

Support to an Enabling Business Environment for MSMEs Development & Financial Inclusion

JORDAN MSME Export Development Country Profile

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Introduction

The MED MSMEs Programme aims to support the Southern Neighbourhood countries of the EU in the implementation of the Small Business Act for Europe (SBAfE), which constitutes the reference framework for the formulation of SME development policies and the establishment of the appropriate legislative and regulatory frameworks. In particular, the Programme intervenes in the areas of access to finance and the internationalisation of micro, small and medium enterprises (MSMEs). Within this framework, the MED MSMEs Programme has carried out a comparative study of the policies and instruments supporting SME exports in the region (Egypt, Jordan, Lebanon, Morocco, Palestine and Tunisia) with a view to identifying and promoting to policymakers the areas of improvement likely to enable SMEs to develop internationally. The aim is to enhance information on international market developments, discuss the adaptation of support policies and instruments, and facilitate dialogue and coordination processes.

The study carried out for Jordan focused on: i) an analysis of the structure and trend of exports, particularly those of small and medium enterprises (SMEs); ii) a review of recent studies in the field of exports; and iii) a review of relevant policies, support programmes and actors in the Jordanian context. These elements have been integrated into the following country brief.

The country profile and roadmap for Jordan covers measures and actions to stimulate export development, comprised of direct exports and indirect exports through participation in global value chains (GVCs), with a particular reference to SMEs (although it should be noted that data on the share of SMEs in export and GVC activity is not available from the Jordan Department of Statistics). A primary focus is on the impact of the COVID-19 pandemic on Jordan's export and supply chain activity, immediate efforts taken by the government to ameliorate this impact, and the prognosis for medium- and longer-term measures to facilitate economic recovery.

1. The state of Jordan's export development

Jordan is a small, trade-open country that is largely dependent on exports and foreign direct investment (FDI) for its economic growth. However, its imports outweigh its exports and the value of exports to GDP has been declining in recent years (from 41.1% of GDP in 2014 to 36.4% of GDP in 2019) (see Annex 1a). This decline is largely the result of external shocks to the economy from security threats and conflicts in the region, and closed borders to Iraq and Syria¹, which have had a negative effect on Jordan's cross-border trade. For example, the EBRD reports that export trade to Iraq declined from 17.6% of Jordan's total exports in 2013 to only 6.6% in 2016.² A report by the Ministry of Planning and International Cooperation (MoPIC) indicated that domestic exports to Syria averaged 4.0% of Jordanian domestic exports during 2006-2011, but declined to an average of 1.7% during over the 2012-2018 period; exports of agriculture commodities to Syria decreased from USD 111 million in 2009 to USD 5.6 million in 2018; and the closure of trade routes passing through Syria led to a reduction of Jordanian agricultural exports to Russia, Ukraine and Romania from USD 43.2 million in 2009 to USD 1.4 million in 2018.³ The upturn in the value of exports in 2018 and 2019 (see Annex 1b) is at least partially attributable to the reopening of the Iraq-Jordan border in mid-2017 and the Jordan-Syria border in 2018. The latter was a relief to fruit and vegetable exporters in the Jordan Valley and a hopeful boost for exporters of minerals and inorganic chemicals which were previously a source of supply for importing Syrian detergent companies.⁴

Jordan's top trading partners

On a country basis, the USA is Jordan's top export market, accounting for about 25% of its exports, however, about 40% of its export value goes to other Arab countries (e.g. Saudi Arabia, the UAE, Kuwait, Iraq, etc.) and about 20% to non-Arab Asian countries (with India emerging as an Asian market for Jordan's exports, accounting for 12% of national exports in 2020; a 23.7% increase over 2019), while only about 3.0% of Jordan's national exports were destined to EU countries in 2019 and 2020.⁵ According

to the Minister of Industry, Trade and Supply, Jordan exports to African markets account for only 2.2% of its total exports.⁶

EBRD assessments of the potential for growth in Jordan's export markets indicate the greatest potential is in the USA, Iraq and Saudi Arabia.⁷ An analysis of the International Trade Centre (ITC) Export Potential Model (carried out by the ILO and Jordan Chamber of Industry/JCI) points to high unused export potential in Middle East countries (accounting for 36% of total unused export potential), significant potential for export growth to the EU and Western Europe, and potential in other promising markets, such as Southern Asia, North America, and East Asia.⁸ There is also untapped export potential in several African and ASEAN countries that currently represent only a small fraction of the country's export volume, indicating room for more persistent engagement in trade negotiations with these countries.⁹

Jordan's top export products

Jordan's top national exports, which accounted for about 60% of exports in 2019 and 2020, are clothing and accessories, fertilizers, pharmaceutical products, crude potash, chemical products (including Dead Sea products, soaps, detergents and pesticides), and jewelry and precious metals.¹⁰ Horticulture and food products, electrical machinery, minerals and metal products are also important exports. Product diversification has remained limited, although the government is attempting to increase the export of high-technology products. Pharmaceutical exports and high-tech manufacturing of plastics and electronics may be promising areas in this regard.¹¹ Jordan also strives to be an exporter of information technology (IT) and IT-enabled services, a sector that generated about 35% of its total revenue from exports in 2018.¹²

According to the EBRD, products with the greatest export potential from Jordan are potassium chloride (for fertilizers), live sheep and tomatoes – data for each showing an absolute difference between potential and actual exports and leaving room for additional exports to meet world demand.¹³ The Jordan Chamber of Industry/ILO analysis of product opportunities (using the ITC Export Potential Model) concluded that chemicals and garment/textiles had the most significant potential to increase Jordan's exports, with chemicals, clothing, live animals, jewelry, fertilizers, and metals accounting for 67.3% of the country's estimated unused export potential.¹⁴

Applying the theory of economic complexity to Jordan's situation, researchers at the Centre for International Development (Harvard University) concluded that accelerating economic growth would depend on the country's ability to expand and diversify its export base (both in terms of production/products and export markets). This would take into consideration clear opportunities for more rapid development of high-skill tradable services that serve the region and beyond, as well as narrower opportunities in certain manufactured and agricultural goods.¹⁵ The analysis (published in December 2019 and revised in March 2020) pointed to a number of strategic export themes for specific industries in which Jordan has a strong presence and would likely succeed in supporting export and wage growth: (1) business, IT and professional services, (2) education services, (3) healthcare services, (4) creative industries, (5) tourism, (6) transportation and logistics, (7) construction materials/services, and (8) agriculture/food processing.¹⁶

Policymakers and industry sector representatives could work together to identify priority products and promising markets, followed by adoption of a set of integrated policies and measures to support production, exports, and job creation in these sectors.

Integration of SMEs in global value chains (GVCs)

Jordan enterprises also participate in international activity through integration in global value chains (GVCs). However, according to analysis by the EBRD, Jordan's overall integration in GVCs is low, among the lowest in the Southern and Eastern Mediterranean (SEMED) region in 2018¹⁷, with about 40% of exports via value chain linkages.¹⁸ (*This EBRD analysis includes integration of both goods and services, but the focus is largely based on trade in "intermediate goods"/"industrial supply".*) Jordan has

stronger backward than forward linkages – about 25% of export value being inputs to foreign production (backward linkages in GVCs, e.g. in the apparel industry) and 15% being domestic value-added exported to other countries for use in further export production (forward linkages in GVCs, e.g. export of natural resources, such as phosphates and potash).¹⁹ Its stronger backward linkages point to the country's reliance on an international network of suppliers of raw materials and intermediate inputs to enable the production of export products²⁰, and driven principally by the country's strong presence in the garment and pharmaceutical manufacturing supply chains.²¹

SMEs engagement in GVCs is frequently associated with the extent and type of inward foreign direct investment (FDI) activity of a country.²² FDI in Jordan has been declining for a number of years due to the international economic crisis (2008), followed by geopolitical instability (aftermath effects of Arab Spring in Iraq and Syria, and Israel-Palestine relations). In 2019, FDI inflows totaled USD 916 million, down 4% from 2018 and half of the level in 2017 (of over USD 2 billion).²³ In addition, FDI investments are relatively light on manufacturing investments that would provide GVC opportunities for Jordanian SMEs (more concentrated in residential and commercial real estate, financial services and large tourism projects). Aggressive and strategic activity to attract industry-related FDI in Jordan's free zones and industrial estates, and linking Jordanian SME suppliers to the foreign-owned ventures could present more opportunities for GVC integration.

Further business environment reforms would ease trade facilitation and Jordan's potential to more fully exploit its many free trade agreements

Jordan has a large number of Free Trade Agreements (FTAs) to boost exports. These include agreements with the USA; the EU (EU-Jordan Association Agreement); Canada; Egypt, Morocco and Tunisia (through the Agadir Agreement); 17 Arab countries through the Greater Arab Free Trade Area (GAFTA); Turkey (new agreement in 2019); and Singapore. In 2019, Jordan also signed a new trade agreement with Iraq, exempting a long list of Jordan exports to Iraq from customs duties. In spite of the number of FTAs that Jordan has negotiated to position itself as a "strategic trade hub", trade barriers stand in the way of maximising the potential of these agreements. For example, although the GAFTA eliminated customs duties among the 17 member countries, Jordanian exporters express regulatory difficulties in the region, particularly with respect to rules of origin and related certificates of origin, e.g. officials in the region, particularly in Saudi Arabia and Iraq, do not systematically recognise Jordanian testing certificates.²⁴

Since 2016, Jordanian exporters can benefit from simplified rules of origin and preferential access to the EU market under the EU-Jordan Association Agreement, encouraging exports to the EU by Jordanian companies employing a minimum 15% of Syrian refugee labour in their production facilities. These relaxed rules of origin were expected, in particular, to boost Jordan's exports of agriculture, pharmaceuticals and textiles to the EU. However, the initial requirements, such as restricting beneficiary enterprises to those located in designated special economic zones (since lifted), imposed a capacity constraint for this preferential market access and the inability of Jordan to realise the full benefits of the agreement.²⁵

In addition, domestic policies are needed to tackle trade barriers. According to a 2018 report by the International Trade Centre (ITC), most firms in Jordan face challenges in complying with domestic and foreign trade rules because the procedures are complex.²⁶ Two-thirds of Jordanian companies in the 2018 ITC survey stated that regulations and compliance procedures add costs and cause delays, thereby blocking their trade efforts, citing that pre-shipment inspections, the application of regulations, high fees and charges, and rules of origin are the main obstacles, both at the border, as well as in destination markets. The 2019 World Bank Enterprise Survey for Jordan reported that 25.7% of firms identified customs and trade regulations as a major constraint, 22.8% of small firms (5-19 employees), 32.5% of medium-sized firms (20-99 employees), and 21.5% of large firms (over 100 employees); higher than both the average for MENA countries and all countries.²⁷ Border management suffers from a lack of

coordinated action. Each of the responsible agencies has its own strategy and operating procedures and not integrated according to a formal comprehensive interagency policy approach.²⁸

On the other hand, Jordan has introduced a number of reforms to modernise customs administration and ease cross-border trade procedures and processes. By way of the new Customs Strategy (2017-2020) Jordan Customs has streamlined customs clearance processes, improved efficiencies within its electronic National Single Window (NSW) system, committed to replacing paper and human-based transactions with paperless processes, and improved infrastructure at the Aqaba customs and port to ease the work of licensed customs brokers.²⁹ Improvements in the Port of Aqaba infrastructure have considerably reduced border compliance and better optimised importing and exporting procedures and minimised the time release of goods; important reforms considering that the Port of Aqaba is Jordan's only seaport and handles 78% of Jordan's exports and 65% of the country's imports³⁰, as well as serving as an important transit port for onward shipment to Egypt, Iraq, Saudi Arabia and other Gulf countries.³¹ Reforms such as these have contributed to Jordan's favourable rankings in the World Bank Doing Business "trading across borders" indicators (rank of 75 out of 190 countries in 2020)³²; however Jordan ranked 50th in the 2017 Doing Business report, which suggests its performance relative to other countries has diminished.

One of the challenges is to increase efficiency of cross-border customs in order to reduce costs for traders, which can be achieved through greater interagency coordination. Such actions would also increase Jordan's attractiveness as an investment destination. Implementation of the WTO Trade Facilitation Agreement (FTA) signed in 2017 will play a key role in this process.

Other initiatives, such as the National Tijara Coalition, an alliance of key Jordanian chambers of industry and business associations with government agencies (under the patronage of the MoITS), is geared to promote an export growth pathway for Jordanian companies under the US-Jordan Free Trade Agreement. Creating a similar structure targeting the EU markets may be instrumental in taking greater advantage of Jordan's FTA with the EU.

2. The impact of COVID-19 on Jordan's international trade activity

The impact of the COVID-19 pandemic on Jordan's export activity occurred on the back of its slow recovery from the aftermath effects of ongoing conflicts in the region, which disrupted Jordan's traditional export markets, specifically the political instability in the Middle East and closing of trade routes and markets in Iraq and Syria in 2015.³³ The impact of the COVID-19 crisis on Jordan was further amplified because of the country's large linkages to the external world, with the value of its exports and imports and including travel, remittances and FDI flows, approaching over 80% of GDP.³⁴ Weakened domestic and foreign demand and lower regional and global growth has affected demand for manufactured exports from Jordan,³⁵ having an adverse impact on Jordan's international trade activity.

The Department of Statistics (DOS) monthly trade balance reports indicate that total (goods) exports declined by 4.5% during 2020 (relative to 2019), with an increase of 1% in national exports and a 34.6% decline in the value of re-exports.³⁶ The greater decline in re-exports was impacted by supply chain disruptions and decreased foreign demand. Goods imports decreased by 11.3% compared with 2019. As the result of the greater percentage drop in imports than exports, Jordan's trade deficit improved – 16.5% lower in 2020 than in 2019.³⁷

The garment, textile and apparel sector was very hardly affected. The Jordan Garments, Textiles and Accessories Exporters Association (JGATE) estimated a decline in exports of around USD 500 million in 2020, which would have further knock-on effects on the logistics and transport sector and a decrease in government revenues from lost customs fees, and income and sales tax relating to export orders from retailers and major wholesalers in the USA and Asia.³⁸ The tourism and hospitality sector, which contributes about 19% of Jordan's GDP, is also suffering greatly due to travel restrictions, closure of airports and border crossings, and cancellations of bookings, bringing the sector to a virtual halt. The Jordan Inbound Tour Operators Association does not expect recovery before the first quarter of 2021.³⁹

On the other hand, DOS data reports an increase (over 2019) in the export value of certain exported products in 2020: fertilizers by 55.1%; jewellery and precious metals by 152.2%; and chemical products by 8.8%.⁴⁰ During the same period, the export value of textiles (clothing and related accessories) saw the biggest drop - down 16.2%; followed by crude potash - down 9.3%; and pharmaceutical products – down 2.9%.

During 2020 (compared to 2019), national exports to Jordan's main trading partners were also affected. The value of exports to the USA decreased by 11.7% and to the Greater Arab Trade Zone (GATFA) countries by 2.9%; while exports to EU countries increased by 3.0% (by 16.3% to the Netherlands specifically) and to the non-Arab Asian countries by 10.6% (with an increase of 23.7% in the value of national exports to India).⁴¹

Dealing with the COVID-19 shock will require key structural reforms in support to SMEs, digital transformation, agriculture and tourism sectors, and trade facilitation, in addition to further improvements in the business environment to accelerate Jordan's recovery.⁴²

3. Policy framework and existing support programmes

3.1. Policy foundations for leveraging the COVID-19 economic recovery for SME exports

A number of strategies and policy frameworks are in place to promote export development and the engagement of SMEs in international activity on which to build a COVID-19 economic recovery. A key foundation document is **Jordan Vision 2025**, which set out Jordan's ambition to sustain high levels of growth and make major improvements in its economic competitiveness and business climate to better mobilise the potential of private sector investment, higher value-added trade and innovation, and increased productivity and enlargement of its small export base, including the encouragement of SMEs. It identified priority markets (Gulf Cooperation countries, Palestinian territories, Iraq, Syria, Egypt and Libya, and the farther markets of Turkey and Iran), and the priority clusters to drive growth based on emerging trends, with construction and engineering, transport and logistics, tourism and events, health care, life sciences, digital and business services, educational services and financial services identified as clusters with the highest potential.

Export development policies and strategies

The **Jordan Economic Growth Plan 2018-2022** set an objective to boost exports by opening promising new markets and penetrating exports in potential markets. The Plan, which includes a section on the SME sector, focuses on export development and establishing funds to finance exports, minimising the transport cost for exporters, developing a strategic roadmap to promote e-commerce and enhance the e-commerce environment, digitising the Jordanian economy with emphasis on niche markets and GVCs, simplifying export procedures and improving the National Committee for Trade and Transport Facilitation⁴³.

The **National Strategy for Entrepreneurship and Developing MSMEs 2017-2020** included a pillar on "market access", the objectives of which were to improve the capacity and propensity of SMEs to export and increase their participation in supply chains, where information deficiencies, capacity limitations, export-readiness, quality, and lack of know-how and linkages were obstacles. The Ministry of Digital Economy and Entrepreneurship (MoDEE) is in the process (as of early 2021) of **developing a National Policy on Entrepreneurship** in consultation with entrepreneurs, start-ups and stakeholder organisations, with the aim of promoting and supporting digital entrepreneurship and ICT start-ups.⁴⁴

The **National Export Strategy 2014-2019**⁴⁵ outlined a clear vision for exports based on consultations between the public and private sectors and with civil society organisations. Although **the strategy needs to be updated and renewed**, its overarching objectives were to boost Jordanian SMEs to become reliable exporters of competitive and innovative quality products and services for current and new targeted markets, build a conducive business environment for exports, including improved access of SMEs to

export skills, and comprehensively address export value-chain constraints and opportunities. The strategy targeted six priority sectors in agriculture (fresh fruits and vegetables; prepared and preserved meat); industry (paints; electrical wires and cables); and services (management consulting services; architecture and engineering services) as having significant potential to promote technological development and export growth. The strategy also sought to address key aspects of the business environment to facilitate export growth: trade facilitation and logistics; quality management; technical and vocational education and training; and trade information and promotion - factors that limit the ability of firms to supply goods and services to export markets and the ability of domestic enterprises to enter markets (i.e. major export competitiveness bottlenecks within a country).⁴⁶

However, implementation of the National Export Strategy (2014-2019) has been limited to a degree by the scattered governance of the export sectors (i.e. decision makers in various institutions and across levels of influence, including the MoITS, the Jordan Investment Commission/JIC, JEDCO, the Jordan Food and Drug Administration, as well as the Prime Ministry and others) and insufficient structured dialogue between public and private sectors. Efforts to improve the coordination and dialogue process are recently underway. For example, the Jordan Exports Company has very recently formed the Jordan Export Promotions Committee, composed of a large number of representative bodies, which could play a role in bringing private and public sectors together to discuss cross-sectoral and cross-institutional trade issues.

Now that the National Export Strategy has come to an end (2019), the MoITS is in a position to develop a new export strategy addressing any gaps in its implementation and taking into consideration a post-COVID-19 economy recovery for Jordanian exports, including enhanced participation of SMEs in direct and indirect (through GVC integration) export activity. This will require attention to the digitalisation of SMEs (front and back office applications), adoption of e-commerce, quality certifications, and capacities to meet international standards, including environmental and “green” standards.

E-commerce and digitalisation – strategic policy focus

Jordan was among one of the first countries in the MENA Region to realise the potential of e-commerce, investing in a “national e-commerce strategy” in 2008. The **National Digitalisation Strategy (REACH 2025)** and 2016 Digital Action Plan included 96 actions to advance e-government (including the Customs Department, Companies Control Development, logistics sector, etc.), digital skills, and boost the ICT sector to create new jobs and a significant number of new digital economy businesses. The latest development is formulation of the **Jordan Digital Transformation Strategy 2020**⁴⁷, the primary focus of which is digital transformation of the public sector ecosystem with the aim of improving the offer of government services, but also the digital infrastructure (e.g. digital signatures, e-payment systems, cloud platforms, broadband Internet and mobile digital technologies, digitalisation of supply chains, etc.), which is expected to support private sector growth. The strategy also proposes the development of national plans to foster innovation, entrepreneurship, and job creation in the digital economy, develop the digital skills of young people, and support expansion and access to markets for digital businesses and digital platforms.

Green growth – strategic policy focus

The **National Green Growth Plan (NGGP)** launched in 2016 established green growth as a top national priority and set out a comprehensive approach to green growth planning and implementation, including the need for green financing, with a focus on six green growth sectors: Agriculture, Tourism, Energy, Transportation, Waste and Water.⁴⁸ The Plan foresees substantial green growth opportunities across key priority sectors, with a significant opportunity for Jordan to become a regional leader in renewable energies. The **Green Growth National Action Plan 2021-2025 (GCG-NAP)**, launched by the Ministry of Environment in June 2020, lays the foundation for a greener post-COVID-19 recovery, including green financing for SMEs. In February 2021, the EBRD and EU Delegation in Jordan announced a roll out of the EBRD **Green Economy Financing Facility (GEFF)**⁴⁹ and the **Green Value Chain Facility for**

SMEs in the country.⁵⁰ The Green Value Chain Facility will provide finance and advice for SMEs to strengthen their product quality, improve standards and create an enabling environment for exports.

3.2. Several programmes to support SME exporting

A number of public-private export and trade-support institutions are in place, as well as the presence of international and donor organisations to support SME exporters and SMEs seeking to integrate as suppliers in GVCs (see brief descriptions in Annex 3). JEDCO and the Jordan Exports Company are key players, as well as chambers of industry and business associations. These entities provide export training, coaching SMEs in value chains; enhancing services SMEs in export, cluster support, trade promotion, virtual marketplaces, business linkages, etc. However, many projects are small in scale/ pilots.

- **JEDCO** hosts export awareness sessions for SMEs and provides export capacity building to industrial and services SMEs. In August 2019, JEDCO launched two new programmes to upgrade the administrative capabilities and capacities of SMEs, diversify the export base and increase the rate of Jordan's export activity (total cost of JD 1.12 million). The **"Enhancing Industrial SMEs for Export"** programme targets industrial SMEs with a high export readiness, with the priority given to SMEs targeting non-traditional markets (non-neighbouring) and new markets. The **"Enhancing Services SMEs to Export"** programme targets SMEs working in engineering and architectural services sector or the information technology (IT) sector, which have demonstrated high export readiness over the past three years.⁵¹
- The newly-established **Jordan Export Company** offers export-readiness programmes, organises international trade fairs and missions abroad, and promotes Jordan exports.
- The **Ministry of Digital Economy and Entrepreneurship (MoDEE)** is responsible for digital economy transformation, largely in implementing e-government services. It also cooperates with other government institutions to help entrepreneurs overcome challenges in accessing markets, talent, and regulatory challenges. For example, it transformed 40 knowledge stations into incubators in all governorates where it is possible for entrepreneurial youth to benefit from incubation services and access training in the IT field. It also delivers programmes to support the expansion of digital companies and their access to markets by providing the necessary competencies for digital platforms and incentives to support the growth plans of digital companies. This work is accelerated by the Ministry's role in managing implementation of the World Bank-funded **Youth, Technology and Jobs (2020-2025) project**. A component of this project specifically linked to export development is the **"GrowJO (Market Expansion)"** grant (initially launched in November 2020), which offers matching grants (up to USD 100,000) to digital and digitally-enabled firms (focusing on IT and business process outsourcing) to cover up to 50% of the cost of business development plans for expansion in new local, regional and international markets, such as the Gulf countries, Europe, China, India, the USA, etc., and to build linkages between Jordanian digital firms and potential buyers in regional/global markets in order to secure new business opportunities (https://www.grow.jo/LandingPagePhas2_EN).
- The **MITS** supports the delivery of e-commerce readiness workshops to SMEs. It is also cooperating with UNCTAD on an **"eTrade Readiness Assessment" in Jordan**, which is a cornerstone of UNCTAD's digital economy programme.⁵² This will identify weaknesses in the e-commerce ecosystem and lead to recommendations for Jordan to harness the potential of the digital revolution for e-commerce, trade and development. GIZ has indicated its interest in funding implementation of recommended actions.
- The **Jordan Loan Guarantee Corporation** offers an **Export Credit Guarantee Programme** that was funded by the CBJ in 2017 to cover the commercial risk of SMEs for non-payment by buyers for goods and the non-commercial risks of government restrictions on currency conversion and any government decisions and regulations that prevent the entry of goods (maximum credit limit of USD 7.5 million, 90% coverage). It does not cover all of the risks normally provided by Export Credit Agencies (e.g. only guarantees post-shipment export losses, and not pre-shipment

losses), but is still an important instrument to guarantee some of the risks of exporters entering new markets.⁵³

- The **Jordan Investment Commission (JIC)** produces sector profiles outlining investment opportunities (e.g. ICT sector, transport and logistics sector) that could have implications for export and GVC opportunities.
- The chambers of industry and business/sector associations are active in promoting export opportunities for member firms and facilitating B2B linkages (see Annex 3).
- Establishment in 2020 of the **Wexport Unit** in the **Business and Professional Women-Amman (BPW-A)** (in partnership with the Jordan Exporters Association with funding from the GiZ Trade4Employment Programme). The unit serves as an export information and support services hub to connect women-owned/led SMEs to export development opportunities, including training and markets. One of the key products is the **Wexport Export Mini Guide**.

As well, international organisations and donor-funded projects play a big role in Jordan's policy and programme development, including capacity building of exporting SMEs, value chain analysis (e.g. chemical industry, consultancy sector, agri-food sector, garments sector, etc.⁵⁴), among others.

3.3. COVID-19 responses to support SME exporters

At the onset of the COVID-19 crisis, the King of Jordan urged COVID response strategies to support export activity. The Ministry of Industry, Trade and Supply (MoITS) took immediate action to consult with stakeholder organisations on actions to be taken. The Governor of the Central Bank of Jordan (CBJ) met with industrial sector representatives to discuss the challenges and obstacles facing the sectors' businesses in light of the COVID-19 crisis, in particular their financing issues and measures needed to support productive sectors, especially exports, through expanding export credit guarantee programmes.⁵⁵

In order to promote exports and strengthen the competitiveness of Jordanian industrial producers in the global market, the Jordanian government offered an additional export rebate of 5% on the value of exports in 2020 exceeding the 2019 mark (to which a rebate of 3% applied). The rebate applies to several sectors, including food processing, chemical products, paper products, wood products and furniture.

Other actions at the programmatic level were undertaken. After consulting with over 100 SMEs in seven virtual meetings to discuss their COVID-19 related challenges and seek feedback on programme proposals, JEDCO launched two programmes (in May 2020) to support local SMEs in countering the effects of the COVID-19 pandemic. These programmes aimed to: (1) support industrial SMEs in transforming their production or scaling it up for manufacturing of COVID-19-related medical supplies, equipment and public safety clothing for export purposes (see COVID-19 response action sheet #1, Annex 2); and (2) to incentivise SMEs to venture into e-commerce and introduce their products online (see COVID-19 response action sheet #2, Annex 2). In June 2020, JEDCO further launched a programme to encourage SMEs to explore non-traditional markets for their products by contributing to the freight/shipping costs to access these higher-risk markets (e.g. African countries, Eurasian countries [Russia, Belarus, Armenia, Kyrgyzstan, and Kazakhstan] and Singapore) (see COVID-19 response action sheet #3, Annex 2).⁵⁶

Based on the success of the e-commerce project (Action sheet # 2), and to further address the negative effects of COVID-19 pandemic in Jordan, JEDCO was able to secure funding from GiZ under the Trade4Employment agreement for the **"Supporting industrial SMEs to promote and sell online through virtual markets" initiative** (December 2020, EUR 368,000). This initiative will support 40 more industrial SMEs with financial and technical support to register on e-commerce platforms and export their products through these virtual markets.⁵⁷

As a vehicle for diversifying Jordan's exports, trade in services is becoming a priority. In response to the COVID-19 crisis and the decline in Jordan's export performance, in August 2020, JEDCO launched another round of the **"Enhancing Services SMEs to Export" programme**⁵⁸, signing agreements with 21

SMEs to join. JEDCO broadened the eligibility of SMEs for this programme beyond the initial engineering and architecture services and information technology (IT) sectors to also include SMEs in tourism and hospitality sectors; administrative, financial and legal consulting; training; healthcare; and energy, which have high export readiness, at least some export activity over one of the past three years, and potential for exporting services to a number of new markets. The programme aimed to help the SMEs in preparing strategic plans to increase their exports and improve their opportunities for sustainability and growth. The 21 SMEs were expected to increase the value of their exports by JD 7.14 million.⁵⁹

In January 2021, JEDCO extended the support for services SMEs by launching the **“Supporting Service SMEs to Export for the First Time” project** (JD 625,000) to support 25 non-exporting Jordanian SMEs (or not having exports more than JD 30,000 in any of the previous three years) with the goal of expanding the base of exporters and opening new export markets (targeting the same service sectors as the “Enhancing Services SMEs to Export” programme). Each of the qualified SMEs will receive a grant of up to JD 25,000 (50% of the total project cost) to build export-enhancing administrative and production capacities (of which 60% of the cost is to support production capabilities).⁶⁰ The project will also support B2B missions and facilitate networks with export support bodies.

Also, in January 2021, JEDCO launched a JD 430,000 programme to support industrial SMEs by strengthening national linkages with local factories, as well as the agricultural and commercial sectors to increase the purchase of raw materials and production inputs. During the first phase of the grant programme, 15 industrial SMEs will each be granted up to JD 2,000 to finance specialised technical consultations. During the second phase, a total of JD 400,000 will be provided to finance and support the costs of the development plans of industrial-supplied SMEs to fulfill all the requirements of the importing companies – ceiling of JD 80,000 for each of five SMEs (to cover 50% of the total project cost).

In response to the COVID-19 crisis and the cancellation of all exhibitions in 2020, shifting to virtual markets has been a priority for many Jordanian enterprises, for example, opening up new markets in Saudi Arabia, the Gulf and the Far East by registering on AliBaba and similar e-commerce portals for B2B online and e-commerce sales.⁶¹ Enterprises in the 2020 ILO/UNIDO rapid assessment⁶² projected that “building back better” may require greater attention to investing in renewable energy and clean technologies, lowering the production and energy costs for Jordanian companies and further increasing their competitiveness.

In the autumn of 2020, the Business Development Center (BDC) partnered with Facebook in the **“Boost with Facebook” global programme** designed to equip Jordanian SMEs with the digital marketing skills needed to grow their online presence and compete in the digital economy. With support from the MoITS, the programme is expected to train around 1,000 SMEs throughout Jordan to support their economic recovery. The BDC also launched the EU-funded **SwitchMed Green Entrepreneurship Programme in Jordan** with the objective of supporting the national ecosystem for the development of green and circular business models and companies, including complementary services to “green” entrepreneurs at various stages of business development.

On a broader level, the Government’s Executive Development Plan (EDP) 2021-2023 is being developed with a view to mitigating the impact of the COVID-19 pandemic. This will entail reprioritising national sector plans to take advantage of the post-COVID-19 crisis opportunities and build on its competitiveness in the agricultural, ICT, medical and pharmaceutical sectors. National priorities will integrate the Sustainable Development Goals for 2030 as part of Jordan’s roadmap for the future. The EDP Coordination Committee will bring together 17 sector-based teams represented by ministries and government institutions, the private sector and civil society that is linked to a Steering Committee headed by the prime minister.

According to a report of the Jordan Strategy Forum in April 2020, in the post-pandemic period, Jordan must focus on: enabling the ICT sector in accessing new markets; moving forward with the needed legislative reform to enable e-commerce and logistics sectors; providing incentives to the most

competitive exporting sectors to improve their productivity and to encourage other sectors to improve; and renegotiating Jordan's trade agreements to make them more responsive to the post-pandemic conditions.⁶³ The UNDP Jordan Country Office rapid assessment of the impact of COVID-19 on Jordanian MSMEs also pointed to opportunities to “build forward better”, “build greener”, and go “beyond recovery” by increasing awareness and interest in the green economy, “circular economy” initiatives, e-commerce, and innovative and technology-enabled business models as key drivers of economic recovery and further access to markets through the digital economy.⁶⁴

3.4. Interinstitutional coordination and public-private dialogue

In light of the number of public and private organisations involved in export development and support activity, coordination presents a challenge. This includes the MoITS, JEDCO, the newly established Jordan Export Company, the JIC, the Ministry of Agriculture, the Ministry of Transport, and several business and sector organisations. Given the need to fully integrate the digitalisation and e-commerce adoption of exporting firms and the environmental adaptation of their products (i.e. green standards), the MoDEE and Ministry of Environment are also implicated. It is important to define the roles and responsibilities of each of the ecosystem actors in implementing an integrated strategy to boost exports, enhance the capabilities of Jordanian exporters, and ease trade facilitation. The need for greater inter-institutional coordination was reinforced by Jordanian stakeholders at the 7 April 2021 meeting of the SME Internationalisation Working Group.

The Working Group commended the announcement of the MoITS in December 2020 to establish six sectoral export councils, in partnership with the private sector, to help boost national exports and address market access challenges. The plan is for the sectoral export councils to develop export strategies to improve access of Jordanian companies to traditional and new markets, including non-traditional export markets, such as Africa.

However, Working Group members stressed the need for higher level commitment at the policy level regarding effective strategies to support the globalisation of Jordanian SMEs, including the policy actions to update the National Export Strategy. In this regard, the Working Group proposed there may be significant benefit in creating a higher-level national council with representation of the relevant ministries and agencies, as well as the private sector entities to achieve a comprehensive and integrated approach to improving the business environment and the trade-support infrastructure and ecosystem for the advancement of SME internationalisation activity. Input from the six sectoral export councils, highlighting the sector priorities and challenges, was noted as being instrumental in feeding into the larger process of establishing a national export policy framework and strategic action plan.

The National Exports Promotion Committee recently formed by the Jordan Export Company as part of its policy advocacy efforts, and comprised of prominent members, may also play an important role as a public-private sector dialogue mechanism for contributing to development of the national export strategy.

4. Country roadmap: priority axes to support export-directed activity of SMEs

The project roadmap for Jordan will consist of two sets of intervention for strengthening SME exports:

- the first is based on the list of proposed priority interventions determined by the Working Group on SME Internationalisation to be critical to Jordan as part of its country (national) roadmap (see section 4.1).
- the second is based on the regional roadmap priorities to be supported by the MED MSMEs Programme over the coming 18 months (see sections 4.2-4.3).

The MED MSMEs Programme does not have a specific budget to support further analysis of or implementation of projects to address the national priorities. However, within its scope, the MED MSMEs could organise a webinar with donors active in Jordan to present the national action priorities and

identify possible funding support for an elaborated scope of work for project priorities agreed to by the Working Group within the context of existing or future programmes.

Within the context of the MED MSMEs Programme for 2021, the regional roadmap will consist of two areas of intervention to facilitate the export activity of MSMEs and their integration into global value chains (see Sections 4.2-4.3), both areas already noted as stated priorities of the Jordanian Government – digitalisation and green growth. These focus areas have been agreed to by the EU to be supported in the MED MSMEs Programme 2021 workplan.

4.1. Priority country initiatives

Based on the preliminary analysis presented above and issues raised at the first meeting of the Joint Working Group on 29 September 2020 and further validated at the 7 April 2021 meeting, priority areas of intervention were identified for the country roadmap (see table below).

N°	Proposed key priorities	Justification
1	Update National Export Strategy with a focus on supporting SME export activity.	<p>Establishing a policy framework for trade and export development is seen by the SME Internationalisation Working Group as a top priority.</p> <p>The National Export Strategy ended in 2019. A stock-taking of the implementation of the strategy would point to any outstanding actions to be addressed. Based on consultation input with the various stakeholders, and taking into account lessons learned from refinements needed to cope with the COVID-19 crisis (e.g. greater adoption of electronic export/import procedures, pursuing new product/market opportunities, scaling up of ICT-readiness and practices in MSMEs), an updated strategy is needed to lay out the strategic directions and programme actions to support SME exporters, increase the value-added and diversification of their exportable products and services, and develop new, more diversified export destinations.</p> <p>In light of the COVID pandemic as well as the new opportunities created in the EU market (EU Green Deal, new industrial strategy), an updated strategy would address renewed focus on SMEs in terms of products and markets; reorganisation of the financial system to address needs for export credit and guarantee mechanisms and supply chain financing; logistics and trade facilitation issues, export skills; quality and standards certifications, harmonising Jordan's national standards with international standards of the EU and Gulf countries, examining supply chain integration issues, etc., and coordinated efforts to support the development of exports, including taking into account the opportunities and challenges of priority sector value chains (e.g. agriculture, textiles and garments; chemicals, ICT, tradable services, and tourism). The updated strategy should also place increased emphasis on the digitalisation of trade facilitation and export support services, as well as the adoption by SMEs of e-commerce for export development, acceleration of the legal and regulatory foundations and platforms to promote use of</p>

		<p>e-commerce, and digitalisation of SMEs to effectively integrate into regional and global value chains.</p> <p>Closely linked to this priority is the need for strengthened policy coordination (see priority # 6 below).</p>
2	Strengthen the digitalisation of trade-related ecosystem actors to boost export possibilities of SMEs.	<p>Building the e-commerce capability of SMEs will increase their export possibilities and their digital transformation will increase potential opportunities for supply chain integration, but, likewise, the digital support capacity of the ecosystem players will need to be strengthened in order to enable Jordanian SMEs to seize international market opportunities. The 2018 GIZ assessment of trade-related services in Jordan identified a number of gaps in the effective provision of trade support services to SMEs, particularly electronic access to information on certifications, standards and regulatory issues for export markets, export market/trade fair/B2B opportunities, availability of export-based data, and access to online export-readiness tests, and e-consulting services.⁶⁵ The GIZ recommended development of an E-trade platform to consolidate the widely-scattered information of government agencies and business associations under an umbrella institution. This will require an integrated and coordinated approach involving the MoITS, JEDCO, the MoDEE, the JIC, the Jordan Export Company, chambers of industry, and business/sector associations, etc., with special attention to making this information accessible to MSMEs. (Plans of the Jordan Export Company to launch a Trade Portal will be an important step in aggregating information and serving as a gateway for traders and exporters.)</p> <p>The full implementation of digital systems for supporting exporting SMEs may involve the regulatory framework, development of digital services, and specific topics that could include, but not be limited to:</p> <ul style="list-style-type: none"> • E-commerce and e-commerce platforms (policies, rules and regulations) • E-payment solutions (as the Central Bank of Jordan is key to the e-payments gateway, it will need to be included in any discussion on digitalisation issues) • Digital trade facilitation, including and electronic single window • Digitalisation in transport and logistics • Virtual export promotion (e-B2B, virtual showcasing of products through digital market places, etc.) <p>Complementarity of the different donor activities currently ongoing in the e-commerce sector would need to be ensured. As well, issues of logistics facilities and systems will need to be addressed to ready Jordan for expansion of e-commerce platforms in the country.</p> <p>The results of the UNCTAD eTrade Readiness Assessment in Jordan being implemented with the MITS will provide</p>

		<p>important information on the state of Jordan's e-commerce ecosystem.</p> <p><i>(For an outline of the detailed actions under the MED MSMEs Programme proposed regional project, see “#1 Action” in section 4.3 below).</i></p>
3	E-commerce transformation of Jordanian MSMEs	<p>Although Jordan has taken important steps to facilitate e-commerce, including donor interventions in the area, the challenge of building the digital capacities of SMEs is great. The Economic Establishments Census 2018 reported a small number of active establishments using an electronic commerce service with a very small percentage using e-commerce service for sales, or for purchases.⁶⁶ The ILO/UNDP survey on the impact of the COVID-19 pandemic on enterprises in Jordan found that only 18% of the surveyed enterprises were using e-commerce platforms (only 13% of microenterprises, 20% of SMEs and 26% of larger enterprises).⁶⁷ Different surveys on the impact of the COVID-19 pandemic on Jordanian MSMEs highlight that digital transformation is one of the most important ways of adapting to and capturing new markets. The COVID-19-related social distancing measures have led to a major increase in e-commerce, but many smaller businesses are not prepared to switch to online B2B or B2C solutions and technologies.⁶⁸ This will require building an infrastructure for e-commerce and smart logistical services, providing technical assistance and IT training courses (Arabic and English) to existing SMEs, such as training in e-commerce and its application to reaching external markets, development of their e-commerce capability, and the necessary technical and marketing consultancy support.</p>
4	Access to more diversified, new export markets with a renewed emphasis on penetration into the EU markets.	<p>The EU market is underexploited by Jordan and offers a large opportunity for expanding Jordanian exports and integrating SMEs into European value chains. The ILO assessed Jordan's unused export potential in the EU market to be 76% of its total export potential, noting opportunities in clothing, pharmaceutical products, chemicals, fertilizers and vegetables.⁶⁹ The ILO assessment also concludes that Jordan may be able to significantly increase its exports to Africa if adequate support mechanisms are in place and trade barriers are overcome, suggesting opportunities in negotiating new trade agreements with these non-traditional markets.</p> <p>The proposed MED MSMEs Programme regional projects on digitalisation and “green” recovery (see section 4.3 below) will contribute positively to better integration in EU markets, but further actions might include: i) identifying market opportunities for Jordanian products/services, greater promotion of these opportunities to SMEs (e.g. making booklets available), improving the quality of Jordanian products to meet EU standards, and creating more opportunities for business-matching between Jordanian</p>

		suppliers and EU buyers (searchable databases, virtual forums).
5	Take advantage of the EU green transformation to boost integration of Jordanian SMEs in EU value chains and expand exports.	<p>Post-COVID-19, there are opportunities for Jordanian MSMEs to take advantage of opportunities and trends in the EU market, specifically the EU Green Deal (positioned as a priority in the post-COVID-19 economic recovery plan and to “building back better”), the EU Circular Economy Action Plan, Industrial Strategy and Sustainable SME Strategy,⁷⁰ which call on all economic sectors to take relevant action towards greater sustainability, including investing in environmentally-friendly technologies and meeting the international environmental standards for exports and GVC supplier firms.</p> <p>The trend towards environmentally-friendly technologies and production offers a potential opportunity for SME integration into EU value chains, be it with regards to sustainable production in the agro-food industry and the textiles sector⁷¹ or supplying parts for renewable energy or other “green” technologies.</p> <p>Opportunities for taking advantage of the EU Green Deal and complying with EU environmental standards is already part of the Green Growth National Action Plan in Jordan (2021-2025), with particular emphasis on meeting the environmental requirements and standards in key sectors: agriculture, food, textiles, chemicals and industrial fertilizers and potential implications for Jordanian exports under the EU Green Deal.</p> <p>Innovation and support schemes would be needed in order for SMEs to adapt and upgrade their products and production processes, to comply with sustainability standards and to create business linkages with value chain leaders, steps considered essential to post-COVID-19 green economy recovery and integration in green value chains. By implementing initiatives to improve the capacity of Jordanian SMEs to meet EU standards, Jordan has an opportunity to access a portion of the EUR 7 billion the EU is investing in the green transformation, as well as to promote opportunities for Jordanian SMEs to compete more effectively in the EU market.</p> <p><i>(For an outline of the detailed actions under the MED MSMEs Programme proposed regional project, see “#2 Action” in section 4.3 below).</i></p>
6	Strengthen policy coordination in the area of export and value chain development, including with international and donor organisations.	<p>The SME Internationalisation Working Group placed a high priority on policy coordination, i.e. creating a forum for bringing together all relevant players to discuss inter-institutional and cross-sectoral trade issues. In moving forward on a post-COVID-19 economic recovery plan relative to SME internationalisation, Jordan would benefit from establishing a higher-level national council/ committee/</p>

		<p>task force, led by the MoITS, to strengthen collaboration across government institutions/agencies and private sector entities to enhance exports and the share of Jordanian products in external markets, as well as the implementation of strategic actions. Such a coordination entity could include JEDCO, the Jordan Export Company, the MoDEE, the JLGC, chambers of industry, the export-oriented business/sector associations, and other relevant ministries/agencies responsible for trade facilitation, the green action plan, e-commerce/digital transformation, etc. The work of this high-level coordination body could be tied to development of the updated National Export Strategy (see priority 1 above) and supported by formalisation of the Working Group on SME Internationalisation. The Jordan Export Promotion Committee (Jordan Export Company) and the six sectoral export councils (MITS) could also play important roles in policy advocacy and highlighting of strategic priorities,</p> <p>MOPIC could play a role in this process by promoting a coordinated, integrated response of donors active in Jordan.</p>
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4.2. Regional roadmap activities

Two regional project priorities have been determined for support by the MED MSMEs Programme as part of the regional roadmap to strengthen the instruments and services supporting SME exports in a post-COVID-19 environment:

- A. Capturing new trade opportunities through the digital internationalisation of SMEs and the ecosystem.
- B. Taking advantage of the evolution and restructuring of regional and global value chains and the EU Green Deal recovery plan.

Members of several country-level working groups on the internationalisation of SMEs in the region have shown an interest in analysing these new opportunities for strengthening of the national SME ecosystems. These two topics also align with Jordan's priorities as important for the country in its rebound from the COVID-19 crisis and with the EU agenda to work collectively with MED South governments to speed up and harness the potential of the twin green and digital transitions⁷².

The two regional projects were determined on the basis of five criteria:

1. Focus on MSMEs
2. Contribution to the post-COVID-19 rebound
3. Added value (regionally)
4. Duration of impact (maximum 18 months – the length of time remaining on the MD MSME Programme)
5. Complementarity with EU bilateral initiatives

a) The digital ecosystem for the internationalisation of SMEs - rationale

Digitalisation and the rise of the platform economy are rapidly changing the way companies do business. This trend is reflected in the EU's new Industrial Strategy, the SME Strategy for a Sustainable and Digital Europe, as well as in Jordan's Digital Strategy and post-COVID-19 economic recovery. The

need for deployment of this strategic direction has accelerated with the COVID-19 pandemic which has led to a rapid increase in the digitalisation of procedures, service delivery and the way of doing business. This trend applies to e-commerce which enables MSMEs, even in remote locations, to find buyers via B2B or B2C platforms and thus to export or integrate into GVCs. Digital access to services and the digitalisation of trade procedures reduces the overall time and costs of acquiring information and carrying out the necessary procedures. The reduction of costs and time delays is especially important for SMEs that lack the resources to manage the associated processes, from the identification of buyers to paper-based customs procedures and the necessary travel involved. On the other hand, there is a risk that SMEs, not yet ready for the electronic transformation of their operations, will be further marginalised if the ecosystem is not capable of supporting their digital transition needs. Thus, it is important to put in place policies, regulations and instruments (e.g. digital marketing, access to digital platforms, e-payment systems, e-trade facilitation services) that are aligned with international good practice and can support SMEs to benefit from digitalisation. This ecosystem is particularly important for SMEs because they tend to have less control over their commercial environment. **(Focus on MSMEs)**

In the current COVID-19 crisis, adapting to digital means and exploiting the new possibilities created by e-commerce are essential for the survival of SMEs. In the post-COVID-10 environment, there will no alternative to “going digital”. Globally, the pandemic has given rise to an accelerated increase in the use of e-commerce platforms for the acquisition of goods and services. This trend towards e-commerce has been exacerbated by the crisis, both for domestic and cross-border trade. A recent UNCTAD survey of digital entrepreneurs and e-commerce platforms highlighted several major hurdles faced by developing countries during the COVID-19 crisis.⁷³ In addition to general disruptions in supply chains and trade logistics, survey respondents expressed the need to improve e-commerce policies in response to the pandemic and challenges regarding the availability and reliability of e-payment solutions. **(Contribution to the post-COVID-19 recovery)**

The regional perspective is imperative because consistency in the development of digital trade policies is not only essential in general, but also essential to encourage intra-regional digital trade.⁷⁴ **(Added value of the regional perspective)**. Moreover, the regional perspective is a crucial complement to the many national donor initiatives currently underway in the field of e-commerce **(complementarity with bilateral EU initiatives and bilateral donor initiatives and programmes)**. Jordan’s achievements can be shared at the regional level so that other countries can benefit from the Jordanian experience and vice-versa.

Based on the policy orientation of the MED MSMEs Programme and its scope, the following topics seem to be the most promising for regional exchange and support at the national level: (a) coordination platforms for export support measures; (b) services to support SMEs in export development through digital platforms; and (c) regulatory aspects related to international trade and e-payment systems. This latter issue also presents an opportunity for synergies with the activities proposed under the “access to finance” pillar of the MED MSMEs project.

b) Developments in global and regional value chains and the EU Green Deal recovery plan - rationale

Two aspects are relevant with respect to the integration of Jordanian SMEs in regional and global value chains and access to emerging markets: (a) analysis of opportunities created by the reorganisation of some value chains following the COVID-19 crisis and implementation of the EU’s new Industrial Strategy, “Green Deal” and Circular Economy Action Plan, and (b) measures to ease the access of Jordanian SMEs to African markets.

In view of the resources programmed by the EU over the next 7 years (2021-2027) to support the green and digital transition, public and private sector actors will be called upon to:

- invest in environmentally-friendly technologies

- support industry innovation
- deploy cleaner, less costly and healthier forms of private and public transport
- decarbonise the energy sector
- ensure that buildings are more energy efficient
- work with international partners to improve global environmental standards.

The use of environmentally-friendly technologies and production offers a potential opportunity for the integration of Jordanian SMEs in value chains, whether in organic and sustainable production in the agro-food industry or in the supply of components/services for the renewable energy sector or other “green” technologies. As a result, innovation and support programmes would be needed to enable SMEs to adapt and improve their products and production processes, comply with sustainability standards and create business linkages with value chain leaders.

Following the COVID-19 health crisis, European businesses are confronted with the need to review their value chains (e.g. health products, logistics/transport, etc.) through reshoring and nearshoring activities. Due to its proximity to the EU market, the Southern Mediterranean region, including Jordan, could benefit from this trend, for which perspective analysis could prove useful to support the decision-making process in terms of the strategic development of SMEs.

4.3 Regional support actions

During 2021, the MED MSMEs Programme plans to support regional implementation of the following two actions, in which Jordan may participate. *(These relate to proposed national priorities No. 2 and No. 5 included in section 4.1 above.)*

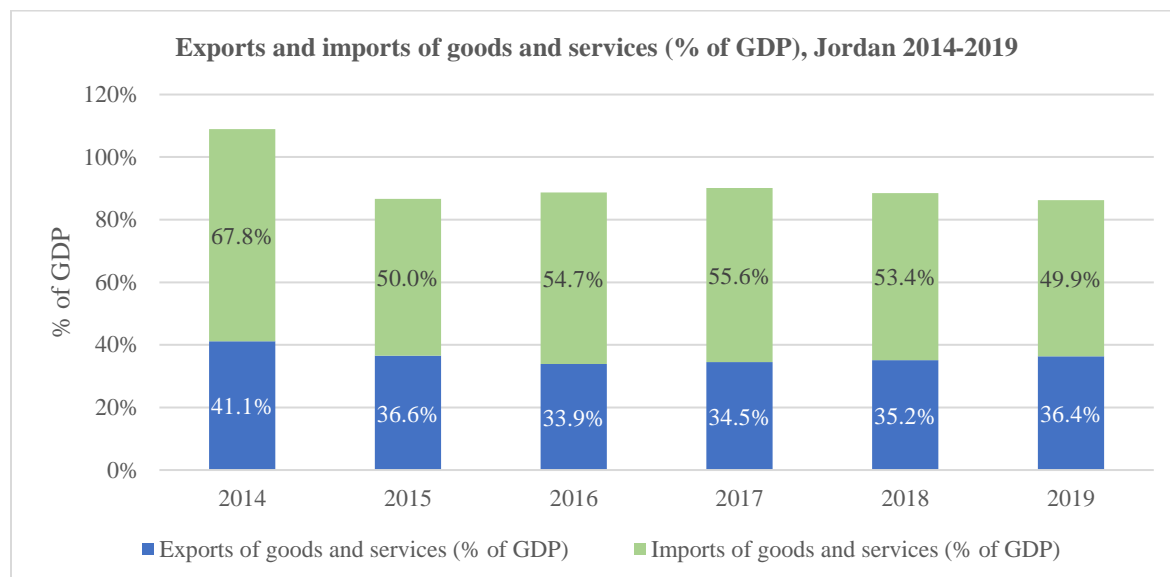
# 1 Action	Better use of digital technology to seize opportunities for internationalisation
Main objective	Strengthen the digital ecosystem to enable Jordanian MSMEs to seize opportunities in international markets.
Specific objectives	<ul style="list-style-type: none"> i. Raise awareness of the target group on good practices in digital ecosystems to support the internationalisation of MSMEs; ii. Identify the policies and measures necessary to support the digital transition in the field of exporting and integration of Jordanian MSMEs into GVCs; iii. Consolidate the national digital MSME ecosystem.
Expected results	<ul style="list-style-type: none"> - The target group is made aware of the policies and best practices of digital platforms for the internationalisation of firms. - The national dialogue on strengthening digital policies and services to support the internationalisation of Jordanian MSMEs is supported by the Programme. - Support aimed at strengthening the skills, organisation and/ or the legislative and regulatory framework of the digital ecosystem of Jordanian MSMEs are provided by the Programme.
Partners (national and regional)	Staff of the Ministry of Industry, Trade and Supply (MITS), Ministry of Digital Economy and Entrepreneurship (MoDEE), Ministry of Foreign Affairs, Ministry of Planning and Cooperation (MOPIC), Central Bank of Jordan (CBJ), JEDCO, Jordan Investment Commission, Jordan Export Company, National Fund for Enterprise Support (NAFES), Information and Communications Technology

	Association Jordan (int@j), Business Development Centre (BDC), Chambers of Industry, Chambers of Commerce, Jordan Garments, Textiles and Accessories Exporters Association (JGATE), sectoral associations, etc.
Indicative actions	<p>a. Organisation of a regional webinar on digital service platforms for export development. Development of case studies to highlight the key success factors of these new digital services in terms of infrastructure and equipment, organisation, competencies, regulatory aspects, etc.</p> <p>b. Rapid country-level assessments of the extent of digitalisation of services linked to the internationalisation of MSMEs in Jordan, in order to support the national dialogue. Identification of the priority area(s) of intervention and “quick-wins”, e.g. technical assistance/ capacity building actions. Ideally, these support actions will consolidate national initiatives in the field of the digital economy.</p> <p>c. Implementation of targeted support to improve the digital ecosystem for the internationalisation of MSMEs (e.g. capacity building at the national/regional level, technical assistance for the updating of regulations relating to e-commerce, e-payment systems, the development of new digital services, the creation or strengthening of digital platforms, the training of government and agency officials and heads of business associations/ industry/ sector federations in various areas of the digital transition of the economy and MSMEs).</p> <p>d. Organisation of a regional conference for the exchange of experiences in the above-mentioned areas.</p>
Description	<p>The national SBA Coordinator will play a central role in mobilising members of the Working Group and other organisations involved in the digital services value chain for the internationalisation of businesses. Given the interconnection between infrastructural, regulatory, production, financial and commercial aspects, it will be necessary, for the success of this activity, to ensure as much cross-cutting participation as possible, as well as coordination with other national and international instruments supporting the digital ecosystem of enterprises in Jordan. To do this, the MED MSMEs Programme will:</p> <ul style="list-style-type: none"> - Mobilise <i>ad hoc</i> expertise to support the SBA Coordinator in the implementation of support actions; - Mobilise specific expertise for: i) development of the case studies and facilitation of the regional webinar; ii) elaboration of a questionnaire and conducting a rapid analysis of the digital ecosystem for the internationalisation of companies, including the identification and formulation of the support necessary for its consolidation; iii) the implementation of some support (at regional and/or national level); and iv) the facilitation of the regional conference on the exchange of experiences.
Time frame	<ul style="list-style-type: none"> - Support action (a): March/April 2021 - Support action (b): May/August 2021 - Support action (c): September/November 2021 - Support action (d): December 2021
Outputs	<ul style="list-style-type: none"> - Case studies and webinar on digital platforms for export development (at least 15 participants from the target group).

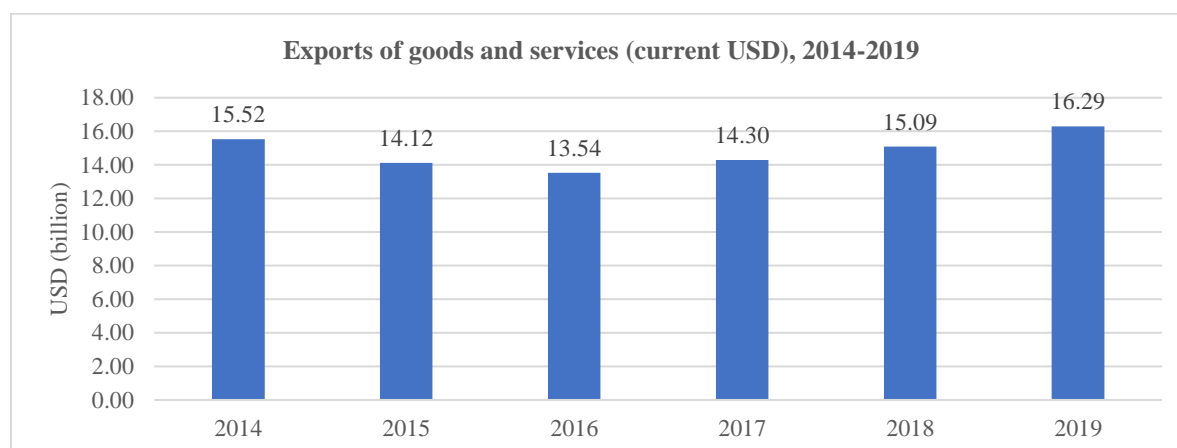
	<ul style="list-style-type: none"> - A survey on the digitisation of the international activities of MSMEs. - At least 1 meeting of the Working Group to enhance the national dialogue around the digitalisation of services to MSMEs. - At least 1 support action for capacity building/organisational strengthening of the digital ecosystem for the internationalisation of MSMEs carried out at national or regional level. - Participation of Jordan in the regional conference for the exchange of experiences on digital services for the internationalisation of MSMEs.
# 2 Action	Participation of Jordanian MSMEs in the evolution of regional and global value chains
Main objective	Improve the rate of integration of Jordanian MSMEs in regional and global value chains through targeted policies
Specific objectives	<p>Raise awareness of the target group on:</p> <ul style="list-style-type: none"> i) The evolution of regional/global value chains following the effects of the COVID 19 crisis; ii) The opportunities linked to the deployment of the EU Green Deal and new EU Industrial Policy.
Expected results	<ul style="list-style-type: none"> • Current developments and prospects of regional/global value chains arising from the COVID-19 crisis and the EU's new policies (digital and green transition) were discussed in-depth with the target group, with a view to identifying opportunities for Jordanian MSMEs. • The target group is familiar with the purpose, modalities of operation and spin-offs of the "circular economy" projects.
Partners (national and regional)	Staff of the MITS, MoDEE, JEDCO, Jordan Export Company, Ministry of Agriculture, Ministry of Environment, JIC, NAFES, Business Development Centre (BDC), Euro-Jordan Action for the Development of Enterprises (EJADA), Chambers of Industry, Chambers of Commerce, Jordan Garments, Textiles and Accessories Exporters Association (JGATE), sectoral associations, sectoral export councils, etc.
Indicative actions	<p>a) Organisation of two regional webinars on:</p> <ul style="list-style-type: none"> - The reorganisation of certain strategic EU value chains following the COVID-19 crisis (reshoring, nearshoring). The objective of the first webinar is to highlight trends in the reorganisation of certain value chains, present the strategies of certain EU member States in this area (e.g. France's recovery plan), and discuss the potential impact on the region's productive sectors. - The Green Deal and the new EU industrial policy. The objective of this webinar is to identify the products/services of Jordanian SMEs likely to contribute to the implementation of these policies, on the one hand, and to put in place measures for the sustainable development of Jordanian SMEs, on the other hand.

	b) Organisation of a study visit on circular economy projects in the EU.
Description	<p>The SBA Coordinator will play a central role in mobilising the target group for participation in the webinars and organising the Working Group meetings aimed at fueling dialogue around the opportunities for Jordanian MSMEs arising from developments in the regional and global value chains. The SBA Coordinator will also contribute to the organisation of the study visit.</p> <p>The MED MSMEs Programme will:</p> <ul style="list-style-type: none"> - Mobilise <i>ad hoc</i> expertise to support the SBA Coordinator in the implementation of the above activities; - Mobilise specific expertise for: i) the development of case studies and animation of the two webinars; ii) identify and organise the study tour of circular economy projects in an EU country.
Time frame	<ul style="list-style-type: none"> - Support action (a): April/September 2021 - Support action (b): October 2021
Outputs	<ul style="list-style-type: none"> • Policy papers and 2 webinars (at least 15 participants from the target group in each webinar). • At least 1 meeting of the Working Group to support the national dialogue on the integration of Jordanian MSMEs in regional and global value chains. • Participation of the Jordanian delegation in the study visit of circular economy projects in the EU. • Report of the study visit.

Annex 1. Trade openness and export trends – Jordan, 2014-2019



Source: World Development Indicators (WDI) 2020 database updated 17 February 2021.



Source: World Development Indicators (WDI) 2020 database updated 17 February 2021.

According to WTO data, exports of goods accounted for 51.88% of total export value, and the export of services for 48.12% (<https://www.nordeatrade.com/en/explore-new-market/jordan/trade-profile/>).

Annex 2. COVID-19 response action sheets – Jordan

COVID-19 Response Action Sheet # 1

Country	Jordan
Category	Reforms and business support
Key words	Grant; Working capital / operations
Title	Industrial SME Support Programme for Export of Medical Supplies, Equipment and General Safety Clothing to Combat the Coronavirus
Purpose	Provide rapid and flexible support to targeted SME producers to boost national exports of local products that are in great demand externally at this time, thereby shortening their economic recovery time.
Executing Agency	Jordan Enterprise Development Corporation (JEDCO)
Budget / Duration	Budget: JD 400,000; Duration: announced 2 May 2020; applications due by 15 May; project implementation period is 3 months.
Underlying policy (200 words)	The programme is linked to JEDCO's policy mandate to support SMEs with accelerated-growth and innovation opportunities, and to improve access to international markets by creating opportunities for SMEs to export. The specific policy aim of the programmes is to boost national exports of local products that are in greater demand externally due to COVID-19 crisis.
Target group	Industrial/manufacturing SMEs able to manufacture medical supplies, equipment and public safety clothing to combat the Coronavirus for export purposes.
Short description	Financial grant of JD 40,000 per project (covering up to 70% of the total project costs) to help 10 selected industrial SMEs modify/adjust their production lines to produce products in response to COVID-19 crisis (e.g. textiles, masks, medical supplies, hygiene products) and buy the necessary machines to manufacture these products, with priority given to SMEs with the readiness to be able to manufacture and export these products during the project implementation period. Online grant application process using google doc and submitted to JEDCO with an electronic copy of the required attachments and documents. Applications to be reviewed and evaluated on a quick turnaround basis, including a site visit to the business. Upon approval, the SME receives 80% of the grant amount upfront to provide the financial resources to respond quickly to immediate export market demand.
Key highlights (200 words)	56 SMEs applied for the 10 grants, indicating demand. Each applicant has to provide an export plan to support the grant request. JEDCO officials will monitor the project implementation. If the programme is successful, JEDCO could do a second call for project proposals.
Tools	<ul style="list-style-type: none"> - Programme Instructions at: http://www.jedco.gov.jo/Pages/viewpage.aspx?pageID=214&PID=20&Id=40/ - Online application form: https://docs.google.com/forms/d/e/1FAIpQLSdtjC_VMUzU2I8gYB4NsPKYOzwbwbc1m7ZVu8tsBEh9Ev0wimw/viewform/
Source	Jordan Enterprise Development Corporation (JEDCO) at: http://www.jedco.gov.jo/DetailsPage/JEDCOEN/NewsDetails.aspx?PID=1372/

COVID-19 Response Action Sheet # 2

Country	Jordan
Category	Reforms and business support
Key words	Grant; Digitalisation
Title	Industrial SME Support Programme through Individual Services (Electronic commerce or Teleworking)
Purpose	The Electronic Commerce component of the Programme aims to help industrial SMEs promote and sell online and facilitate the registration of their products in electronic stores, thus expanding their customer base by use of an electronic sales process locally and internationally to promote national products.
Executing Agency	Jordan Enterprise Development Corporation (JEDCO)
Budget Duration	Budget: JD 210,000 (e-commerce component); Duration: announced 2 May 2020; applications due by 14 May 2020; project implementation period of 3 months.
Underlying policy (200 words)	In line with government policy to shorten the time required for recovery of the national economy and the need for quick and flexible support to industrial SMEs to lessen the financial and economic impacts of the COVID-19 crisis.
Target group	Industrial/manufacturing SMEs, with at least two years of business operation and registered with the Ministry of Industry and Trade.
Short description	Provides financial grant of JD 7,000 per project (to finance up to 70% of total project cost of JD 10,000) to help qualifying SMEs implement a process of promotion and electronic selling through virtual markets and electronic stores. Targets 30 projects. Online application using google doc and submitted to JEDCO with an electronic copy of the required attachments and documents. Applications reviewed and evaluated within a 3-4-week period. The e-commerce store programme grant contributes to the costs of technical training and consulting for the establishment and management of up to 3 electronic stores and e-promotion inside the e-store. Selected SMEs first register in an online platform (e.g. Alibaba). 100% of the grant is disbursed when the project is implemented.
Key highlights (200 words)	This programme is not particularly innovative in that encouraging SMEs to develop their e-commerce capability is an emerging objective of governments in many countries. However, it is particularly important in the COVID-19 environment to support an acceleration of e-commerce usage by Jordanian SMEs, and in particular to enable their exporting opportunities by way of building e-commerce stores on recognised platforms, such as Alibaba and Amazon. Incentives, such as the JEDCO programme, will work to achieve this. With evidence of success in this round of grants, the programme could be extended to additional rounds.

Tools	- Programme Instructions at: http://www.jedco.gov.jo/Pages/viewpage.aspx?pageID=214&PID=20&Id=41 - Application form: https://docs.google.com/forms/d/e/1FAIpQLSdNU9PbLffRR6E0Yj9eNHrTrEmVB-WoNcHqtsGyObmPLI0UDw/viewform
Source	Jordan Enterprise Development Corporation (JEDCO) at: http://www.jedco.gov.jo/DetailsPage/JEDCOEN/NewsDetails.aspx?PID=1372/

COVID-10 Response Action Sheet # 3

Country	Jordan
Category	MSME Financing
Key words	Grant, Working capital / operations
Title	Programme to support freight charges for industrial SMEs (to penetrate non-traditional markets).
Purpose	To encourage industrial SMEs to explore nonconventional markets by contributing to the shipping costs associated with exporting their products to these new markets.
Executing Agency	Jordan Export Development Corporation (JEDCO)
Budget / Duration	Budget: JD 800,000; Duration: launched 14 June 2020; applications due by 31 July 2020. Project to be implemented by the end of 2020.
Underlying policy (200 words)	The immediate policy rationale for the programme is to support and enhance the export process of local products to new "untraditional" markets in order to enhance trade and economic cooperation, as exporting to those markets, considered a gateway to exit from the economic difficulties of the COVID-19 crisis, will help Jordan move towards new horizons. The larger policy rationale, related to development of the industrial sectors, is to diversify Jordan's exports into new markets to reduce its risks of dependency on the 3 markets that currently account for 70% of its exports (United States, Saudi Arabia, and India).
Target group	Industrial SMEs from different governments, operating in targeted sectors: food, pharmaceutical, furniture, aluminum, jewelry, chemicals, plastics, the garment sector, knit and the leather industries, household appliances, electrical equipment and appliances, the chemical and detergents industries. Eligible SMEs must be registered with the Ministry of Industry, Trade and Supply; not less than two years old and not less than 5 employees before the application date and according to the social security statements, and show financial suitability in terms of profitability, liquidity, etc. according to the audited financial statements for the last two years.
Short description	On a competitive basis, non-repayable financial grants of JD 10,000 (and up to 70% of the expenses) will be made available to SMEs operating in specific sectors and targeting buyers in non-traditional markets to help defray the high costs of transport. The target is to support 80 companies. Online application process through google docs and submission to JEDCO with electronic versions of required documentation. 100% of the value of the grant will be reimbursed as a "final" payment upon receipt by JEDCO of shipping documents, such as the customs declaration in addition to the bills, invoices and receipts that prove full payment of the shipping expenses, and completion of the financial closure procedures for the project. The deadline for receiving applications is 31 July 2020.

Key highlights (200 words)	This innovativeness of this programme is learning lessons from the COVID-19 crisis regarding the need for Jordan to more broadly diversify its export markets. As a preface to the programme, the Ministry of Industry, Trade and Supply and JEDCO, in co-operation with the private sector, drew up a road map of the targeted new, untraditional export markets, which include the non-Arab African countries, Eurasian countries (e.g. Russia, Belarus, Armenia, Kyrgyzstan, and Kazakhstan), Singapore and Azerbaijan. By covering some of the costs of shipping to these non-traditional markets, SMEs can be incentivised to take some of the risk in developing these markets, which can lead to longer-standing opportunities for Jordanian exports.
Tools	Details on the programme and requirements posted for SMEs at: http://jedco.gov.jo/Pages/viewpage.aspx?pageID=214&PID=20&Id=42/ . Online application through google doc at: https://docs.google.com/forms/d/e/1FAIpQLSeVQjsLM0csjehsJAFxkkdkerZKXJmnXvk5KHS7pT-d8_Ap2Q/viewform/
Source	JEDCO "News" at: http://www.jedco.gov.jo/DetailsPage/JEDCOEN/NewsDetails.aspx?PID=1380/ ; also: "Inviting companies to take advantage of the freight expense support program" (in Arabic) at: http://assabeel.net/news/2020/07/15/

Annex 3. List and brief description of organisations in the SME export development ecosystem

Organisation	Specific actions to support SME exports and value chain integration
Public sector	
Ministry of Industry, Trade and Supply (MoITS)	Responsible for trade and industry-related issues in the country; oversees trade and industrial policy, promote a stimulating environment for economic activity and investment.
Ministry of Digital Economy and Entrepreneurship (MoDEE)	<p>The previous Ministry of ICT evolved to Digital Economy and Entrepreneurship in mid-2019. Role to create the policies to enable the digital economy transformation and improve access to and quality of selected digital government services and related digital transactions. Responsible for implementing the Jordan Digital Transformation Strategy 2020 - preparing the necessary legislation for digital transformation, implementation of infrastructure requirements, preparation of the roadmap for implementing the strategy, and progress reporting to Cabinet on a quarterly basis. Cooperates with other government institutions to overcome the challenges faced by entrepreneurs in accessing markets, funding, and talent, and dealing with regulatory challenges.</p> <p>Implementing the World Bank-funded “Youth, Technology, and Jobs” project (2020-2025; funding of USD 200 million) to improve income opportunities from the Jordanian digital sector and expand government digital services. One of the projects under the programme is the “Free Business Platforms” that provides grants of up to USD 200,000 to civil society and non-profit organisations to cover up to 80% of the costs associated with developing and offering digital self-employment platforms to individuals that will allow them to adopt technology, including freelancing via the Internet, outsourcing services, raising the quality standards of services provided, and networking with buyers and target markets in activities such as graphic design, data entry, administrative support, translation, private lessons, care services, maintenance and technical support services, handicrafts, etc. – the priority target beneficiaries being women and Syrian refugees with limited income opportunities. Another programme under the project is the Jordan Growth Programme (Business Development), which provides grants and incentives to help digital companies develop their businesses, implement expansion plans in domestic and foreign markets and build links between Jordanian digital companies and potential customers and partners in regional and global markets.</p>
Ministry of Planning and International Co-operation (MOPIC)	Plays a main role in reflecting national development policies and strategies; responsibility for overall donor coordination.
Ministry of Foreign Affairs (MoFA)	Implements Jordan’s foreign policy. Enhances diplomatic activity to promote industrial and agricultural products and tourism through 59 diplomatic missions in other countries. Engages in bilateral investment and trade agreements with other countries.
Jordan Enterprise Development Corporation (JEDCO)	National umbrella for enterprise development in Jordan, inclusive of startups and entrepreneurship. Supports the development of these enterprises, strengthens their competitiveness, facilitates access to financing and promotes enabling policies to create a more suitable environment for their growth. Primary role in delivering support to individual enterprises, Heavily dependent on donor funding.
Jordan Export Company	A joint public and private sector national export promotion company established in 2019, responsible for promoting and developing the export

Organisation	Specific actions to support SME exports and value chain integration
	<p>sector in Jordan. Develops programmes and measures for active promotion of exports, builds export-readiness and capacity of industrial and services sectors and supports their growth nationally and internationally, and performs policy advocacy. Explores markets through organising and participating in international trade fairs and exhibitions abroad – one of its primary duties; conducts export market studies. The aim is to become the national umbrella for any activity related to export support and a “hub” for learning and exchange of best practices among firms. Preparing to launch a Trade Portal to serve as an aggregated source of trade information, information on service providers and programmes, etc. to serve as umbrella gateway in Jordan.</p> <p>https://jordanexports.jo/about.html/</p>
Ministry of Finance	Main mandate in overseeing the public finance management mechanisms and preparation and implementation of annual budgets. Several departments, includes the Customs Department
Jordan Investment Commission (JIC)	<p>The JIC Exports and Exhibitions Department plays a role in promoting Jordanian exports in markets abroad and is the main link in the process of introducing national exports into foreign markets, including organising and participating in specialised local and international exhibitions, organising commercial missions to target markets, and commercial representation in these markets. Identifies countries that can potentially host trade centers and representative offices for Jordanian companies in promoting their products in those markets; develops skills and export capabilities of Jordanian companies; provides a database to support Jordanian exporters; contributes to facilitating export processes and overcoming the obstacles that exporters may face.</p> <p>JIC organises the work of development zones and free zones equipped with investors’ needs from infrastructure to services. The development areas aim to create a competitive advantage for each area based on specialisation and provide an integrated system of services to investors that support the growth and development of companies. Free zones promote Jordan's position commercially by facilitating the transit of goods and stimulating economic movement.</p> <p>Offers attractive incentive packages (e.g. reduced corporate income tax of 5%, an exemption of customs duties and sales tax for businesses operating inside the development zones). Operates “Fast Track” Investment Window for local and foreign investors to simplify the registration, licensing and procedures of investment projects in various economic activities – many electronic access services.</p>
Jordan Standards and Metrology Organisation (JSMO)	Responsible for issuing, approving, reviewing, amending and monitoring the implementation of standards and technical regulations with regard to all goods, products and services (with the exception of pharmaceutical products, medicines, veterinary medicines, serums & vaccines), and establishment of a national system of measurement and supervising its implementation.
Ministry of Agriculture	Responsible for development of the agricultural sector, promoting rural development and linking the production to the requirements of the markets inside and outside Jordan. Implementing a project to encourage organic agriculture in the governorates of Jerash and Ajloun (2020-2024), i.e. to help convert 250 traditional farmers into an organic farming operator, which can bode well for agricultural exports.
Ministry of Environment	Lead responsible for implementation of the National Green Growth Plan for Jordan.

Organisation	Specific actions to support SME exports and value chain integration
National Fund for Enterprise Support (NAFES)	Supports the modernisation of Jordanian SMEs by providing financial support to management development projects (consultancy, etc.) aimed at enhancing efficiency and competitiveness.
Private sector	
Jordan Loan Guarantee Corporation (JLGC)	<p>Considered Jordan's export credit agency. In 2017, the Central Bank of Jordan provided a 10-year, JD100 million loan to the JLGC to establish a fund, the returns from which would enable the JLGC to guarantee Jordanian exports' credit and boost exports in destinations abroad, especially newly-opened markets.</p> <p>The Export Credit Guarantee Programme encourages Jordan exports by providing insurance against the risk of non-payment by buyer for the goods and commercial and non-commercial risks - maximum credit limit of USD 7.5 million; credit period is 6 months (can be extended with exception); insured percentage is 90%. The credit insurance covers: non-payment by the buyer, insolvency of the buyer, and the refusal the buyer to accept the shipped goods (commercial risks), and government restrictions on currency conversion, any government decisions & regulations that prevent entry of goods, and wars and civil disturbance (non-commercial risks). The programme enables Jordanian exporters to grow their export sales to foreign markets without the need for letters of credit or advance payment, by providing payment facilities to face competition among foreign vendors. The JLGC insurance guarantees the Jordanian banks against loss which enables the policyholder (Jordanian company) to discount the invoices at his/her bank in order to maintain liquidity.</p>
Jordan Chamber of Commerce (JCC)	An umbrella organisation for the 16 local chambers of commerce, works with public and private stakeholders providing information, advisory and promotion services.
Jordan Chamber of Industry	Conducted a study of the Discontinuous Impact of COVID-19 on Disruption of Industrial Establishments, in cooperation with JEDCO. The study (January 2021) recommended: linking financing and tax incentives with the ability to maintain production operations; networking and interconnection activities to enhance the accumulation of production and strengthen value chains; development of programmes to promote the use of e-commerce, including the promotion of products through websites.
Amman Chamber of Industry	Develops Jordan industry in all aspects and strengthens export capabilities. Manages several programmes and initiatives to improve the quality management and production efficiency systems applied in factories, facilitate cross-border alliances, promotes B2B exchanges.
Information and Communications Technology Association Jordan (int@j)	Membership-based ICT and IT-Enabled Services industry providing advocacy, support and networking to association members. Seeks to maximise the contribution of the ICT sector towards the national economy and provide the ICT sector in Jordan with the tools required to ensure continued growth and expansion, including the export of their products and services.
Jordan Exporters Association (JEA)	Leading non-profit export promotion organisation in assisting Jordanian manufacturers and service providers to penetrate new markets worldwide through providing export promotion, market information, capacity building and advocacy services.
Euro-Jordanian Action for the Development of Enterprises	EU-funded initiative to enhance the productive capacity of Jordan's private sector SMEs through business upgrading, capacity development, marketing/communications strategies, cluster analysis, facilitating access

Organisation	Specific actions to support SME exports and value chain integration
(EJADA)	to international markets, developing export guidelines for select markets and sectors, etc.
Jordan Garments, Textiles and Accessories Exporters Association (JGATE)	Focal point for all activities related to the garment sector. Mission to increase sector competitiveness and expand export capacity. Connects members to the resources necessary to build export networks, improve management know-how, strengthen marketing and promotion, improve supply chain collaboration, drive innovation and collaboration in design and production methods, enhance production and design capabilities, attract investment, ensure manufacturers are fluent in export provisions (e.g. guidelines and training seminars that address trade agreement compliance, international quality standards, labor laws, and customs requirements), linking manufacturers to financial institutions, logistics providers, insurance companies, etc. to improve access to supporting industries, and advocate for policy development and reforms (https://jgate.org.jo/about/). Secretariat of the Jordan Garment Alliance (supported by the World Bank).
AmCham-Jordan	Offers services and export promotion activities to support industrial companies to access the US market through the US-Jordan Free Trade Agreement.
Business Development Centre (BDC)	Offers capacity building, training and business development services to entrepreneurs and SMEs. One of the BDCs objectives is to enhance the competitiveness, sustainability and export capabilities of SMEs. Relies on donor funding for most of its programmes. Implementing the EU-funded SwitchMed Green Entrepreneurship Programme in Jordan to support the national ecosystem for the development of green and circular business models and companies and the offer of complementary services to green entrepreneurs at different stages of their business development (i.e. ideation, creation, growth and scaling-up). Launched in September 2020, this project aligns with Jordan's efforts towards green economy and the recently launched Green Growth National Action Plan.
International and donor organisations and relevant programme/project support	
EBRD	<ul style="list-style-type: none"> - Support for Jordan's transition to green economy, programme to promote green investments in the private sector and green financing facility.⁷⁵ - With the DfID, "Support to the Jordan Investment Commission" project (approved in July 2020) providing technical cooperation to enhance the capability of JIC to contribute to increasing the number of FDIs into the country, and in turn further develop the Jordanian private sector. Will address: a) Investment promotion targeting the Jordanian diaspora and other businesses operating in the Gulf region; b) Investment promotion events outside of Jordan; c) Investment Aftercare.
European Union	<ul style="list-style-type: none"> - Project to strengthen trade facilitation practices and measures, e.g. setting up a trade facilitation pilot working group, review of the present customs procedures, including trade irritants at the pilot Border Crossing Point (BCP), identify potential improvements; assist the Customs agency in improving the Authorised Economic Operator (AEO) system and supply chain security based on the updated (2018) SAFE AEO programme; introduce simplified customs clearance procedures at the BCP; IT working group identifies the optimal IT

Organisation	Specific actions to support SME exports and value chain integration
	<p>solution/software and link Customs clearance points.⁷⁶</p> <ul style="list-style-type: none"> - EUR 20 million grant agreement to support the “Innovation for Enterprise Growth and Jobs” project (2018) to help local innovation companies grow, and become more competitive in local and international markets.⁷⁷ Project includes creation of three facilities: the Scalerator Growth Hub, the Sector Centre of Excellence and an Open Innovation Facility. The “Scalerator Growth Hub” project is to address the growth and scaling-up needs for high potential enterprises and will support the scaling and internationalisation of high potential enterprises through a mix of training, individual coaching by discipline experts/mentors and interim management, with a five-year strategic vision for the growth of each enterprise and its internationalisation. - “Jordanian Action for the Development of Enterprises” (JADE) programme under EU Support to Improve Technical and Management Capacity within SMEs in Jordan (January 2017 – March 2021; EUR 6.67 million). Aim is to improve the technical and business capacity within the enterprise and entrepreneurial ecosystems - improving the technical and business capacity of SMEs and startups in the sectors of tourism, plastics and rubber, electronics, cosmetics and chemicals, innovative industries, etc. Helps SMEs build market linkages up the value chain, link with international markets, and adopt digital and traditional marketing, among wide list of other services, increase their revenues and exports. Ensures the quality and capacity of service providers, e.g. business development services, etc.
German Embassy in Jordan	<p>In an effort to increase the potential of Jordanian industry to access the EU market, in 2019, the German Embassy in Amman engaged in the preparation of a study on the mechanisms to help Jordanian companies export their products to the European market.</p>
GiZ/International Trade Centre (ITC)	<ul style="list-style-type: none"> - Trade for Employment Programme: “Improving the Business Environment for SMEs through Trade Facilitation” project (December 2018-October 2022): supports the implementation of trade facilitation reforms to improve Jordan’s compliance with its obligations under the WTO Trade Facilitation Agreement (TFA), including through development of the implementation roadmap for Category B and C commitments, as well as contribution to the implementation of key measures of the Agreement (e.g. advance rulings, information available through Internet, etc.). Provides capacity building of the business community for improved participation in trade facilitation reforms formulation and the reduction of time and cost of cross-border formalities (i.e. identifying existing barriers to trade; developing action plans for facilitating export procedures and reducing trade costs). - Trade For Employment Programme (January 2019-January 2021) - focus on building capacities and strengthening support structures for Jordanian companies to increase their trade performance by developing the negotiating capacity of chambers of commerce and trade associations and institutionalising dialogue with the government to assist the private sector with shaping framework conditions conducive for trade. Project also seeks to improve the availability and quality of demand-driven trade-related services alongside with identifying existing barriers to trade, as well as developing action plans for facilitating export procedures and reducing trade costs, in line with the WTO Trade Facilitation Agreement. In partnership with the MTI and the National Trade Facilitation Committee under Ministry

Organisation	Specific actions to support SME exports and value chain integration
	<p>of Transport, Customs.</p> <ul style="list-style-type: none"> - “Supporting industrial SMEs to promote and sell online through virtual markets” initiative, under Trade4E agreement with JEDCO (December 2020, EUR 368,000) to support 40 industrial SMEs – GIZ and the Netherlands. By offering financial and technical support, the project aims to raise the capabilities of 40 industrial SMEs to register and export their products through virtual markets – financial support in the form of JD7,000 grants/per enterprise to cover costs of the assistance of an expert in exports and e-commerce to provide training and guidance to SMEs. GIZ approved this project based on success of the JEDCO COVID-19 response action in May 2020 (Action Sheet #2, Annex 2), which supported 10 SMEs to gain access to e-commerce platforms and start exporting through them.
Global Green Growth Institute (GGGI)	Supported Jordan in development of the Green Growth National Action Plan 2021-2025 as a roadmap for a green economy recovery to the negative consequences of the COVID-19 pandemic.
ILO	<ul style="list-style-type: none"> - Rapid assessment on the impact of COVID-19 on enterprises in Jordan, with the UNDP (April 2020).⁷⁸ - Produced report on Employment Potential of Jordan’s Exports (2019), identifying potential for Jordan exports to various regions of the world.⁷⁹
International Finance Corporation (IFC)	<ul style="list-style-type: none"> - Transaction advisor on a trade project to improve the efficiency of international trade procedures by enhancing trade facilitation practices and removing regulatory and administrative bottlenecks to cross-border trade. This will have the impact of reducing the time spent by Jordanian importers and exporters crossing borders and a significant decrease in trade transaction costs. Other new projects include a national quality infrastructure project to support the increase of exports.⁸⁰ - Partnering with the Jordan Food and Drug Administration (FDA) to help Jordanian farmers, food producers and pharmaceutical companies increase exports and expand into foreign markets. Will advise the FDA on improving its inspection regime, adopting international food safety standards, creating harmonised manufacturing standards for medicine and strengthening national guidelines governing the food and pharmaceutical industries, reforms that will make it easier for Jordanian companies to compete in new markets and help increase their exports in more demanding markets with stricter requirements for product safety and quality.⁸¹ IFC is implementing this project in partnership with the EU.
International Trade Centre (ITC)	<ul style="list-style-type: none"> - “Improving the international competitiveness of the textile and clothing sector (MENATEX) in Jordan” project (2019-2021). Improve the competitiveness of Jordanian textile exporters to stimulate job creation and improve economic benefits along the value chain; 20 companies selected to receive individual support to strengthen their operations, improve their social and environmental sustainability and connect with buyers. Implemented by the MoITS in partnership with the Jordan Chamber of Industry. - Enhancing Arab Capacity for Trade (EnACT) Programme, a regional trade capacity-building programme funded by the Department of Foreign Affairs, Trade and Development, Canada. Focused on developing the export potential (integrated, competitive and diversified export sector) of Jordan and four other countries in

Organisation	Specific actions to support SME exports and value chain integration
	<p>the MENA region, by addressing improvements in trade intelligence, trade policy and export strategy. Also aimed to strengthen the capacity of trade support institutions to promote SME export competitiveness and develop markets. Supported development of the Jordan National Export Strategy 2014-2019 and its implementation.</p> <ul style="list-style-type: none"> - “Developing SMEs exports through Virtual Market Places” (VMP) project (2014-2017, USD 3 million over three countries); aimed to support 200 Jordanian SMEs to strengthen their skills to effectively use new technologies to enhance their visibility on international markets and increase their business and market share. Focus on three priority product groups: specialised gourmet agro-processed foods, handicrafts and services. The project had two goals: (1) increase the volume of exports by SMEs through virtual market places (VMPs), such as eBay, Etsy and Alibaba; and (2) fostering a policy and business-enabling environment more conducive for e-commerce. Supported governments in building an enabling environment for e-commerce through policy reforms to improve access to international payment mechanisms, lower postal rates and simplify export procedures to boost access to e-commerce. Trained e-commerce advisors to coach SMEs in the agri-food, handicraft and information technology services sectors to register on platforms such as Alibaba, Etsy and Tradekey. The project in Jordan encountered several challenges and did not achieve its objectives.⁸²
Netherlands Ministry of Foreign Affairs/Centre for the Promotion of Imports from developing countries (CBI)	<ul style="list-style-type: none"> - “Fresh Fruit and Vegetables Jordan” project (2018-2022) to help Jordan’s horticulture sector in producing value-added agriculture products and selling them in high-end markets around the globe, e.g. taking advantage of good opportunities in Europe, Russia, Southeast Asia and the Gulf for dates, fresh herbs, strawberries, stone fruits, and high-end vegetables, as examples. Offers export coaching, missions, market studies, certifications, trade fairs, strategy development, training. Jordan partners are the Ministry of Agriculture and the Jordan Exporters and Producers Association for Fruit and Vegetables (JEPA).
UNCTAD	Supported the MCIT (now the Ministry of Digital Economy and Entrepreneurship/MoDEE) with development of the National E-Commerce Strategy launched in 2017.
USAID	<ul style="list-style-type: none"> - Facilitated Jordan’s use of the Jordan-U.S. Free Trade Agreement. From 2001 to 2019, trade between Jordan and the USA increased from USD 568 million to more than USD 3 billion USD.⁸³ - Jordan Competitiveness Programme (2013-2019; USD 50 million) to increase exports, promote investment, and improve the business climate for doing business. Supported AmCham in creating a unity to oversee activities related to the Jordan-U.S. FTA; worked on design of a new export promotion agency (as public-private partnership); developed REACH 2025 strategy and action plan for digitalising the Jordanian economy; etc.
World Bank	<ul style="list-style-type: none"> - Support for the Five-Year Reform Matrix, started in 2018. - “Youth, Technology, and Jobs” project (2020-2025; funding of USD 200 million) to improve income opportunities from the Jordanian digital sector and expand government digital services. The project aims to create 30,000 new jobs for youth, including employment opportunities for women (30%) and Syrian refugees who are self-employed in the digital market (15%); improve the access of youth to freelancing platforms and community work spaces; improve

Organisation	Specific actions to support SME exports and value chain integration
	government digital services and digital payments systems; support access to markets and business expansion opportunities for entrepreneurs; and mobilise about USD 20 million as new investments in digital services from the private sector. Being implemented by the MoDEE.

Endnotes:

- ¹ Riera. O., and P. Paetzold (2020), “Global Value Chains Diagnostic – Country Deep Dive Jordan”, July, European Bank for Reconstruction and Development (EBRD), London, UK, p. 2, https://www.euneighbours.eu/sites/default/files/publications/2020-07/GVC%20country%20diagnostic_Jordan.pdf/.
- ² Senechal, T. (2019), “Market Assessment of Trade Finance Facilities in Jordan”, in EBRD, *Financing of Trade with EBRD: Overview of supply and demand, accessibility and constraints of trade finance in SEMED countries*, January, EBRD, London, p. 9.
- ³ MoPIC, “Jordan Response Plan for the Syria Crisis 2020-2022”, Amman, pp. 84, 95, <http://www.jrp.gov.jo/Files/JRP%202020-2022%20web.pdf/>.
- ⁴ “After a few tough years, Jordan’s exports are bouncing back, with new potential on the horizon”, *TheBusinessYear*, Jordan 2019, <https://www.thebusinessyear.com/jordan-2019/ship-it/focus/>.
- ⁵ DOS (Department of Statistics) (2021), “National exports increase by 1% and Imports decrease by 11.3% during 2020 compared with the same period of 2019”, Press/Dec.2020, 18 March, http://dos.gov.jo/dos_home_e/main/archive/ext/2020/EXT_2020.pdf/. The value of re-exports represented 9.5% of total exports in 2020.
- ⁶ “Jordan’s exports to Africa account for 2.2% of total exports: Minister”, 25 April 2016, *Amman News*, <https://en.ammonnews.net/article/31156/>.
- ⁷ Senechal, T. (2019), “Market Assessment of Trade Finance Facilities in Jordan”, in EBRD, *Financing of Trade with EBRD: Overview of supply and demand, accessibility and constraints of trade finance in SEMED countries*, p. 9.
- ⁸ ILO/JCI (Jordan Chamber of Industry) (2019), “More Trade for More Jobs, Identifying the Employment Potential of Jordan’s Exports”, International Labour Organization (ILO), Amman Office, p. 41 (*op.cit.*).
- ⁹ ILO/JCI (2019), “More Trade for More Jobs, Identifying the Employment Potential of Jordan’s Exports”, April, International Labour Organization (ILO), Amman Office, p. 41, https://www.ilo.org/wcmsp5/groups/public/---arabstates/---ro-beirut/documents/publication/wcms_711827.pdf/.
- ¹⁰ DOS (2021), “National exports increase by 1% and Imports decrease by 11.3% during 2020 compared with the same period of 2019”, Press/Dec.2020, 18 March (*op.cit.*).
- ¹¹ “After a few tough years, Jordan’s exports are bouncing back, with new potential on the horizon”, *TheBusinessYear*, Jordan 2019, <https://www.thebusinessyear.com/jordan-2019/ship-it/focus/>.
- ¹² Int@j (Information and Communications Technology Association in Jordan) (2018), “Jordan ICT & ITES Sector Statistics 2018”, Jordan, <https://intaj.net/wp-content/Studies/2018.pdf/>. In 2018, the sector generated approximately USD 262 million in export revenue, with about 75% of that from software development, software license sales and other telecommunications services (p. 15).
- ¹³ Senechal, T. (2019), “Market Assessment of Trade Finance Facilities in Jordan”, in EBRD, *Financing of Trade with EBRD: Overview of supply and demand, accessibility and constraints of trade finance in SEMED countries*, p. 9 (*op.cit.*).
- ¹⁴ ILO and JCI (2019), “More Trade for More Jobs, Identifying the Employment Potential of Jordan’s Exports”, p. 41 (*op.cit.*). The analysis was based on the 2017 ITC Export Potential Map.
- ¹⁵ Hausmann, R., et al. (2019), “A Roadmap for Investment Promotion and Export Diversification: The Case of Jordan”, CID Faculty Working Paper No. 374, Centre for International Development, Harvard University, MA, p. 32, <https://growthlab.cid.harvard.edu/files/growthlab/files/2020-01-cid-wp-374-roadmap-jordan-revised-march.pdf/>.
- ¹⁶ Hausmann, R., et al. (2019), “A Roadmap for Investment Promotion and Export Diversification: The Case of Jordan”, p. 32 (*op.cit.*). These opportunities for export diversification and development were based on a prioritisation scheme sorted according to: 1) industries on the intensive margin that are “highly attractive”, 2) industries on the extensive margin that are “highly viable” and “highly attractive”; 3) industries on the intensive margin that are not “highly attractive” AND industries on the extensive margin and either not “highly viable” or not “highly attractive” (but not both); and 4) Industries on the extensive margin that are neither “highly viable” nor “highly attractive” (p. 28).
- ¹⁷ SEMED region comprises Egypt, Jordan, Lebanon, Morocco and Tunisia.
- ¹⁸ Riera. O., and P. Paetzold (2020), “Global Value Chains Diagnostic – Country Deep Dive Jordan”, July, EBRD, (*op.cit.*).
- ¹⁹ Riera. O., and P. Paetzold (2020), “Global Value Chains Diagnostic – Country Deep Dive Jordan”, July, EBRD, p. 1 (*op.cit.*). GVC integration is the sum of foreign value added (FVA) and the domestic value added embodied in 3rd countries’ exports (DVA); the residual part of exports value consists of domestic value added with no GVC linkages.
- ²⁰ Riera. O., and P. Paetzold (2020), “Global Value Chains Diagnostic – Country Deep Dive Jordan”, July, EBRD, p. 1 (*op.cit.*).
- ²¹ OECD (2018), “Making global value chains more inclusive in the MED region: The role of MNE-SME linkages”, OECD, Paris, p. 10, <http://www.oecd.org/mena/competitiveness/BN-Making-global-value-chains-more-inclusive-Beirut-042018.pdf/>.

- ²² OECD (2018), "Making global value chains more inclusive in the MED region: The role of MNE-SME linkages" (*op.cit.*).
- ²³ UNCTAD (2020), *World Investment Report 2020: International Production Beyond the Pandemic*, United Nations, New York, pp. 44, 240, https://unctad.org/system/files/official-document/wir2020_en.pdf/.
- ²⁴ ITC (2018), *Jordan: Company Perspectives, An ITC Series on Non-Tariff Measures*, Geneva, https://www.intracen.org/uploadedFiles/intracenorg/Content/Publications/NTM%20Jordan_final_Low-res.pdf/.
- ²⁵ Brunelin, S., J. de Melo, A. Portugal (2018), "How Much Market Access? A Case study of Jordan's Exports to the EU", *World Trade Review*, 18(3): 1-19.
- ²⁶ ITC (2018), *Jordan: Company Perspectives, An ITC Series on Non-Tariff Measures* (*op.cit.*).
- ²⁷ <https://www.enterprisesurveys.org/en/data/exploreeconomies/2019/jordan#trade/>
- ²⁸ European Commission (2018), "COMMISSION IMPLEMENTING DECISION of 6.12.2018 on the annual action programme (Part 2) in favour of the Hashemite Kingdom of Jordan for 2018", C(2018) 8530 final, Brussels, https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/c_2018_8530_jordan_aap_2018_part_2_merged_document.pdf/.
- ²⁹ Senechal, T. (2019), "Market Assessment of Trade Finance Facilities in Jordan", in EBRD, *Financing of Trade with EBRD: Overview of supply and demand, accessibility and constraints of trade finance in SEMED countries*, p. 25 (*op.cit.*).
- ³⁰ European Commission (2018), "COMMISSION IMPLEMENTING DECISION of 6.12.2018 on the annual action programme (Part 2) in favour of the Hashemite Kingdom of Jordan for 2018", C(2018) 8530 final, Brussels, p. 9 (*op.cit.*).
- ³¹ Before the conflict in Syria, Jordan exports could be transported by land towards Syrian and Lebanese ports but since these land routes have been disrupted, the Port of Aqaba is the only option for Jordanian merchandise.
- ³² World Bank (2020), "Doing Business 2020: Country Profile Jordan", Washington, DC, <https://www.doingbusiness.org/content/dam/doingBusiness/country/j/jordan/JOR.pdf/>.
- ³³ World Bank (2020), "Jordan Economic Monitor: Weathering the Storm", Spring, June, Washington, DC, <http://documents1.worldbank.org/curated/en/895901594653936142/pdf/Jordan-Economic-Monitor-Spring-2020-Weathering-the-Storm.pdf/>.
- ³⁴ World Bank (2020), "Jordan Economic Monitor: Weathering the Storm", Spring, June (*op.cit.*).
- ³⁵ "Coronavirus Poses Downside Risks to Jordanian Banks", *FitchRatings*, 1 April 2020, <https://www.fitchratings.com/research/banks/coronavirus-poses-downside-risks-to-jordanian-banks-01-04-2020/>
- ³⁶ DOS (2021), "National exports increase by 1% and Imports decrease by 11.3% during 2020 compared with the same period of 2019", Press/Dec.2020, 18 March (*op.cit.*). [The value of re-exports represented 9.5% of total exports in 2020.](#)
- ³⁷ DOS (2021), "National exports increase by 1% and Imports decrease by 11.3% during 2020 compared with the same period of 2019" (*op.cit.*).
- ³⁸ Kebede, T.A., S.E. Stave, M. Kattaa, and M. Prokop (2020), "Impact of the COVID-19 pandemic on enterprises in Jordan", ILO and UNDP, p. 28, https://www.ilo.org/wcmsp5/groups/public/---arabstates/---ro-beirut/documents/publication/wcms_749136.pdf/.
- ³⁹ Kebede, Stave, Kattaa, and Prokop (2020), "Impact of the COVID-19 pandemic on enterprises in Jordan", ILO and UNDP, p. 28 (*op.cit.*).
- ⁴⁰ DOS (2021), "National exports increase by 1% and Imports decrease by 11.3% during 2020 compared with the same period of 2019", Press/Dec.2020, 18 March (*op.cit.*).
- ⁴¹ DOS (2021), "National exports increase by 1% and Imports decrease by 11.3% during 2020 compared with the same period of 2019", Press/Dec.2020, 18 March (*op.cit.*).
- ⁴² World Bank (2020), "Jordan Economic Monitor: Weathering the Storm", Spring, June, Washington.
- ⁴³ Established in 2003 as a public-private sector partnership, the Committee was tasked with tackling the challenges in international trade operations, specifically to develop a more supportive environment in the areas of trade, transport and logistics, agreements and treaties, and border management by making recommendations and proposals to simplify procedures, organise logistics, facilitate administrative and legal reform, reduce time and costs of operations, and reinforce security.
- ⁴⁴ The MoDEE is collecting survey information with a March 2021 deadline for submissions.
- ⁴⁵ Minister of Industry, Trade and Supply (2014), *National Export Strategy 2014-2019*, Amman.
- ⁴⁶ The strategy noted that most SMEs in Jordan produce low value-added goods, are dependent on traditional markets, make limited use of advanced technology, and lack capacity to meet the demand for high volume orders. Some of the most prominent export challenges identified by the strategy included: 1) limited capacity of Jordanian firms to export to the EU markets with limited understanding of the EU market and the relevant European technical requirements and standards; limited flexibility to adapt their production to the new market requirements; 2) weak linkages between the service sector and the manufacturing sector resulting in reduced capacity to link the

manufacturing sector with new and foreign markets; 3) lack of management skills in financial management, export capacity, sales and marketing and technical skills required for product development; and 4) limited institutional capacity to facilitate trade. The strategy also recognised the lack of co-ordination between government bodies, particularly on issues related to trade, as well as cumbersome, overlapping and long custom procedures hindered trade facilitation in Jordan. Long delays when applying for standards certifications and weak infrastructure in the areas of transport, energy and ICT, especially in governorates outside Amman, also contributed to slowing the country's export capacity.

⁴⁷ MoDEE (2020), *Jordan Digital Transformation Strategy 2020*, September, Amman, https://www.modee.gov.jo/EBV4.0/Root_Storage/EN/Jordan-Digital-Transformation-Strategy-2020.pdf/. The strategy is based on the Jordan Vision 2025, the General Policy for the ICT and Postal Sectors 2018, as well as applicable international deliverables, trends, and practices adopted in this regard, and is in line with the Sustainable Development Goals (SDGs) of 2030.

⁴⁸ Ministry of Environment (2017), *A National Green Growth Plan for Jordan*, Amman, Hashemite Kingdom of Jordan, Amman, <https://www.greengrowthknowledge.org/sites/default/files/A%20National%20Green%20Growth%20Plan%20for%20Jordan.pdf/>.

⁴⁹ The GEF supports both businesses and homeowners with investments in green technologies geared to the preservation of natural resources, energy efficiency and emission reductions through the introduction of state-of-the-art technologies and solutions. This includes access to free advisory services and to loans through local banks and microfinance institutions for on-lending to local corporations and SMEs.

⁵⁰ "EBRD's first green financing facility to be launched in Jordan", 10 February 2021, *The Jordan Times*, <https://www.jordantimes.com/news/local/ebd-rs-first-green-financing-facility-be-launched-jordan/>.

⁵¹ In 2019, JEDCO supported 29 local SMEs (JEDCO contribution of JD 1.3 million – 50% of the total project costs), with the expected impact of a 7% increase in sales and 16% increase in exports. See: "JEDCO launches programmes to enhance industrial, services SMEs for export", 1 August 2019, *The Jordan Times*, <http://www.jordantimes.com/news/local/jedco-launches-programmes-enhance-industrial-services-smes-export/>.

⁵² The UNCTAD e-Trade Readiness Assessment provides a snapshot of the e-commerce ecosystem according to seven pillars: e-commerce readiness and strategy formulation, ICT infrastructure and services, payment solutions, trade facilitation and logistics, legal and regulatory framework, skills development, and access to finance (UNCTAD, 2020, *Fast-tracking implementation of eTrade Readiness Assessments*, Geneva, https://unctad.org/system/files/official-document/dtlstict2020d9_en.pdf/).

⁵³ In 2019, the JLGC guaranteed 1,515 shipments valued at JD 107.4 million, an increase from 895 shipments/value of JD 56.7 million. The guarantees covered national exports to several foreign markets: Middle East and the Gulf (Saudi Arabia, Kuwait and UAE – 40% of shipment value); the USA and Canada (13% of shipment value); Far East, e.g. China (23%); Africa (16%), Europe, e.g. the UK, Germany (7%); other countries (1%). See: JLGC (2020), *JLGC (2020), Board Report For the year ended December 31, 2019*, Amman, p. 11, <https://jlgc.com/en/financial-reports/>.

⁵⁴ See: CBI (Centre for the Promotion of Imports from Developing Countries) (2019), *Value Chain Analysis (VCA) Garments, Jordan*, Netherlands Enterprise Agency, The Hague; GiZ (2019), "Value Chain Analysis of the Chemical Industry In Jordan (Dead Sea Products, Soaps And Detergents And Pesticides): Industry Overview in Jordan", Trade for Employment (T4E) Project, GiZ Office Amman; GiZ (2020), "Jordan's Consultancy Sector: Analysis and Strategy for Sectoral Improvement", Trade for Employment Project (T4E), GiZ Office, Amman; Netherlands Enterprise Agency (2016), "Export Value Chain Analysis Fruit and Vegetables Jordan", The Hague.

⁵⁵ "CBJ's upcoming projects to focus on available resources, export opportunities", *The Jordan Times*, 18 May 2020, <https://www.jordantimes.com/news/local/cbjs-upcoming-projects-focus-available-resources-export-opportunities/>.

⁵⁶ Targeted sectors included: food, pharmaceuticals, aluminum industries, jewellery industries, chemical industries, plastic industries, the garments sector, leather industries, household appliances, electrical equipment and appliances, chemical and detergents industries and the furniture sector. The programme provides financial grants of JD 10,000 and covers up to 70% of total shipping expenses.

⁵⁷ "Jordan- Agreement signed to enable 40 industrial SMEs to export through virtual markets", 16 December 2020, MENAFIN, <https://menafn.com/1101292826/Jordan-Agreement-signed-to-enable-40-industrial-SMEs-to-export-through-virtual-markets/>. Each SMEs may receive financial support in the form of a JD 7,000 grant to cover assistance of an expert in exports and e-commerce to provide training and guidance to the SMEs.

⁵⁸ The initial programme (JD 500,000) was launched in 2019 targeting export-ready services SMEs in the engineering and architectural services or information technology (IT) sectors, focusing on high value-added exports to new export markets, such as German, Austrian, Iraqi, Qatari, UAE, Saudi Arabian and Egyptian markets. Exports of

the 20 SMEs accepted into the programme were expected to increase the value of their exports by JD 6.1 million. (See: <http://www.jedco.gov.jo/DetailsPage/JEDCOEN/NewsDetails.aspx?PID=332/>).

⁵⁹ “21 businesses join ‘Enhancing Services SMEs to Export’ programme”, 17 August 2020, The Jordan Times, <http://jordantimes.com/news/local/21-businesses-join-%E2%80%98enhancing-services-smes-export%E2%80%99-programme/>. JEDCO received 85 applications for the programme, which suggests considerably demand. The 21 selected companies presented export plans for innovative services, such as the use of technology and the development of new software and mobile phone applications.

⁶⁰ The top 60 applicants will be invited to participate in specialised export training, including on how to make export plans. SMEs successful in completing the training courses will be invited to submit the second stage application to the programme along with their export plan and project budget. Following a technical evaluation, which will entail field visits to the companies, the most highly evaluated 25 companies will be selected for the grant support.

⁶¹ Kebede, T.A., S.E. Stave, M. Kattaa, and M. Prokop (2020), “Impact of the COVID-19 pandemic on enterprises in Jordan”, ILO and UNDP, p. 37 (*op.cit.*).

⁶² Kebede, Stave, Kattaa, and Prokop (2020), “Impact of the COVID-19 pandemic on enterprises in Jordan”, ILO and UNDP (*op.cit.*).

⁶³ REAPP (Recovery of Employment and Production Platform) (2020), “COVID-19: Opportunities to Improve Jordan’s Terms of Trade”, April, Jordan Strategy Forum, Amman, p. 6.

⁶⁴ UNDP (2020), “COVID19 Impact on Micro and Small Enterprises: Rapid assessment of the impact of COVID-19 on Micro and Small Enterprises Beneficiaries”, July, Jordan Country Office, Amman, p. 16, <https://www.jo.undp.org/content/jordan/en/home/library/covid19-rapid-impact-assessment-on-micro-and-small-enterprises-b.html/>.

⁶⁵ GiZ (2018), “Assessment of Trade-related Services Market in Jordan: Final Report”, Deutsche Gesellschaft für Internationale Zusammenarbeit (GiZ), Amman Office, <https://www.giz.de/de/downloads/giz2018-en-trade-for-employment.pdf/>.

⁶⁶ DOS database, http://www.dos.gov.jo/dos_home_e/main/cens_Establishment2018/table43.pdf/.

⁶⁷ Kebede, Stave, Kattaa, and Prokop (2020), “Impact of the COVID-19 pandemic on enterprises in Jordan”, ILO and UNDP, p. 34 (*op.cit.*).

⁶⁸ UNDP (2020), “COVID19 Impact on Micro and Small Enterprises: Rapid assessment of the impact of COVID-19 on Micro and Small Enterprises Beneficiaries”, July, Jordan Country Office, Amman, p. 15 (*op.cit.*).

⁶⁹ ILO (2019), “More Trade for More Jobs, Identifying the Employment Potential of Jordan’s Exports”, p. 32 (*op.cit.*).

⁷⁰ See: European Commission (2019), “The European Green Deal”, https://eur-lex.europa.eu/resource.html?uri=cellar:b828d165-1c22-11ea-8c1f-01aa75ed71a1.0002.02/DOC_1&format=PDF/; European Commission (2020), “Circular Economy Action Plan: for a cleaner and more competitive Europe”, https://ec.europa.eu/environment/circular-economy/pdf/new_circular_economy_action_plan.pdf/; European Commission (2020), “A new Industrial Strategy for a globally competitive, green and digital Europe”, https://ec.europa.eu/commission/presscorner/detail/en/ip_20_416/; European Commission (2020), “An SME Strategy for a sustainable and digital Europe”, https://ec.europa.eu/info/sites/info/files/communication-sme-strategy-march-2020_en.pdf/.

⁷¹ For example, by implementing strategies to reduce waste, use of new recycling technologies, production of secondary raw materials from waste and reuse in the production process, etc., depending on the industry sector.

⁷² The EU’s “Renewed Partnership with the Southern Neighbourhood” (2021) seeks to contribute to the long-term prosperity and stability of the region, based on common interests and challenges, especially in the social and economic recovery from the COVID-19 crisis. This new agenda draws on the full EU toolbox and proposes to work collectively with MED South governments to speed up and harness the potential of the twin green and digital transition (European Commission, 2021, “Renewed partnership with the Southern Neighbourhood: A new Agenda for the Mediterranean”, SWD(2021) 23 final, 9 February, Brussels, https://eeas.europa.eu/sites/eeas/files/joint_communication_renewed_partnership_southern_neighbourhood.pdf).

⁷³ UNCTAD (2020), *COVID-19 and E-Commerce: Impact on business and policy responses*, United Nations, Geneva, https://unctad.org/system/files/official-document/dtstict2020d12_en.pdf/.

⁷⁴ UNCTAD (2020), *Impact of the COVID-19 Pandemic on Trade and Development: Transitioning to a New Normal*, United Nations, Geneva, p. 83, https://unctad.org/system/files/official-document/osg2020d1_en.pdf/.

⁷⁵ “EBRD’s first green financing facility to be launched in Jordan”, *The Jordan Times*, 10 February 2021, <https://www.jordantimes.com/news/local/ebdcs-first-green-financing-facility-be-launched-jordan/>.

⁷⁶ European Commission (2018), “COMMISSION IMPLEMENTING DECISION of 6.12.2018 on the annual action programme (Part 2) in favour of the Hashemite Kingdom of Jordan for 2018”, C(2018) 8530 final, Brussels, p. 18.

⁷⁷ “Jordan’s ‘Innovation for Enterprise Growth and Jobs’ Gets 20 Million Euro from EU”, 25 June 2019, *Arabia Day*, <https://arabiaday.com/jordans-innovation-for-enterprise-growth-and-jobs-gets-20-million-euro-from-eu/>.

⁷⁸ Kebede, T.A., S.E. Stave, M. Kattaa, and M. Prokop (2020), "Impact of the COVID-19 pandemic on enterprises in Jordan", ILO and UNDP, https://www.ilo.org/wcmsp5/groups/public/---arabstates/---ro-beirut/documents/publication/wcms_749136.pdf/.

⁷⁹ ILO (2019), "More Trade for More Jobs, Identifying the Employment Potential of Jordan's Exports", April, International Labour Organization (ILO), Amman Office, https://www.ilo.org/wcmsp5/groups/public/---arabstates/---ro-beirut/documents/publication/wcms_711827.pdf/.

⁸⁰ Overview of the World Bank in Jordan, <https://www.worldbank.org/en/country/jordan/overview#2/> - updated 1 October 2020.

⁸¹ "IFC, Jordan Partner to Open New Markets for Food and Pharmaceutical Companies", 22 December 2020, IFC Pressroom, <https://pressroom.ifc.org/all/pages/PressDetail.aspx?ID=26141/>.

⁸² World Bank (2018), "VMP for the Development of Export SMEs: VMP Project - Completion Report (2015-2018)", Middle East and North Africa Region, Washington, DC.

⁸³ <https://www.usaid.gov/jordan/economic-growth-and-trade/>