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# DESIGN OF AN IRBID PUBLIC PRIVATE FORUM ON REGULATORY SIMPLIFICATION

## FINAL REPORT

May 4, 2009

This publication was produced for review by the United States Agency for International Development. It was prepared by Melvin Spence, BearingPoint Inc

# **DESIGN OF AN IRBID PUBLIC PRIVATE FORUM ON REGULATORY SIMPLIFICATION**

## **FINAL REPORT**

USAID JORDAN ECONOMIC DEVELOPMENT PROGRAM

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BEARINGPOINT, INC.

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USAID/ OFFICE OF ECONOMIC GROWTH (EG)

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### **DISCLAIMER:**

*The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.*

## CONTENTS

<b>1. EXECUTIVE SUMMARY .....</b>	<b>1</b>
<b>2. INTRODUCTION .....</b>	<b>4</b>
2.1 objective of the Irbid public private forum on regulatory simplification .....	4
<b>3. INTERNATIONAL BEST PRACTICE IN PUBLIC PRIVATE DIALOGUE ON REGULATORY REFORM .....</b>	<b>5</b>
<b>4. MISSION, ORGANIZATIONAL STRUCTURE AND MANDATE OF THE IPPFRS .....</b>	<b>5</b>
<b>5. OPERATIONAL PROCESS OF THE IPPFRS .....</b>	<b>7</b>
<b>6. INITIAL REFORM AGENDA FOR THE IPPFRS .....</b>	<b>9</b>
<b>7. PHASED IMPLEMENTATION STRATEGY .....</b>	<b>11</b>
Phase 1: Develop Institutional Framework.....	11
Step 1: Assess status of the ICC Training Center's Steering Committee and organize brainstorming session. ....	11
Step 2: Finalize and approve mandate and operational process for IPPFRS. ....	11
Step 3: Finalize list of IPPFRS board members and send letter of invitation. ....	12
Step 4: Identify IPPFRS Coordinating Secretariat members to be assigned to the EBE Division.....	12
Step 5: Formalize an IPPFRS Statement of Principles on public private consultation (based on international good practice) to be signed by all IPPFRS Board Members in a Memorandum of Understanding (MoU). ....	12
Step 6: Organize IPPFRS launch event.....	12
Step 7: IPPFRS convenes first official meeting .....	12
Step 8: Begin training program on regulatory reform for IPPFRS board members. ....	12
Phase 2: launch “fast track” reform program.....	12
Phase 3: adopt and monitor a medium- to long-term systemic.....	13
reform program .....	13
<b>8. CONCLUSION.....</b>	<b>13</b>
<b>9. APPENDICES.....</b>	<b>15</b>
APPENDIX I – illustrative letter of invitation from icc chairman to prospective ipprfs board members .....	16
APPENDIX ii – illustrative STATEMENT OF PRINCIPLES FOR public private consultation.....	18

## 1. EXECUTIVE SUMMARY

USAID/Jordan has engaged BearingPoint to implement the Jordan Economic Development Program (SABEQ). The objective of the program is to work with both the Jordanian public and private sectors to increase job levels and to enhance the competitiveness of Jordanian firms. The program is organized into the following five components:

- **Financial Integrity, Oversight and Broadened Capital Markets**
- **Expanded Trade and Investment**
- **Enhanced Business Environment**
- **Enhanced Productivity** (Improved People/Improved Products)
- **Cross-cutting** (labor/workforce, ICT, gender, outreach/communications)

This assignment falls under SABEQ's *Enhanced Business Environment* component. The objective is to design and launch a public private forum on regulatory reform – the Irbid Public Private Forum on Regulatory Simplification (IPFRS) -- that will provide a formal, transparent and structured public-private consultative mechanism to address the principal administrative, procedural and regulatory impediments to doing business in Irbid. The forum will monitor Irbid's business regulatory environment to ensure that current and proposed regulations achieve important public policy objectives such as compliance with public health, safety and environmental standards while minimizing burdensome regulatory requirements for the business community.

### INTERNATIONAL BEST PRACTICE

Several studies on international best practice in public-private dialogue have consistently identified certain elements as essential to success.<sup>1</sup> These include the following:<sup>i</sup>

- Structured framework for consultation
- Focus on specific reform priorities
- Regularly scheduled meetings to generate practical, actionable outcomes
- Presence of influential and credible advocates from both the public and private sectors, but weighted toward private sector individuals and institutions
- Transparency (communication and outreach) is critical for the public to understand how reform proposals are developed and their impact on the business environment

One of the potential challenges in developing a public-private consultative mechanism in Irbid is ensuring that it reflects the views of the full spectrum of the business community, from the micro entrepreneur to the large industrial enterprise. Traditionally, the interests of well-connected medium to larger-sized companies have dominated those of micro- to small enterprises. While this situation is certainly not unique to Irbid, it is especially significant in light of the fact that approximately 95% of Irbid-based businesses are micro-enterprises that are not well-organized. Although administrative, regulatory and legal bottlenecks affect all

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<sup>1</sup> Spence, Melvin. *Assessment of the Administrative Framework for Competitiveness in the Turkish Cypriot Community: An Implementation Strategy for a Public Private Consultative Forum (Draft)*. USAID/Cyprus EDGE Project. June 2008, p. 16.

businesses regardless of size, micro- to small enterprises are generally more adversely impacted than larger firms. Accordingly, it will be important to ensure that the micro- to small enterprise reform agenda assumes a central role in the dialogue.

## **MISSION AND PROPOSED MANDATE OF THE IPPFRS**

### *Mission*

The mission of the IPPFRS is to facilitate the creation of a business regulatory environment in the Irbid Governorate that generates economic growth through regulations and administrative procedures that are perceived as necessary, fair and effective.

### *Proposed Mandate of the IPPFRS*

- Review laws, regulations and administrative procedures, at the municipal, governorate and national levels to identify “red tape” barriers to business growth and job creation, particularly for small and medium sized enterprises.
- Recommend opportunities to eliminate, reduce or streamline regulations immediately and over the near- and long-term to improve the growth and productivity of Irbid’s economy.
- Coordinate with the Training Unit’s Enhancing the Business Environment (EBE) Division and the Irbid Business Facilitation Center (IBFC) to vet reform proposals.
- Develop a red tape monitoring and evaluation system to be used in the medium to long term.
- Ensure that recommendations maintain a level playing field for businesses operating in the Irbid Municipality and do not compromise social norms and important public policy objectives such as public health and safety, the environment and consumer protection.
- Provide an annual progress report to the Governor of Irbid.

## **REFORM AGENDA FOR THE IPPFRS**

### *Stage 1: “Low-hanging fruit” or administrative and procedural reform*

Stage 1 will include those administrative and procedural reforms that fall within the direct legal authority of the Municipality of Irbid and other government bodies to amend immediately (i.e. with the stroke of a pen) without a complex legal and regulatory reform process. These reforms represent early opportunities for success that will build political will; establish the credibility of the IPPFRS; and build momentum to tackle increasingly complex reforms.

### *Stage 2: “Systemic” or medium to long-term legal and regulatory reform*

Stage 2 reforms are more complex regulatory reforms that cannot be addressed immediately or in the near term. They require a legal or regulatory reform process that might entail parliamentary or ministerial-level approval.

## IMPLEMENTATION SCHEDULE FOR THE IPPFRS

Task	Proposed Timeframe	Counterparts
<b>Phase 1: Develop Institutional Framework</b>		
<b>Step 1:</b> Assess status of the ICC Training Center's Steering Committee and organize brainstorming session	April 23 – May 7, 2009	Irbid Chamber of Commerce
<b>Step 2:</b> Finalize and approve mandate and operational process for IPPFRS	May 7-14, 2009	Irbid Chamber of Commerce
<b>Step 3:</b> Finalize list of proposed IPPFRS board members and send letter of invitation	May 14-21, 2009	Irbid Chamber of commerce
<b>Step 4:</b> Identify IPPFRS Coordinating Secretariat staff members to be assigned to the EBE Division	May 21-28, 2009	Irbid Chamber of Commerce
<b>Step 5:</b> Formalize IPPFRS Statement of Principles on Public Private Consultation via a Memorandum of Understanding (MoU)	May 28 – June 1, 2009	-Irbid Chamber of Commerce -Ministry of Trade and Industry -Central Registry -Municipality of Irbid -Civil Defense
<b>Step 6:</b> Organize IPPFRS Launch Event	June 8, 2009	Irbid Chamber of Commerce
<b>Step 7:</b> Convene first official IPPFRS meeting	June 9, 2009	-Irbid Chamber of Commerce -Ministry of Trade and Industry -Central Registry -Municipality of Irbid -Civil Defense
<b>Step 8:</b> Begin training program on regulatory reform for IPPFRS board members	June 10, 2009	Irbid Chamber of Commerce -Ministry of Trade and Industry -Central Registry -Municipality of Irbid -Civil Defense
<b>Phase 2: Launch "Fast Track" Reform Program</b>		
	June 9 -30, 2009	TBD
<b>Phase 3: Adopt and Monitor a Medium- to Long-term Systemic Reform Program</b>		
	July 1 – September 30, 2009	TBD

## 2. INTRODUCTION

The Enhanced Business Environment Component of the USAID/Jordan Economic Development Program (EDP-SABEQ) intends to support the creation of an Irbid Public Private Forum on Regulatory Simplification (IPPFRS). This initiative builds on the SABEQ program's ongoing work with public and private sector leaders in Irbid to create a structured dialogue on local economic development issues and priorities. Two recent achievements attest to the progress that has been made to date. First, the SABEQ project has awarded a \$100,000 grant to the Irbid Chamber of Commerce (ICC) for the creation of a Training Unit. This Training Unit's mandate includes: 1) improvement of the investment environment through responsive and effective advocacy including promoting the interests of the business community; 2) support for the formation of mutually beneficial linkages among the private, public and academic sectors through encouraging dialogue, twinning programs, idea exchanges and resource sharing. SABEQ recently facilitated the signing of a Memorandum of Understanding between the ICC and the Irbid Municipality to collaborate in the launch of the virtual Irbid Business Facilitation Center (IBFC). The IBFC will be fully integrated into the ICC's Training Unit and interact closely with its "Enhancing the Business Environment Division."

### 2.1 OBJECTIVE OF THE IRBID PUBLIC PRIVATE FORUM ON REGULATORY SIMPLIFICATION

The IPPFRS will build on the success achieved to date in advancing local public private dialogue on economic development issues by creating a structured, systematic approach for reducing or eliminating the core administrative, regulatory and legal impediments to doing business in Irbid as identified by the local private sector. Two SABEQ papers in 2008 identified several recurrent issues in Irbid's business environment:<sup>2</sup>

- Inconsistent and inadequate information for entrepreneurs about required approvals and compliance requirements for establishing and operating their businesses;
- Weak inter-agency communication and coordination;
- Lack of empowerment of Governorate-level offices to issue approvals that must be finalized in Amman;
- The Irbid Municipality's licensing requirements and procedures are major bottlenecks in the business start up process;
- The Civil Defense authority's compliance requirements are imposed in an inconsistent and arbitrary manner;

These are the types of issues that are likely to be top priorities for the IPPFRS. Membership should be balanced between the public and private sectors. Although the private sector will assume a lead role in identifying business environment issues, the public sector plays a key role in fixing these problems. Accordingly, the forum cannot be perceived to be heavily biased toward a particular perspective; otherwise, it runs the risk of losing credibility. This will most certainly lead to failure. The IPPFRS should encourage a constructive *dialogue* among public and private sector partners.

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<sup>2</sup> Spence, Melvin. *Implementation Strategy for a Business Facilitation in Irbid*, USAID/Jordan SABEQ. August 14, 2008 and Rahim, Fatima and Shereen Alabaddi, *Facilitate the Start Up of Businesses in Irbid: An Inventory of Business Services Provided to Business Owners in Irbid*. USAID/Jordan SABEQ. January 31, 2008.

### 3. INTERNATIONAL BEST PRACTICE IN PUBLIC PRIVATE DIALOGUE ON REGULATORY REFORM

Several studies on international best practice in public-private dialogue have consistently identified certain elements as essential to success.<sup>3</sup> These include the following:<sup>ii</sup>

- Structured framework for consultation
- Focus on specific reform priorities
- Regularly scheduled meetings to generate practical, actionable outcomes
- Presence of influential and credible advocates from both the public and private sectors, but weighted toward private sector individuals and institutions
- Transparency (communication and outreach) is critical for the public to understand how reform proposals are developed and their impact on the business environment

One of the potential challenges in developing a public-private consultative mechanism in Irbid is ensuring that it reflects the views of the full spectrum of the business community, from the micro entrepreneur to the large industrial enterprise. Traditionally, the interests of well-connected medium to larger-sized companies have dominated those of micro- to small enterprises. While this situation is certainly not unique to Irbid, it is especially significant in light of the fact that approximately 95% of Irbid-based businesses are micro-enterprises that are not well-organized. Although administrative, regulatory and legal bottlenecks affect all businesses regardless of size, micro- to small enterprises are generally more adversely impacted than larger firms. Accordingly, it will be important to ensure that the micro- to small enterprise reform agenda assumes a central role in the dialogue.

### 4. MISSION, ORGANIZATIONAL STRUCTURE AND MANDATE OF THE IPPFRS4

#### **Mission**

The mission of the IPPFRS is to facilitate the creation of a business regulatory environment in the Irbid Governorate that generates economic growth through regulations and administrative procedures that are perceived as necessary, fair and effective.

#### **Proposed Mandate of the IPPFRS**

- Review laws, regulations and administrative procedures, at the municipal, governorate and national levels to identify “red tape” barriers to business growth and job creation, particularly for small and medium sized enterprises.
- Recommend opportunities to eliminate, reduce or streamline regulations immediately and over the near- and long-term to improve the growth and productivity of Irbid’s economy.

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<sup>3</sup> Spence, Melvin. *Assessment of the Administrative Framework for Competitiveness in the Turkish Cypriot Community: An Implementation Strategy for a Public Private Consultative Forum (Draft)*. USAID/Cyprus EDGE Project. June 2008, p. 16.

<sup>4</sup> The proposed mission and mandate for the IPPFRS are modeled along the lines of the Governorate of Alexandria’s public private forum that was developed under the USAID/Egypt Technical Assistance for Policy Reform (TAPR II) project.

- Coordinate with the Training Unit's Enhancing the Business Environment (EBE) Division and the Irbid Business Facilitation Center (IBFC) to vet reform proposals.
- Develop a red tape monitoring and evaluation system to be used in the medium to long term.
- Ensure that recommendations maintain a level playing field for businesses operating in the Irbid Municipality and do not compromise social norms and important public policy objectives such as public health and safety, the environment and consumer protection.
- Provide an annual progress report to the Governor of Irbid.

#### **Illustrative Tasks:**

- Meet on a regular basis to review procedural simplification and regulatory reform proposals provided by internal and external stakeholders. These will include proposals presented by board members; recommendations from Case Agents who work with IBFC clients on a daily basis; recommendations from the EBE Division of the Training Unit; suggestion boxes located at the IBFC; and emails and letters from the public. Proposals and recommendations will be vetted by the EBE Division before they are forwarded to the IPPFRS for action.
- Prepare monthly, quarterly and annual progress reports.

#### **Proposed IPPFRS Membership<sup>5</sup>**

##### Leadership

President and Chairman	Chairman, Irbid Chamber of Commerce
Vice Chairman	Mayor of Irbid or his designee
Secretary	Mr. Nadim Asad, Irbid businessperson

##### Proposed Board Members:

###### *Public Sector*

- Deputy Mayor, Municipality of Irbid
- Representative, Civil Defense
- Representative, Directorate of Trade and Industry, Ministry of Trade and Industry
- Representative, Central Registry

###### *Private Sector*

- Representative, Irbid Chamber of Commerce
- Representative, Irbid Chamber of Industry
- Representative, Irbid SME Association
- Small or medium-sized business owner

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<sup>5</sup>

### **Linkage between the IPPFRS Board and the Steering Committee of the ICC Training Unit**

The ICC's Training Unit will have a Steering Committee that supervises the unit's activities and manages public outreach and communications. The SABEQ Component 3 team met with the Chairman of the ICC to discuss the potential integration of the IPPFRS as a working group of the Steering Committee. Some of the Steering Member Committees could also serve as IPPFRS board members. The SABEQ team is planning to follow up with the Chairman to discuss a possible strategy. Integrating the IPPFRS board with the Steering Committee will prevent duplication of functions and facilitate coordination.

### **Role of the Coordinating Secretariat of the IPPFRS**

Most public-private consultative bodies include a coordinating secretariat that has day-to-day operational responsibilities including: preparing and distributing meeting agendas; preparing meeting minutes; and technical vetting of reform proposals provided by internal and external stakeholders. However, the role of coordinating secretariat for the IPPFRS will be assigned to the Training Unit's EBE division. The Secretary of the IPPFRS will run the coordinating secretariat. The EBE's responsibilities, described in the next section, are similar to those of a Coordinating Secretariat; moreover, given the importance of integrating the IPPFRS into the current ICC institutional infrastructure and avoiding the duplication of functions, the project team determined that the EBE division could assume this role. The team may recommend that the EBE division hire additional resources (an economist, a lawyer and an administrative assistant) who would work almost exclusively with the IPPFRS. The Training Center would hire these staff members using its own resources.

### **Role of the IPPFRS Secretary**

The IPPFRS Secretary will play a key role in the work of the IPPFRS. Key responsibilities include:

- Serve as the IPPFRS principal liaison with the EBE Division and the IBFC.
- Work with EBE division staff in preparing the agenda for IPPFRS meetings.
- Assist in the preparation of IPPFRS monthly, quarterly and annual reports.
- Prepare minutes of IPPFRS Board meetings.
- Serve as the main point of contact between the IPPFRS and the SABEQ Component 3 Team Leader.

## **5. OPERATIONAL PROCESS OF THE IPPFRS**

The IPPFRS will be one element of a three-pronged business facilitation and regulatory reform strategy for Irbid. This section describes how the process will work.

### ***Role of the Enhancing the Business Environment Division in the ICC Training Unit***

- Compile data on Irbid's business environment.
- Organize meetings with key decision makers.
- Disseminate information about new laws and regulations that impact the business community and provide independent analysis.
- Conduct periodic surveys of the Irbid business community.
- Follow up with government authorities on issues/requests pertaining to ICC and ICI members.

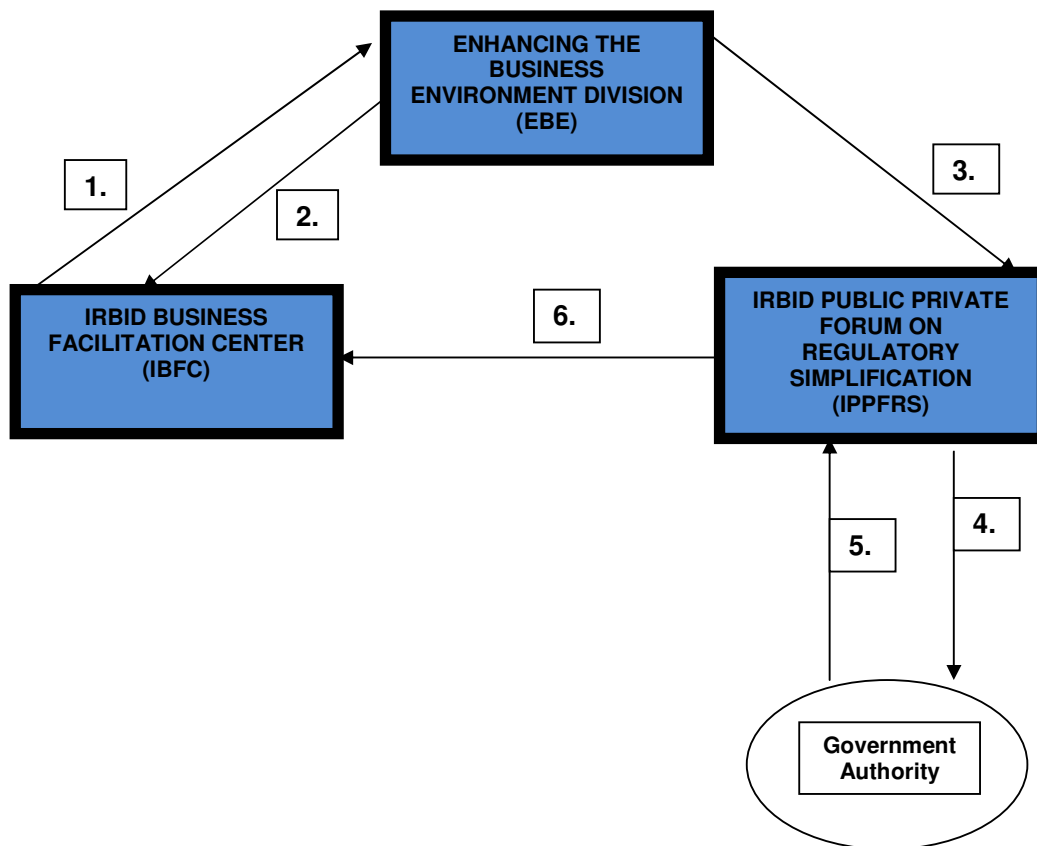
### ***Role of the Irbid Business Facilitation Center***

- To facilitate the issuance and renewal of licenses and permits by creating virtual linkages between the IBFC and the issuing agencies.
- Provide advisory services to IBFC clients on setting up and operating their businesses.
- Provide a transparent and reasonable fee structure for IBFC services.
- Provide a “customer-focused” approach to service delivery.

### ***Role of the Irbid Public Private Forum on Regulatory Simplification***

- Review laws, regulations and administrative procedures that impact Irbid-based businesses, both at the municipal and regional levels, to identify reform targets.
- Make recommendations to the Governorate, Municipality, and other relevant authorities on strategic opportunities to eliminate, reduce or streamline burdensome regulations immediately and over the near- and long-term.
- Develop a mechanism to monitor and evaluate progress in improving the business regulatory environment in Irbid.
- Deal with complaints from the Irbid business community.

### **IRBID CHAMBER OF COMMERCE TRAINING UNIT**



## Operational Process

1. Customer technical questions that cannot be addressed by IBFC case agents as well as customer reform recommendations are referred to the Enhancing the Business Environment Division.
2. Enhancing the Business Environment Division responds to IBFC customer technical inquiries.
3. Reform suggestions from IBFC customers along with proposals emerging from the private sector meetings and focus groups organized by the EBE Division are reviewed by the technical resources that will work directly with the IPPFRS. These are the previously mentioned economist and lawyer who will be based in the EBE division and support the work of the IPPFRS. Once the technical team reviews the proposals, a select number will be forwarded to the IPPFRS for action.<sup>6</sup> These technical resources constitute the *Coordinating Secretariat* of the IPPFRS which was described in Section 4.
4. IPPFRS members reach a consensus on reform proposals.. The IPPFRS Secretary submits them to the relevant government body for action.
5. Government body responds to IPPFRS within a specified timeframe (i.e. 2 weeks). Potential responses are: 1) accept reform proposal; 2) request a meeting with IPPFRS to review and/or amend specific elements of reform proposal; 3) reject reform proposal.
6. IPPFRS refers government authority's response to IBFC. IBFC will amend or retain relevant procedure based on the government authority's action.

## 6. INITIAL REFORM AGENDA FOR THE IPPFRS

There will be a two-stage regulatory reform program for the IPPFRS:

### ***Stage 1: “Low-hanging fruit” or administrative and procedural reform***

Stage 1 will include those administrative and procedural reforms that fall within the direct legal authority of the Municipality of Irbid and other government bodies to amend immediately (i.e. with the stroke of a pen) without a complex legal and regulatory reform process. These reforms represent early opportunities for success that will build political will; establish the credibility of the IPPFRS; and build momentum to tackle increasingly complex reforms.

### ***Stage 2: “Systemic” or medium to long-term legal and regulatory reform***

Stage 2 reforms are more complex regulatory reforms that cannot be addressed immediately or in the near term. They require a legal or regulatory reform process that might entail parliamentary or ministerial-level approval.

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<sup>6</sup> The technical review process is essentially a filtering mechanism. Not all proposals will be sent to the IPPFRS. They will have to meet key criteria including feasibility of implementation within a prescribed timeframe and conformance with international best practice standards.

## **Possible Stage 1 Package of Reforms for the IPPFRS**

### *Administrative and Procedural Reforms*

The IPPFRS will organize and collate ICC and ICI member surveys (and any other surveys on the business environment prepared within the past two years by business associations) and identify 10 administrative or procedural reforms that could be implemented immediately or in the short term (i.e. 1-2 months). In addition, the IPPFRS will review the report on the Municipality of Irbid's business processes that was prepared by SABEQ subcontractor Al Jidara. This report identifies potential targets for reform in Irbid's municipal licensing processes. All of the proposed reforms would meet the following criteria: 1) agreed by both the public and private sector to be unnecessary constraints to the business environment; 2) do not require complex or lengthy legal or regulatory reforms; 3) are generally non-controversial. These 10 reform proposals will constitute "low hanging fruit" and will comprise the first items on the agenda of the newly-formed IPPFRS.

### *Tools to Facilitate Implementation of Stage 1 Reform Program*

During the initial board meetings of the IPPFRS, the SABEQ project will engage local and international experts – some of whom are already working on the SABEQ project – to lead one to two-day training programs on various regulatory reform tools. Illustrative examples include:

- Introduction to Key Principles of Regulatory Reform
- Crafting a Sound Regulatory Policy: Moving from Red Tape to Smart Tape
- Conducting Regulatory Impact Assessments (RIAs)
- Risk Management

Box 1 describes two examples of successful public private consultation on regulatory reform. The Red Tape Reduction Commission of Nova Scotia, Canada and the Red Tape Reduction Taskforce of Queensland, Australia successfully streamlined and/or eliminated a number of burdensome business regulations. These sub-national regulatory reform initiatives are particularly noteworthy due to the fact that they directly and effectively resolved specific regulatory challenges in the local business environment without a lengthy and complex national-level reform process.

**Box 1. Public Private Consultation as a Tool to Reduce Business Regulatory Burdens at the Sub National Level**

**The Red Tape Reduction Commission of Nova Scotia, Canada.** The Province of Nova Scotia implemented a 4-year regulatory reform program that resulted in the review of 35 legislative acts and 112 regulations; the repeal of 5 acts; updating of 14 acts; repeal of 6 regulations; and simplification of 30 regulations.

The Nova Scotia Red Tape Reduction Commission also developed an innovative *Red Tape Reduction Checklist* that was used as a tool to review: 1) why a law or regulation is necessary in a particular case; 2) the suitability of a particular regulation; 3) alternatives to regulation; 4) assessment of the impact and benefits of regulation; 5) verification of stakeholder consultation.

**Red Tape Reduction in Queensland, Australia.** The Red Tape Reduction Taskforce of Queensland launched a 3-year program for streamlining the number of business licenses required by the state government. The initiative involved a review of licenses in conjunction with the issuing agencies and identification of licenses that: 1) can be abolished; 2) consolidated with other licenses; 3) will not require frequent renewals.

The work of the taskforce resulted in a reduction in the number of business licenses by 50% (from 520 to 270). 91 licenses were completely abolished.

**Sources:** *Red Tape Reduction Commission of Nova Scotia* ([www.gov.ns.ca/cutredtape](http://www.gov.ns.ca/cutredtape))

*Red Tape Reduction Taskforce of Queensland* ([www.sd.qld.gov.au/qldregulations](http://www.sd.qld.gov.au/qldregulations))

## **7. PHASED IMPLEMENTATION STRATEGY**

### **PHASE 1: DEVELOP INSTITUTIONAL FRAMEWORK**

**Step 1: Assess status of the ICC Training Center’s Steering Committee and organize brainstorming session.**

The SABEQ project team, in consultation with the Chairman of the ICC, needs to determine the precise role of the ICC Training Unit’s Steering Committee and whether the IPPFRS should be designated as a subcommittee of the Steering Committee. This effort is consistent with SABEQ’s desire to ensure that both the IPPFRS as well as the IBFC are integrated into the Training Unit’s organizational structure. The SABEQ team will also organize a brainstorming session with a select group of Irbid public and private sector representatives to discuss the IPPFRS concept and mandate.

**Step 2: Finalize and approve mandate and operational process for IPPFRS.**

After reviewing the proposed IPPFRS operational structure, the ICC Chairman will finalize the mandate and agree on an operational process for the IPPFRS.

**Step 3: Finalize list of IPPFRS board members and send letter of invitation.**

The ICC Chairman will discuss the list of proposed IPPFRS board members with the SABEQ project team as well as representatives from the Irbid Municipality and agree on a final list of individuals and entities that will be included on the IPPFRS Board of Directors. The ICC Chairman will subsequently send a formal letter of invitation, a sample of which is provided in Appendix 1.

**Step 4: Identify IPPFRS Coordinating Secretariat members to be assigned to the EBE Division.**

As previously discussed, the EBE Division will play a key role in the work of the IPPFRS by serving as a technical resource. It will also assume the role of a Coordinating Secretariat for the IPPFRS. Toward that end, the EBE Division should plan on hiring two to three individuals (an economist; a lawyer; and an administrative assistant) who will support the work of the IPPFRS on a full-time or, alternatively, on an intermittent basis.

**Step 5: Formalize an IPPFRS Statement of Principles on public private consultation (based on international good practice) to be signed by all IPPFRS Board Members in a Memorandum of Understanding (MoU).**

As a follow up to the MoU between the ICC and the Municipality of Irbid, the IPPFRS board members should agree on a formal statement of principles on public private consultation that outlines the scope of their responsibilities. An illustrative example of such a statement is provided in Appendix 2.

**Step 6: Organize IPPFRS launch event**

Once the public private consultative framework has been signed, the ICC Chairman should host an IPPFRS launch event to be held at the ICC headquarters. IPPFRS Board Members along with representatives of local and national government authorities including the Governorate of Irbid, the Ministry of Municipalities, Civil Defense, the Ministry of Trade and Industry and other relevant stakeholders should attend.

**Step 7: IPPFRS convenes first official meeting**

The IPPFRS will convene its first official meeting on the day following the launch event.

**Step 8: Begin training program on regulatory reform for IPPFRS board members.**

The SABEQ team will deploy regulatory reform specialists to organize two or three working sessions on regulatory reform, including an introduction to regulatory reform as well as other topics.

**PHASE 2: LAUNCH “FAST TRACK” REFORM PROGRAM**

The first item on the IPPFRS agenda will be: 1) agreement on the 10 administrative and procedural reforms that can be implemented immediately.

### **PHASE 3: ADOPT AND MONITOR A MEDIUM- TO LONG-TERM SYSTEMIC REFORM PROGRAM**

The IPPFRS will outline a medium- to long-term legal and regulatory reform program that will include targets, milestones and deadlines.

## **8. CONCLUSION**

### **Implementation Schedule for the IPPFRS**

The consultant proposes the following implementation schedule for the launch of the IPPFRS, subject to the approval of project counterparts.

<b>Task</b>	<b>Proposed Timeframe</b>	<b>Counterparts</b>
<b>Phase 1: Develop Institutional Framework</b>		
<b>Step 1:</b> Assess status of the ICC Training Center's Steering Committee and organize brainstorming session	April 23 – May 7, 2009	Irbid Chamber of Commerce
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<b>Phase 2: Launch “Fast Track” Reform Program</b>		
	June 9 -30, 2009	TBD
<b>Phase 3: Adopt and Monitor a Medium- to Long-term Systemic Reform Program</b>	July 1 – September 30, 2009	TBD

## **9. APPENDICES**

## **APPENDIX I – ILLUSTRATIVE LETTER OF INVITATION FROM ICC CHAIRMAN TO PROSPECTIVE IPPFRS BOARD MEMBERS**

Dear \_\_\_\_\_

On behalf of the Irbid Chamber of Commerce (ICC), it is with great pleasure that I extend a formal invitation to your organization to join the newly-formed Irbid Public Private Forum on Regulatory Simplification (IPPFRS). This Forum will be integrated into the newly-created ICC Training Unit and it will work in conjunction with the Irbid Business Facilitation Center (IBFC), an innovative business service delivery program that is being supported by the USAID SABEQ project.

The core objectives of the IPPFRS are as follows:

- Review laws, regulations and administrative procedures, at the municipal, governorate and national levels to identify “red tape” barriers to business growth and job creation, particularly for small and medium sized enterprises.
- Make recommendations on strategic opportunities to eliminate, reduce or streamline regulations immediately and over the near- and long-term to improve the competitiveness and productivity of Irbid’s economy.

The IPPFRS will consist of 8 board members and 3 executive leadership members --divided between the public and private sectors. The Chairman of the ICC will serve as Chairman and President of the IPPFRS. The Mayor of Irbid or his designee will serve as Vice Chairman, and a senior Irbid businessperson will serve as Secretary. The work of the IPPFRS will be supported by the Enhancing the Business Environment Division of the ICC Training Unit as well as technical advisors from the USAID SABEQ project.

Illustrative activities of the IPPFRS will include:

- Reviewing the full scope of municipal and national legislation, regulations, permits, licenses, and inspection practices to identify unnecessary barriers to business growth and job creation, especially for small and medium-sized businesses.
- Recommending strategic opportunities to reduce, streamline or eliminate regulatory red tape barriers immediately and over the long term in order to strengthen the competitiveness and productivity of the Irbid economy.
- Implementing a comprehensive communications and consultation program that will provide accurate and timely information on Irbid’s regulatory reform initiatives to internal and external stakeholders on a regular basis.
- Drafting an annual report to the Governor of Irbid with an update on any administrative, regulatory and procedural improvements that have benefited Irbid businesses and areas where further reforms are required

I would welcome the opportunity to meet with you in person, at your convenience, to further discuss the work of the IPPFRS.

The IPPFRS is a unique initiative – the first of its kind in Irbid – and we sincerely hope that you will join us in our effort to create a business regulatory environment in our city that supports business development, job creation and economic growth.

Yours Sincerely,

Chairman, Irbid Chamber of Commerce

## APPENDIX II – ILLUSTRATIVE STATEMENT OF PRINCIPLES FOR PUBLIC PRIVATE CONSULTATION

### Illustrative Statement of Principles for Public Private Consultation<sup>7</sup>

*Between*

THE “Authority” OF XYZ

*And*

THE XYZ PRIVATE SECTOR

*For the*

XYZ BUSINESS FORUM

Recognizing that private sector-led economic growth is essential in the process of creating a competitive economy in XYZ;

Observing that the economic challenges facing XYZ require reforming the business climate and creating an improved enabling environment for private sector investment and expansion as a means of creating productive employment and competitive enterprises;

Aware of the constraints facing private sector development because of “legislative” and administrative bottlenecks;

Conscious that the XYZ Business Forum (the Forum) launched originally to validate and support the Administrative Barriers to Investment Reform Program has been a useful vehicle for facilitating public-private dialogue on the design and implementation of reforms to improve the business climate;

And committed to extending this public-private dialogue through the Forum to ensure substantive private sector involvement in the reform design and oversight process, with the ultimate objective of tangible improvements in the business climate of XYZ;

We, the undersigned confirm the following:

#### Clause 1

We have begun a dialogue under the auspices of the XYZ Business Forum, which has resulted in the emergence of a stronger collaborative effort to reform the business environment recognizing that this is crucial for growing the XYZ economy.

#### Clause 2

The dialogue through the Forum will improve private sector input in economic policy making; and consequently build greater trust and cooperation between the public and private sectors.

#### Clause 3

We agree as Steering Committee members to participate actively to meet Committee responsibilities, and furthermore that our member private sector representatives, “authority”

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<sup>7</sup> *Public Private Dialogue for Investment Climate Reform in Liberia: A Technical Note.* Mary Agboli. IFC, July 2007, p. 22.

representatives, and regulators will participate fully in the working groups and technical committees as appropriate, which will lead to the successful enactment of agreed reforms.

Clause 4

We agree to the proposed structure and mandate of the Forum, as outlined in the document “XYZ Business Forum Proposed Structure and Operations” with the understanding that the structure and/or operations may be modified as needed by the Steering Committee.

Clause 5

The Administrative Barriers to Investment Reform Program, which we are committed to being implemented, will form the initial agenda for the Forum. However, we recognize there are additional constraints to private sector development and growth, and will expand the Forum agenda and Working Groups to incorporate those issues which are of greatest importance to the private sector, and form a suitable basis for reforms for government action.

Clause 6

We agree and are committed to make this dialogue broadly inclusive of public and private institutions which have a stake in increasing private sector investment and growth, including civil society organizations where appropriate, in order to make the dialogue effective and transparent.

Clause 7

We recognize the financial and technical support committed by international and bilateral donor organizations to the operation of the Forum, and pledge to work with those institutions in the execution of the Forum’s activities.

Clause 8

We commit ourselves to the achievement of a more attractive and transparent business environment in XYZ. Furthermore, we will do everything possible to ensure the successful implementation of the Forum process and its delivery of the tangible improvements which XYZ entrepreneurs and citizens are entitled to expect to ensure the resulting growth and development of the economy.

Signed, this XX day of October, 2008

(Names and Affiliations of Steering Committee Members)

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