

PUBLIC

**DOCUMENT OF THE EUROPEAN BANK
FOR RECONSTRUCTION AND DEVELOPMENT**

STRATEGY FOR JORDAN

**REPORT ON THE INVITATION
TO THE PUBLIC TO COMMENT**

1. INTRODUCTION

The objective of this report is to summarise key comments received from stakeholders during the consultation period on the Bank's Strategy for Jordan and provide the Bank's management responses.

In accordance with the EBRD Public Information Policy (PIP), the draft strategy for Jordan was posted on the EBRD website in English and Arabic for 45 calendar days starting from 13 November 2019. The public was invited to comment on the draft strategy no later than 28 December 2019. The previous strategy was also made available on the EBRD website at <http://www.ebrd.com/where-we-are/jordan/overview.html>.

Information about the public consultation process was posted on the EBRD's dedicated Consultation Hub, which highlights the latest opportunities for the public to comment on the Bank's policies and strategies under review. The Communications Department also advertised the public consultation on social media. In addition, targeted notifications of the consultation process were sent to local and international civil society organisations (CSOs) that have expressed interest in the Bank's work in the country.

During the consultation period three sets of written comments were received by the EBRD.

In line with the Bank's increased efforts to involve civil society at an early stage of country strategy development, the EBRD organised a consultative meeting with civil society organisations on 5 September 2019 in Amman to gather civil society's feedback during the preparatory phase for developing the draft strategy. The consultation was hosted by the Resident Office in Amman and attracted 6 participants from 5 different civil society organisations. The EBRD was represented by the Head of the Resident Office; the Economic, Policy and Governance team; the Country Strategy Coordination team and the Civil Society Engagement Unit. The summary of the meeting and the list of CSO participants to the consultation process are provided in the Annex 1 to this report.

2. PUBLIC COMMENTS AND STAFF RESPONSES

Comment	EBRD Response
<i>Implementation of previous strategy (2014-2018)</i>	
<i>Priority 2: Enabling dynamic, private sector-led, inclusive growth-</i> CSOs welcome the Bank’s approach to support the establishment of the National Centre for Innovation (NCI) with the objective to support the government to foster innovation, inclusive productivity and private sector development.	Comment noted. The Jordan National Center for Innovation (NCI) functions as a hub for private and public innovation and aims to improve the country’s innovation ecosystem and private sector development. The setup of the Center is ongoing.
<i>Priority 3: Support for commercialisation and PSP in infrastructure-</i> Civil society encourages the Bank to implement the Greater Amman Municipality (GAM) Solid Waste project in a timely manner.	The GAM Solid Waste Project is currently in implementation status.
<i>Economic Context – Key transition challenges</i>	
<i>Competitive-</i> some CSOs question whether the quality of education is generally high and alert that there is an education gap between existing private schools and religiously imprinted education.	The Bank acknowledges the comment. The Bank also notes that the quality of education is high and the country is progressively moving towards a stronger knowledge-based economy.
<i>Inclusion-</i> CSOs remind that inclusive transition can only be achieved when cultural and religious norms are taken into account, specifically for education systems and their impact on labour force.	The Strategy acknowledges that the labour force has significant horizontal and vertical gender segregation, due to social norms and educational choices for both sexes.
<i>Government Priorities and Stakeholder Engagement</i>	
Some CSOs encourage the Bank to continuously strengthen the capacities of diverse civil society	Through the EBRD Civil Society Capacity Enhancement Framework, the Bank can support the development of CSOs in Jordan in the field of sustainable resources and

organisations.	energy, economic inclusion and good governance.
Some CSOs highlight that participatory and inclusive approaches among all stakeholders should be at the core of implementing all Bank’s activities.	All EBRD projects are structured to comply with the Bank’s Environmental and Social Policy, including Performance Requirement 10, which focuses on information disclosure and stakeholder engagement.
CSOs encourage the Bank to actively engage with local communities and stakeholders in the management of cultural heritage sites, also by increasing private sector participation.	The EBRD Environment and Social Policy (ESP) Performance Requirement 8 provides the guidance to EBRD clients for the protection of cultural heritage in EBRD projects. In Jordan the EBRD is also implementing a Cultural Heritage Framework, which includes debt and equity financing to private sector entities, as well as loans to governments, municipalities, state or municipal-owned companies. The Framework aims at supporting private sector participation in cultural heritage as a vital resource for regional and community development.
With regard to the Government Reform Priorities CSOs welcome the focus on supporting renewable energy use for public buildings and houses as outlined in GoJ’s “Jordan National Vision and Strategy 2025”.	The EBRD is committed to support the Government Reform Priorities as agreed with the national authorities in the text of the Strategy negotiation.
<i>Activities and Results Framework</i>	
<i>Priority 1: Promoting economic inclusion across sectors</i>	
CSOs welcome EBRD’s commitment in the draft strategy to provide access to finance and enhance economic inclusion by supporting women owned businesses. CSOs highlight that the expansion of the sector skills councils is timely and encourage the Bank to pay particular attention to women’s economic empowerment and financial inclusion. They also recommend to maintain the approach of publishing open, transparent calls for funding opportunities on the EBRD’s website and its social media channels.	<p>The EBRD will continue support for female entrepreneurs, including through expansion of the Bank’s Women in Business Programme, as well as seek opportunities to enhance financial inclusion for women through targeted financial products, including loans disbursed through microfinance institutions.</p> <p>The EBRD is committed to the highest international standards of transparency in the effort of advertising relevant funding, consulting and other opportunities for collaboration with the Bank.</p>

<p>Some CSOs suggest the need to amend the Jordanian Nationality Law to increase political inclusiveness and to provide women with the equal right to pass their nationality onto their children.</p>	<p>In supporting economic inclusion, the EBRD primarily focus on access to finance, skills development, services and economic opportunities. Support to reforms of the legal framework regulating nationality falls beyond the scope of the EBRD mandate.</p>
<p>CSOs invited the Bank to focus on specific objectives before giving grants to qualifying training for entrepreneurs and recommends to support research that enhances their capabilities and skills.</p>	<p>The Strategy aims at supporting private sector-led review of skills curriculum together with corporate clients, develop and scale up programmes to enhance vocational training and skills development for youth, women and populations living in underserving regions.</p>
<p><i>Priority 2: Further developing sustainable municipal infrastructure and green energy</i></p>	
<p><i>Key Objective “Improved performance, service delivery and sustainability of infrastructure”</i>- CSOs urge the Bank to select municipalities for project areas in a transparent manner and would appreciate more information on the EBRD’s approach in collaborating with the Jordanian Government when selecting specific sites.</p>	<p>Being a demand-driven organisation, the EBRD does not select specific municipalities for investment projects but support specific projects following the request of relevant authorities, whereby these requests comply with the principles of bankability, transition and additionality. Before undertaking any financing, the EBRD assesses projects against six transition qualities, namely competitive, inclusive, well-governed, environmentally friendly, resilient and integrated. The project assessment against transition qualities is an integral part of the EBRD due diligence process of projects considered for financing, including at municipal level.</p>
<p>In terms of the energy sector, some CSOs point out that a continued investment in gas infrastructure might not be the appropriate approach to advance on the use of renewable energy.</p>	<p>The Bank’s lending activities in the energy sector are guided by its Energy Sector Strategy, which applies to all of the Bank’s countries of operations. The Energy Sector Strategy acknowledges the potential role for natural gas for a transition period, as one of a number of options, in switching away from more polluting fuels - depending on country and regional circumstances and in line with certain criteria ensuring that gas sector investments will not displace less carbon-intensive sources, or lead to carbon lock-in or stranded assets.</p>
<p>Civil society highlights the need to strengthen local capacity for the sustainable management of natural resources, including the management of biological diversity.</p>	<p>The EBRD is committed to support enhanced institutional and regulatory support for the management of natural resources, including most notably energy and water use. The EBRD also supports the national capacity on biological diversity whereby applicable through targeted technical assistance.</p>

<i>Priority 3: Strengthening competitiveness and resilience by diversifying access to finance and fostering innovation</i>	
In view of implementing the MoU with Jordan on the Investment Climate and Governance Initiative (ICGI), some CSOs suggest that the EBRD could conduct an independent mapping exercises of existing medium-sized enterprises and related governance practices.	The priority of the ICGI MoU with the Jordan Investment Commission is to support improvement of the business environment, help facilitate increased public sector dialogue (including engagement with relevant civil society organisations) and lay the foundations for large, transformative FDI.
<i>Annex: Political Assessment in the Context of Article 1</i>	
<i>Effective policies to prevent corruption-</i> The independency of the Integrity and Anti-Corruption Committee established in 2016 raise some doubts among the civil society community. The merging of the two former anti-corruption authorities, the Bureau of the Ombudsman and the Anti-Corruption Office, raises doubts among CSOs in terms of effectiveness and efficiency in the fight against corruption.	The political assessment in the country strategy is the conclusion of a long process of consultations with the authorities, local stakeholders, listening to some international stakeholders, and reviewing the studies done on the country by several entities focused on different areas covered in the assessment. Some of those are referenced in the assessment as per the Bank's political methodology; some are used for informing the Bank.
<i>Scale and independence of civil society-</i> Civil society advocate for a larger space for public-private dialogue. Some CSOs also expressed concern about the intention of the Ministry of Interior to assume a more extensive role in regulating CSO activities in the country.	We believe the key conclusions reflected in the political assessment are consistent with those of different leading entities focused on each of the areas covered in the assessment.
<i>Freedom of harassment-</i> some CSOs suggest to include references to allegations of torture.	The key point, however, is that the assessment along with the Bank's understanding of the country's politics and political economy, in part help guide and inform the Bank in its different policy dialogues. The overall objective here is to advance those policy objectives.
<i>Civil and political rights-</i> With regard to the last parliamentary election in 2016, some CSOs observe that the recent reform of the electoral system encourages the formation of political parties and the single non-transferable vote-system which applies a one man-one vote.	With regard to some of the points raised, the Bank acknowledges that there have been significant developments and improvements in different areas, for example relating to the freedom of assembly, fight against corruption and the attempts to improve governance standards. However, as the assessment makes clear, our primary research, consultations and reviewing of literature indicate that there are areas where significant challenges remain. We, however, take note of the comments provided which will

<p><i>Rule of law and access to justice-</i> CSOs call on strengthening the supremacy of the law and the independency of the judiciary. Concerns were expressed about the effectiveness of the Royal Committee on Enhancing and Development of the Judiciary.</p>	<p>inform our further thinking and policy dialogues in the country.</p>
<p>General/ cross-cutting issues</p>	
<p>CSOs expressed general support of EBRD's aim to deliver impact-oriented projects and to increase sustainability through exit strategies.</p>	<p>The Bank welcomes civil society's support to impact projects and sustainability.</p>
<p>Some CSOs encourage the Bank to step up information disclosure in Arabic and to advance engagement in local languages, especially when it comes to technical information.</p>	<p>Since 1 January 2020 the EBRD's Access to Information Policy replaced the Public Information Policy. The new Policy enhanced access to information in local languages. To learn more about the new Access to Information Policy and related Directive please visit the EBRD website at https://www.ebrd.com/what-we-do/strategies-and-policies/access-to-information-policy.html.</p>
<p>Some CSOs welcome the implementation of the Infrastructure Investment Programme (IIP) signed between EBRD and Government of Jordan on the margins of the 2018 Annual Meeting. They suggest to apply the Bank's open selection procedures for Jordanian and international consultants to ensure diverse and qualitative delivery on the IIP as well as other procurement processes.</p> <p>Some CSOs recommend the selection of innovative and export orientated companies through an open call to be advertised nationally and internationally on the EBRD's website.</p>	<p>The Corporate Procurement Policy sets out the Bank's rules for the procurement of Goods, Works, Services and Consultancy Services contracted by the Bank. Consultancy notice can be accessed on the EBRD webpage https://www.ebrd.com/procurement/corporate-procurement.html.</p>

EBRD Strategy for Jordan

Consultation with civil society, 5 September 2019 (Amman RO)

Summary of key messages from CSOs:

The participating civil society organisations broadly endorsed EBRD's suggested priority areas – economic inclusion, governance and environmental and social sectors. They highlighted in particular the Bank's envisaged work in support of small businesses and energy sector reform.

Among the priority areas, the civil society organisations highlighted economic inclusion as a priority to support Jordan's economic transition and emphasised urgently needed enhancements in technical and vocational skills and trainings to boost job creation. The EBRD was encouraged to work closely with the Jordanian authorities and Community Based Organisations (CBOs) to support the design of relevant programmes.

Civil society accentuated a need for access to finance and considered it to remain challenging, particularly for SMEs and women-owned businesses. They recommended to provide targeted advice to them, and considered a boost for financial literacy and tailored businesses support as beneficial.

According to the participants, the Government's recent support for home based businesses was a positive step forward and should be expanded. The participating civil society actors appreciated the Bank's ongoing support for renewable energy and green finance. CSOs queried whether the GEF model could be replicated in other sectors. The organisations stressed that their continued support for regulatory reform in these areas will also be critical.

List of CSOs participating to the consultation process

- CSO Participants
[6 present]
- Amideast
 - Business and profession women's association
 - EDAMA – Energy, Water and Environment Association
 - The Phenix Center for Economic & Informatics Studies
 - Green Tech