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IMPLEMENTATION STRATEGY FOR A BUSINESS FACILITATION CENTER IN IRBID

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IMPLEMENTATION STRATEGY FOR A BUSINESS FACILITATION CENTER IN IRBID

USAID JORDAN ECONOMIC DEVELOPMENT PROGRAM

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BEARINGPOINT, INC.

USAID\ OFFICE OF ECONOMIC GROWTH

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1 EXECUTIVE SUMMARY

USAID/Jordan has engaged BearingPoint to implement the Jordan Economic Development Program (SABEQ). It is an initiative 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**
- **Removal of GOJ Constraints to Achieving Private Sector Competitiveness**
- **Enhanced Productivity** (Improved People/Improved Products)
- **Cross-cutting** (labor/workforce, ICT, gender, outreach/communications)

This assignment falls under SABEQ's *Removal of Government Constraints* component. The objective is to design and implement a Business Facilitation Center in the city of Irbid that streamlines the registration, licensing, and permitting processes for new and existing business through a customer-focused approach while simultaneously tackling the overall business regulatory burden.

OVERVIEW

Irbid is the economic center of Jordan's Northern Region and 94% of its businesses can be characterized as micro-enterprises (5 employees or fewer). There are several problematic aspects of Irbid's business regulatory environment that have been highlighted in a number of studies and private sector focus groups commissioned by the EDP SABEQ project. The most consistent findings include the following:

- 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 authority 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;
- Absence of a streamlined, centralized process for completing business registration, licensing and permitting requirements in Irbid.

TECHNICAL APPROACH

Improving the licensing and permitting process in Irbid with concurrent improvements to other aspects of Government business regulations will be the focus of this Implementation Strategy for an Irbid Business Facilitation Center (IBFC) -- a pilot initiative. There will be a two-pronged strategy:

- Development of a "customer-focused" approach to the delivery of government licensing/compliance and other services

- Amelioration of the overall business regulatory environment through the implementation of a systemic reform strategy

Streamlining the licensing and permitting process for businesses in Irbid will be the focus of the Irbid Business Facilitation Center's One Stop Shop (IBFC OSS). The facilitation center will be based at the Irbid Chamber of Commerce for the following reasons:

- The Irbid Chamber of Commerce represents enterprises in the service and trading sectors, accounting for 85% of Irbid-based businesses.
- The Irbid Chamber of Commerce has recently received an EDP (SABEQ) grant to create a Training Unit (BDU) which includes an "Enhancing the Business Environment" Division. Thus, the Chamber is not only building the infrastructure to host an IBFC One Stop Shop, but another key agency involved in the business start-up process – the Companies Control Department – is already housed there. The IBFC OSS will therefore leverage an existing institutional framework instead of "re-inventing the wheel."

The IBFC One Stop Shop (OSS) will reduce clients' direct interaction with multiple government agencies in the business licensing and registration process by electronically linking the main government authorities via a central server. There are two advantages to this approach:

- 1) a networked IBFC OSS will not require the delegation of decision-making authority and staff members to the Irbid Business Facilitation Center, thereby reducing political resistance from the affected agencies;
- 2) the networked IBFC OSS will not require a significant change in the data storage or processing systems of the affected agencies, thereby reducing the technical complexity of connecting agencies electronically.

INTERNATIONAL BEST PRACTICE MODEL

The IBFC OSS is being developed based on the following best practice model:

- One** application form to complete all licenses and permits
- One** visit to apply for all licenses and permits
- One** office to visit for submission of application and supporting documentation
- One** staff member (case agent) handling all applications for a client and providing advice and guidance in completing the application
- One** payment made for all applications
- One** hour to complete the application process
- One** predictable and fixed timescale within which to receive the approvals
- One** telephone call, e-mail message, fax, SMS to say that approvals are ready for collection
- One** visit to collect approvals or recorded delivery of approvals to the applicant's home or workplace.

IBFC OSS IMPLEMENTATION STRATEGY

Preparatory Phase

- Conduct an IT infrastructure assessment and business process mapping exercise for the agencies that will be electronically connected during Phase 1 of the IBFC

OSS launch -- the Irbid Chamber of Commerce, the Irbid Chamber of Industry, the Irbid Municipality, and the Companies Control Department – in order to identify the technical requirements for the development of the IBFC OSS.

- Establish an Inter-Agency Memorandum of Understanding (MoU) among the 4 entities that will be electronically linked to the IBFC OSS during Phase 1. The MoU will affirm the commitment of these entities to support the launch of the IBFC OSS as an integral component of the Irbid Chamber of Commerce's Training Unit
- Plan a study tour to visit Enterprise One, the Singapore-based G2B portal that hosts the country's virtual one stop shop: the Online Business License Service (OBLS)

IBFC OSS IT System Implementation

- Implement IBFC OSS IT strategy, including Web Portal, Applications and Advisory System and Network Interface with the 4 Phase 1 agencies
- Procure required IT resources (hardware and software) for the IBFC OSS
- Finalize Plan for IBFC OSS fee payment system in consultation with the 4 Phase 1 entities that will be linked to the IBFC
- Develop IBFC OSS Standard Operational Procedures Manual

IBFC OSS Management and Staff

- Appointment of IBFC OSS management team
- Identification and recruitment of Case Agent staff that will be assigned to the IBFC OSS
- Conduct IBFC OSS Case Agent training

IBFC OSS Marketing and Communications

- Design and implement IBFC OSS Marketing and Communications Strategy

Opening of IBFC OSS

- "Soft" opening to test OSS operational procedures and IT system
- Formal launch/opening of IBFC OSS

2 INTRODUCTION

The Removal of Government of Jordan Constraints component of the USAID/Jordan Economic Development Program (EDP-SABEQ) intends to support the launch of a Business Facilitation Center in the city of Irbid. The purpose of this center is to facilitate the issuance and renewal of licenses and permits for new and existing businesses in Irbid through a customer-based approach while simultaneously tackling the overall business regulatory burden in the greater Irbid region. Irbid was deemed to be an appropriate pilot city for a business facilitation center due to its position as Jordan's second largest economic center and the profile of its business sector, which is described in greater detail in the following section.

2.1 ECONOMIC PROFILE OF IRBID¹

Irbid, the second largest city in Jordan, is the economic nerve center of the Northern Region. The principal areas of economic activity are agriculture, industry (concentrated in the Qualified Industrial Zones, or QIZs), education and tourism.

- Total number of registered companies in Irbid since 1961 reached 6,691 in 2006.
- Approximately 382 new companies are registered at the Companies Controller every year, with an average total registered capital of JD9.4 million.
- 3,500 companies are classified as industrial.
 - 90% have fewer than 5 employees;
 - 9% have between 5-19 employees
 - 1% have more than 19 employees.
- 5,000 companies are classified as service companies
 - 92% have fewer than 5 employees;
 - 7% have between 5-19 employees
 - 1% over 19 employees
- 14,700 companies are classified as trading companies
 - 99% have fewer than 5 employees;
 - 1% have between 5-19 employees
 - 5 companies have over 19 employees.

In summary, the overwhelming majority of Irbid-based businesses -- 94% -- can be categorized as microenterprises.

During the past year and a half, the USAID/Jordan Economic Development Program (EDP) team has organized a number of strategic planning meetings, focus groups and workshops with key public and private sector stakeholders in Irbid. The need to improve the operating environment for small to medium-sized businesses has emerged as a central priority. The urgency of this issue was further reinforced by a January 2008 EDP study entitled: *Facilitating the Start up of Businesses in Irbid: an Inventory of Business Services provided to Business Owners in Irbid.*

Improving the licensing and permitting process in Irbid with concurrent improvements to other aspects of the business regulatory environment will be the focus of this Implementation Strategy for an Irbid Business Facilitation Center (IBFC) -- a pilot initiative. There will be a two-pronged strategy:

- Development of a “customer-focused” approach to the delivery of Government licensing/compliance and other services.
- Amelioration of the business regulatory environment through the implementation of a systemic reform strategy

The EDP team has determined that a facilitation center based at the Irbid Chamber of Commerce would be the most sensible option for three main reasons:

¹ SABEQ: *Irbid Economic Profile*, 2007 (pp. 37-39)

- The Irbid Chamber of Commerce represents enterprises in the service and trading sectors, accounting for 85% of Irbid-based businesses.
- The Irbid Chamber of Commerce has the infrastructure and the capacity to host a business facilitation center. Another key agency involved in the business registration process – the Companies Control Department – is already housed there. Therefore, the IBFC could leverage an existing institutional framework instead of “re-inventing the wheel.”
- The Irbid Chamber of Commerce recently received an EDP grant to launch a Training Unit that includes an “Enhancing the Business Environment” Division. The IBFC will be fully integrated into this division.

2.2 A VIRTUAL ONE STOP SHOP

The creation of an “Irbid Virtual One Stop Shop” is the most practical approach moving forward given the existing IT infrastructure at the Irbid Chamber of Commerce and the objective of reducing clients’ direct interaction with multiple government agencies. An Irbid Virtual One Stop Shop will electronically link the institutions involved in the business start up process via a central server. There are two advantages to this approach:

- 1) a networked OSS will not require the delegation of authority or staff members to the Irbid Business Facilitation Center, thereby reducing political resistance from the affected agencies;
- 2) the networked OSS will not require a significant change in the data storage or processing systems of the affected agencies, thereby reducing the technical complexity of connecting agencies electronically.

The EDP team has met with key officials in Irbid including senior management of the Municipality of Irbid, the Executive Directors of the Irbid Chambers of Commerce and Industry; and representatives from the Irbid-based El Hassan Industrial Estate. The EDP consulting team also organized three focus groups representing the three principal sectors of the Irbid economy – industrial, trading and services – in an effort to determine the top requirements of Irbid-based businesses with regard to a business facilitation center. The EDP Reducing Government of Jordan (GoJ) Constraints Team Leader had subsequent discussions with the Municipality of Irbid, the Irbid Chamber of Commerce and the Irbid Chamber of Industry. Several members of the Irbid private sector have expressed enthusiasm for the proposed center.

Expanding the Reach of the Irbid Business Facilitation Center

There have been internal EDP team discussions with regard to the possible scope of an Irbid business facilitation center. Given the fact that the center’s target market is the micro-enterprise sector, the provision of business support services to a highly underserved market would be important. Indeed, most studies on micro-enterprises in developing countries have found that the smallest enterprises typically need the most support in terms of management training and capacity building. Since the broader mandate of the Irbid Chamber of Commerce’s Training Unit includes a focus on business development support and training, the IBFC could also refer its business customers to these additional services. In addition, the IBFC could also collaborate with Yarmouk University – a key partner of the proposed

Irbid Chamber of Commerce Training Unit – in implementing training programs for IBFC customers.

The USAID/Jordan Economic Development program team will actively engage private and public sector stakeholders to identify enthusiastic local “champions” for the initiative. This is critically important because there is a strong correlation between local “buy-in” and long-term sustainability.

As this report will illustrate, the strategy required to launch a business facilitation center in Irbid is fairly straightforward, but it will require a strong commitment to inter-agency collaboration on the part of the Irbid public and private sectors.

3 OVERVIEW OF THE BUSINESS REGULATORY ENVIRONMENT IN IRBID

The January 2008 *Inventory of Business Services provided to Business Owners in Irbid* report highlighted a number of key issues in the Irbid business environment:²

- 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 authority of Governorate-level offices to issue approvals that must be finalized in Amman.

To further validate these findings, the EDP Private Sector Development consultant organized, in conjunction with the EDP Irbid Project Office, three focus groups (each consisting of 3-6 microenterprise owners in the industrial, trading and services sectors in Irbid). Several consistent themes emerged from these focus group discussions:

- There is an urgent need for entrepreneurs and investors to have readily-accessible information on business registration and licensing requirements;
- 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;
- A business facilitation center where all registration and licensing requirements can be completed in one visit is urgently needed in Irbid.

The approach that will be developed for the IBFC is tailored to address the specific business regulatory impediments encountered by Irbid-based micro-enterprises.

² *Facilitate the Start Up of Businesses in Irbid: An Inventory of Business Services Provided to Business Owners in Irbid.* Fatima Rahim and Shereen Abadi. USAID/Jordan SABEQ Project. January 31, 2008.

4 BUSINESS REGULATORY REFORM: AN INTERNATIONAL BEST PRACTICE MODEL

- One** application form to complete all licenses and permits
- One** visit to apply for all licenses and permits
- One** office to visit for submission of application and supporting documentation
- One** staff member (case agent) handling all applications for a client and providing advice and guidance in completing the application
- One** payment made for all applications
- One** hour to complete the application process
- One** predictable and fixed timescale within which to receive the approvals
- One** telephone call, e-mail message, fax, SMS to say that approvals are ready for collection
- One** visit to collect approvals or recorded delivery of approvals to the applicant's home or workplace

Enterprise One in Singapore: the Online Business Licensing Service (OBLS)

The Virtual One Stop Shop of the IBFC will be modeled after the OBLS in Singapore. Singapore's OBLS is designed to reduce the burdens faced by businesses in obtaining required licenses. Businesses can now apply online for nearly 70 different license types across 19 Singaporean Government agencies. In addition, applicants are required to complete only one consolidated form through the OBLS system to apply for multiple licenses. License fee payment procedures have been streamlined via a consolidated license payment system. Applicants now make a single payment for several licenses instead of making separate payments to different authorities. Finally, the OBLS processes license applications concurrently, thereby reducing the lengthy and burdensome delays that are associated with sequential approvals.

The EDP Reducing GoJ Constraints Team will plan a study tour to Singapore in October/November 2008 for representatives of the Irbid Municipality, Irbid Chamber of Commerce, Irbid Chamber of Industry, the Companies Control Department and additional Jordanian government entities. The purpose of this visit will be to meet with representatives from the OBLS to understand how the system was developed and to apply the lessons learned from the OBLS experience to the Jordanian context.

5 SIZE AND TARGET MARKET OF IBFC

The target market for an Irbid Business Facilitation Center would be the 94% of industrial, trading and services companies with 5 employees or fewer (micro-enterprises). Of the 23,200 companies classified as industrial, service or trading in the Governorate, 21,808 are micro-enterprises.

This is a market that is not being well-served by the Irbid-based QIZs and business associations that cater mostly to larger industrial enterprises, and it presents a high profile target of opportunity for the IBFC.

6 DESIGN AND OPERATIONAL APPROACH OF AN IRBID BUSINESS FACILITATION CENTER (IBFC)

Initial Structure and Focus of the Irbid Business Facilitation Center

Based on team meetings and discussions completed to date, the Irbid Business Facilitation Center would have the following structure:

- Hosted by the Irbid Chamber of Commerce (headquarters)
- Approximately 4-6 business facilitation staff members (Case Agents) could be based at the Irbid Chamber of Commerce; an additional 1 or 2 staff members could be based at the Irbid Chamber of Industry (which would be a satellite office).
- Consolidated electronic application form. Based on the unified application form at the Jordan Investment Board's One Stop Shop, there may be scope to develop a single form for the IBFC's business registrants and license applicants that would cover several types of license and registration requirements. It would also cover new applications as well as renewals.
- Systems integration – establish electronic linkages among agencies in a phased manner which will allow additional agencies to be linked to the business facilitation center over time. Instead of having a “co-located single window” model where representatives of all of the key agencies would be based at the business facilitation center, there would be a Case Agent who would be the sole point of contact for a businessperson seeking licenses. The “back room” processing of license applications and registrations would be electronic.

Formation of Irbid Public Private Forum on Regulatory Simplification (IPPFRS)

An Irbid Public Private Forum on Regulatory Simplification (IPPFRS) will be developed. The forum, which will consist of representatives from the Irbid public and private sectors, will review laws, regulations and administrative procedures that impact Irbid-based businesses, both at the municipal and regional levels, to identify reform targets. It will 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, as well as develop a mechanism to monitor and evaluate progress in improving the business regulatory environment in Irbid. The functions of the IPPFRS will be fully incorporated into the Advisory Board Committee of the Irbid Chamber of Commerce's Training Unit.

6.1 VISION, MISSION AND GOALS OF IBFC

Vision

- Development of a best practice model for the delivery of G2B (Government to Business) services at the municipal and regional levels in Jordan that can be replicated throughout the country.

- 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.

Mission Statement

- To provide transparent and efficient business registration, licensing and permitting services to the Irbid business community that will foster greater trust and cooperation between government entities and the business community

Goals and Objectives of the IBFC

The principal goals and objectives of the IBFC are as follows:

- 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
- Provide services to the Irbid business community on a self-sustaining basis

6.2 CRITICAL SUCCESS FACTORS

The success of the Irbid Business Facilitation Center will be determined by the following factors:

- Full commitment and buy in from the Governor of Irbid, the Irbid Municipality, the Irbid Chambers of Commerce and Industry, the Companies Control Department and key national ministries such as the Ministry of Municipalities, the Ministry of Planning, the Ministry of Trade and Industry and other relevant entities
- IBFC should be integrated into the Irbid Chamber of Commerce Training Unit’s organizational structure to ensure sustainability
- IBFC should be based at a convenient location with easy customer access.
- Rigorous process for selection and training of IBFC staff
- A bonus and incentive scheme for IBFC staff
- Commitment to ongoing service improvement by integrating a mechanism to measure performance and customer service delivery

6.3 IMPLEMENTATION STRATEGY

6.3.1 Step 1: Achieve High Level Support for the IBFC

The entities that are essential to the success of the IBFC are the Irbid Chambers of Commerce and Industry, the Companies Control Department, the Municipality of Irbid, the Ministry of Municipalities, and the Ministry of Industry and Trade. Key tasks include:

- Meetings with the heads of the Irbid Chambers of Commerce and Industry, and the Municipality of Irbid to discuss the IBFC concept and to build support.
- Prepare a detailed presentation for the Municipality and Irbid Chambers of Commerce and Industry that will clearly outline the structure, functions and the implementation strategy of the IBFC.

- Develop an inter-agency Memorandum of Understanding (MoU)/ Service Delivery Agreement for use by the IBFC in establishing formal cooperation with the agencies that will be linked to the IBFC during the first phase of operations. An illustrative example of a MoU is provided in Annex 1. The Jordanian law firm that is an EDP project subcontractor, the Sanad Law Group, will take the lead in drafting the inter-agency MoU.
- Formalize inter-agency service delivery agreements between the IBFC and the key agencies involved in the business start up process in the following phased approach:

Phase 1	<ul style="list-style-type: none"> • Municipality of Irbid • Companies Control Department • Irbid Chamber of Commerce • Irbid Chamber of Industry
Phase 2	<ul style="list-style-type: none"> • Civil Defense • Directorate of Trade and Industry • Department of Income & General Sales Tax • Social Security Department • Directorate of Labor
Phase 3	<ul style="list-style-type: none"> • Irbid Electricity Company • Irbid Directorate of Water & Irrigation • Land/Survey Department • Environmental Department

6.3.2 Step 2: Conduct IBFC IT Infrastructure Assessment and Business Process Analysis and Procure Required Hardware and Software

Overview

With regard to the development of the IBFC IT Infrastructure, the project team will focus on specifying the IT requirements for the IBFC. A detailed analysis of existing business processes (i.e. procedures for registration as well as licensing and permitting) will be undertaken concurrently with the IT infrastructure assessment.

The team will consist of an IT specialist and a business process analyst. The IT specialist will conduct an inventory of the IT systems of the Phase 1 entities that will be directly linked to the IBFC. Both the IT advisor and the business process analyst will interview IT and registration/licensing department staff in these institutions to review internal procedures, and determine resources and needs as well as the requirements for linking the systems. To the extent possible, the project team will determine how the existing Jordan e-Government portal could serve as a platform from which to expand the interagency IBFC electronic linkages.

An essential pre-requisite for IBFC sustainability is ensuring that staff members are properly trained on the use of the system. In addition, there should be a designated system administrator – assigned by the Irbid Chamber of Commerce's Training Unit – who is trained to maintain and support the system once the USAID/Jordan Economic Development Program is completed. In-house IT staff and/or contracted IT vendors will provide training to IBFC management and case agents with the support of the USAID/Jordan Economic Development program. The project may also engage trainers through Yarmouk University in Irbid.

Key Characteristics of the IBFC IT Framework

An IBFC website will be developed that will serve as a centralized electronic clearinghouse for all information pertaining to licensing and permitting in the Governorate of Irbid. As a first step, an IBFC Website Requirements Manual for both a public site and a dedicated intranet will be developed. In addition, a list of the key Jordanian e-Government websites to which the IBFC can be linked will be prepared in consultation with key stakeholders. The website will have the following functions:

- Serve as a repository of application forms, documents and other business related information;
- Business e-networking – Irbid-based entrepreneurs will be able to link up with other Irbid-based businesses, micro-lenders, suppliers, and business development support entities through blogs, and discussion fora.

Permits and Licenses Advisory System

- This web-based application system will serve multiple purposes: (1) as an information resource for the public; (2) for use by the IBFC Case Agents when working with clients; and, (3) as a training tool for new IBFC case agents.
- The first step will be to develop a website for the Irbid Business Facilitation Center (www.ibfc.gov.jo)
- A local IT consulting firm, supported by the EDP project's in-house IT advisor, will be engaged to design the website.

Permits and Licenses Application System

- A comprehensive Permits and Licenses Application System – the IBFC Integrated Information System -- will be developed and implemented at the IBFC.
- The Application System will have functionalities and features for issuing and renewing permits and licenses;
- The first step will be the development of a Conceptual Model.
- Local IT consulting firm should be engaged to design and implement the conceptual model

Key Benefits of Developing a Dedicated IBFC Integrated Information System

- Accelerated service delivery and an increase in the number of services provided;
- Increased transparency of the licensing process since all of the registration, licensing and permitting requirements information would be available electronically;
- Ensure an accurate repository of linked information about business entities, licenses and permits, business entities and business premises;
- Ensure easy integration with other municipal, governorate or national information systems;
- Ensure accurate and timely operational, statistical and management information; Maintain accurate database of newly-issued, renewed, modified, transferred or canceled licenses and permits.

Enhancement of the Existing Irbid Chamber of Commerce LAN

- The purpose of the enhancement is to ensure capacity for implementation and proper performance of the IBFC Application System with the above-referenced functionalities.

- The Enhanced Network will be designed to eventually handle multiple concurrent users and it will have a capacity to operate additional applications that may be added in the future.

The enhancements of the Irbid Chamber of Commerce LAN will occur in the following areas:

- Server capacity
 - Web server to host IBFC web site and application systems, such as Advisory and Permits and Licenses Systems);
 - Domain server to maintain and manage the network resources;
 - Database server to accommodate databases; the application server to host the second tier of applications; and
 - Backup capacity;
- Security, such as firewalls and antivirus software; and
- Tools, such as VS.NET and Veritas backup software allowing system maintenance.
- Additional PCs will be procured when needed.

Enhancement of IBFC Server Room

- Enhance the existing Irbid Chamber of Commerce Server Room so that it can support the increased capacity emanating from the IBFC and ensure the appropriate level of security and performance.
- The enhanced server room should meet all the appropriate temperature, fire, electrical and lighting requirements.

6.3.3 Step 3: Conduct a Physical Infrastructure Assessment of the Proposed IBFC Headquarters and Satellite Office

There is tentative agreement on the proposed headquarters for the IBFC: the Irbid Chamber of Commerce. It is anticipated that a smaller satellite office will also be established at the Irbid Chamber of Industry. These sites meet two key criteria: 1) they are easily accessible to the business community in convenient locations; 2) the physical infrastructure of the facilities is suitable – there is ample space for Case Agents; the facility is open and well lit and there is a good IT infrastructure in place.

Key tasks include the following:

- Identify refurbishing requirements at the Irbid Chamber of Commerce and Irbid Chamber of Industry
- Develop open floor plan for IBFC with adequate space for a reception area
- Identify procurement needs for office furniture, communications, and office equipment

6.3.4 Step 4: Organize Study Tour to Singapore

The project team will schedule a one week study tour to Singapore for 7-8 representatives from the Irbid Municipality, the Irbid Chambers of Commerce and Industry, the Companies Control Department, the Ministry of Planning, the Ministry of Municipalities, the Ministry of Trade and Industry and Jordan E-Government. The purpose of this tour is to learn how Singapore's Online Business License Service (OBLS) was developed and to apply the lessons learned from the OBLS to the Jordanian context.

6.3.5 Step 5: Determine IBFC Fee Structure and Revenue Sharing Framework

A transparent IBFC fee structure that covers operating costs while providing adequate revenues for the IBFC staff bonus and incentive scheme will need to be developed. The key

is to develop a fee structure that generates adequate revenue to sustain the IBFC once the EDP program ends.

Key tasks include the following:

- Consult with the Municipality of Irbid, the Irbid Chambers of Commerce and Industry and the Companies Control Department to review their respective fee structures and any associated municipal and governorate bylaws and decrees in an effort to develop a strategy for creating a single payment mechanism for all relevant licenses
- Develop a preliminary operating budget for the IBFC

6.3.6 Step 6: Define Internal Standard Operating Procedures (SoPs)

- Develop IBFC SoPs based on MoUs entered into among the authorities that will be electronically linked during Phase 1
- Develop a comprehensive internal operating process map (in PowerPoint or Visio)
- Conduct “dry runs” to test the IBFC internal procedures
- Prepare Standard Operational Procedural Manual for the IBFC
 - *The IBFC SoP manual will outline all steps of the license issuance process with specific timeframes targeted for each step.*
- Develop standardized procedures for Irbid Municipality inspections

The IBFC will contribute to the facilitation of the Irbid municipal inspection process by introducing standardized inspection procedures. These could include the following:

- Customer scheduling of inspections via the IBFC website. The site would also include information on all the compliance requirements that will be inspected.
- Cellphone notification (i.e. SMS text messaging) that business licenses are ready for pickup following successful inspection.
- Introduction of tablet PCs pre-loaded with compliance checklists and portable printers so that municipal inspectors can issue a report of findings immediately following an inspection.

6.3.7 Step 7: Develop Staff Recruitment and Training Program

Identify IBFC Staffing Requirements

- A job description for IBFC staff will be developed.
- Delivery of government services to business (G2B) requires staff with skills in the following areas: Client Orientation, Personal Accountability, Communication, Interpersonal Relations, and Ethics and Values.
- Since the IBFC will collaborate across departments and jurisdictions, competencies such as Partnering and Teamwork and Collaboration would be highly important.

The project team will develop a Workforce Staffing Plan and a subsequent Training Plan for the staff members who will operate the IBFC.

The Workforce Staffing Plan will determine how implementing the IBFC will impact employees in the Municipality of Irbid and the other governmental entities to which the IBFC will be electronically linked. (Since there would be no reassignment or secondment of staff to the IBFC, there will likely be minimal or no impact on employees of the IBFC partner government entities.) The Workforce Staffing Plan will represent a core element of the IBFC

Training Plan. The Training Plan will be developed for the approximately 5-8 staff that would be employed at the IBFC (4-6 case agents at the Irbid Chamber of Commerce and 1-2 case agents at the satellite facility located at the Irbid Chamber of Industry). It will include a training curriculum that could be developed in collaboration with Yarmouk University. An illustrative example of a training curriculum is described below:

Illustrative IBFC Modular Curriculum Format

- Module 1: Implementing Internal IBFC Operational Procedures
- Module 2: Licensing and Permitting Procedures in the Municipality of Irbid and other government agencies. Training will include meetings with counterparts at IBFC partner agencies and “shadowing” of staff while they perform their duties
- Module 3: Customer Service Training
- Module 4: IBFC-relevant Database/Software Training

Other key tasks that are required in conjunction with the Workforce Staffing and Training Plans include:

- Development of a competitive, incentive-based remuneration package for IBFC staff
- Preparation of a recruitment plan for the IBFC (open recruitment or referral of top ranking staff from other organizations)

Training the Trainers

Since it is anticipated that the pilot IBFC One Stop Shop Model will eventually be rolled out throughout the country, it is essential that a mechanism be developed to ensure sustainability of the initiative. Accordingly, the development of a “Train the Trainers” program is critically important. These trainers will be used to build the local capacity that will eventually staff the business facilitation centers that are launched in new Jordanian municipalities. These individuals will be trained on how to transfer the knowledge that they have acquired at the IBFC to staff members of new business facilitation centers. They will represent Jordan’s institutional knowledge – i.e. a Center of Excellence -- with respect to the establishment of municipal one stop shops and will therefore play a central role in ensuring that the approach is further developed.

Illustrative “Train the Trainer” modules include the following (a 3-day training program)

- Skills for developing training materials; the goals of the training; the contents of the training; selection and development of the methods of the training; development and use of supporting materials; development of training plans.
- How to conduct training modules – presentation, observation, listening, asking and answering questions;
- Possible teaching methods – presentations, brainstorming, group discussions, case studies, role plays, simulations, etc.
- Skills for preparation of supporting documentation – use of flipcharts, overhead projectors, multimedia, etc.

6.3.8 Step 8: Launch IBFC Public Awareness Building Strategy

Increasing public awareness of the IBFC via a comprehensive public awareness building campaign is a requirement for successful implementation. This campaign will enable the public to have a better understanding of the potential impact of these centers in improving the business environment and thereby increasing the number of business start ups in Irbid. The USAID/Jordan Economic Development Program team will design the Public Awareness Building Strategy in conjunction with key IBFC stakeholders. Through a series of meetings

with municipal officials, citizens of Irbid, business owners, the Irbid Chambers of Commerce and Industry, and the local media, the project team will develop a formal strategy whose goal will be to move people initially from general awareness of the IBFC to full understanding of its role in business start up and operations.

The result will be a public awareness building strategy that will: (1) identify the target market of the strategy, (2) describe the messages that the strategy will promote, (3) produce a variety of promotional materials that will include newspaper advertisements, radio advertisements, posters, press releases, roundtables and potential on-line internet forums. The strategy will identify the best medium (i.e., television, radio, newspapers, and flyers) - to reach the maximum number of citizens and business owners.

A key element of the public awareness building strategy will be close collaboration with the local media in Irbid to highlight the program and its successes in reducing barriers to business start up; improving the transparency of municipal procedures; and reducing the costs of doing business. The objective will be to promote the benefits of working with the IBFC and to encourage informal businesses to “formalize” by highlighting the ease with which businesses can be registered and licensed.

An interim IBFC Public Awareness Building Strategy will be presented in a formal briefing to the Irbid Chambers of Commerce and Industry, the Municipality of Irbid and other key stakeholders for review and comment. Once recommended revisions and other inputs have been received and incorporated into the revised draft, the project team will finalize the IBFC Public Awareness Building Strategy and present it the General Manager of the IBFC and the Mayor of Irbid.

6.3.9 Step 9: Develop Ongoing Monitoring/Evaluation and Stakeholder Consultation Program

The purposes of the monitoring and stakeholder consultation program are as follows:

- Ensure that stakeholders – particularly the private sector – have a continuing role in setting the strategic direction of the IBFC
- Ensuring that the IBFC remains flexible and responsive to client needs and the changing business environment

Core elements of the IBFC Monitoring and Evaluation Plan will include:

- Weekly staff meetings organized by the IBFC Operations Manager to review operations and address specific customer problems and operational issues
- Quarterly workshops to review IBFC progress and identify strategic priorities
- Annual report on IBFC operations to be submitted to the Mayor of Irbid and the heads of the Irbid Chambers of Commerce and Industry

7 IBFC PRODUCTS AND SERVICES

Irbid Business Facilitation Center Products and Services

Informational Services

- 1) A *"Doing Business in Irbid"* Guide that provides a full directory of licensing, permitting and compliance requirements
- 2) All Licenses for Applications and Permits available in PDF format
- 3) Online availability of business laws and regulations as well as hard copies
- 4) Call Center Support Agents available during IBFC business hours. There could be one or two case agents who are dedicated to provide call center support.

Transactional Services

- 1) Online Application for licenses and permits
- 2) Business Services Informational wizard
- 3) Business Services Applications wizard that will provide bundled applications
- 4) Application online for technical or professional certification
- 5) Online scheduling of inspections

Partnership Services (Online linkages through Jordan's E-government portal)

- 1) Civil Defense
- 2) Department of Labor
- 3) Ministry of Trade and Industry
- 4) Jordan Department of Statistics
- 5) Ministry of Environment

Referral Services (in conjunction with the Training Unit of the Irbid Chamber of Commerce)

- 1) Yarmouk University Entrepreneur's Center
- 2) Yarmouk University Jordan Design Center
- 3) Yarmouk University Language Center
- 4) Jordan University for Science & Technology (JUST) Training and Consultation Center

8 MANAGEMENT STRUCTURE OF THE IBFC

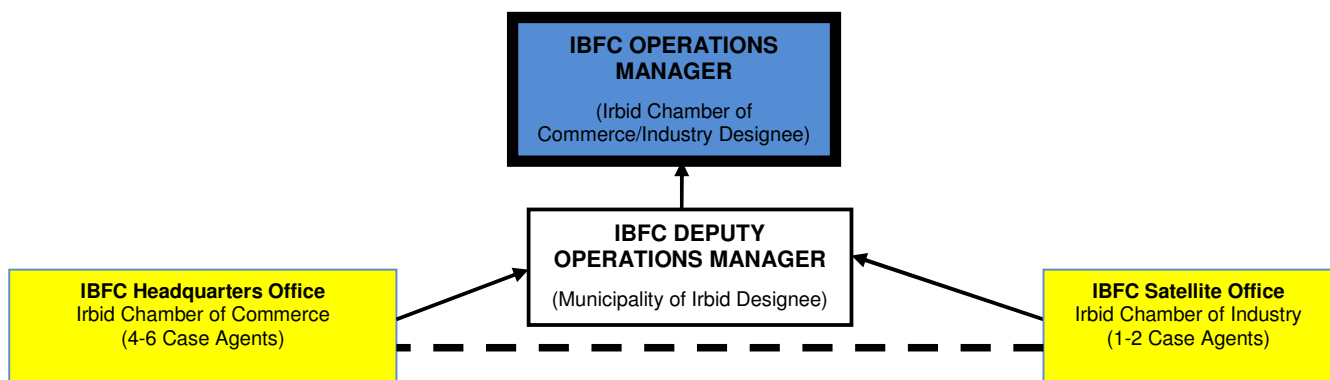
The IBFC should have a management structure that sets it apart from other Jordanian Government entities. As a customer-focused organization that will set a world class standard for the expeditious and efficient delivery of municipal government services to the Irbid business community, its management should have a results-focused, and continuous operational improvement orientation. Toward that end, it would be important to determine whether a semi-official government entity such as the IBFC could have a non-governmental staff member as its Operations Manager. However, since the IBFC is being housed in the Irbid Chamber of Commerce -- a private sector-oriented organization -- there may be scope for considering a Chamber member or officer as the Operations Manager of the organization. Moreover, because membership in the Chamber is a mandatory step in the business start up process, the Chamber itself is a "semi-official" entity.

The IBFC could hire a Deputy Operations Manager who would be a top-performing Irbid Municipality Manager with extensive familiarity with internal municipal procedures and excellent interpersonal and management skills. The Deputy General Manager would be the equivalent of a Chief Operating Officer, reporting directly to the IBFC Operations Manager,

with day-to-day responsibility for managing the IBFC and the case agents. The idea would be to build the capacity of promising Municipality employees in world class G2B service delivery as well as establish a direct institutional linkage between the Municipality of Irbid and the IBFC.

The process for selecting the IBFC Deputy Operations Manager would be as follows: the Municipality of Irbid would recommend five to seven of its top-performing Municipal Managers for the position of Deputy Operations Manager. These candidates would be interviewed by a specially-created committee consisting of Irbid Chamber members, and representatives from the Municipality of Irbid. The list would be reduced to three finalists. Each of the finalists would be interviewed by the IBFC Operations Manager, who would then make the final selection.

An illustrative organization chart for the IBFC follows:



9 FINANCING OF THE IBFC

An illustrative initial cost structure for the launch of the IBFC is provided below.

Activity	Projected Expenditure	Timeframe
Technical Requirements for IBFC Operating System	\$325,000	August 2008 – February 2009
Study Tour to Singapore (9 individuals)	\$35,496	October 2008
Marketing and Communications	\$10,000	February – April 2009
Case Agent Training	\$20,000	January – March 2009
Estimated Project Launch Cost	<u>\$390,496</u>	

10 CONCLUSION

Implementation Plan for the Irbid Business Facilitation Center

The consultant proposes the following implementation schedule for the launch of the SSBC, subject to the approval of project counterparts and USAID/Jordan.

Task	Proposed Timeframe	Counterparts
Achieve High Level Support for IBFC		
Brief key counterparts on proposed IBFC implementation plan	August 2008	<ul style="list-style-type: none"> • Municipality of Irbid • Irbid Chamber of Commerce • Irbid Chamber of Industry • Companies Control Department
Develop and formalize inter-agency MoU/Service Delivery Agreement that establishes cooperative framework for agencies that will be connected during Phase 1 of the IBFC launch	August – October 2008	<ul style="list-style-type: none"> • Municipality of Irbid • Irbid Chamber of Commerce • Irbid Chamber of Industry • Companies Control Department
Launch Singapore Study Tour	End October 2008	<ul style="list-style-type: none"> • Municipality of Irbid • Irbid Chamber of Commerce • Irbid Chamber of Industry • Companies Control Department • Ministry of Municipalities • Ministry of Planning • Jordan E-Government • Ministry of Trade and Industry
Launch Irbid Public Private Forum on Regulatory Simplification (IPFRS) in conjunction with Advisory Board Committee of Irbid Chamber of Commerce Training Unit	October – December 2008	<ul style="list-style-type: none"> • Irbid Chamber of Commerce • Irbid Chamber of Industry • Municipality of Irbid • EDP Team
Develop IBFC IT Infrastructure		
Conduct IT infrastructure assessment and business process analysis at IBFC and Phase 1 Government partner agencies	August – end September 2008	<ul style="list-style-type: none"> • EDP Network Administrator and EDP subcontractor
Finalize IBFC operational system, including Applications and Advisory System and Network Interface with Phase 1 agencies	September 2008 – end February 2009	<ul style="list-style-type: none"> • EDP local IT subcontractor, EDP Network Administrator, expatriate short-term IT advisor
Procure IT resources for IBFC	September 2008- January 2009	<ul style="list-style-type: none"> • EDP team

Task	Proposed Timeframe	Counterparts
IBFC Administration		
Finalize Revenue and Fee Structure	October – November 2008	<ul style="list-style-type: none"> • Municipality of Irbid • Irbid Chamber of Commerce • Irbid Chamber of Industry • Companies Control Department
Develop IBFC Standard Operational Procedures Manual	September – December 2008	<ul style="list-style-type: none"> • EDP Project Team • Irbid Chamber of Commerce • Irbid Chamber of Industry • Municipality of Irbid • Companies Control Department
Staff Recruitment and Training		
Recruit and appoint IBFC management team	November 2008	<ul style="list-style-type: none"> • Irbid Chamber of Commerce • Irbid Chamber of Industry • Municipality of Irbid
Identify and recruit 5-8 IBFC Case Agents to be assigned to the Irbid Chamber of Commerce and satellite IBFC office at the Irbid Chamber of Industry	November 2008 – January 2009	<ul style="list-style-type: none"> • Municipality of Irbid • Irbid Chamber of Commerce • Irbid Chamber of Industry
Design and Undertake IBFC Staff Training	January – March 2009 and ongoing	<ul style="list-style-type: none"> • Irbid Chamber of Commerce Training Unit • Yarmouk University • EDP Team
Soft Opening of IBFC	March 2009	<ul style="list-style-type: none"> • Irbid Chamber of Commerce • Irbid Chamber of Industry • Companies Control Department • Municipality of Irbid • EDP team
Launch IBFC Public Awareness Building Campaign/Strategy	February – April 2009	<ul style="list-style-type: none"> • Irbid Chamber of Commerce • Irbid Chamber of Industry • Municipality of Irbid • Companies Control Department • EDP team • Irbid Chamber of Commerce Training Unit
Formal Opening of IBFC <ul style="list-style-type: none"> • Inaugural ribbon cutting ceremony and reception • Inaugural workshop/roundtable 	April 2009	<ul style="list-style-type: none"> • Municipality of Irbid • USAID/Jordan • Irbid Chamber of Commerce • Irbid Chamber of Industry • Ministry of Municipal Affairs • Governorate of Irbid • Jordan E-Government • Ministry of Planning • Ministry of Industry and Trade • Companies Control Department
IBFC implements Monitoring and Evaluation/Stakeholder Consultation Plan	April 2009	<ul style="list-style-type: none"> • IBFC Management team supported by EDP team

Task	Proposed Timeframe	Counterparts
Electronic integration of IBFC Phase 2 agencies	April – June 2009	<ul style="list-style-type: none"> • IBFC • Irbid Chamber of Commerce Training Unit • Irbid Chamber of Industry • EDP Project Team • Civil Defense • Directorate of Trade and Industry • Department of Income & General Sales Tax • Social Security Department • Directorate of Labor
Electronic integration of IBFC Phase 3 agencies	June – August 2009	<ul style="list-style-type: none"> • IBFC • EDP Project Team • Irbid Chamber of Commerce Training Unit • Irbid Chamber of Industry • Irbid Electricity Company • Irbid Directorate of Water & Irrigation • Land/Survey Department • Environmental Department
National Rollout of Business Facilitation Centers	October 2009	<ul style="list-style-type: none"> • IBFC • Irbid Chamber of Commerce Training Unit • EDP Project Team • Ministry of Municipalities • Ministry of Planning • Jordan E Government

11 ANNEXES

ANNEX 1: ILLUSTRATIVE INTER-AGENCY MEMORANDUM OF UNDERSTANDING (MOU)

ANNEX 1

ILLUSTRATIVE MEMORANDUM OF UNDERSTANDING BETWEEN

Irbid Business Facilitation Center (IBFC)
and
XYZ Department

I. Parties

This document constitutes an understanding and commitment between the Irbid Business Facilitation Center (“IBFC”) and the XYZ Department (“XYZ”). When references are made in this document to both parties, they shall be collectively referred to as “the Parties.”

II. Purpose

A. Background

The IBFC and XYZ believe that support to small and medium enterprises (SMEs) will result in higher levels of economic growth and job creation in the Governorate of Irbid. In support of this principle, the Parties believe that a simplification initiative that will coordinate the delivery of XYZ services with those of the IBFC will result in increased levels of SME formation.

B. Purpose

The IBFC wishes to simplify the regulatory framework as it relates to the issuance of XYZ licenses. The purpose of this MoU is to establish a coordination mechanism between the Parties to achieve this objective and to outline their respective roles and responsibilities with regard to the development and implementation of a simplification initiative pertaining to the issuance of XYZ licenses.

III. Authorities

Both parties have the authority to enter into this MoU.

IV. Responsibilities of the Parties

A. General

1) Both Parties commit and undertake to:

- a) cooperate and share information where appropriate and applicable; and,
- b) carry out their respective responsibilities as defined in this MoU in relation to the simplification initiative.

B. IBFC

The IBFC commits and undertakes to:

- 1) Make available appropriate resources, including but not limited to personnel and office space, for XYZ in connection with this simplification initiative.
- 2) Comply with all relevant XYZ regulations and procedures in the issuance of XYZ licenses to IBFC customers.
- 3) Where agreed, share fees, in the agreed amount, for the delivery of services to IBFC customers.

C. XYZ

XYZ commits and undertakes to:

- 1) Issue XYZ licenses to IBFC customers within a timeframe not exceeding [a mutually agreed timeframe].
- 2) Provide any relevant training in XYZ policies and procedures to IBFC staff.
- 3) Provision of information about their processes and requirements

V. Confidentiality

If either party should receive confidential information, each Party commits and undertakes not to disclose such confidential information to any other person or organization without the prior written approval of the other Party

VI. Effective Date of MoU

This MoU shall come into effect on the date the MoU is signed by both parties or such other later date as may be agreed upon ("Effective Date").

VII. Term of MoU

The MoU will remain in force 12 months from the Effective Date and may be renewed upon mutual agreement of the parties.

We, the undersigned, on behalf of each Party, commit to implementing these points of consensus regarding the proposed simplification initiative.

SIGNATURES

General Manager,
IBFC

Director General
XYZ Department

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