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CONCEPT PAPER

FOR ONGOING SABEQ SUPPORT TO LOCAL ECONOMIC DEVELOPMENT IN JORDAN

Final Report

June 28, 2007

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Final Report

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AUTHOR: LESLIE THOMAS

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1 EXECUTIVE SUMMARY

A role of SABEQ is to help the Government of Jordan (GOJ) diversify growth into its regions to decentralize Jordan's economy and create a framework that supports broad-based economic development. The goal is to create employment for Jordanians and to enhance the productivity of Jordanian workers and businesses.

SABEQ's approach builds on lessons learned from Jordan's many economic development initiatives and seeks to leave behind a regional, public-private collaborative framework in which government, the private sector and education and research institutions work together to ensure that the region is fulfilling its local economic development goals.

Since its inception, SABEQ has been working with public and private sector leaders in Irbid and Karak to identify key stakeholders establish a dialogue regarding local issues and priorities and create a framework that supports breakthrough achievement and sustainable growth in local development. The programs and initiatives launched in Irbid and Karak are intended to provide a platform to test and refine approaches in local development; and as Sabeq intends to replicate programs on a wider scale throughout Jordan's Northern and Southern regions, the methods, best practices and lessons learned will be documented for adaptation in other Governorates.

The objective of this report is to present recommendations for SABEQ's ongoing support for local economic development (LED) and follows SABEQ's extensive fieldwork and assessment efforts in Irbid and Karak. Key stakeholders provided the inputs and defined the key components of this proposal and public and private leaders in the Governorates indicated a broad consensus on the importance of a more defined and formalized public-private partnership to frame and lead economic development programs in their communities. As such, the report includes a proposal to strengthen economic development activities in each region by creating an institutional framework for LED which would be in charge of developing a shared regional vision and strategy for its implementation.

2 THE CONTEXT FOR LOCAL DEVELOPMENT

2.1 ECONOMIC ENVIRONMENT

Over the past decade, Jordan has made a tremendous commitment to economic reform and trade liberalization and has achieved strong economic growth as real GDP reached to 7.5 percent in 2005[1]. These achievements are the result of significant policy and institutional reforms that have freed markets, opened the country to trade and investment and privatized state-owned businesses.

Despite these achievements, critical economic challenges remain:

- The economy remains narrowly-based, centered on a few industries and groups around Amman. The economic activity centers of Amman and Zarqa together account for more than two-thirds of the country's population and approximately 80 percent of its GDP.[2]
- Deep pockets of poverty remain, with 14 percent of Jordanians living below the poverty line.[3]
- The participation of women in the economy remains limited.
- Despite significant foreign direct investment (FDI) in the apparel and real estate sectors, the country is far from realizing its potential in labor-intensive manufacturing and services sectors.
- 12.5 percent of the labor force is unemployed and Jordan's active-to-total population ratio is one of the lowest in the world, with an average of four non-active individuals depending on a single worker.[4]
- Current job creation rates are insufficient to absorb the growing number of entrants to the workforce.

2.2 JORDAN'S COMMITMENT AND APPROACH TO LOCAL DEVELOPMENT

Keenly aware of these issues and the importance of LED to Jordan's overall economic competitiveness, a central theme in Jordan's National Agenda (2006-2015) is to address the inequalities in growth patterns, socio-economic conditions and resource distribution across the country.

The National Agenda includes a clear focus on decentralizing development for regional reform with aims to strengthen democratic institutions and practices, education for the modern workplace, and public participation in Jordan's change efforts.

The Decision-Making and Administrative Framework

The administrative framework for local development in Jordan has been and remains highly centralized. Any planning at the Governorate level entails an approval and funding process that is centered in Amman and, at times, cumbersome and political.

The major government agencies involved in setting direction and funding of local development include the Ministry of Interior (MoI), the Ministry of Planning and International Cooperation (MoPIC), the Ministry of Social Development (MSD) the Ministry of Finance (MoF), the Ministry of Labor (MoL) and the Ministry of Municipal, Rural and Environmental Affairs (MoMA).

Decision-making on programmatic issues and budget allocation are centrally made and frequently appear ad-hoc or politicized and often times do not reflect the development needs of the different municipalities. Most importantly, citizens do not participate in decision-making.

The entire process would benefit greatly by building the capacity of the local stakeholders and providing them with targeted technical assistance based on the capacity and needs of each Governorate.

[1] USAID Strategic Assessment (2007-2011)

[2] Jordan National Agenda (2006-2015)

[3] Ibid

[4] Ibid

Decentralization is not a new theme for Jordan and the GOJ has been working since 2002 on a plan to empower and develop Governorates. The plan has focused on development at the grass roots level, public participation in elections of local representatives, empowerment of civil society and engagement of citizens in the development planning process for their communities.

As part of the Decentralization effort, two civil-servant councils – an Executive Council and Consultative Council - were appointed in 2005 in each Governorate to oversee implementation of the decentralization process and to review, discuss and monitor local development initiatives and administrative affairs in the Governorates.

- The Executive Council is chaired by the Governor and is formed from the directors of the Governorate's departments and the police and civil defence departments. This Council meets at least once a month and is entrusted to consider priority projects for implementation in the governorate during the financial year and estimates their costs. This council also, reviews the general conditions of the Governorate, discusses matters relating to public services and considers any proposal made by any of the members on these matters. The Governor follows up on the implementation of resolutions of the Council and budget allocations with the competent authorities according to priorities and availability of resources.
- The Governorate Consultative Council is also chaired by the Governor and includes up to 25 members that are nominated by the Governor and appointed by the Minister of Interior. This council includes Parliamentarians from the region as well as members from the municipalities' councils; chambers of commerce and industry; cooperative and professionals from different fields. This council deliberates and discusses all matters related to the governorate including its annual budget before it is approved by the Executive Council and gives recommendations accordingly. The Consultative Council meets once every two months at least.

Despite these efforts, behaviors have remained largely unchanged and public agencies at the Governorate and municipal levels have struggled to provide the necessary focal point for creating vision and facilitating change. Given years of central control and management, the citizens as well as civil servants at the Governorate level lack the experience and skills to proactively lead or facilitate creative change.

2.3 LED PROGRAMMING

Local development, job creation and poverty reduction are a major focus of international donor-funded aid programs. A multitude of local development programs operate in Jordan and many have begun to pursue methodologies that enhance public-private participation in decision-making, engage community leaders and citizens in the design of local development initiatives and promote sustainability that builds on community self-help and self-reliance in the long term. Some of the largest programs are described below:

- **GOJ's Enhanced Productivity Programme.** Supports the economic development of Jordan's rural poor and has five poverty-reduction components including 1) rural community cluster development, 2) enhanced productivity centers, 3) community infrastructure, 4) training, and 5) small grants.
- **German Technical Cooperation's (GTZ) Poverty Alleviation through Municipal Development (PAMD).** Focused on capacity building of municipalities as well as local citizens with the aim of enhancing the "local development" role of local government.
- Built on PAMD, the **European Union launched its Poverty Alleviation Project through Local Development (PALD). PALD** focuses on 18 municipalities and has worked to push forward the country's decentralization plan. Its objective has been to involve local communities in the development process.
- The **USAID, Jordan Tourism Development Project, Siyaha.** A three-year, $17 million project working with the GOJ, local communities, NGOs and tourism-related institutions to develop a dynamic, competitive tourism industry. Siyaha is supporting the implementation of Jordan's National Tourism Strategy 2004 - 2010. The strategy, developed by a public-private sector partnership, aims to double the tourism industry through intensified marketing and promotion, an

integrated approach to human resource and product development, and institutional and regulatory reform.

3 SABEQ LED ACCOMPLISHMENTS AND KEY FINDINGS

SABEQ has been working in two Governorates, Irbid and Karak, to lay the groundwork for breakthrough economic achievement and has worked to build on lessons learned from LED initiatives in Jordan as well as those internationally.

Irbid and Karak were selected during the early stages of the project as focal points for delivering SABEQ's support in the northern and southern parts of Jordan. Their neighboring governorates, although separated by political boundaries, are intertwined both demographically and economically to them. This is clearly manifested in the economic dynamics of Irbid and Karak and as such, SABEQ's programs are being designed to benefit each of the Governorate's regional economies and are not being strictly limited by either their municipal or governorate boundaries.

Through its work in Irbid and Karak, SABEQ will develop LED models that will suit the needs of both a larger and more developed regional economy such as Irbid's, as well as a smaller and less developed regional economy like that of Karak's. The models and programs implemented in the regions will promote innovations that can be replicated and adopted on a wider geographic scale by other Governorates in the Northern and Southern regions of Jordan.

SABEQ started its regional work in January 2007, and has completed the following:

3.1 ENGAGED LOCAL STAKEHOLDERS IN LED DIALOGUE

In January and February, 2007, SABEQ conducted hundreds of interviews in Irbid and Karak leveraging a robust leadership survey tool to identify leaders across the Governorate in the public, private, NGO and Community Based Organization (CBO) sectors. This "leadership mapping" exercise resulted in the identification of both technical specialists as well as potential LED champions within the Governorate.

The goal of the exercise was to pave the way for SABEQ's program in the Governorates by developing linkages with government leadership, generating interest and momentum in LED activities, and identifying opinion and implementation leaders with whom SABEQ could work effectively.

The impact and achievements of the networking exercise were significant:

- SABEQ met with and identified a broad base of key stakeholders, opinion makers and implementation leaders who have the personal interest and qualities to provide active leadership as project champions, change agents or process advisors.
- The exercise opened a collaborative dialogue between SABEQ and the Governorates' public and private sectors and provided insight on the ultimate inputs for the Governorates regional strategies, sectoral focus and resulting initiatives.
- The approach established confidence within the communities that SABEQ's priority was to gather local input about the needs and goals of the regions, and through collective action develop objectives and strategies - and not to impose plans.
- The exercise provided additional insight and guidance to SABEQ on shaping the implementation of the LED process and identified areas of conceptual weakness and potential constraints.
- Additionally, the consultations highlighted the requisite need for visionary leadership in the Governorates and the importance of growing leadership capacity in the regions.

3.2 COMPLETED ECONOMIC BASELINE REPORTS

SABEQ also worked with technical specialists and local partners to complete thorough socioeconomic reviews of each region. The team identified the region's core economic activities, and demographics including its mix of businesses and institutions, natural and workforce resources and political subdivisions. Against this qualitative data, the SABEQ team collected baseline performance data and

assessed the overall strengths, weaknesses and opportunities for the region's economic improvement.

3.3 INITIATED STRATEGIC PLANNING PROCESS

In April, SABEQ held separate strategic planning workshops for Irbid and Karak with the key business and municipal leaders from each region identified through the networking exercises. The objective of these workshops was to gather the key stakeholders, review findings from SABEQ's economic assessments, and through a cooperative process generate a vision statement and development strategies, with specific goals for each Governorate that are achievable within five years.

3.4 THEMATIC PRIORITIES OUTLINED FOR THE GOVERNORATES

The strategic themes that follow were an output of the workshops and were designed to provide a broad framework within which local actors can establish their priorities through participatory diagnosis and project planning. The thematic strategies provide an adaptable, yet rigorous framework for work in priority sectors and on factors that influence them.

The themes outlined for the economic regions focus programming and resources on select sectors unique and competitive to the region and will help to attain decentralization and public participation objectives of Jordan's National Agenda. Supporting action plans seek to build the region's priority sectors as well as strengthen the business climate, enhance the capacity of government and private partner participants and develop the skills of the local workforce. The approach and resulting strategic plans complement current SABEQ work in its Productivity Enhancement Action Plans (PEAPs), and its cross-cutting components in gender equity, workforce development, and institutional and business association transformation.

Proposed Thematic Areas

- Strengthen the efficiency and competitiveness of the region's priority sectors - agriculture, tourism and value-added service industries
- Improve workforce skills and transform attitudes to increase productivity and the quality of output
- Enhance the business climate, remove government constraints on business and improve access to finance for small and medium sized businesses
- Build an effective public-private partnership to manage local development programming and build capacity of the government agencies and private partners to create a framework for sustainable development

The themes and strategic plans outlined for the regions were designed to cover the full spectrum that influences and is influenced by a priority sector. A general strategic approach is to support the strengthening and improved functioning of supporting business and market institutions rather than individual enterprises themselves, thereby creating a level playing field for all to leverage the opportunities that improvements provide.

4 A PROPOSAL TO ADVANCE SABEQ'S LED EFFORTS

SABEQ has made substantial progress in engaging local stakeholders in a participatory process of defining regional needs and opportunities for local development. Through these efforts, leading stakeholders in Irbid and Karak developed, through a collaborative process, the thematic priorities outlined above as well as strategic plans and action items for moving forward. A recurrent theme in these strategies is the presence of *Partnerships* and the regions clearly voiced their desire to build an institutional framework and the capacity that empowers stakeholders within the Governorate to diagnose, plan, implement and monitor programs promoting local development in their regions.

For sustainability, it is clear that building capacity, leadership skills and a comprehensive framework for Governorate action are critical to success. The following describes the framework for SABEQ's proposed structure for LED in the northern region:

4.1 AN INSTITUTIONAL FRAMEWORK TO STRENGTHEN LED PLANNING AND IMPLEMENTATION EFFORTS

The leaders in Irbid and Karak recommend that future planning and implementation of LED initiatives be guided by public and private leaders in the Governorate through a local entity, a Local Economic Development Task Force (LED-TF).

The LED-TF could simplify the economic development process in the Governorate and offer significant advantages that:

- Foster collaboration and broad public-private participation in the development and maintenance of a shared vision and strategy for local development in the region
- Provide a robust framework and capacity within the Governorate to ensure continuity in planning and success in project implementation regardless of political, economic or social challenges
- Gather champions to articulate a strong economic vision for the Governorate and positively influence personal achievement in the region
- Coordinate and integrate development activities of LED actors in the region to assure that projects align to the needs and strategies of the Governorate

4.2 THE MISSION AND RESPONSIBILITIES OF THE LED-TF AND THE SUPPORTING FRAMEWORK

The LED-TF will bring together key stakeholders in a public-private partnership to promote dialog and cooperation with the purpose of developing and maintaining a shared vision for the region and a strategy and tactics to achieve it. Key responsibilities of the LED-TF would include:

- Developing a shared regional vision and dynamic strategic approach to each Governorate's economic development based on its needs and competitive advantages
- Inspiring citizens and institutions in the region to participate in and promote economic development
- Identifying barriers to success and recommending strategies to address them
- Monitoring and evaluating program performance and adjusting tactics to improve results
- Defining funding objectives and raising funds to support initiatives
- Serving as a change agent and providing vision and leadership to the private sector as they put in place strategies to improve and develop their services, products and people

- Lobbying and advocating based on region's critical economic needs for education, infrastructure and economic development
- Establishing an investment promotion network with the Jordan Investment Board (JIB), industrial estates, chambers, NGOs, CBOs and other relevant entities to foster strategic projects and develop a continually improving investment environment in the region

4.3 AN ORGANIZATIONAL FRAMEWORK FOR THE LED TASK FORCE

Based on the Governorate context and international lessons in the areas of public-private partnerships and economic development, we recommend creating a robust institutional framework for effective local development and initiative funding. The following section illustrates an organizational structure for LED activities in the Governorates.

4.3.1 The LED Task Force Board of Directors

The Board will provide strategic direction and oversight and will ensure active participation, support and commitment of the public and private sector stakeholders.

The LED-TF **Board of Directors**	**Roles and Responsibilities**
The Board will be comprised of Directors from the Governorates' Consultative Councils, Directors chosen by the LED-TF Work Groups and will include a non-voting member representing the LED-TF Management Office. Directorships from the Consultative Council could be held by the Governor, a Mayor, and the Chamber of Commerce and, for Irbid, the Chamber of Industry.	• Direct and oversee operations of the Technical Work Groups and its Management Office and foster a culture of sustainable development by nurturing broad participation in the Technical Work Groups and collaboration of its members • For each strategic direction, develop a plan and performance objectives • Review and approve proposals and business plans for each initiative • Monitor and evaluate initiative implementation and performance • Assist in raising funds and identifying resources for programs • Review financial policies and statements to ensure sustainability • Represent the Technical Work Groups in public affairs and functions • Establish human resource policies and compensation plans for the Secretariat and Management Office

4.3.2 Technical Work Groups

We recommend convening work groups made up of technical specialists and key leaders from the priority sectors and value-added service industries to support project definition and program management tasks. The technical work groups will assist the LED-TF Board and Management Office as needed in defining the approach, methods, performance targets and monitoring processes for the LED programs.

LED partners with business and technical expertise	**Roles and Responsibilities**
Leaders and technical specialists from the public and private sectors of the economic region.	• A working committee for brainstorming, idea generation and detail design of projects supporting the strategic objectives of the LED • Provide support in defining the project methods, tactics and performance measures to ensure successful implementation and sustainability

4.3.3 Secretariat and Management Office

We recommend appointing a Secretariat and Management Office to provide project oversight and to assure that programs align to the overall strategy of the LED-TFand are completed in a coordinated way. This office will be in charge of LED-TF operations and will exercise strategic judgment in directing and oversight of the program initiatives. The fundamental responsibility of this office will be to provide management leadership to ensure that initiatives supporting the strategic themes are carried out effectively and serve the needs of the stakeholders. This small team will carry out frequent monitoring and documentation of work done taking into consideration what has been done in terms of process, output and outcomes achieved, so that these can help in shaping future programs and activities.

The Secretariat and Management Office

This office will be in charge of LED-TF operations and will exercise strategic judgment in directing and oversight of the LED-TF program initiatives.

Roles and Responsibilities

- Manage day-to-day administration and operations
- Research and generate proposals supporting strategic priorities
- Prepare business plans and detailed action plans for each priority
- Administer LED-TF resources
- Establish and implement monitoring and evaluation plans to track key performance indicators
- Ensure compliance to regulatory environment
- Report regularly to the Board on the status of projects
- Assist in securing donor funding and resources to support initiatives

4.3.4 Project Implementation

One of the objectives of the organizational design of the LED Task Force and its management office is to create an environment where the Consultative Councils and technical work groups define the strategies and action plans for their regions but are not engaged in the technical implementation of programs. This structure promotes transparency in terms of avoiding conflict and politicized decision-making and is designed to ensure that the delivery of services and the selection of partners engaged in program implementation is based on merit.

The proposed structure calls for an inclusive partnership and will combine the insight, expertise and experience of key stakeholders from both the public and private sectors. The LED-TF should become a recognized and credible body in the area of economic development for the region. It must be perceived as a non-political group. The LED-TF organizational framework will tie to existing Governorates' Consultative Councils; currently with Irbid and Karak and in the future both can be focal points to outreach governorates in the north and south accordingly. The LED-TF will engage other key public-private leaders in its work with the intention of being representative of the broad spectrum of economic development stakeholders and specialists from the Governorates' economic region.

The Governorates' Consultative Councils

Chaired by the Governor, these councils are broad-based with key stakeholders, representing business, government, public and private institutions and local development organizations in the Governorate.

Anticipated Roles and Responsibilities

- Provide a forum for broad stakeholder participation and discussion of regional economic issues
- Develop a shared vision and strategic approach for implementation
- Prioritize strategic objectives based on the need and opportunity for greatest impact and fulfillment of objectives
- Engage in outreach activities to educate citizens about the critical issues facing the region and the principles of LED
- Review and approve annual business plan and financial statements
- Conduct image building and regional branding to promote the region's products and services.
- Lobby and advocate on behalf of the governorate.
- Raise funds to support project implementation.

The Governorate Consultative Councils, the LED-TF Board of Directors, technical work groups and Management Office will provide the framework for strategic planning, project design, monitoring and evaluation. Project implementation will be managed separately and distinctly and will be designed to support specific objectives, will have a limited life and will be supported and completed by a broad range of LED specialists with strong levels of expertise in the sectors and with technical knowledge needed for success.

This approach gives SABEQ the opportunity to impact the coordination of programming, engage experts in the delivery of services, integrate the current work on PEAPs and design and implement activities with flexibility and in ways that can maximize impact for citizens.

Interventions will be designed to cover the full cluster that influences and is influenced by a particular sector, i.e. industry focus coupled with complementary activities in the areas of workforce development, business environment enhancement and public-private partnership effectiveness.

External Advisors

And Service Providers

Public and private actors, representing NGOs and CBOs; Consultancies in Marketing, Training, Environment, Agriculture and Tourism;

Professional Organizations (Chambers, Business Associations)

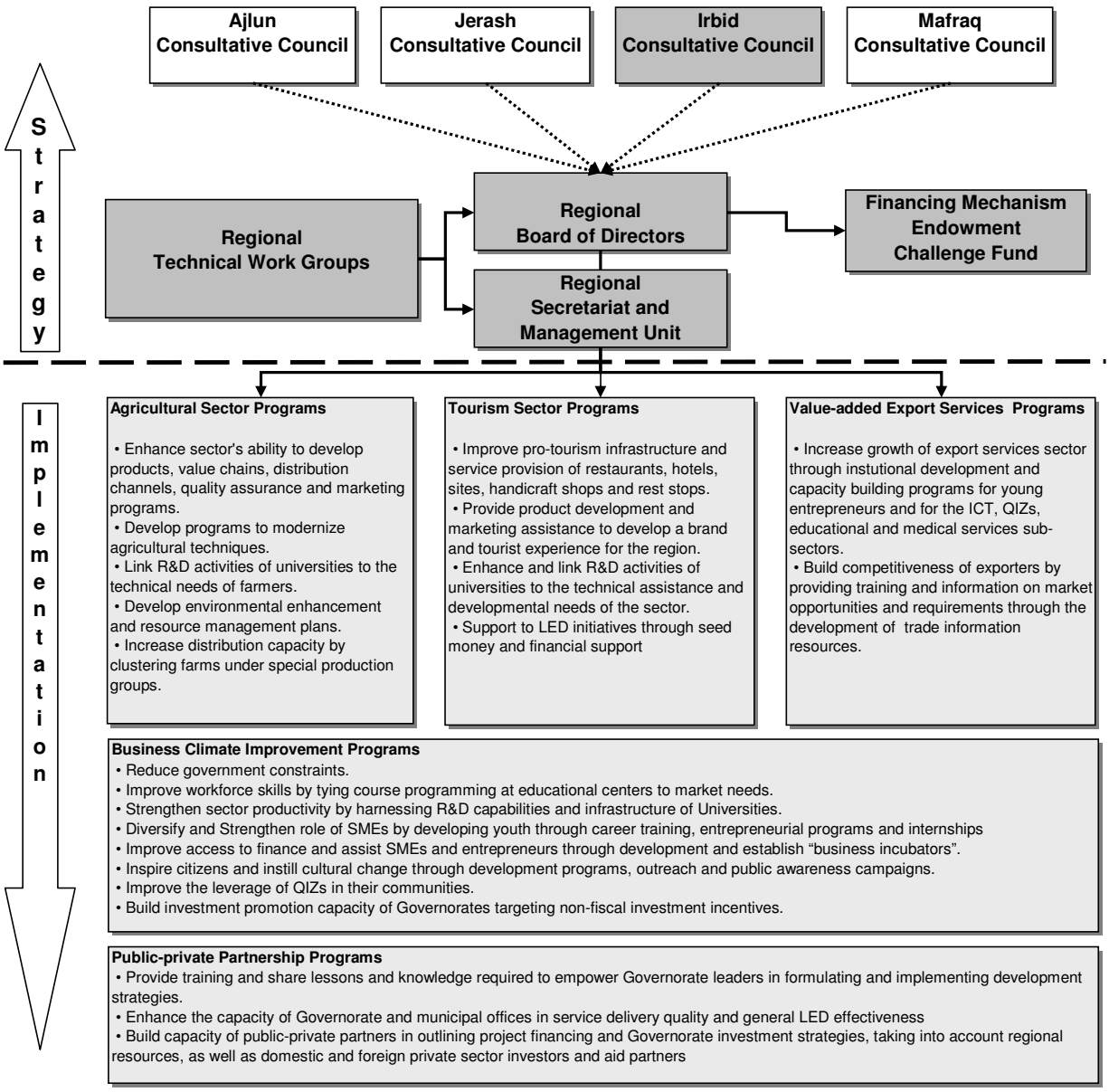
Program Characteristics and Themes

- Initiatives will be designed to address specific strategic objectives, will be individually funded and will have limited life.
- Sector initiatives will support agriculture, tourism and value-added service industries
- Cross-cutting themes will address business climate improvement and will work to strengthen infrastructure, workforce capacity, environmental protection, institutional capacity building and process improvement, marketing and communications capabilities

APPENDIX 1

PROPOSED ORGANIZATIONAL FRAMEWORK FOR THE LED TASK FORCE

ILLUSTRATIVE MODEL FOR WORK IN IRBID AND FOR REPLICATION IN THE NORTHERN REGION



5 CRITICAL SUCCESS FACTORS

5.1 INCLUSIVE AND EFFECTIVE PUBLIC-PRIVATE PARTNERSHIP

An important value that the LED-TF offers to all who participate is the opportunity to create a shared vision and act upon common goals and objectives regarding their Governorate and its economic region.

It is critical that the LED-TF connect to the Governorate Consultative Councils and through its work groups embody a broad mix of public, private, Governorate and municipal leaders that represent the economic community of the Governorate and can ensure continuity and success regardless of political, economic and social challenge.

Success depends on the dedication of participants and effective balancing of the varying levels of power of the various partners. A commitment to consensus building and desire to participate in the Council and Advisory Committee should be reflected in partners' willingness to contribute both human and financial resources.

Specifically, strong links to the Executive and Consultative Councils will help ensure coordination with governmental bodies involved in the approval process. Private sector partners can bring a business perspective to the equation and provide valuable regional insight to the needs and requirements of the business community.

As many initiatives are likely to be focused on educating and mobilizing the public, municipal leaders and youth will also be critical contributors and will need to commit to the process. Success will be compromised if these groups choose not to participate, or participate on an infrequent basis.

Charities and cooperatives should also be engaged as they know best the local situation and have already good outreach and credibility in the Governorates.

5.2 CAPACITY, COMMITMENT, EMPOWERMENT OF LOCAL PARTICIPANTS

The LED-TF, Consultative Councils and leaders throughout the Ministry Departments at the Governorate level must be empowered and committed to driving the process and becoming effective bodies in defining and driving LED activities in the region.

The Consultative Councils, Governorate and municipal government offices are all critical resources—without the support of local officials and action by government staff, progress will be difficult. The Governorate and its municipalities must be willing and committed to building capacity within their organizations so that the management of local development initiatives can be mainstreamed into daily government operations.

The provision of training and targeted technical assistance to strengthen the capacity of the Consultative Councils and Governorate institutions and their people is necessary to ensure sustainability and empower the governments to take full charge of development planning, implementation and management functions.

5.3 INSULATION OF PROJECT IMPLEMENTATION

The organizational structure proposed insulates program implementation from the strategic planning process and protects programming from Governorate and community pressure. The structure should help ensure that no monopoly by a Governorate actor impacts either the method or specialists engaged in program implementation.

5.4 FUNDING

Program funding will be allocated within a robust planning and budgeting process approved by the Consultative Council.

SABEQ will provide technical assistance to the LED-TF Management Unit to develop systems for funding, accountability, financial management and auditing of LED programming.

Upon approval to proceed, SABEQ can provide several detailed funding alternatives. We feel that it makes sense for public and private donors to contribute to the financing of the Management Office and LED-TF implementation projects.

For example, LED-TF members could raise funds for an endowment or trust fund for program support and management level activities. These funds could come from individual domestic investors, foreign investors or public or private entities and could be matched by the GOJ, Ministries or leading international donors.

Funds could also be raised by the Consultative Council and earmarked for select LED-TF projects and would be held in trust by the LED-TF Management Office.

5.5 PERFORMANCE-BASED INITIATIVES

Through its economic baseline assessments in the Governorates, SABEQ has developed a set of benchmarks that the LED-TF can use to measure the success of its programs. The Management Office will work with the Board of Directors and Advisory Committee work groups to establish performance measures and targets for each initiative and a monitoring and evaluation plan will be designed to evaluate program effectiveness quantitatively. Programs will also be evaluated by qualitative measures and surveys will be used on an ongoing basis with businesses across the priority sectors to assess program effectiveness in strengthening workforce skills, linking educational programming to priority sector needs, and improving the overall business climate.

The management unit will frequently monitor and document processes, results and lessons learned.

5.6 COORDINATION OF ACTORS

A myriad of programs on local development operate at the national and Governorate levels in Jordan. More than 1,000 organizations are registered as NGOs in Jordan. Many work through community centers at the local level and many are headquartered in Amman[5]. Programs encompass a wide range of activities and include education, job creation, microfinance, empowerment and advocacy, and women's rights programs. In Irbid and Karak several projects have recently surfaced such as the Social Security Department-funded Irbid Development Corporation and the Karak Construction Corporation.

While the number of actors shows a commitment to local development, the efforts of the organizations active in the Governorates can be characterized as fragmented and uncoordinated.

Greater levels of communication and coordination are needed to link initiatives and improve success and the LEC would be uniquely positioned to coordinate activities in their communities and provide oversight to avoid duplication. The LEC can also ensure that initiatives are integrated and structured to support the Governorates overall strategy.

[5] Local Development Challenges in Jordan, December 2005, by Chemonics International, Inc. for the Office of Economic Opportunities, USAID.

6 SABEQ'S ROLE

SABEQ's Local Economic Development Team has been working at the regional level since the start of its program and the communities are actively engaged, committed and appear to have high expectations of SABEQ. Most recently, SABEQ has been working with the key public-private stakeholders in Irbid and Karak to translate their strategic themes into actionable work plans.

SABEQ has worked to define illustrative tactics to address the Governorates strategic themes and while it would be best to develop these elements in a participatory approach with local representatives – to ensure buy-in and ownership – sizable effort is still required to build the capacity of involved representatives from the two regions. Additionally, work with local representatives so far shows that there is a stronger appetite for immediate implementation of actions than for well articulated strategies, plans and measures.

6.1 SABEQ'S ACTIVITIES WILL THEREFORE FALL INTO TWO PARALLEL TRACKS AND WILL BE SHARED AND AGREED UPON WITH LED REPRESENTATIVES:

1) Take swift action on select projects agreed upon by stakeholders during and after the LED workshops

2) Refine LED strategies and action plans for medium term projects for the regions

6.2 ADDITIONAL NEXT STEPS FOR SABEQ INCLUDE:

- Integrate sector PEAPS and other planned activities into comprehensive LED plans for Governorates
- Obtain USAID approvals on the Thematic Implementation Plan to begin work on LED initiatives
- Host round-two workshops in Irbid and Karak with key stakeholders to review and adopt their respective LED Strategies and discuss and approve SABEQ's Thematic Implementation Plans for the Governorates
- Formulate short and long-term financing alternatives for the LEC and its programming
- Engage SABEQ's Regional Offices to assume an initial coordination role following an intensive training & orientation program on LED implementation methodologies and SABEQ's activities
- Engage LEC Advisory Committees to build detailed project plans, performance measures and timelines for initiative implementation
- Form LED Management & Monitoring Teams for Karak and Irbid to work in partnership with LEC Boards of Directors
- Develop a monitoring and evaluation plan with tools to gather feedback from businesses about the effectiveness of programs
- Identify partner firms to implement specific activities and develop terms of reference where required
- And as the initiatives are intended to provide a platform to develop and test innovative approaches, SABEQ will document the methods, experiences and lessons learned so they can be adapted and replicated throughout Jordan.

Sustainable Achievement of Business Expansion and Quality
Salem Center, Sequleyah Street
Al Rabieh, Amman
Phone: +962 6 550 3050
Fax: +962 6 550 3069
Web address: **http://www.sabeq-jordan.org**