









Co-production of public policies (PPUB) in publicprivate partnerships (PPP) with social and solidarity economy actors using social complementary currencies in Jordan

MedTOWN Project

Co-production of social policies with social and solidarity economy actors to fight poverty, inequality and social exclusion.



















QUESTIONNAIRE PROJECTS PHASES AND LOCAL PARTNERS. MEDTOWN PROJECT. 3rd LOT.

DEMOSTRATIVE ACTION. Name: Business incubator for People with disabilities (PWD) **MUNICIPALITY, REGION AND COUNTRY ACTION:** Dair Abi Said, Koura District, Jordan

BRIEF DESCRIPTION OF CONTEXT:

There is no regulation on complementary social money in Jordan, nor are there any regulations governing PPPs for this purpose.

ARRAY TO BE FILLED IN:

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11	Existing applicable regulations governing PPUB and PPPs	- Regulation Number (80) of 2008; Regulation for Implementing Privatization Transactions; Issued in pursuance of Article (20) of The	The objectives of privatization in Jordan includes the following: 1. Raising the efficiency, productivity and	

¹ Especially related to Social Solidarity Economy (SSE) through social and complementary currencies.



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			national economy. 4. Alleviating the debt burden of the Treasury by ceasing its obligation to offer aids and loans to unsuccessful and unprofitable enterprises. 5. The management of economic enterprises with modern methods which include the use of advanced technology in order to enable such enterprises to create stable markets and to penetrate new markets through their ability to compete in international markets.	
2	Purpose of the regulation	The Jordanian Senate has recently approved and implemented a draft of the new Public-Private Partnership (PPP) Law amending the Public-Private Partnership Law No. 31 of 2014. The new PPP, providing a structure within which PPP Projects can be identified, developed and facilitated in Jordan. In addition, the new PPP Law provides a framework for the involvement of the private sector in PPP projects across Jordan		
		It is expected that the new PPP Law will excite investment in the Jordanian market by underpinning a clear pipeline of opportunities for foreign and local investment in Jordan, thereby attracting international developers and lenders. In addition, it is expected that the new law will underpin confidence and transparency, providing the necessary		



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		regulatory framework under which the pipeline of PPP projects can be successfully implemented. Although the Government of Jordan has already allocated financing for some of the PPP projects in the pipeline, this signals a further positive step to ensure that these projects are structured in a way which is attractive for development finance institutions (DFI), multilateral and relevant ministry involvement.		
3 ²	Theoretical Consideration- Definition PPUB and PPP (According to regulations)	PPP Definition as per the law "A relatively long-term written agreement between the public and private sectors for the purpose of providing a service of a general nature or implementing a project or performing a certain task whereby project financing and allocation of risks arising therefrom shall be pursuant to the contract".		there is no regulatory definition
4	Regulations for citizen participation in the design of public policies	There is no mention to citizen participation in the public policies. It is mentioned in the PPP law the following: Article 8 – 3: Feasibility of the restructuring and privatization in relation to technical, economical, financial and social aspects; Under the same Article (Article 8- A. With regard to projects involving		

² Necessary for making comparative terms of equivalent concepts



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		Public - Private Partnerships:- 1. The impact of the implementation of the project on social, economic and environmental aspects;)		
5	Scope of application of PPUB and PPP regulations	PPP Directorate The most notable change under the new PPP Law includes the establishment of a PPP Directorate in the Prime Minister's Office (PMO) which oversees the development of PPP projects across Jordan. This shift in authority should facilitate stronger and more efficient inter-ministries communication in order to avoid delays in the procurement and development of such PPP projects. Jordan Investment Commission involvement Under the previous PPP Law, the Ministry of Finance (MOF) was mandated with the procurement and implementation of any PPP projects in Jordan. Currently, the authority has shifted to the Jordan Investment Commission (JIC) headed by its chairman. The JIC is expected to receive PPP project applications from government bodies around Jordan, studying and registering such projects, and creating a database for each PPP project (including details on the feasibility studies, technical reports, bidder evaluation reports and the likes). The law,		- Public-Private Partnership Law No.17 of 2020 - Regulation Number (80) of 2008; Regulation for Implementing Privatization Transactions; Issued in pursuance of Article (20) of The Privatization Law Number (25) of 2000



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		however, clearly highlights the important role of the MOF in the regulation of the financial commitments and liabilities in each relevant PPP project. Importantly, the law mandates that the MOF provides a MOF guarantee for projects that satisfy a specific-criteria.		
6	Stakeholders involved PPUB and PPPs	Minister's Office (PMO)		current law allow PPP projects in all economic



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				have been tendered out by ministries but then have not been completed.
7	Existence of Specific Legal Figures PPUB and PPP Sector?	Error PPP Knowledge Lab There is little available data on PPP	Error PPP Knowledge Lab	
8	Main Figures for PPUB and PPP creation	Project Name Sector Investment (\$US Million) - Al Manakher Tri-Fuel Power Plant (IPP3), Electricity - Aqaba Container Terminal Concession Contract, Ports - Queen Alia International Airport, Airports - Orange Jordan (former Jordan Telecommunications Company)		
9	Administration-legislative body responsible PPUB and PPPs	The PPP Law restructures PPP governance into a more certain, stakeholder-friendly manner. Article 3 of the PPP Law outlines the objectives of PPP's, not dissimilar from those in the Repealed PPP Law albeit more comprehensive in scope and more definitive in terminology. An example is the substitution of the requirement of feasibility, undefined in the Repealed PPP Law, with the requirement of realizing "Value Added Against Money", defined in the PPP Law as an additional economic revenue earned by the Project Company in favor of the "Contracting Party" which,		



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		for the purposes of the PPP Law is the Governmental Party to a PPP Agreement. The PPP Law maintains the minimum threshold for an entity to qualify as a Governmental Party, requiring a governmental shareholding percentage of not less than 50 per cent therein.		
		Article 4 of the PPP Law establishes a National Register for governmental investment projects at the Ministry of Planning and International Cooperation.		
		Article 6 of the PPP Law establishes the "Higher Committee" pursuant to a decision by the CoM. The responsibilities of the Higher Committee include, but are not limited to, the illustration of the general policy for PPP Projects and the specification of prioritized sectors and activities in that respect, the selection of qualified PPP Projects after reviewing initial reports pertaining to said project from the Ministry of Planning and International Cooperation, the Ministry of Finance, and the PPP Projects Unit, and the issuance of Instructions necessary to implement the PPP Law's provisions.		
		The PPP Projects Unit		
		Article 7 of the PPP Law establishes the		



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		"PPP Projects Unit", a body replacing the PPP Unit established under the Repealed PPP Law. The PPP Projects Unit is accountable to the Prime Minister and operates largely to develop and oversee the standard PPP framework. The PPP Projects Unit is also authorized to provide technical assistance to Governmental Parties in relation to the preparation of feasibility studies and Financial Commitments Reports. Said feasibility studies, along with the PPP Project Unit's recommendations, are then forwarded to the Minister of Finance. The PPP Projects Unit also revises PPP Agreement drafts and forwards them to the Higher Committee along with its recommendations, as well as submitting to the Higher Committee guidelines for endorsement in relation to PPP Agreements and their procedural dynamic.		
		Other accountabilities pertaining to the PPP Projects Unit include, but are not limited to, updating the relevant Register with approved PPP Projects, documenting studies, documents, reports and agreements in relation to said projects, publishing a report on each said Project upon perfection of its financial closure, and drafting Regulations to govern the implementation of the PPP Law and		



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		instructions to regulate the PPP Projects Unit's operation, and forwarding them to the Higher Committee. Article 9 of the PPP Law outlines the authorities and accountabilities of the PPP Projects Unit's Director, as appointed by the Prime Minister.		
		The Technical Committee Article 10 of the PPP Law establishes the "Technical Committee", the role of which involves the holistic, financial management of PPP projects and the costs associated with them including, but not limited to, the assessment, overseeing and monitoring of Financial Commitments, the tracking of any public budget allocations for the benefit of immediately payable instalments and Financial Commitments arising during the execution of PPP projects and the governmental assistance required in relation to said projects, and the comparison between approved PPP agreements and their amended versions to ensure that no fundamental change occurs which alters the risk distribution, Financial Commitments, or suggested governmental assistance of the agreements' respective PPP projects.		
		the Minister of Finance shall forward the		



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		Technical Committee's recommendations to the Higher Committee, along with his recommendations on the forwarded materials. The Minister of Finance shall also set the total cap in relation to Financial Commitments which the Ministry of Finance is able to allocate to cover any Financial Commitments arising from PPP projects. The Higher Committee shall, based on the recommendation of the Minister of Finance, issue Instructions pursuant to the PPP Law to regulate all matters pertaining to the Technical Committee, including the members and meetings thereof.		
10	Administration-Competent executive body PPUB and PPPs	PPP Directorate The most notable change under the new PPP Law includes the establishment of a PPP Directorate in the Prime Minister's Office (PMO) which oversees the development of PPP projects across Jordan. This shift in authority should facilitate stronger and more efficient inter-ministries communication in order to avoid delays in the procurement and development of such PPP projects. Article 12 of the PPP Law allows any private party to submit a direct proposal for a PPP Project to any Governmental Party, sanctioning enlistment of the	Prime Ministry	



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		proposed project in the Register and its		
		execution in accordance with the due		
		process (referenced in Article 20(a) of the		
		PPP Law to be issued via a Regulation		
		pursuant to the PPP Law which specifies		
		the stages of PPP Projects and the		
		respective commitments pertaining to the		
		involved Governmental Party and		
		Contracting Party). Compared to its		
		equivalent in the Repealed PPP Law,		
		Article 12 of the PPP Law offers a		
		clearer, less bureaucratic and less		
		restrictive direct proposal process to the		
		party submitting said proposal, facilitating		
		the enlistment and execution of PPP		
		Projects to cater for investment		
		opportunities and the development potential associated with such		
		1		
		partnerships.		
		Article 16 of the PPP Law makes any		
		amendment or change of a fundamental		
		effect to a PPP Agreement subject to the		
		approval of the CoM based on the		
		recommendation of the Higher		
		Committee. Article 16 specifically targets		
		amendments affecting the risk distribution		
		with respect to the PPP Project, or the		
		assumptions made in said Project's		
		feasibility study. Additionally, an		
		obligation is imposed to terminate a PPP		
		Project and reinitiate the tendering		
		process if an amendment to such project		



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		increases the total costs associate with it by 20 per cent or more. This is a more restrictive provision than its predecessor in the Repealed PPP Law, Article 14(a) (2), which allows the Council of Ministers to approve an amendment causing a total cost increase of 20 per cent or more, subject to the percentage of change not exceeding 50 per cent in any case.		
11	Administration-Competent supervisory body PPUB and PPPs	The Higher Committee of the Public-Private Partnership was recently reconstituted, to be chaired by the Minister of Planning and International Cooperation, and the membership of: Minister of State for Prime Minister Affairs, Minister of Industry, Trade and Supply, Minister of Finance, Minister of State for Governmental Follow-up and Coordination, and director of the Public Private Partnership Unit as the rapporteur.	Prime Minister	
12	Certifications/Registration of PPUB and PPP Actors	To be approved by The Higher Committee of the Public-Private Partnership and registered at the National Registry of government investment projects	National Registry of government investment projects	
13	Measures promoting or encouraging PPUB and PPPs	Projects Article 8 of the PPP Law establishes a special fund under the PPP Projects Unit's authority, the purpose of which is	privatization proceeds shall be deposited. The Privatization Proceeds Fund shall be supervised	of 2008 Issued in pursuance of Article (20) of The Privatization Law Number (25) of 2000



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			be issued for this purpose.	



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				date of closing, sale price, payment mechanism, transfer of funds and the entity who bears the fees and taxes in the event of the sale of government shares or any part thereof.
14	Other legislation related to PPUB and PPPs	Investment Law, No. 30 for the year 2014 The PPP Regulation may be cited as the "Regulation for Implementing Privatization Transactions of 2008" and it shall come into force on the date of its publication in the Official Gazette		
15	Possibility of creating new PPUB and PPP regulations	It is possible, there are two ways as per the Constitute of the Hashemite Kingdom of Jordan, these are: - If the Council of Minsters believe that it is a priority. As mentioned in the Constitution of the Hashemite Kingdom of Jordan, Article 91: - The Prime Minister shall refer to the Chamber of Deputies any draft law, and the Chamber shall be entitled to accept, amend, or reject the draft law, but in all cases the Chamber shall refer the draft law to the Senate. No law	Prime Ministry or/and the Parliament	



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N°	ASPECTS TO BE REPORTED	may be promulgated unless passed by both the Senate and the Chamber of Deputies and ratified by the King. - Ten or more Senators or Deputies propose this law, as per article 95 of the constitution: Article 95: 1. * Any ten or more Senators or Deputies may propose any law. Such proposal shall be referred to the committee concerned in the House for its views. If the House is of the opinion that the proposal be accepted it shall refer it to the Government for drafting it in the form of draft law, and to submit it to the House either during the same session or at the following session. 2. Any law proposed by Senators or Deputies in accordance with the preceding paragraph and rejected by either House shall not be presented for a second time		OTHER DISCLAIMERS
16	Possibility to amend	during the same session. * As amended in the Official Gazette No. 1380 of 4/5/1958. It is not possible in the short-term, since the PPP law was recently approved	1	



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	existing legislation PPUB and PPPs	recently.		
17	Possibility Regulatory implementation (new or amended) PPUB and PPPs	See 15 above	Prime Ministry or/and the Parliament	
18	Problem Identification/implementa tion of PPUB and PPP regulations	N.A.	PPPs not only are of economic strategic importance but also entail significant investment risk given resource scarcity. The obstacles include the difficulties in achieving 'effective partnership working', which included a poor level of partners' engagement and representation, competing partners' ideologies, partners' conflicts and poor decision making, lack of clarity on roles, lack of trust and the inability to manage the 'people issues' and, finally, poor performance management. In addition to, the institutional differences between partnering organisations (the classical division between the public and private partnership)	
19	PPUB and PPP regulations and other applicable to the Demonstration Action (Concrete Project)	The Public-Private Partnership Projects Law No. 17 of 2020 provides the legal reference and institutional framework for implementing these projects. Article (3) of the law stipulates that the objectives of the partnership projects include establishing, rehabilitating, operating, maintaining, managing or developing public infrastructure and facilities, providing public services, providing		



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		financing for government projects, and implementing partnership projects that achieve added value in turn for money and quality of services, in addition to making use of the experience, know-how and modern technology of the private sector in establishing and managing projects.		
20	Other matters and policy areas linked to PPUB and PPPs	environmental challenges include a high external debt, unemployment, decreased	Privatization Law Number (25) of 2000 (Article 13 –C): Suggested drafts for contracts	



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			closing, sale price, payment mechanism, transfer of funds and the entity who bears the fees and taxes in the event of the sale of government shares or any part thereof.	
21	Examples of public procurement of PPUB coproduction with SSE actors	You can find the list of PPP projects through the link below: Error PPP Knowledge Lab	Error PPP Knowledge Lab http://www.comcec.org/wp-content/uploads/ 2015/08/6.pdf	
22	Other issues to highlight	The PPP Law, given the growing commercial significance of PPP Projects, presents a tool of opportunity for the Jordanian government to collaborate with private investors for developmental projects. The fundamental restructuring of the Repealed PPP Law implies a necessity to find a more organized, compartmentalized framework, playing to the advantage of public, private and stakeholders involved in the PPP sector. A recognition of the value of PPP Projects can be seen in the allocation of a special fund to maintain PPP budgets. The Higher Committee and the PPP Projects Unit present more centralized, specialized and supervisory bodies than their predecessors, the PPP Council and the PPP Unit respectively. These new legislative controls, along with the other provisions the PPP Law propounds, create a potential for a dramatic evolution in the		



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		PPP sector.		
		The updated PPP framework potentiates numerous opportunities to fortify Jordan's capital market, enhance the services provided to its nationals, and encourage investment and participation in the PPP sector, whether legal, economic or political.		

CHALLENGES & RECOMMENDATIONS:

The main challenge in Jordan, is how to promote dynamic entrepreneurship in start-ups to create small and medium-sized enterprises with high growth potential. To address these challenges, Jordan needs to pursue a greater degree of economic diversification, supported by policies promoting innovation and strengthening productive linkages. This requires difficult reforms to boost productivity, improve education and strengthen government capacity with a view to addressing social needs. Crosscutting global challenges such as energy independence, climate change, loss of biodiversity, sustainable growth, and access to domestic and global financing also need to be addressed.

MEASURES TO BE IMPLEMENTED:

To plan and implement an innovative PPP, it is essential to take into account the interests of the social group targeted, how expenditure on the new programme would affect the government's budget and what economic incentives could be offered to attract the private partners.

OTHER INTERESTING SUGGESTIONS/NOTES:

The MedTown Demonstrative action can be used as an example of PPP (the business incubator is hosted by MOSD and operated by JOUHUD in cooperation with other GOs and NGOs), with SSE actors using social complementary currencies. The learning processes to be well documented and communicated with the decision maker through different means (meetings, media, etc.).



IDENTIFIED CONFLICTING ISSUES (if any):

N.A

EXAMPLES OF ACTIONS DEVELOPED IN THE FIELD OF SSE IN THE COUNTRY, REFERENCES AND HOW THEY HAVE BEEN DEVELOPED (if any):

All the socio-economic actions are developed by NGOs in partnership with the government institutions based on the national strategies and local priorities. All these initiatives/actions are funded by the international community or private sector, through there CSR budget. Furthermore, over the past decades, Jordan also experienced significant changes in its societies, growth trends and development paths. The dynamic growth cycle enabled a slightly progress in the social sphere, chiefly in terms of reducing poverty and, to a lesser extent, extreme poverty and inequality. It was also sustained by a combination of sound economic and social policy-making from governments and accompanied by some improvements in the labour market and real wages which enabled greater resilience to external shocks.