Information System	NA	70%	90%	100%
Score: is the law governing the administration and civil service effective?	56	65	70	75
Rate of occupants of supporting jobs of total	-	35%	30%	25%

Public Sector Performance Initiatives / Transparency and Accountability

Targeted Scenario

Targeted scenario	Priority Initiatives
Support decision making mechanism in the Council of Ministers	Hold a private meeting twice a year for the Council of Ministers, general secretaries and other heads of institutions to focus on the government's strategic priorities and major reform initiatives.
	Institutionalize the role of the Economic and Social Council as an advisory board of experts to be on call at the discretion of the Council of Ministers.
	Strengthen the supervision and followJup capacities of the Prime Ministry, within the following themes: • Restructuring the Prime Minister's Delivery Unit at the Prime Ministry to support ministries in achieving the Prime Minister's declared priority initiatives. • Create the Department of Strategic Policies of help the Council of Ministers, the ministries and government institutions, while focusing on"the most important issues and allocate enough time to discuss them. • Strengthen the capacity of the Secretariat of the Council of Ministers and prepare an action guide according to best practices for the deliberations and"meetings of the Council of"Ministers.
Promote transparency and accountability practices in public sector institutions	ReJlaunch www.plan.gov.jo as the central gateway so that citizens, members of parliament, donors and investors can follow up the plans andthe progress made in implementation.
	Publish Jordan 2025 and its executive programs, as well as the annual budget statements of each government institutions.
	Follow up the progress of the executive plan to strengthen National Integrity System and publish work progress reports.
	Promote governance and transparency practices, hold awareness workshops about governance and transparency and followJup results by submitting periodic assessment reports on governance practices in the public sector in accordance with the circulated and adopted governance practices guide.
	Develop and adopt good governance policies and programs and include them in relevant legislation in preparation for implementing them in the public and private sectors and civil society organizations to become part of the community and corporate culture.
	Build Institutional capacity in the field of strategic planning in accordance with the circulate and adopted participatory approach to strategic planning.
	Develop legislative frameworks that ensure coordination between the three supervisory institutions (the Audit Bureau, Anti-Corruption Commission and the Ombudsman Bureau) and the other relevant institutions.
Develop the government services to meet the aspirations of Jordanian citizens	Institutionalize the evaluation field visits conducted by the Ministry of Public Sector Development and publish these reports and follow up the implementation of their recommendations.
	Reengineer and streamline the procedures of government services delivery and develop delivery standards and publish them in guides.
	Continue the development of central system for government complaints management and receive and followJup citizens complaints about government services.
	Determine the government services that can be delivered electronically and reJengineer and simplify their procedures to be provided electronically in accordance with the priorities and work mechanisms of eJ government program and follow up their implementation.
	Create an interactive observatory to assess government services: measuring customer satisfaction and provide a window for service recipients to evaluate government services, express their opinions about them and submit proposals to develop them.
	Develop innovative methods and processes (such as mobile phone applications) to be used to collect and analyze feedback from citizens on government services and public infrastructure, submit complaints and communicate about priorities at the national or governorate levels.
	Prepare and circulate a charter that includes the rights and duties of service providers and recipients and the consequences of and the consequences of nonJcompliance with the rights and duties of both providers and recipients.
Improve the efficiency of the civil service	Restructure the roles of civil servants in professional "paths" based on the types of jobs and qualifications required in terms of adopting the quantitative and objective application in classifying the functions of the civil service.
	Develop and review election and appointment standards and the incentive and reward system to enhance the government's ability to attract and maintain required qualified personnel.
	strengthen and develop the institutional and human capacity of the Civil Service Bureau to be a certified and licensed Assessment Center to provide functional tests and other jobJrelated personality tests, which aim to discover current capabilities and expected improvements of individuals, whether in the recruitment stage or next stages or upgrading and promotion, conduct succession planning and provide all the necessary requirements.

Targeted scenario	Priority Initiatives
Improve the efficiency of the civil service	Activate the use of information technology and implement the HRMIS gradually in the civil service institutions and departments.
	Develop the individual performance evaluation system, enhance the capabilities of the occupants of the supervisory and leadership positions on the management and implementation of the evaluation process efficiently and effectively, provide computerized systems to evaluate the individual performance of employees and link evaluation systems with other electronic systems related to employees' career path.
	Each path should have an efficiency framework based on international best practices and the requirements of continuing education.
	Strengthen the supervisory capacities of the Civil Service Bureau to be a well Jorganized supervisory entity to manage and develop human resources and provide support and technical services to Civil Service departments.
	Phase out the competition lists at the Civil Service Bureau through open advertisement of vacancies available by sector. This is to be done in the long run after qualifying human resources departments and complying with the centrality of the Civil Service Bureau procedures and the decentralization of appointment decisions of government departments.
	Develop a "fast track" for the civil service program to employ top J performing college graduates in government institutions.
	Develop a scholarship program to support highJperforming university students and current civil servants to fund their participation in the civil service programs or graduate studies in exchange for a certain number of years in public service.
	Shift to the single gateway system managed by the Civil Service Bureau where ministries can post newly created jobs and citizens can search and register to receive notifications of all kinds or about the job opportunities at the Ministry and read job requirements. Citizens submit their applications directly through the gateway, and the ministries to review and manage their applications. Job seekers who are appointed can be referred through the information management system.
	Build the capacities of the Institute of Public Administration in the field of studies and consultations.
	Develop a national plan for training and rehabilitation for the coming years, based actual needs and human resource development priorities in accordance with the best practices in the civil service, and conduct studies to evaluate the impact of training on individual and institutional performance.
	Support capacity building in ministries and enable them to design their own job description, which shows employees' training track in line with the department's needs and in accordance with the instructions for job description and classification in the civil service.
	Align human resources with institutional roles and tasks: analyzing the roles and tasks performed by departments, determine real needs of human resources and compare them with the current reality of human resources, and identify and address deficiencies and surplus through redistribution and government job formation tables.
	Complete the plans for the development and strengthening the institutional capacities of the Institute of Public Administration to increase the efficiency of designing and implementing training programs.
	Build leadership capacities to enable executive leaders in the government at the level of assistant secretaries Jgeneral and directors of departments and directorates assume leadership tasks in the future.
	Institutionalize programs on periodic meetings and the Government Leaders Forum and continue to implement them in order to exchange knowledge and experience, learn about the latest developments in various subjects and discuss mportant public issues.
Support innovation and excellence	Adopt feasible and creative ideas and initiatives submitted by government employees and refer them to implementation authorities through the "Creative Incubator" at the Ministry of Public Sector Development.
	Hold a national conference for outstanding experiences and build a clear strategy to promote the concept of support for innovation and excellence.
	Use the results of the King Abdullah II Award for Excellence evaluation reports to develop reform and development initiatives and follow up their implementation.

Targeted Scenario

Indicator	Baseline 2014	2017	2021	2025
Government's ranking on the Global Competitiveness Index	24	18	16	12
Number of government sectors whose organizational structure are being developed	-	3	3	3
The degree of government departments commitment to Service Improvement System (scale score of 3)	-	2.70	2.80	2.90
Ranking on the Corruption Perceptions Index	50	55	60	65
Ranking on the Open Budget Index	57	Minimum 65	Minimum 70	Minimum 75

Resource Security and Management

Part 1: Food and Agriculture

Targeted scenario

Targeted scenario	Priority Initiatives
Encourage private sector participation in the purchase of foodstuff	Make long-term strategic arrangements for food supply in global markets with big food producing countries and international companies.
Improve Jordanian negotiation and procurement skills in global markets	Study the possibility of phasing out tariffs on key food imports (such as barley, wheat and rice) by 2020.
	Develop world-class expertise in agricultural trade negotiations ("diplomatic food security" skills).
Reduce the risk of supply and price shocks	Conduct a feasibility study on the use of futures and options contracts with international suppliers.
	Monitor global price trends with respect to basic commodities and provide information to decision-makers.
Ensure the highest level of competition in the local market	Strict enforcement of the competition law to prevent monopolies and price manipulation by importers and distributors.
	Enact a legislation on the right of comparison advertising to improve the availability of pricing and the quality of information in order to increase competition among retailers.
	Launch a website to educate consumers about product safety and quality issues.
	Strict application of the legislation on the grading and selling of fruits and vegetables on the basis of weight wholesale markets.
The transition towards a sustainable, more efficient and productive local agricultural production	Motivate producers who invest in agricultural technology, organic agriculture, and water efficiency in order to increase production.
	Implement the National Strategy for Food Security.
	Encourage "local farmers' markets" in cities across Jordan, and create a local market for small projects and home-based business.
	Provide appropriate incentives to promote efficient use of water in irrigation and achieve high economic returns of agricultural irrigated products irrigated.
	Encourage the shift of 30% of exposed irrigated agriculture area in the Jordan Valley and the highlands towards protected agriculture.
	organic farming for export and quality certification purposes and target 5% of existing Jordanian farms.
	Support pest control efforts to reduce the risks to farmers and disseminate information on best practices.
Maintain the sustainability of agricultural resources and biodiversity	Preserve forest areas and biodiversity and protect the vegetation cover.
	Afforest 25% of barren forest areas in the rain belt areas on which the rate of precipitation exceeds 300mm.
Ensure a healthy and safe agricultural production	Strict application of the legislation concerning the safety of domestic and imported agricultural products in order to secure safe food for citizens.
	Adopt the Consumer Protection Act to enhance consumer protection mechanisms among government agencies and civil society organizations.
	Standardize inspection standards and measures of all food inspectors in customs centers and develop the National Inspection Manual.
	Adopt electronic inspection programs for food.
Expand support programs for existing farmers to maximize the productivity and efficiency of water for current farms	Support applied agricultural research and inform agricultural workers of research results.
	Create an innovation fund for agriculture, food, energy and water to stimulate development, and adopt and use water-efficient technologies in Jordan.
	Provide incentives for the development and modernization of small and medium packaging and and refrigeration facilities.
	Encourage and support investment in sector of cut flowers for export purposes.
	Encourage farmers to assemble smallholdings by establishing companies of all types to allow the use of technology in agriculture.
	Encourage small agricultural lending to individuals and agricultural societies through the Agricultural Credit Corporation.

Key Performance Indicators- Food and Agriculture

Targeted Scenario

Indicator	Baseline 2014	2017	2021	2025
The contribution of the agriculture sector in GDP	2.9%	3.0%	3.2%	3.4%
Growth rate of local agricultural product	18%	20%	22.3%	24%
Increase the rate of agricultural exports	18%	21%	23%	24%
The value of the credit facilities provided to the agricultural sector (JD million)	266	290	310	325
Jordanian agricultural workers relative to total Jordanian workers	1.53%	1.62%	1.65%	1.72%
Increase the area of agricultural land in which drip irrigation is used (thousand acres) by 0.1% per annum	900	925	954	962
Forest area (thousand acres)	905.5	917.3	927.1	939.3

Resource Security and Management

Part 2: Water

Targeted scenario

Targeted scenario	Priority Initiatives
Reducing expenses and costs	Improve energy use efficiency in water utilities, and implement a number of projects based on renewable energy sources (hydraulic, solar, wind) as well as biogas and energy production from sludge.
	Introduce renewable energy as a source to supply water systems.
	Increase private sector participation and work on a commercial basis.
Increasing operating revenue	Increase the percentage of billing, and collection and increase their efficiency through contracts based on performance.
	Increase and improve revenue through the restructuring of the water and extraction fees and subscription fees for all uses.
	Reduce illegal consumption.
Achieving the sustainability of the current sources and making tireless efforts to reduce over-pumping of groundwater	Rehabilitate governmental drinking wells.
	Reduce over-pumping from licensed wells, particularly for agricultural purposes in upland areas and expand water users associations in highlands.
	Make amendments to the groundwater legislation and system and activate enforcement of laws and regulations on groundwater monitoring.
	Install meters on all wells and strengthen the role of security and protection units.
	Protect groundwater resources from pollution.
	Restructure and develop the damaged parts of the existing distribution network to reduce water waste.
	Increase the measurement of the water distribution to monitor water consumption level and distribution efficiency.
Maximizing the use of shared water sources	Follow up and develop bilateral agreements and create a regional framework for joint cooperation.
Increasing the capacity and quality of water supply	Implement the Jordanian Carrier of Bahrain project (the Red Sea- the Dead Sea).
	Increase the storage capacity of dams by building more new dams or expand existing ones and build desert dams, ponds, excavations.
	Distribute water equally among the Kingdom's governorate and remote areas.
	Expand the re-use of treated wastewater in agricultural production, and provide the water needed for other industrial and economic purposes.
	Improve drainage networks in urban areas to collect rainwater and runoff and purify water for use in various economic fields and encourage the re-use of gray water.
	Transform from the pumping system to supply water to the flow system in the Kingdom's governorates.
	Use automation in the management of water sources and facilities.
	Redistribute water so as to increase average consumption of people and thereby increase revenue.
	Update drinking water standards at the national level and invest in initiatives that would ensure a continuous flow of potable water to Amman, Irbid, Zarqa, and Aqaba by 2025.
Improving and developing water supply and distribution networks and systems for domestic purposes	Complete the implementation of the National Water Carrier Project.
	Improve and create pumping stations.
Enhancing the efficiency of irrigation systems	Increase the amount of water available for irrigation in the Jordan Valley.
	Develop, rehabilitate and expand irrigation projects.
	Implement a strict monitoring program to ensure the quality of water used for agriculture and its compliance with international standards.
	Encourage farmers to stop malpractices and increase investment in infrastructure.
Expanding sanitation and re-use services	Maintain and rehabilitate drainage systems and treatment plants.
	Expand sanitation services and establish more sewage networks to serve new areas.
	Focus on wastewater treatment and reuse for agriculture.
	Contribute to the development of industrial water treatment plants.

Targeted scenario	Priority Initiatives
Creating awareness among Jordanian citizens and decision makers about the current water situation and laying the foundations for policy change	Design and launch awareness campaigns about the water situation aimed at users in industry, agriculture and citizens, especially school children.
	Adopt an open policy to communicateactors, such as the House of Representatives, the Senate, and the media (written, audio and visual) to mobilize government and popular support to maintain the groundwater sources in order to prevent aggressors on water sources.
	Develop and implement the communication strategy and strengthen to role of women.
Research and development	Cooperate with scientific research institutions to meet the sector's requirements in order to improve the services provided to citizens.
	Create a comprehensive national water database.
Developing an integrated and coherent institutional framework to regulate the water sector in Jordan	Integrate the powers of the three existing institutions responsible for regulating water in Jordan: the Water Authority, the Jordan Valley Authority and the Ministry of Water and Irrigation, to avoid overlapping of responsibilities.
	Develop the legislation governing the water sector.

Key Performance Indictors- Water Security

Targeted Scenario

Indicator	Baseline 2014	2017	2021	2025
Operational and maintenance cost coverage ratio (current)	103%	116%	122%	127%
Self-revenue (JD million per year)	235	417	481	547
Operation and maintenance expenses (JD million per year)	288	358.15	395.2	429.4
Percentage of population connected to sewage networks	58%	66%	73%	80%
Energy used per billed cubic meter (billed kW / m 3)	7.2	5.8	5.1	4.6

Resource Security and Management

Part 3: Energy

Targeted scenario

Targeted scenario	Priority Initiatives
Improving the performance of petroleum products sector and opening up the market to competition	Complete the restructuring of the oil sector and open up the oil derivatives market to competition.
	Improve oil derivatives specifications in line with international standards and specifications.
	Establish the Logistics Company to provide storage capacities for crude oil and oil derivatives.
	Providing strategic stock of oil derivatives enough for (60) days.
	Develop handling methods for crude oil and oil derivatives.
Diversifying sources of natural gas imports	Ensure safe and flexible gas deals in the short, medium and long-terms.
	Find additional sources of natural gas to supply industries and distribution projects in cities.
Enhancing the safety of the electrical system and raising the availability and reliability of the system	Continue the implementation of electricity generation projects through the private sector.
	Maximize the use of the electrical interconnection network to exchange electric power.
	Maintain an electricity generation reserve of at least 10% of the maximum load.
	Develop the electricity tariff to enable the electricity sector to work on a commercial basis.
	Reduce electricity loss to keep pace with international best practices.
	Increase investment to improve the transmission and distribution networks in order to reduce electricity loss.
	Accelerate the implementation of the Green Corridor project to increase the capacity of the electrical grid to accommodate renewable energy projects.
Encouraging investment in renewable energy	Raise awareness about the incentives provided by the renewable energy and energy conservation law.
	Improve the attractiveness of renewable electricity tariff by basing the purchase price on the cost of production (depending on the energy source and size of the project).
	Encourage and support local industries to manufacture renewable energy components.
	Implement the power purchase agreements on the long-term from renewable energy producers.
	Activate the Renewable Energy and Energy Efficiency Fund.
Increasing the carrying capacity of electrical grid	Continue to expand the electricity network capacity through public-private partnerships to absorb energy generated from alternative energy sources.
Encouraging the use of solar energy for water heating	Encourage the use of solar collectors for water heating purposes, through the provision of short-term support for the purchase of heaters.
Requiring the implementation of green building codes	Encourage "green buildings" by setting clear standards for construction, materials and land, based on best practices.
	Require that all new buildings in the public sector comply with Leadership in Energy & Environmental Design (LEED1).
Encouraging the use of devices that are compatible with the "green" standards	Launch the Standards Program and label devices in residential and commercial sectors.
	Launch a program to swap old devices with new-energy saving ones.
	Activate financial incentives to encourage the purchase of energy-saving vehicles.
Raising awareness about the long-term financial benefits of energy efficiency	Improve the collection of data on energy use patterns, and identify the most useful data on the efficiency of energy use for policy makers.
	Provide appropriate financial incentives for energy efficiency projects.
	Provide funding to allow schools, hospitals and other facilities assess the potential of saving energy, and make energy-related capital improvements in their facilities.

Targeted scenario	Priority Initiatives
Intensifying oil drilling and exploration	Improve marketing of exploratory areas.
	Launch a national program for oil and gas drilling and exploration.
	Reconsider production sharing agreements signed with investment companies for oil and gas drilling and exploration projects.
	Support the National Petroleum Company and enable it to develop the Risha field by increasing the prices of gas produced from the field.
Increasing the exploitation of oil shale	Support investments to develop the potential of oil shale in the country, particularly in the area of least density technologies in water use.
	Study the possibility of government involvement with the private sector to invest in oil shale projects to generate electricity and produce shale oil.
Developing the skills and techniques necessary to support the growth of the energy sector	Encourage investors in the sector to contribute to the vocational training programs in order to build the required technical skills.
	Encourage concerned companies and colleges to participate in regular dialogue to ensure the availability of information, develop education and support research and development.
Attracting private sector investment to the energy sector	Reduce administrative obstacles, in order to take advantage of the Renewable Energy and Energy Efficiency Fund to support investment in early stage.

Key Performance Indictors- Energy Security

Targeted Scenario

Indicator	Baseline 2014	2017	2021	2025
Percentage of securing petroleum products	100%	100%	100%	100%
The contribution of local energy sources in the total energy mix	2%	6%	22%	39%
Types of energy in the total energy mix	4%	4%	5%	6%
The percentage of the contribution of natural gas in the energy mix	11%	23%	32%	39%
The percentage of the contribution of renewable energy in the energy mix	1.5%	4%	7%	11%
The Contribution of nuclear energy in the energy mix	-	-	-	15%
The percentage of the actual electric Reserve	13%	14%	17%	25%
The percentage of total electrical losses	17.1%	16.6%	14%	11%
Energy intensity (kg/$1000)	208	206	203	200

Decentralization

Targeted scenario

Targeted scenario	Priority Initiatives
Issuing the decentralization law for 2014 and formulating a national strategy and plan to implement the decentralization law and the reforms necessary	Conduct surveys for the National legislative system that may conflict with the decentralization law, if passed.
	Conduct survey studies to analyze all local services provided by the central government to find a mechanism to delegate service delivery to local administrations in the governorates to be in line with the powers that will be granted to these administrations under the Law.
	Implement programs to strengthen the financial decentralization and public expenditure management and find the necessary funding for the financial cost of the application of the law.
	Prepare and implement programs to build the capacity of workers in the local administration, the executive departments and the elected structures in line with the reform of the decentralization system.
	Implement programs and workshops to raise awareness about decentralization and local administration and programs to enhance local control and promote transparency and accountability.
	Analyze the current reality of the local administration system and local development.
	A national dialogue at all levels that includes all categories.
	A policy paper for the reforms of the decentralization system.
	Develop a set of sub-executive programs for all sectors targeted for reform of decentralization system.

Note: decentralization indicators are within communities indicator (local development)

Infrastructure

Targeted scenario

Targeted scenario	Priority Initiatives
Updating and implementing national strategies for transport infrastructure	Develop a strategy for the development of national infrastructure that includes a master plan for major priority projects and funding mechanisms.
	Update Amman Master plan 2008 to reflect new economic and social goals.
	Prepare a national strategy for public transport for all the Kingdom's governorates.
	Link public transport systems between Zarqa and Amman.
	Develop a national master plan for multimodal transport to determine the future construction plan and potential partnership between public and private sectors:
	Public transport infrastructure.
	The light train and fast buses.
	Highway fees.
	Major internal bus network and rapid transit buses.
	Amman land port.
	Give priority to the maintenance of existing road network in accordance with the recommendations of the Highway Master Plan.
	Focus on road traffic safety requirements such as traffic safety components, lighting for roads, addressing hazardous intersections and slippery sites and rehabilitate water installations on all roads in the Kingdom.
	Complete the establishment of main, secondary and rural road network, and focus on establishing ring roads around the main cities to ease traffic congestion and divert shipping traffic movement from within the main cities.
	Activate and enforce the Road Law in terms of services within the road to ensure revenue in case of installing utility services within the roads that can be used for road maintenance.
	Review and develop the Road Law to encourage investment with the private sector in the maintenance and construction of roads.
	Adopt the Multimodal Transport Law.
	Develop border posts between Jordan and Saudi Arabia, Egypt and Iraq in order to reduce costs and time on border crossings.
Ensuring the effectiveness of new equipment usage	Ensure the inclusion of energy efficiency considerations when buying transport modals.
Constructing a national railway network	Implement the national railway network according to the plans set forth in the Jordanian National Railway Network Project.
	Create a Jordanian railway authority to oversee and organize the railway.
Strengthening the regulatory environment to facilitate and enable Public-Private Partnerships	Update land usage systems that define properly the allowed development in the different regions.
	Develop standardized specifications for roads (main, secondary, tertiary).
Strengthening the capacity of Public-Private Partnerships	Expand the capacities of the Public-Private Partnership Unit in the field of transport.
	Encourage the development of advisory services for infrastructure projects in Jordan and the region.
	Encourage the private sector to maintain and construct roads and facilitate related procedures by emphasizing the need to strengthen investor confidence in financial transactions with the government and construct roads as an investment with the private sector, such as the Desert Highway Amman/ Aqaba.
	Encourage the private sector to invest in existing roads through the Toll System.
	Encourage the private sector to invest in organizing axle loads on roads.
	Encourage leading international companies to manage infrastructure facilities in Jordan.

Key Performance Indictors- Infrastructure

Targeted Scenario

Indicator	2017	2021	2025
The contribution of the construction sector to GDP	4.5%	5.0%	6.0%
The contribution of the transport sector to GDP	9.31%	9.35%	9.41%
Length of roads in the Kingdom (km) (main, secondary, rural)	7500	7550	7600
Number of buses per thousand people	1.15	1.2	1.25
Percentage of satisfaction with public transport services	85%	88%	90%

The Environment Sector

Targeted scenario

Targeted scenario	Priority Initiatives
Maintaining ecosystems	Rehabilitate ecosystems in Jordanian desert (Badia).
	Complete the National Network of Protected Areas.
Mitigating the negative effects of environmental changes on humans	Rehabilitate degraded areas, such as Zarqa River, Phosphate Hills, Dhulail areas, Al-Hallabat, among others.
	Safe disposal of solid waste in prepared landfills.
	Develop a system for assortment, re-use and recycling.
	Develop an integrated system for the management hazardous industrial and medical waste according to international standards.
	Increase the area of monitoring of ambient air and complete the monitoring network in all Jordanian cities.
	Disposal of substances that Deplete the ozone layer in accordance with the Montreal Protocol.
	Develop a legislative framework for the organization of climate change to maximize the benefits, minimize the negative impacts and build national capacity.
	Invest and create new jobs in the six sectors targeted for the green economy: the energy sector, both renewable energy and energy efficiency, the transport sector, the water sector, waste management sector, organic and sustainable agriculture sector and sustainable and environmental tourism.
Raising public awareness in the field of environmental protection	Raise public awareness in the field of environmental protection and disseminate of environmental culture.
Improving institutional efficiency of enterprises operating in the environment sector	Enact the necessary environmental legislation and standards and reduce duplication and overlapping of roles.
Private sector participation	Increase private sector participation in solid waste management system.
	Increase private sector participation in the system of assorting, re-using and recycling waste.
	Increase private sector participation in hazardous industrial and medical management waste system.

Key Performance Indictors- Environment

Targeted Scenario

Indicator	2017	2021	2025
Percentage of solid waste that is disposed of in landfills	80%	75%	60%
Percentage of treated and re-used solid waste	20%	25%	40%
Percentage of treated hazardous industrial waste	50%	70%	80%
Percentage of treated hazardous medical waste	70%	75%	80%
Percentage of population living in areas whose ambient air is monitored	80%	85%	90%

Trade &
Competitiveness
Business
Environment
Clusters for
Growth
Capital for
Growth
Small &
Medium
Business

Trade and Competitiveness

Targeted scenario

Targeted scenario	Priority Initiatives
Encouraging national industries and increase their competitiveness	Update the Industrial Policy document.
	Create an industrial observatory.
Developing the economic legislation governing the business environment and investment	Standard Industrial Classification of Economic Activities ISIC4.
	Review and develop policies and legislation related to the industry, including the Chambers of Industry System.
	Develop the National Production Protection Law and fight dumping and subsidies.
Promoting industrial clusters and achieving industrial linkages	Apply the principle of industrial clusters in development areas, industrial cities and free zones.
	Activate the national linkage program.
Reducing operational costs on the Jordanian industrial sector by rationalizing energy use by local industry and encourage it to use alternative sources of energy	Encourage investment in solar and wind energy projects near industrial clusters.
	Provide alternative energy sources and motivate local industry to use alternative energy sources.
	Implement comprehensive programs for renewable energy and rationalize energy through the Renewable Energy and Energy Efficiency Fund, to include the provision of technical and financial support programs and projects, soft loans and grants to various sectors, including homes, as well as managing and organizing comprehensive awareness campaigns for renewable energy sector.
Promoting the technological component and increasing the added value of industrial products	Develop Jordanian products in terms of the technological component and increase the added value of products and modern manufacturing methods.
	Provide financial and technical support for companies to increase their ability to innovate in their operations, adopt and develop technology to increase their competitiveness in domestic and global markets.
	Establish a product design center.
	Strengthen the role of applied scientific research to serve the national industry through the establishment of scientific research and development centers in Jordanian universities funded by the private sector, and direct investments towards scientific research and development.
	provide support programs and concessional funding to develop products and manufacturing methods.
	Improve professional skills of workers in the industrial sector.
Increasing the contribution of income and job generating service sectors	Adopt and implement a comprehensive plan to develop the services sector and enhance its competitiveness.
	Create a national service trade database.
Opening new markets for Jordanian products (goods and services) and maximize the private sector's ability to benefit from economic and trade agreements signed by the Kingdom	Update the trade policy document.
	Adopt and implement a national export strategy.
	Complete negotiation rounds with a number of trading partners: • The European Union. • GCC countries. • Mexico.
	organize exhibitions, trade delegations and export promotion missions.
	Prepare publications and awareness programs for the private sector about how to benefit from trade agreements.
	Create a distinctive brand for locally manufactured products and market it internationally.
	Provide modern export promotion services for creative businessmen.
	Develop trade relations and prepare a legislative and legal framework to regulate trade relations with non-traditional markets.
	Prepare and implement a plan for the promotion of exports of goods and services in promising sectors that have export opportunities.
	direct technical support programs towards existing companies to enable them to access new markets.

Targeted scenario	Priority Initiatives
Developing and improving trade facilitation measures, including transport infrastructure and logistics, and standardizing imported food inspection standards	Prepare a comprehensive analytical study of non-tariff measures that hamper trade.
	Increase storage capacities and improve silos and warehouses in the public and private sectors.
	Establish logistics centers in Aqaba and border areas to serve national exports and transit trade.
	Develop standards for food targeted ratios on the ASYCUDA system by adopting additional criteria based on merchants and countries of origin.
	Aligning the requirements to join the Golden merchant program between government agencies, customs, Jordan standards and metrology organization and Jordan food & Drug.
	Adopt risk assessment criteria to determine food-related risks.
	Adopt the Multimodal Transport Law.
	Strengthen the infrastructure for adoption, inspection and testing and increase its effectiveness by creating and developing internationally and domestically accredited testing laboratories to pass all tests required internally and externally.
	Standardize inspection standards and measures of all food inspectors in customs centers and develop the National Inspection Manual.
	Adopt electronic inspection programs for food.
	Adopt the Consumer Protection Act to enhance consumer protection mechanisms among government agencies and civil society organizations.
	Adopt the amended Standards and Specifications Law.
	Require food laboratories to adopt 15 tests of food items (microbial and chemical).
Improving the flow & access of local products into global markets through the establishment of a connecting network with local and external suppliers	Develop and improve communication networks between the public and private sectors in order to serve the industrial sector and help in solving the problems faced by the sector.
	Support Jordanian countries eligible to participate in Jordanian trade missions and / or sections to represent Jordan in international exhibitions.
Raising the quality of Jordanian products in global markets	Review legislation on quality, inspection certificates and laboratories and analyze the gaps between the current legislation and export requirements with regard to quality and inspection certificates.
	Sign agreements of mutual recognition of certificates of conformity with trading partners.
	Launch a website to post legislation on quality and inspection certificates for easy access and follow-up of developments and international requirements in this area and make it available to industrialists in both Arabic and English.
	Build quality-related human and institutional capacities at all levels of the ecosystem, as well as building a quality culture.
Promoting consumer protection mechanisms	Develop a supply and consumer protection policy.
	Develop market surveillance mechanisms.
	Adopt the amended Industry and Trade Act which includes harsher penalties on violators and the powers of the pricing of non-basic goods.
Achieving balance in the market in the event of rising prices in the domestic market by strengthening the role of the Civil Service Consumer Corporation and the Military Consumer Establishment	Create new markets for the Civil Service Consumer Corporation in various governorates of the Kingdom as needed.
	Continue the development of the Military Consumer Establishment: create and develop markets of Gawr al-Mazraah, South Shouna, Ghor al-Safi, Ras Al-Ain, Irbid and Aqaba.
	Encourage cooperatives to provide basic goods in all regions of the Kingdom.

Key Performance Indictors- Trade and Competitiveness

Targeted Scenario

Indicator	Baseline 2014	2017	2021	2025
Growth of national export	4.8 billion	5%	7%	10%
Growth of the industrial sector production	5.17 billion	3.5%	4%	5%
The industrial sector's share of total credit facilities (percentage)	15%	18%	22%	25%
The contribution of the industrial sector in GDP	22%	23%	25%	27%
The contribution of the services sector in GDP	68%	66%	63%	61%
Growth of local employment in the industrial sector	236 thousand	5%	6%	7%
Growth of local employment in the services sector	1.098 million	3%	4%	6%
Investments increases	2.2 billion	7.8%	8.3%	8.8%

Business Environment

Targeted scenario

Targeted scenario	Priority Initiatives
Enhancing and improving the investment climate of the Kingdom and develop legislation governing the business environment and investment	Strengthen the capacities of Jordan investment commission (JIC) o provide services, including post-incorporation services, according to international best practices.
	Develop a national investment strategy for the next ten years.
	Organize a number of tasks and adopt best promotional initiatives and methods to attract investment to target countries.
	Accelerate the establishment of "one-stop-shop" according to international best practices and provide its services electronically.
Developing a strategic plan for investment promotion directed towards countries and investments of high value-added and can generate job opportunities for Jordanians	Organize and hold conferences and economic seminars periodically inside and outside Jordan, including the Jordanian Expatriate Convention.
	Strengthen he promotion with local and foreign companies on the Internet through a platform to exchange knowledge managed by JIC.
	Collect and analyze data and information about target countries.
Creating investment opportunities and distributing them on the Kingdom's governorates	Develop investment maps for all the Kingdom's governorates.
	motivate the private sector to invest in the industrial cities and free zones and benefit from the investment opportunities and advantages offered by these areas by developing the existing infrastructure.
	Expand industrial cities to include all governorates of the Kingdom through the creation of additional industrial cities in all the Kingdom's governorates.
	Establish representative offices of JIC outside the capital, Amman, in the chambers of Industry and commerce.
Reducing the costs of doing business in Jordan	review business establishment fees, especially registration fees paid to the Chamber of Industry and the Chamber of Commerce and the Greater Amman Municipality for occupational license.
	Study the possibility of renewing the license for several years (3 or 5 years) and give incentives for early repayment through restructuring fees for all licenses for small businesses.
	Review electricity delivery costs or the provision and delivery of service.
	Consider the establishment of a national electronic property record to keep track of home ownership and transactions and list all legal rights and obligations regarding the property to show its real value.
Simplifying administrative procedures to save time for businessmen	Conduct administrative transactions related to business processes (for example, business registration and obtaining a building permit) through an online "one-stop shop".
Improving the quality of services provided to local and foreign companies	Encourage lending to, investing in or recapitalizing distressed and viable companies.
	Protect minority shareholders in public shareholdings.
	Enable companies to file complaints electronically.
	Encourage electronic deposit and tax payment through the internet.
	Consider the possibility of giving a grace period to companies before the entry into force of new laws and regulations to allow them to reorganize their business according to the new legislation, especially small and medium-sized enterprises.
Encouraging international best practices in corporate governance	Encourage corporate managers to participate in specialized training programs on the best corporate governance practices.
	Study the possibility or requiring IPO listed companies to provide reports on financial and non-financial requirements.
Improving the legal framework available for domestic and foreign companies	Study the legal framework to enforce the guarantees out-of-court so that creditors can and debtors can agree on out-of-court procedures.
	Institutionalize regulatory impact analysis as part of the discussion of policies and regulatory reforms before they are submitted to the Council of Ministers for approval.
	Develop the Companies Act to be in line with international best practices and enforce mandatory implementation of the rules of corporate governance guide under the Law.
	Adopt the Reorganization, Bankruptcy And Liquidation Law.
	Adopt the Electronic Transactions Act.
	Support medium and large enterprises to apply the required standards regarding the financial rights of the parties concerned and strengthen the accountability system, internal control environment, auditing transparency and disclosure practices.

Key Performance Indictors- Business Environment

Targeted Scenario

Indicator	Baseline 2014	2017	2021	2025
Ranking on Global Competitiveness Index	64th	60th	55th	50th
Ranking on Ease of Doing Business Index	117th	110th	90th	75th

Capital for Growth

Targeted scenario

Targeted scenario	Priority Initiatives
Improving transparency and financial depth	Create the credit information company to contribute in reducing credit risk and increasing credit provided to the private sector, particularly small and medium-sized enterprises.
	Create a national steering committee and a technical committee headed by the Central Bank to disseminate financial and banking culture in the society in order to raise financial awareness to increase the use of financial services and thereby improving the financial depth and proliferation.
	Develop the national payments system to increase financial depth and proliferation.
	Strengthen the financial consumer protection framework by issuing instructions for dealing with customers fairly and transparently.
Encouraging lending against movable collateral t companies especially small and medium-sized enterprises	Review the Law on attaching movable and immovable properties to secure debt.
Increasing loan guarantees for small and medium-sized enterprises and entrepreneurship projects	Restructure Jordan Loan Guarantee Corporation to strengthen its role in providing guarantees necessary to obtain financing , especially for small and medium enterprises.
Increasing the funds available to entrepreneurs and small and medium enterprises	Providing funding programs from the Central Bank to support the industry, tourism, renewable energy and agriculture sectors for terms appropriate to clients' financing needs.
	Establish a fund to support start-ups in SME sector.
	Encourage the development of value-added services offered by credit information companies.
	Cooperate and exchange information on the credit record between all credit providers (such as Jordan Loan Guarantee Corporation and microfinance institutions) and the credit information company.

Key Performance Indictors- Capital for Growth

Targeted Scenario

Indicator	Baseline 2014	2017	2021	2025
Ranking on the Access to Credit Index	185th	104th	89th	70th
The percentage of bank loans provided to small and medium enterprises	9%	12%	13%	14%
Ranking on the availability of venture capital	23rd of 144th	22nd of 144th	21st of 144th	20th of 144th
Coverage of credit bureaus (percentage of the adult population)	0.0%	20%	30%	55%

Entrepreneurship and Small and Medium Enterprises

Targeted scenario

Targeted scenario	Priority Initiatives
Enhancing the competitiveness of small and medium-sized enterprises and increasing women's participation in them and motivate startups	Adopt a national strategy for the encouragement of entrepreneurship and development of micro, small and medium enterprises.
	Design training and rehabilitation programs that take into account women's needs.
Speeding up reforms of legal and regulatory environment, such as adopting the small and medium-sized enterprise law, as well as reforms related to activating the funding mechanisms with the guarantee of movable property	Prepare and adopt the small and medium-sized enterprise law.
Providing support for small and medium-sized enterprises and promoting their access to finance and various financial and banking services	Identify market failures in the allocation of public funding necessary for projects micro, small and medium projects to increase their access to credit and finance the purchase of shares (partnership in capital) including start-ups.
	Develop a funding program to implement the national strategy for the encouragement of entrepreneurship and development of micro, small and medium enterprises.
	Double bank loans granted to small and medium enterprises.
	Increase the initial capital and venture capital available for the development of start-ups.
	Increase the share of small and medium enterprises in government tenders by no less than 20%.
Creating markets for small and medium enterprises locally and increasing their export capacity	Launch studies and research projects o highlight the strengths and needs of small and medium enterprises in service exports.
	Promote franchises as an approach to build the market.
	Intensify and expand the programs and activities aimed at increasing sales in the domestic market and exports to target markets and improve their global competitiveness.
Intensify and expand the programs and activities aimed at increasing sales in the domestic market and exports to target markets and improve their global competitiveness	Create the spirit of entrepreneurship among university and educational institutions graduates by opening periodic communication channels with the beginning of each semester with those concerned in the private sector and introduce educational courses on innovation and link idea owners and developers of ambitious graduation projects with the private sector.
	Awareness and promotion programs on the importance of industrial property rights.
	Establish business incubators between universities and the private sector and in the chambers of industry and commerce in governorates.
	Provide the necessary support for the Governorate Development Fund to enable it to achieve its objectives in providing funding for the establishment of investment projects.
Narrowing the gap between the outputs of vocational education and training and the labor market needs and achieve integration with the National Education Strategy and the National Employment Strategy	Conduct a study on the existing gap between education outputs and labor market in order to study the social aspects that cause a mismatch between the outputs of education and training.
	Develop programs to train graduates in partnership with the private sector.
	Encourage vocational education more than academic education.
	Adopt mechanisms for scholarship programs and provide internship for high-performing students by the private sector.
Strengthening local capacity in scientific research and innovation	Implement the National Strategy for Science and Innovation.

Targeted scenario	Priority Initiatives
Strengthening the role of the Governorate Development Fund financing investment projects and increasing its allocations	Provide assistance to entrepreneurs to develop ideas and economic projects and attract support requests throughout the year from all governorates.
	Establish economically viable productive projects and promote the culture of entrepreneurship in all the Kingdom's governorates.
	Give encouraging incentives to the Governorate Development Fund for the purpose of investment in the industrial cities.
	Give job-generating investment projects the priority in obtaining financial support.
	Develop a legislative framework that facilitates the creation and development of venture capital funds.

Key Performance Indictors- Small and Medium Enterprises

Targeted Scenario

Indicator	Baseline 2014	2017	2021	2025
Time to Start a Business (days)	12.0	10.0	8.0	6.0
Entrepreneurial Environment	71st	66th	64th	62nd
Networked readiness Index ranking	44th	42nd	36th	32nd

Sectoral Clusters for Growth

(The targeted scenario was adopted with respect to initiatives and sectoral indicators for all clusters, since Jordan 2025 focuses particularly on theses clusters).

Part 1- Engineering and Construction

Targeted scenario	Priority Initiatives
Developing engineering services for the purpose of export	update Jordanian legislation for architecture to develop clear criteria for new architecture and engineering companies in Jordan.
Promoting and developing the regulatory framework for Public-Private Partnership to encourage investment in construction	Provide information about the market needs (for example, poor and low-income housing).
Strengthening human capacity in the sector	Train new Jordanian entrants to the labor market in this sector.
Linking the cluster with the other clusters	Market the services provided by the cluster by linking with other clusters.

Part 2- Health Care and Medical Tourism

Targeted scenario	Priority Initiatives
The sector's activities and promoting promotional campaigns	Establish the "Jordanian Medical Tourism Association" to strengthen cooperation with all stakeholders, including hospitality, transportation, and entertainment services.
	Rebrand Jordan's medical tourism as a premium level of healthcare instead of as a low-cost medical tourism.
	Develop a centralized, comprehensive promotion campaign that targets priority customers and take advantage of the available channels of communication.
	Active interaction with the ministries of health in countries, national insurance providers in other countries and international healthcare providers to sign agreements for the provision of specialized services they need.
	Develop links with specific institutions that follow best practices in the markets.
	Study the feasibility of establishing a regional therapeutic network in the MENA region with key stakeholders in Lebanon, the United Arab Emirates and other major markets.
	Develop a special program for medical tourism provided by Royal Jordanian to provide specialized air medical services in the MENA market to facilitate transport (patients and their families) to Jordan.
Developing and promoting support activities and infrastructure	encourage private sector participation in new medical facilities around existing ones and develop (non-medical) support services industries that target foreign patients and their families, to encourage them to prolong their stay.
	Build day-care clinics for foreign patients.
	Expand specialized convalescent and rehabilitation facilities in the Dead Sea and other resorts and connect them with hospitals to provide integrated offers for customers.
	Adopt the Medical Accountability Act.
	Develop a set of standards for medical tourism based on international standards.

Part 3- Life Sciences

Targeted scenario	Priority Initiatives
Developing the medical biotechnology infrastructure in Jordan	Standardize technical requirements for registration of pharmaceuticals and shorten the time periods for registration and accreditation procedures.
	Interaction with universities to develop training programs at Jordanian universities in "regulatory medical science".
Supporting research and development and pharmaceutical innovation activities	Prepare and adopt a specialized Intellectual Property Law for research and development activities in pharmaceutical industries.
Supporting research and development and pharmaceutical innovation activities	Encourage foreign pharmaceutical companies to set up subsidiaries in Jordan in various sectors to encourage knowledge transfer and the development of a comprehensive hub.
	Encourage partnerships and merger agreements with international companies from Europe and North America.
	Promote dialogue between the pharmaceutical sector and the healthcare sector to ensure that Jordanian healthcare providers share and buy Jordanian pharmaceutical products wherever possible.

Part 4- Tourism and Conferences

Targeted scenario	Priority Initiatives
Developing tourism product and enhancing its competitiveness	Achieve a balance in the geographic distribution of tourist services and facilities to governorates.
	Activate the tourist site management system.
	develop marginalized and unexploited tourist attractions.
	develop new tourism patterns, such as religious tourism, conference tourism, eco-tourism, desert tourism, shopping tourism and other patterns.
	Promote development and building of environmental hotels and lodges in major environmental sites in Jordan, such as the Jordan River Valley, Wadi Rum, natural reserves, etc.
	Develop two-, three- and four-star hotels and accommodation places to develop medium cost tourism.
	new tourist routes and developing those already existing in various governorates of the Kingdom.
	Support and expand technical centers and encourage regional exhibitions, art festivals and other cultural tourism activities for residents and visitors.
Developing the the infrastructure of the tourist attractions and improving the tourist transport service	Develop tourist transport by creating rapid and direct transfer links between key tourist attractions (Amman, Queen Alia International Airport, the Dead Sea, Petra and Jerash) and new priority destinations.
	Develop the infrastructure of tourist, archaeological and heritage sites and continue to maintain them to improve their attractiveness and preserve them.
Internal and external tourism marketing and promotion	Target new and non-traditional markets.
	Focus on tourists who are interested in, and look for, specialized tourism products (therapeutic, religious, environmental, hospitalization and convalescence...etc.).
	Increase studies and research of international target markets to guide the decision-making process.
	Consider and review the restricted nationalities file and look into the issuance of electronic visas.
	develop domestic tourism campaigns, such as "Jordan is Beautifu" (Jordan A7la) and "Jordanian Experience" especially in the main tourist destinations.
Increasing employment and developing human resources	Develop the educational and training curriculum related to the tourism sector through the cooperation of the Ministry of Tourism and Antiquities with the concerned authorities, such as the Ministry of Education and Higher Education, the Ministry of Labour and the private sector.
	Allow the private sector to manage the training centers of the Vocational Training Corporation according to the terms agreed upon with the government.
Amending the legislation that support and govern the tourism sector	Amend the legislation, laws regulations and instructions governing the Jordanian tourism sector in line with the developments of tourism, specifically with regard to tourism investment issues, taxes and electricity. Accelerate the adoption of a new tourism law

Key Performance Indicators- Tourism Sector

Indicator	Baseline 2014	2017	2021	2025
The contribution of the tourism sector in GDP	6.5%	7.5%	8.5%	9.0%
Tourism income (JD million)	2,923	4,000	5,200	6,500
The number of tourists coming to the Kingdom of different nationalities The number of overnight tourists (individual)	3,945,360	5,500,000	6,000,000	7,000,000
The number of tourists coming to the Kingdom of different nationalities The number of tourist groups	432,878	600,000	700,000	800,000
Length of stay of tourist groups (nights)	4.3	6	8	10
Ration of tourist facilities Amman (%): governorates (%)	Amman (70%) Gove. (30%)	Amman (62%) Gove. (38%)	Amman (55%) Gove. (45%)	Amman (50%) Gove. (50%)
The number of hotel rooms in the governorates, with the exception of the capital (room)	26,370	40,000	50,000	60,000
The number of workers in the sector in the Kingdom (1000 people)	46	80	95	110
The employment rate in the sector: Amman (%), governorates (%)	Amman (71%) Gove. (29%)	Amman (60%) Gove. (40%)	Amman (50%) Gove. (50%)	Amman (40%) Gove. (60%)
Improve Jordan's ranking on the Travel & Tourism Competitiveness Index (WEF)	60	50	45	40
Increase the number of World Heritage sites	4 sites	5 sites	8 sites	10 sites

Part 5- Digital and Business Services

Targeted scenario	Priority Initiatives
Developing Jordan to be a hub for "medium-technology" in providing ICT services for the MENA region	Consolidate Jordan's position as a communication center or a hub for the provision of commercial and other services in Arabic.
	Activate the partnership between the ICT sector and all other priority sectors (pharmaceutical industry, banking and business services, education and health) through cooperation to increase the use of information technology in their business.
Developing sectors between ICT sector with other relevant emerging sectors	Encourage Jordanian ICT companies to participate in end-to-end product development from the research and development stage to the marketing stage, in new applications for targeted sectors in Jordan.
Updating ICT infrastructure and the enabling environment in line with international standards	Complete the high-speed fiber optic network .
	Enforce and activate all laws and regulations on ICT networks in accordance with the adopted international standards in this area.
	Facilitate licensing procedures to telecom companies of all types and encourage infrastructure sharing, which increases the spread and use of technology and communications in the Kingdom.
	Adopt national standards for network and information security.
Rapid expansion of marketing efforts and developing international markets	Enhance cooperation and coordination in global marketing and promote exports at the international level.
	Encourage and support research and development efforts in ICT and creative ideas.
	Develop and expand Arabic and national content to facilitate usage and increase sectors' productivity.
Upgrading the level of "smart" government to support the ICT sector	Support small and medium sized enterprises to develop the ICT industry to increase its exports.
	Build smart government by developing the ICT sector and encourage investment in research and innovation.
	Develop government procurement of ICT products that will encourage research and innovation, and increase registering and spreading the new IP.

Key Performance Indicators- ICT Sector

Indicator	2017	2021	2025
The contribution of ICT sector in GDP	12.5%	13.5%	14.3%
The sector's revenue growth rate	2.5%	4.3%	6.3%
Total investment growth rate	7.7%	9.8%	11.5%
Ratio of workers in the sector to the total number of workers	2.5%	4%	6.5%
The sector's export growth rate	7%	8.5%	9%
World Wide Web prevalence rate	5.3%	2%	1%
Percentage of population who use the internet for e-government services of the total internet users	13%	13%	16%
Percentage of educational entities linked to the fiber-optic network	22%	100%	100%
Percentage of medical entities linked to the fiber-optic network	19%	100%	100%
Percentage of government entities linked to the fiber-optic network	26%	100%	100%

Entrepreneurship and Small and Medium Enterprises

Targeted scenario	Priority Initiatives
Ensuring financial stability and implementing best practices of good governance	Expand the supervisory umbrella and Central Bank's procedures to include non-bank financial institutions, subject to any supervisory organization, to help develop their activities and enhance their role in the national economy.
	Create a (sectoral) partnership council of all entities responsible for the financial sector in order to coordinate policies and business and provide the necessary instructions regarding common or conflicting projects and goals of the different departments and institutions.
Ensuring the safety and durability of the Jordanian banking sector increase competitiveness against regional financial and banking centers	Amend the Banks Law and the Central Bank's Law, monitor exchange businesses and guarantee deposits in accordance with best international standards and practices.
	Keep abreast of the latest developments in bank monitoring to ensure the safety of their business and their positive contribution to the economy.
	Promote the enforcement of institutional governance rules in banks to ensure the safety of their positions and enhance their competitiveness regionally and globally.
	Promote fairness and transparency frameworks in dealing with bank customers and protect their interests.
	Strengthen the role of the Deposit Insurance Corporation in the banking protection network.
	Qualify Jordan to provide financial services at the regional level, through the development of financial sector-related legislation.
	Strengthen anti-money laundering systems, and promote the enforcement of international legal obligations of banks.
	Provide alternative conflict solutions, including mediation and arbitration in all financial services, according to the best international practices, and develop the regulating legal frameworks.
Developing the insurance sector and strengthening social safety nets	Continue the reform of the Social Security Act.
	Promote the benefits of investing in the Jordanian insurance sector, and follow up the executive plans to qualify Jordan as a regional insurance hub.
	Continue the process to issue the "Insurance Law" draft by the Ministry of Industry and Trade / insurance according to international best practices, and urge insurance companies to integrate into larger institutions.
	increase Savings and develop the skill of employees in the insurance sector.
	Re-examine the solvency requirements for insurance companies to strengthen their financial solvency and ability to maintain risks at higher rates.
	Develop financial safety nets to increase the protection of the rights of insurance policy holders and beneficiaries of policies in the event of the bankruptcy of insurance companies.
	Raise the efficiency of the insurance sector institutions, promote positive competition and activate the settlement of insurance disputes so as to save time and effort.
Expanding the use of smart programs and modern technology in providing financial services	The adequate coverage of legal principles of payment systems by legal systems in the Kingdom.
	Supervise and control payment and settlement systems.
	A comprehensive strategy for electronic retail payments systems.
	Raise the efficiency of payment, clearing and settlement systems requirements and promote access and participation in the national payment system.
Developing the technical and technological structure of the capital market	Amend the Securities Act in line with the best international practices and standards.
	New electronic trading system for Amman Stock Exchange.
	A system to monitor trading in securities.
	An electronic disclosure system for listed companies and brokerage firms.
	Conduct awareness campaigns to educate the local society about the capital markets and available investment opportunities.
	Raise the level of electronic services provided by the Securities Depository Center.
Enhancing the support for secondary mortgage market and providing low-cost sources of funds for the secondary mortgage market	Cooperate with international financial institutions in order to obtain long-term soft loans.
	Cooperate with Islamic banks to issue Islamic bonds (sukuk).
Launching the project of promoting community financial and banking culture (Financial Literacy)	Develop an action plan to start including topics that contribute in increasing financial literacy in the curriculum.

Key Performance Indicators- Financial Services

Indicator	2017	2021	2025
Inflation rate	4.0-5.0%	4.0- 5.0%	4.0- 5.0%
Banks' capital adequacy ratio	>14%	>14%	>14%
The contribution of financial and insurance services sector in real GDP	13.5%	15.0%	17%
The real growth rate of the financial sector and insurance	7.5%	9.0%	10.0%

Safety & Security
Rule of Law
Poor & Underprivileged
Active Citizenship
Jordan Communities

The Rule of Law

Targeted Scenario

Targeted scenario	Priority Initiatives
Promoting the National Integrity Charter	Support the Royal Integrity Committee in implementing its tasks of reviewing and suggesting recommendations that would strengthen and enhance the institutions that underpin the National Integrity Charter.
Improving the efficiency of the judicial system	Continue the establishment of First Instance courts across the Kingdom.
	Develop a comprehensive training program for new judges based on international best practices and develop annual training programs for sitting judges.
	Establish the "Appeals Examination Commission" at the court of cassation to reduce the workload on judges.
	Increase the number of specialized judges to reduce the workload on each judge to increase and enhance efficiency.
	Implement awareness programs on the importance of mediation and encourage the use of alternative dispute resolution methods.
	Conduct a periodic study of late and complex cases and put in place a specific mechanism to expedite them.
Ensuring the quick enforcement of the law	Accelerate litigation processes.
	Strengthen enforcement capabilities by increasing the number of enforcement staff in different departments including: Tax, labor, police, audit bureau, anti-corruption, customs and lands.
	Strengthen the relationship between the public prosecution service and the security apparatus to encourage appropriate information sharing.
Automation of judicial proceedings	Update and develop the automated case management system (Mizan) and provide administrative training.
	Update and develop computerization infrastructure (hardware, networks... etc.).
	Continue archiving related files and documents in all courts in the Kingdom.

Key Performance Indicators- the Rule of Law

Targeted Scenario

Indicator	Baseline 2014	2017	2021	2025
Judicial Independence rank	48	42	40	38
Rule of Law score	0.43	0.5	0.55	0.6
Percentage citizens who believe the law is applied equally to all citizens	18%	28%	38%	55%
International Human Rights Rank Indicator	102	90	75	65

Active Citizenship

Targeted Scenario

Targeted scenario	Priority Initiatives
Encouraging civic engagement and participation	Strengthen platforms that facilitate citizen engagement with government.
	Design a National Honors Program to reward Jordanians for their contribution to the Jordanian society.
	Require a civics component to be included and updated in the school curriculum to teach children about the rights and responsibilities of citizenship.
Encouraging volunteer activities	Encourage the government to provide seed funding and work with existing volunteer organizations to create a National Coordinating Volunteer Council which would aim with the mission to increase the numbers of Jordanians participating in volunteer activities.
	Increase the availability of seed funding.

Key Performance Indicators- Active Citizenship
Targeted Scenario

Indicator	Baseline 2014	2017	2021	2025
Voice and Accountability Percentile	27th	32nd	40th	47th

Communities- Local Development
Targeted Scenario

Targeted scenario	Priority Initiatives
Implementing the National Housing Strategy	Update the National Housing Strategy and implement its reforms that have not been implemented yet, on land use, housing finance, savings, housing loans.
	Amend the land regulatory framework to stir un-built lands in urban areas.
Improving access to adequate housing and housing loans for the poor	Create a database that contains detailed data about the reality of housing for the poor.
	Address the issue of limited access to housing loans.
	Provide incentives for mortgage lenders to lend to low-income families and remove obstacles facing female-headed households for housing loans.
	land for future housing projects and implement new housing projects in the centers of districts.
	Stimulate the private sector to increase its contribution in the residential production for low and limited-income citizens.
	Sustain, analyze and benefit from the database on a periodic basis.
	Develop land zoning laws in major urban areas so that they require the allocation of certain land for housing for people with low incomes, and state that new residential complexes must contain a certain percentage of units for low-income people.
Increasing the supply of housing for rent	Encourage private developers, banks and potential investors to invest in housing projects for rental to low-income people by identifying and promoting investment opportunities to the private sector.
Refocusing the efforts of the Housing and Urban Development Corporation	Merge the Housing and Urban Development Corporation with the Ministry of Municipal Affairs to become an independent institution to ensure the integration of housing and spatial planning activities.
Encouraging extra-curricular activities in local communities	Encourage schools and civil society organizations to expand local activities creative sports and extracurricular activities, such as music, dance, drama and visual arts presented in local existing facilities.

Targeted scenario	Priority Initiatives
Promoting local development	Enhance the governorates' production capacity and reduce development disparities between them and focus on local economic development.
	Strengthen local partnerships between government agencies, municipalities, civil society institutions and the private sector.
	Build the institutional capacity of active partners in local development sector.
	Enable municipalities in the area of planning and development and improve the quality of their services to perform their role in development.
	Increase funding for job-generating institutions in the local development sector.
	Set up a fund in municipalities to support municipalities that are implementing investment projects in partnership with the private sector.
	Direct technical support programs towards projects implemented by institutions in the local development sector during the setting-up phase to ensure the sustainability of these projects and that they will create job opportunities.
	Improve the mechanisms of collection of receivables and financial rights of municipalities.
	Conduct economic feasibility studies of the outputs of the investment map of governorates.

Key Performance Indicators- Communities- Local Development

Targeted Scenario

Indicator	2017	2021	2025
Number of governorates where poverty exceeds the national average	7	5	3
Number of investment projects through the partnership between the municipalities and the private sector	60	150	275
Number of municipalities benefiting from integrated computerized financial system project	100	100	100
Economic feasibility studies of the outputs of the investment map of governorates	70%	85%	100%
The contribution of the organized private sector in meeting housing needs	50%	55%	60%

Indicators by governorate (according to targeted scenario)

Maan

Indicator	Baseline 2014	2017	2021	2025
GINI index that measures the equality of distribution	0.28	0.28	0.27	0.26
Poverty rate	26.6%	26%	24%	20%
Unemployment	20.1%	13.2%	11.7%	10.3%
Number of economic establishments operating in the governorate	2636	2800	3000	3100
Percentage of workers in the productive sectors	12.7%	13.7%	14.7%	15.7%
Percentage of workers in the public sector	43.7%	42.7%	41.7%	40.7%
Percentage of apprenticeship	0.2%	0.3%	0.35%	0.4%
Number of jobs created for Jordanians aged 15 years and over	771	1000	1300	1500

Ajloun

Indicator	Baseline 2014	2017	2021	2025
GINI index that measures the equality of distribution	0.306	0.30	0.29	0.28
Poverty rate	25.6%	25%	23%	19%
Unemployment	12.0%	11.5%	10.6%	8.6%
Number of economic establishments operating in the governorate	2728	3000	3200	3300
Percentage of workers in the productive sectors	6.2%	8.2%	10.2%	12.2%
Percentage of workers in the public sector	53.4%	50%	48%	45%
Percentage of apprenticeship	0.1%	0.2%	0.3%	0.4%
Number of jobs created for Jordanians aged 15 years and over	1440	1700	2000	2400

Balqa

Indicator	Baseline 2014	2017	2021	2025
GINI index that measures the equality of distribution	0.333	0.33	0.295	0.29
Poverty rate	20.9%	20.3%	18.3%	14.3%
Unemployment	15.0%	10.2%	9.9%	8.7%
Number of economic establishments operating in the governorate	8538	8800	9000	9200
Percentage of workers in the productive sectors	24.9%	26.9%	27.9%	29%
Percentage of workers in the public sector	29.5%	28.5%	27.5%	26%
Percentage of apprenticeship	0.1%	0.2%	0.25%	0.35%
Number of jobs created for Jordanians aged 15 years and over	4040	5200	5600	5900

Aqaba

Indicator	Baseline 2014	2017	2021	2025
GINI index that measures the equality of distribution	0.312	0.312	0.312	0.312
Poverty rate	19.2%	18.8%	17.8%	14.8%
Unemployment	16.6%	13.7%	10.7%	8.6%
Number of economic establishments operating in the governorate	4382	4500	4800	5000
Percentage of workers in the productive sectors	23.9%	24.9%	25.9%	27%
Percentage of workers in the public sector	22.2%	21.2%	20.2%	19%
Percentage of apprenticeship	0.3%	0.4%	0.45%	0.5%
Number of jobs created for Jordanians aged 15 years and over	1073	1400	1700	2000

Mafraq

Indicator	Baseline 2014	2017	2021	2025
GINI index that measures the equality of distribution	0.296	0.290	0.285	0.28
Poverty rate	19.2%	18.8%	17.8%	14.8%
Unemployment	11.3%	11%	10.5%	10%
Number of economic establishments operating in the governorate	4808	5000	5150	5300
Percentage of workers in the productive sectors	14.5%	15.5%	16.5%	17.5%
Percentage of workers in the public sector	43.5%	42.5%	41.5%	40.5%
Percentage of apprenticeship	0.1%	0.2%	0.3%	0.4%
Number of jobs created for Jordanians aged 15 years and over	3327	3700	3950	4100

Tafileh

Indicator	Baseline 2014	2017	2021	2025
GINI index that measures the equality of distribution	0.262	0.260	0.260	0.256
Poverty rate	17.2%	16.2%	16.2%	14.2%
Unemployment	20.7%	13.34%	11.64%	8.98%
Number of economic establishments operating in the governorate	1797	2000	2000	2200
Percentage of workers in the productive sectors	16.5%	17.5%	17.5%	19%
Percentage of workers in the public sector	44.7%	43.7%	43.7%	41.7%
Percentage of apprenticeship	0.2%	0.3%	0.3%	0.5%
Number of jobs created for Jordanians aged 15 years and over	1288	1400	1400	1800

Madaba

Indicator	Baseline 2014	2017	2021	2025
GINI index that measures the equality of distribution	0.272	0.270	0.286	0.265
Poverty rate	15.1%	14.6%	14.1%	13.1%
Unemployment	17.9%	15.81%	14.2%	11.09%
Number of economic establishments operating in the governorate	3765	3900	4100	4300
Percentage of workers in the productive sectors	13.4%	14.4%	15.4%	16.4%
Percentage of workers in the public sector	33.2%	32.2%	31.2%	30.2%
Percentage of apprenticeship	0.1%	0.2%	0.3%	0.4%
Number of jobs created for Jordanians aged 15 years and over	1206	1300	1400	1500

Irbid

Indicator	Baseline 2014	2017	2021	2025
GINI index that measures the equality of distribution	0.330	0.320	0.310	0.300
Poverty rate	15.0%	14.0%	13.0%	12.0%
Unemployment	12.5%	11.4%	9.8%	8.9%
Number of economic establishments operating in the governorate	27655	55827	55927	30000
Percentage of workers in the productive sectors	34.9%	35.9%	36.9%	37.9%
Percentage of workers in the public sector	15.4%	14.4%	13.4%	12.4%
Percentage of apprenticeship	0.1%	0.2%	0.3%	0.4%
Number of jobs created for Jordanians aged 15 years and over	11783	12000	12100	12200

Zarqa

Indicator	Baseline 2014	2017	2021	2025
GINI index that measures the equality of distribution	0.319	0.310	0.306	0.306
Poverty rate	14.1%	13.1%	12.1%	12.1%
Unemployment	12.9%	11.4%	10.7%	8.9%
Number of economic establishments operating in the governorate	24556	24600	24800	24800
Percentage of workers in the productive sectors	21.9%	22.9%	23.9%	23.9%
Percentage of workers in the public sector	19%	18%	17%	17%
Percentage of apprenticeship	0.7%	0.8%	0.9%	0.9%
Number of jobs created for Jordanians aged 15 years and over	4981	5050	5150	5150

Karak

Indicator	Baseline 2014	2017	2021	2025
GINI index that measures the equality of distribution	0.317	0.310	0.305	0.300
Poverty rate	13.4%	13.0%	12.5%	12.0%
Unemployment	18.6%	13.9%	12.9%	11.1%
Number of economic establishments operating in the governorate	5508	5700	5850	6000
Percentage of workers in the productive sectors	13.7%	14.7%	15.7%	16.7%
Percentage of workers in the public sector	37.5%	36.5%	35.5%	34.5%
Percentage of apprenticeship	0.1%	0.2%	0.3%	0.4%
Number of jobs created for Jordanians aged 15 years and over	2169	2300	2450	2600

Amman

Indicator	Baseline 2014	2017	2021	2025
GINI index that measures the equality of distribution	0.387	0.380	0.380	0.370
Poverty rate	11.4%	11.2%	11.2%	10.5%
Unemployment	10.9%	10.3%	10.2%	8.6%
Number of economic establishments operating in the governorate	75913	76400	76400	77200
Percentage of workers in the productive sectors	20.5%	21.5%	21.5%	23.5%
Percentage of workers in the public sector	15.1%	14.1%	14.1%	12.1%
Percentage of apprenticeship	0.5%	0.6%	0.6%	0.8%
Number of jobs created for Jordanians aged 15 years and over	20153	21000	21000	23000

Jerash

Indicator	Baseline 2014	2017	2021	2025
GINI index that measures the equality of distribution	0.254	0.253	0.252	0.251
Poverty rate	20.3%	19.5%	16.0%	14.0%
Unemployment	11.8%	11.1%	10.0%	8.9%
Number of economic establishments operating in the governorate	3593	3700	3850	4000
Percentage of workers in the productive sectors	8.8%	9.8%	10.8%	11.8%
Percentage of workers in the public sector	43%	42%	41%	40%
Percentage of apprenticeship	0.1%	0.2%	0.3%	0.4%
Number of jobs created for Jordanians aged 15 years and over	1414	1600	1750	1900

Communities- Culture and Youth

Targeted Scenario

Targeted scenario	Priority Initiatives
Culture and Youth	Expand various awareness programs targeting society segments, in particular young people, to contribute in addressing negative societal phenomena that threaten the stability and civil peace, such as violence and extremism.
	Facilitate young people's access to soft loans, implement youth projects to provide additional job opportunities for the development process, mitigate the effects of unemployment among young people.
	Link culture with tourism by investing the cultural product to attract tourists and organize attractive cultural and artistic events in tourist, archaeological and environmental sites.
	Revive and activate the Cultural and Artistic Movement Support Fund.
	Create film and television production companies in partnership between the Ministry of Culture, Jordan TV and Jordanian Artists Association.
	Implement the consortium program for cultural and creative industries in the southern Mediterranean region.
	Establish comprehensive cultural centers and sports cities in the governorates that do not have such facilities.

Key Performance Indicators- Communities- Culture and Youth

Targeted Scenario

Indicator	2017	2021	2025
annual support for cultural civil society organizations	20%	30%	50%
Number of cultural centers in the Kingdom's governorates	6	10	12
Number of sports cities in the Kingdom's governorates	7	10	13
Number of books and periodicals issued by the Ministry	150	250	300

Communities- Culture and Youth

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Key Performance Indicators- Communities- Culture and Youth

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annual support for cultural civil society organizations	20%	30%	50%
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Poverty and Social Protection

Targeted Scenario

Targeted scenario	Priority Initiatives
Building and developing integrated targeting systems that help reduce poverty rates	Create a national information bank (unified record) to ensure that those working in poverty reduction receive reliable, accurate and up to date data.
	Derive fairer equations and functions that give accurate and objective results that take into account the economic and social environment in the Kingdom.
	Develop an advanced manual outlining the standard of living and quality of life of needy Jordanian families and use it to identify families eligible various government support programs.
	Eliminate food poverty and hunger in the Kingdom by 2017.
	Increase direct coverage rates (support) to poor and needy families (unable to work and produce) for up to 80% of their absolute poverty line by 2025.
	The program to expand targeting base and scope of the coverage Contribute to bridging the poverty gap (financially incapable working families) to 80% of their absolute poverty line by 2025.
Optimizing the benefit from the outputs of programs to boost productivity, training and rehabilitation to ensure the creation of job opportunities that meet the needs of the poor and vulnerable, focusing on (women, youth and people with disabilities)	Help the poor who are able to work to join the labour and production market.
	Develop the skills and capacities of members of poor, vulnerable and female-headed households families.
	• Qualitative training on jobs in demand in the labor market for nearly 40,000 of members of poor and needy families during the period of the vision, at a rate of (4000) person per year.
	• Employ (40,000) of members of poor and needy families and integrate them into the labor market during the next ten years, at a rate of 4000 job opportunities per year.
	• Encourage the private sector to employ members of poor families so that the government bears the full coverage cost of these employees in the social security (for the establishment and the insured) at the rates set forth in the social security act for two consecutive years.
	Create and implement entrepreneurship projects and link them with economic opportunities based on comparative advantage of each area.
	Link assistance with conditions related to education and the size of poor families.
	Require the beneficiary families to look for work (members who are able to work).
Creating a conducive environment for a more effective contribution by government, private and voluntary sectors and funding entities	Encourage venture capital-based projects that are implemented in the poorest areas.
	Promote investment in the poorest areas in international, regional and local forums.
	Create a supporting and attractive business environment to establish projects based on research and development in poverty areas.
Promoting respect for vulnerable and marginalized categories	Educated children from an early age o respect vulnerable groups and teach them tolerance and acceptance by incorporating special units for these concepts in school curriculum.
	Encourage the media, including television stations, to portray the least advantaged communities in a positive way, while highlighting the importance of the contribution of these communities in the advancement of the economy and society.
Supporting people with disabilities to participate in all society activities	Update the National Strategy for Persons with Disabilities and implementation its recommendations, and support the training of teachers so that they can identify children with disabilities, and provide them with appropriate support to help them participate fully in society.
	Ensure that children with disabilities have equal rights in formal education, through detailed engagement programs in each governorate through training and strengthening outreach and awareness
	Engage the society, and social and religious leaders as supporters of the human rights of women and persons with disabilities and all vulnerable groups.
	Encourage the private sector to employ persons with disabilities, through awareness campaigns and consider the possibility of the use of financial incentives.
Providing legal protection for persons with disabilities	Ensure that the National Aid Fund allocates the necessary financial resources to implement the provisions of the Convention on the Rights of Persons with Disabilities

Targeted scenario	Priority Initiatives
Expand the benefits, empowerment and social protection for people with disabilities	Overhaul public transport to enable access for persons with disabilities, including the provision of private taxis in major cities to help disabled people to move around.
	Allocate a part of the National Aid Fund budget to modify housing for persons with disabilities to enable them to live independently (for example, adding handrails and handles).
Increasing women participation in all aspects of society	Amend the Domestic Violence Act so that it clearly defines the definition of violence against women and implementation procedures, and work with the judiciary and the security agencies on how to implement the law.
	Develop a mechanism to ensure faster and more efficient response to violence against women, and establish internal protection systems in the relevant governmental bodies, security agencies, hospitals and clinics (in both private and public sectors).
	Encourage the private sector women leaders in Jordan to develop a guidance program and to volunteer to conduct interviews with Jordanian school and university students.
	Develop more stringent provisions with respect to all forms of discrimination and violence against women and amend legislation that codifies the violence and promote discrimination against them, according to the list of demands made by the women's movement to the Parliament.
Caring for the elderly	Increase the capacity of existing elderly care centers, in line with international standards of best practice.
	Allow and encourage forming non-profit community organizations that will provide basic services for the elderly such as medication home delivery.
Strengthening the role of families by improving parenting	Develop parenting programs in partnership with non-profit organizations that focus on child development and parenting skills.
	Replace the institutional social care with family care where possible.
Expanding the participation of parents in the education and the responsibility of the schools towards parents	Require creating parent-teacher associations (PTA) in all schools and require schools to hold one PTA meeting at least every semester.
Promoting the safe use of the internet	Provide guidance to families on the necessary applications for the use of the Internet by underage children.
	Educate families about safe internet use and how to protect their personal information.
Enhancing social protection and community responsibility	Review and develop social legislation and integrate international conventions with them, and start preparing the Jordanian social work draft law and adopt and commit to its provisions by all concerned authorities.
	Prepare and launch the Jordanian social work strategy, and develop executive plans that the relevant institutions contribute in implementing them.
	Organize the efforts of institutions by forming an advisory committee or advisory board of social protection in the Ministry of Social Development, with a mission to promote cooperation and coordination between the authorities concerned with developing social protection policies and implementation authorities.
	Professionalize social work through the establishment of an association for social specialists or social workers.
	Provide disciplinary and procedural social protection services using an approach based on operation management, as well as the preparation of maps for groups in need of social protection, and replace institutional social care with family care where possible.
	Institutionalize the Jordanian national project of corporate community responsibility to crystallize the concept of corporate community responsibility, identify its principles and fields, manage its events effectively, coordinate its initiatives and measure its impact.

Key Performance Indicators- Poverty and Social Protection

Targeted Scenario

Poverty

Indicator	Baseline 2014	2017	2021	2025
Percentage of absolute poverty	14%	13%	10%	8%
Percentage of food poverty	0.32%	0%	0%	0%
GINI coefficient	37.6	35.0	31.0	28.0

Social Protection

Indicator	2017	2021	2025
Number of beneficiaries of alternative care programs	400	400	400
Number of practicing social workers who have occupation licenses	600	1200	3000
Number of social workers qualified and trained in the social protection sector	2000	3000	4000
Number of beneficiaries of social protection services who are integrated in their families	3500	7000	8000
Number of community responsibility initiatives supported by the private sector	36	72	144
Number of association working in social protection that exchange data and information among each other	30	60	90
Number of services provided according to approved standards	40	50	60
The existence of a regulatory framework for workers in social protection	1	1	1
Number of legislation governing the sector of social protection that have been developed, updated, revised, aligned and integrated into the international conventions	20	25	30
Percentage of increase in annual financial allocations to entities working in social protection	25%	30%	60%
human development index score	0.77	0.785	0.80
Social progress index	66	70	73

Safety and Security

Targeted Scenario

Targeted scenario	Priority Initiatives
Helping the security authorities to use technology to reduce crime through better informed and equipped citizens	Create a hotline "to report anonymous information about crimes" to collect anonymous reports of criminal and suspicious activities.
	Encourage Jordanian ICT companies to develop technological applications related to citizens' security.
Adopting cyber security solutions	Accelerate the implementation of the legislation necessary for the security and protection of personal data.
	Encourage the protection of the national banking system and major banks by developing and upgrading their information technology systems in cyber security.
Encouraging Non-Governmental Organizations to prevent crime	Encourage citizen programs, such as forming neighborhood watchdog groups, where members of the neighborhood agree to watch each other's properties and patrolling the streets and report any suspicious incidents to the police.
Caring for individuals' health and addressing behaviors that affect	Update the current seat belt law to include all passengers rather than just the driver, including children car seat law, and encourage the strict enforcement of the law through sanctions.
	Design a campaign for road safety to encourage better behavior by drivers on the roads.
	Continue efforts to prevent smoking in public places.
	Develop a mental health strategy to build awareness and reduce social embarrassment, and provide support for persons with disabilities and integrate them into society.

Key Performance Indicators- Safety and Security

Targeted Scenario

Indicator	Baseline 2014	2017	2021	2025
The reliability of police services	5.5	5.7	5.8	5.9
Road deaths per 100,000 people per year	22.9	15.0	12.0	8.0

Workforce Participation
Health
Employment
Eduction

Education

Targeted Scenario

Targeted scenario	Priority Initiatives
Determining the basics "in the infrastructure of primary and secondary schools and Supplies	Determine the number of basic standards for infrastructure for schools and their facilities, according to the best international standards.
	Conduct a comprehensive review of resource requirements for all primary and secondary schools against the approved standards.
	Prepare time frames within which all issues relating to the infrastructure of schools are resolves.
	Monitor and maintain schools regularly to ensure compliance with standards adopted.
	Develop the infrastructure of educational institutions and urge the private sector to contribute in these efforts.
	Provide mechanisms to ensure the active participation of parents and teachers in the development and modernization of the educational process.
Access to schools and merging schools	Merge schools within the same region with less than 100 students over the next ten years and provide appropriate transport at nominal prices to students.
Expanding the scope of Early childhood education	Develop a policy and regulatory framework for early childhood education, including: • Making Kindergarten (KG2) an obligatory part of pre-primary education at the age of 5. • Encourage the private sector and civil society organizations to build partnerships with the public sector, regulated by the Ministry of Education. • Activate and confirm the role of educational play activities that are included in the curriculum.
	Increase high-quality community centers for young children and families.
Updating the national curriculum at all levels	Deploy of a range of measures to improve and measure basic education outcomes of each age group, develop testing procedures and follow up education outcomes.
	Develop basic reading, writing and arithmetic skills of children in the age group (6-10 years).
Integrating innovative technologies to enhance student learning, teacher training and capacity building	Introduce the programs of Jordan Education Initiative for Technology and Education in all schools in the Kingdom Use a technology platform to provide school curriculum online and increase implementation quality and consistency in the school system and identify skills.
	Expand the development of expanded and open online courses in Arabic, such as Edraak Initiative.
	Build partnerships with the private sector to develop mobile learning modules that include expensive teaching aids and equipment (such as lab equipment for chemistry classes) that can be transferred across schools to enable teachers in less advantaged schools to use them.
	Improve the quality of education in the first grades of basic education.
	Develop simple online professional platforms and applications for professional networks, such as class.jo, to connect teachers in similar subject disciplines across the Kingdom (Math for example), allowing them to share ideas, lesson plans and content on the internet.
Encouraging the expansion of extra-curricular activities in local communities	Encourage schools and civil society organizations to increase sports and creative co-curricular activities that are locally available.
	use public school facilities outside regular school hours for extracurricular activities to the local community.
University entrance exam procedures	Develop higher education – academic and vocation training - admission principles to ensure equality of opportunity.
	Better alignment between the marks required to enter into higher education and vocational training programs with the needs and requirements of the labor market.
Attracting, developing and maintaining best talented teachers	Introduce a new system for the rehabilitation of newly graduated students and teachers.
	Encourage investment in new teacher training colleges that use internationally approved training curriculum, through Public-Private Partnership models.
	Introduce a mandatory continuing professional development program for all teachers.
	Link teachers' promotion and pay increases to successful completion of the requirements of continuing professional development programs each year.
	Require teachers wishing to become school principals to have a specific certification in Educational Administration and make appointment of principal and senior school administrator positions contingent on successful completion of the certificate.
	introduce minimum requirement of 20 hours of continuing professional development programs for school administrators per year.
	Introduce "Teach for Jordan" program that that seeks to form an elite group of respected teachers and appoint them in the most needy schools.

Targeted scenario	Priority Initiatives
Kinking university accreditation and financing to complying with the standards of excellence	Revise and set international best practice standards of excellence in higher education institutions (for faculty, facilities, curricula) and enforce them through the Higher Education Accreditation Council.
	Link government support for higher education institutions to the commitment of these institutions to accreditation and quality standards.
	Develop the follow-up and evaluation system of the outcomes of education of all types and levels.
Raising the level of applied research at universities	Support and encourage scientific research in accordance with the objectives of the Scientific Research Support, and collect unspent mandatory allocation for research from higher education institutions.
	Encourage investment from the private sector by exempting research and development expenses from taxable income.
	Increase university-industry partnerships to ensure consistency between research and the needs of the economy, including programs such as "from School (College)-to-Factory".
	Encourage universities to enter into participatory agreements with prestigious international universities in technical programs.
	increase partnerships between universities and the information technology sector, to ensure offering students courses that meet the needs of the market and technological development
Promoting conformity between educational activities and the needs of the labor market	Create a network of qualified professional consultants in all universities to provide career guidance services, including course choices, community volunteer work, development skills and formation of professional networks skills and employment applications.
	Provide tax exemptions or other incentives to companies that offer paid training, and a high level of education and adequate remuneration for trainees.
Expanding vocational training network and encouraging enrollment	Expand vocational training network through the development of new programs for each priority cluster identified in the vision.
	Encourage vocational and technical training institutions to build partnerships with the private sector and secure independent sources of funding.
	Improve student counseling and orient them towards vocational programs in schools and universities.
	Improve selection and appointment criteria for instructors of employment, technical and technological vocational education and training to ensure instructors are qualified in accordance with international standards.
	Change the perception about vocational training among the youth and community by: Encourage creativity and innovation competitions in educational institutions and encourage participation in international competitions in this area to develop vocational skills Introduce vocational skills courses early in the school curriculum, through field visits to colleges and facilities for vocational and technical training colleges Provide vocational guidance services in high schools (provided by vocational and technical training colleges) provide statistics on available employment opportunities Encourage students to visit vocational and technical training institutions before making a decision to apply for academic institutions and before the deadline to apply for vocational and technical training programs.

Key Performance Indicators- Education

Targeted Scenario

Indicator	Baseline 2014	2017	2021	2025
Ranking of Jordanian universities according to international rankings	Outside the list of top 500 universities	One university in the list of top 500 universities	3 universities in the list of top 500 universities	5 universities in the list of top 500 universities
Number of universities that meet the quality standards approved by the Higher Education Accreditation Commission	0	3	7	10
Total annual expenditure on research and development as a percentage of GDP	0.52%	0.85%	1.25%	1.75%
Enrollment rates in preschool education	60.1%	75.0%	85.0%	90.0%
Total enrollment rate in vocational education	13.12%	20.0%	30.0%	40.0%
Percentage of reducing difference and academic achievement between students' average performance by gender and school location (urban, rural)	5.0%	15.0%	25.0%	35.0%
Students' scores in Trends in International Mathematics and Science Study (TIMSS) (held once every 4 years))	Science 449	469	489	509
	Math 406	426	446	466
Jordanian students Scores in the Programme for International Student Assessment (PISA) (held once every 3 years)	Science 409	424	439	454
	Math 386	401	416	431
	Reading 399	414	429	444
Ratio of administrative staff to faculty members in public universities	1:2.2	1:2.1	1:1.9	1:1.8
Number of universities that have been granted international accreditations and quality assurance certificates for their program	2	5	8	12

Employment

Targeted Scenario

Targeted scenario	Priority Initiatives
Building a skilled and motivated workforce armed with skills required by the labor market	Improve training and employment programs via relevant institutions in partnership with the private sector and provide certification upon successful completion.
	Create the Supreme Council for the Development of Human Resources.
	Work with employers' organizations to develop specialized training programs in accordance with the requirements of the sector they represent Provide financial incentives to encourage training provided by the employers.
Developing vocational guidance and employment services and changing business culture	Design awareness campaigns to overcome the barriers inhibiting Jordanians from accepting certain low-skills jobs in the labor market and encourage Jordanians to take up vocational careers.
	Work with employers to improve attractiveness of those occupations and provide decent working environment for workers in these occupations through joint committees.
	Expand education, training, and employment programs in the workplace, and provide financial incentives for employers and employees.
	Develop vocational employment, training and guidance services to increase employment rates and focus on self-employment and entrepreneurship.
	Create employment units in ministries concerned with priority sectors for employment to meet the sector's human resource needs and training needs to contribute to addressing unemployment.
	Benefit from Jordanian expatriates to create links such as outsourcing office services and business processes by supporting promotion of technical exports.
	Convert waiting lists in the Civil Service Bureau, especially stagnant disciplines, into lists containing active labor market programs (active labor market policies) in the private sector.
	Focus on the integration of young people, persons with disabilities and women in the labor market, through specialized training and employment programs aimed at these groups.
Ensuring that foreign workers complement, rather than replace, Jordanian labor	Determine the rates of foreign workers in all sectors, according to the foreign labor management matrix in the National Employment Strategy adopted by the Ministry of Labor in coordination with the private sector representatives.
	Impose variable and adjustable fees for work permits for foreigners in the sectors that have been identified in the foreign labor management matrix.
	Strengthen the partnership with the private sector, civil society organizations and relevant ministries o meet the labor market needs of local qualified vocational labor by linking training with employment and working towards the gradual replacement of foreign workers by trained Jordanian labor.
	Strengthen the supervisory capacity of agencies supervising foreign workers and toughen the penalties against employers who hire illegal labor.
	Provide a national system to track foreign workers across the border crossings and link all relevant institutions to it.
	Develop clear criteria for granting visas and work permits for experts and professionals in certain occupations and for specific periods.
Supporting training and employment opportunities for citizens of poor and remote low-investment areas	Improve the business environment to encourage the private sector to invest in remote and poor areas, taking into account the special challenges faced by businesses in those areas.
	Give small businesses located in remote areas and poor the priority to government contracts.
	Give remote and poor areas the priority of supported training and employment programs, according to the nature of the area (productive branches, nursing, self-employment...etc.).
	work with local councils and municipalities to improve public transport between rural and urban areas.
Developing labor market information	Build and regularly (annually) update a detailed database of the labor market and make it available to all citizens under the supervision of the National Center for Human Resources Development.
	Support a coordinated effort across ministries to improve the statistics on job creation, foreign investment, the growth of the industry, tax payment, (inbound and outgoing) labor migration, surveys about the demand for labor, supply from employers and studies on the informal labor market.
	Improve data on population, employment and unemployment by expanding the scope of the sample at the level of districts and sub-districts.
	Build and regularly (annually) update a detailed database of persons with disabilities in cooperation with the concerned authorities.
	Build and regularly (annually) update a detailed database of persons with disabilities in cooperation with the concerned authorities.
	Ensure easy access to information about labor market for all agencies.

Targeted scenario	Priority Initiatives
Supporting equal labor rights in public and private sectors	Make salaries and the structure of wages and incentives and promotions in the public sector based on achievement to achieve balance between public and private sector wages with time.
	Enact legislation requiring the provision of minimum benefits for private sector employees and the self-employed, including social security, health insurance, and maternity benefits.
Mitigating the negative effects of brain and skill drain	Build an online expatriate community platform to link all Jordanians living abroad, providing links to job search sites and advise on immigration matters.
	Ensure that investment promotion offices located in embassies abroad are targeting Jordanian expatriates to invest into Jordan.

Key Performance Indicators- Employment

Targeted Scenario

Indicator	Baseline 2014	2017	2021	2025
Unemployment rate	12.2%	11.5%	10.8%	8.0-9.2 %
Percentage of foreign labor of total labor force	30%	27%	25%	23%
Percentage of employees in the public sector	38%	34%	32%	30%

Participation in Workforce

Targeted Scenario

Targeted scenario	Priority Initiatives
Encouraging greater female participation	Facilitate access to information on job opportunities through mobile phone job search services and female job counseling programs.
	Provide tax exemptions for investment in small and medium enterprises owned by women or those that employ women exclusively in the priority clusters identified.
	Introduce flexible work arrangements such as part-time or flexible work hours to enable employees to determine and change their schedules to better fit their personal needs, within the limits set by employers.
	Expand opportunities for females to start their own businesses through micro financing programs.
	Strengthen the government's capacity to enforce maternity benefits in the private sector.
	Contribute to creating working conditions and environment suitable for women in the workplace especially in communities and industrial cities, and address all their issues.
	Review and amend national legislation that promote increased participation of women in the labor market.
	Support entrepreneurial initiatives to provide role models and examples of activities suitable for primary school aged girls.
	Increase the number of available child care centers public-private partnership.
	Promote female participation in vocational and technical training and education by designing programs the meet labor market needs.
Limiting access to early retirement	Phase out early retirement by raising it to 55 by 2016 and up to the national retirement age of 60 for men and 55 for women by 2020.
	Structure retirement programs to disincentive early retirement payout schedules.
Reducing informal employment	Expand labor control enforcement capacity and improve enforcement mechanisms in the Ministry of Labour.
	Encourage the transition from the informal sector into the formal sector, by offering incentive packages and simplifying procedures.
	Raise awareness in the informal sector on the value added gained by moving into the formal sector.
Governance of vocational and technical employment, training and education sector	Prepare a legal framework regulating the activities of the vocational and technical employment, training and education sector.
	Give the Accreditation and Quality Control Center specific legal powers to enable it to implement the external quality control system on all providers training services, including vocational education schools, vocational training institutes, and community colleges in the public sector and the National Employment and Training Company in the private sector.
	Update the National Employment Strategy to better deal with current and future challenges and provide the needed support and funding to implement its programs and projects.
Activating the vocational training system in accordance with the labor market needs	Update education levels in the classifications of the Department of Statistics to include more vocational and technical training and education categories.
	Prepare an educational system to bridge the basic levels of vocational training to technical and specialist levels, based on the concept of lifelong learning, which will increase engagement by Jordanians in vocational and technical careers.

Key Performance Indicators- Participation in Workforce
Targeted Scenario

Indicator	Baseline 2014	2017	2021	2025
Participation Rate	41%	44%	47%	50%
Female Participation Rate	15%	18%	22%	24%
Average Retirement Age	51	54	58	60
Size of Informal Employment	44%	35%	30%	20%

Healthcare

Targeted Scenario

Targeted scenario	Priority Initiatives
Improving the institutional framework for the healthcare sector	Review the role of the High Health Council and amend its laws.
	Updated health map and the number of accredited health institutions.
Developing an effective and comprehensive health insurance system	Consider the establishment of a unified and comprehensive health insurance system to provide the minimum health care package and medicines to all Jordanians and residents.
	Encourage the private sector to provide additional health insurance plans for individuals and companies seeking additional insurance products to the Jordanian and regional market.
Improving the operational performance of the public health care system	Expand the use of information technology in resource management and administrative procedures in public health institutions.
	Create an integrated electronic healthcare database that includes comprehensive information on health providers and recipients.
	A national strategy for health human resources.
	A national strategy to rationalize health spending on drug to be put in place.
	A national preventative health strategy to be adopted and implemented.
	Well-planned geographic expansion of healthcare facilities and services based on the principles of partnership, coordination and integration.
Improving the delivery of emergency medical services	Create an independent ambulance and emergency unit/ body.
	Adopt strategies to cope with disasters, environmental and demographic changes and financial crises.
Improving education for professionals in the health field	Invest in health studies and research.
	Adopt an integrated national medical education program.
	encourage nursing studies through grants, scholarships, advertising and promotional activities.
	Launch all-female nursing programs to increase female participation in the workforce.
	Motivate health workers to work in rural areas.
	Mandatory continuous vocational training and education programs in the sector.
Strengthening preventative efforts to combat non-communicable diseases	Adopt the implementation a national strategy for the control of non-communicable diseases.
	Increase investment in education and information about genetic diseases.
	Adopt the implementation of the National Strategy on Reproductive Health/Family Planning.
Strengthening partnerships and cooperation in the healthcare sector	Enhancing participatory with local communities in the planning of development needs.
	Coordination between health providers to ensure the implementation of programs.
Promoting mental health and drug abuse services	Establish youth-friendly healthcare centers to treat mental health problems and drug abuse.
Controlling emerging and reemerging diseases	Establish a regional centre for health emergencies and poliomyelitis in Jordan in collaboration with the World Health Organization (WHO).

Key Performance Indicators- Healthcare

Targeted Scenario

Indicator	2017	2021	2025
health insurance coverage rate	89%	91%	95%
Number of accredited hospitals	45	70	100
Number of accredited health centers	180	240	300
Number of computerized hospitals in the public sector	49	69	89
Health expenditure as a percentage of GDP	7	6,8	6,7
The contribution of the Jordanian pharmaceutical industry in drug bill locally	40%	55%	70%
Infant mortality rate per thousand live births	16	14	12
Primary health care expenditure of total health spending in the public sector	20	23	25