



وزارة الاقتصاد الرقمي والريادة

Entrepreneurship Policy and National Strategic Plan 2021-2025

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1. Introduction

1.1 Policy Context

- (1) In accordance with the Jordanian constitution and Law No. 19 of 2019, the law amending the Government Departments and Institutions Restructuring Law, the

phrase “Ministry of Communications and Information Technology” was removed wherever it appeared in any other legislation and replaced with “Ministry of Digital Economy and Entrepreneurship”. The Ministry of Digital Economy and Entrepreneurship shall undertake the mandate of the Ministry Communications and Information Technology and shall be considered its legal and de facto successor.

- (2) With regard to entrepreneurship, the Ministry of Digital Economy and Entrepreneurship (“the Ministry”) was delegated the task of drafting, reviewing and implementing the Entrepreneurship Policy (“Policy”) in accordance with Cabinet Resolution No. 2899, that aims to create a legal and regulatory framework for the entrepreneurship sector in the Kingdom, and enable the Ministry of Digital Economy and Entrepreneurship – in the future – to monitor the implementation of the Entrepreneurship Policy with the various ministries and public institutions, and to take all measures or amend or draft the laws, regulations and instructions that guarantee the implementation of this policy.
- (3) Consequently the Ministry of Digital Economy and Entrepreneurship shall draft the Entrepreneurship Policy for purposes of provided the necessary legal framework and the ensuing commitments for the government bodies and create a national strategic plan in accordance with this policy through a public-private participatory approach.
- (4) The purpose of this document is to facilitate the entrepreneurship legislative environment in coordination with all bodies, encourage investment in Jordanian entrepreneurship companies and eliminate the obstacles they face, create sources of funding for investment in entrepreneurial projects in coordination with all stakeholders, assist Jordanian entrepreneurial companies in accessing markets and opening new markets for them, enable entrepreneurs to innovate creative solutions and products, and enhance the Kingdom’s ability to compete at the regional and international levels in entrepreneurship.
- (5) As soon as Cabinet adopts this policy it will become the exclusive policy for entrepreneurship in the Kingdom. However, it does not aim to diminish or impact the validity or any regulatory decision or action taken previously. Therefore, all these decisions and measures shall remain in effect unless amended in accordance with this policy.
- (6) The Policy applies to entrepreneurs in their various levels of evolution, starting with the phase preceding establishing to the growth phase, with a focus on innovative start-up and micro companies, regardless of age, and accelerated growth companies based on innovation and modern support technologies, in all governorates and sectors of the Kingdom.

1.2 Policy Objectives

- (7) The Policy aims to create a friendly, incubating and motivational environment for entrepreneurship in the Kingdom and remove obstacles facing it, including maximizing the economic capacities of the Jordanian entrepreneurial system and its growth, jumpstarting the economy and sustainable development, limiting the phenomena of poverty and unemployment, contributing to increasing the national income rates of Jordanian individuals and families, and achieving citizen prosperity.
- (8) The government focus on entrepreneurship is in line with the challenges facing the Kingdom. The government realizes that developing entrepreneurship depends significantly on developing youth talent, mobilizing their energies, building their capacities and enabling them to become involved in production and work. Therefore, the policy aims to make room for the youth, exploiting their energies and providing them with appropriate circumstances and tools to effect economic and social development in the Kingdom.
- (9) Despite its small size compared with the neighboring countries, the Jordanian entrepreneurial community is active, cooperative and innovative, which encourages additional efforts to place Jordan on the entrepreneurial map as a preferred designation for entrepreneurship and possible regional hub to build entrepreneurial projects. Therefore, the government will work through this policy on a series of legislative reforms and improve government procedures to transition them from restrictive to enabling and supportive legislation and procedures for the entrepreneurship system in the Kingdom.

2. Policy Components

- (10) International reports dedicated to monitoring entrepreneurial environment around the world indicate that Jordan has achieved marked growth in the entrepreneurial system over the past decade, especially in urban areas and specifically in the capital Amman. Jordan's performance was most the best in start-up skills, and ranked relatively well in cultural and community support to entrepreneurship and the entrepreneurial abilities to network and cooperate, in view of Jordan's young society enjoying academic competencies and entrepreneurial and innovative skills in the areas of innovative ideas, the ability to communicate, cultural openness and preparedness to penetrate Arab and international markets.
- (11) The government recognizes that despite all efforts, the national entrepreneurship system remains marred by challenges associated by growth and interconnectivity in this system, specifically the difficulties facing entrepreneurs in launching commercial businesses, inability to predict variables in the business environment, limited technology integration, weak enablers for openness and penetration to Arab, regional and global markets, competency drain to neighboring markets, venture avoidance and

hesitancy, lack of preparedness in the infrastructure including legislation, procedures, training and awareness, and lack of sufficient support for research and development and regulation of e-commerce. This is in addition to other challenges relevant to taxes, access to funding and growing financial burdens for entrepreneurs.

- (12) The government realizes that to overcome these obstacles and achieve a comprehensive and holistic national entrepreneurial system, entrepreneurial priority areas must be identified and opportunities offered by the technological advancement in the world and Jordan seized. This is in addition to the market change in the culture of youth towards establishing their own projects instead of relying on traditional jobs in the public and private sectors. Consequently the government has identified the following six pillars to focus on to effect a quantum leap in the Jordanian entrepreneurial system:

2.1 Legislative and Regulatory Environment Conducive to Entrepreneurship

- (13) The government realizes that an entrepreneurship system burdened by regulatory controls or insufficient, ambiguous or disharmonious undermines its efficacy. It seeks a legislative and regulatory environment for entrepreneurship characterized by additional clarity, transparency and predictability and the complementary enforcement of laws and regulations in view of the significant impact of this on entrepreneurs in all stages of the entrepreneurial cycle.
- (14) Therefore, the Ministry shall spearhead government coordination and cooperation efforts with all government stakeholders to assess the need for introducing any amendments to the laws, regulations and regulatory instructions on entrepreneurship, draft, develop and apply the amendments accordingly, and introduce essential improvements to them to become more complementary, friendly and conducive to entrepreneurship.
- (15) The government will undertake a comprehensive study of the laws, regulations, regulatory instructions and procedures relevant to customs, taxes, companies, labor, local administration and social development, and any legislation, regulatory instructions, procedures or other fees necessary to empower the Jordanian entrepreneurial system.
- (16) To complete the legislative system for entrepreneurship in the Kingdom, the government has directed the Ministry to cooperate with public and private sector stakeholders with the aim of drafting instructions that define entrepreneurial and start-up companies and create classification standards for them and review the digital identity and e-signature system in government services, so that e-signatures may be used at all phases of service provision to entrepreneurs.

2.2 Qualified Human Resources

- (17) The government realizes that many entrepreneurs need specialized training programs, not just in areas relevant to the sector in which they work, but also in all areas relevant to business management, financial management, human resources, technological sciences and other areas necessary for project success, growth and sustainability.
- (18) To facilitate the entrepreneurial journey, the government will work through all institutions whose functions intersect with the entrepreneurship system in the public and private sectors to streamline training and awareness programs for their staff into the annual training plans, with a focus on enhancing their entrepreneurship concepts and principles.
- (19) The government intends to provide the skills necessary for the Jordanian entrepreneurial system in particular, and at a more expanded level to the digital economy. Despite Jordanian universities producing large numbers of graduates in the fields of business management, communications technology and information technology, there has been some criticism of the weak commercial business skills, communication skills and English language skills among those graduates. Additionally, their technical training was insufficient to fulfill labor market requirements in all areas.
- (20) The government directs the Ministry to coordinate with stakeholder ministries and government institutions to take action and design programs to enhance the skills and talents of current and potential entrepreneurs and promote local talents and competencies qualified in the entrepreneurship system to provide human resources at an affordable cost, in addition to taking the necessary measures to increase retention rates of these resources.
- (21) The government directs the Ministry, through the youth, technology and jobs program, to design and implement the programs and initiatives necessary to increase the technical, specialized, personal and administrative skills of founders and managers in entrepreneurial companies, in addition to developing the talents needed by the free market economy.
- (22) The government directs the Ministry, in partnership with the private sector and civil society organizations, to provide the necessary training on entrepreneurial topics through knowledge stations and amending their scope, including providing the necessary specialized trainers on entrepreneurship and information technology to provide training and support to entrepreneurial companies on the use of basic business applications, in addition to services of performance oversight and service

provision, to guarantee services remain relevant to information technology requirements of entrepreneurial companies.

- (23) The government will work through the Ministry and the Ministries of Education and Higher Education and Scientific Research, in cooperation with the private sector and civil society organizations, to include entrepreneurship and innovation topics and concepts in all curricula and courses, and provide incubation opportunities for student projects then transfer them to entrepreneurial projects. The government will work through these bodies to launch national awareness activities to create an entrepreneurship culture in the community and among students, with a focus on acquiring the necessary skills to bridge the gap between academic outputs and labor market requirements.

2.3 Facilitate penetration to local, regional and international markets

- (24) Through the policy, the government will create the necessary measures and procedures to facilitate entrepreneur access to local, regional and international markets, and position Jordan as a regional portal in this field, enhance local opportunities through innovation in the government system, and allow access to government purchases to improve the market reputation and value of Jordanian start-up companies.
- (25) The government is working on achieving greater transparency by publishing data and information and enhancing partnerships between the public and private sectors and commercial and industrial chambers, increasing the private sector's role in designing and developing government services, enabling connectivity between the applications, information, systems and services provided by the government, and achieving prompt and transparent complementarity between them to enhance the transition towards the digital economy in the Kingdom.
- (26) The government is working to guarantee access for all stakeholders including citizens and entrepreneurs to data and services, in addition to expediting the innovation process by providing data, expanding options, and avoiding monopoly by a single systems service provider. To achieve this, the government directs the Ministry to work through the youth, technology and jobs program, or any other program, to develop national innovation systems and enable open access to application programming dashboards.
- (27) The government directs the Ministry, in cooperation with the Jordanian Central Bank and stakeholders, to enhance the payment systems infrastructure and provide appropriate legislative environments for them, including services and financial products appropriate for entrepreneurship companies, easily, safety and at reasonable costs to perform their work more effectively and efficiently, including

facilitating their access to funds immediately and contribute to the growth of their business and client base.

- (28) The government directs the Ministry through the Youth, Technology and Jobs Program or the other relevant programs to continue to work on enabling the access of entrepreneurial companies to local, regional and international markets through establishing platforms to launch and support business development plans for entrepreneurial companies in the target countries and facilitate complementarity between the companies through intermediary parties in the private sector.
- (29) The government directs the Ministry to work with all stakeholders to enhance and facilitate the access of entrepreneurial companies to government tenders, including major tenders, through a series of legal and regulatory reforms, in addition to organizing awareness and training activities for entrepreneurs to educate them on the necessary requirements.
- (30) The government directs the Ministry in cooperation and coordination with the government stakeholders to create a regional cooperation model that includes a framework for reciprocal treatment of entrepreneurs with one of the neighboring countries which would constitute a significant opportunity for Jordanian entrepreneurs. This can then be rolled out to other countries to allow Jordanian entrepreneurs access to opportunities and incentives available in those countries on a mutual basis, and facilitate agreements between the Jordanian entrepreneurial system and the systems in place in those countries.
- (31) In addition to the above, the government will work to allow access to local market and regional and international market information through the Association of Information and Communications Technology Companies (Intaj), the Jordanian Export House and any other stakeholders.

2.4 Facilitating Access to Financing Sources

- (32) The government realized that despite the efforts exerted to overcome the obstacles facing many entrepreneurial companies, penetration to financing sources continues to constitute a main obstacle and a factor impacting the opportunity to establish and sustain entrepreneurial companies, especially in the establishment phase.
- (33) Through this policy, the government will apply measures to enhance access to financing sources throughout the lifecycle of the entrepreneurial company from the establishment to the growth phase, enable and expand options of existing fund and

accelerator programs, create plans to motivate entrepreneurial companies with tax privileges and support the establishment of new funds and diverse sources to finance entrepreneurship, including enabling funds to attract local and foreign investment.

- (34) The government directs the Ministry, in coordination and cooperation with the government stakeholders to ensure complementarity between government and donor programs which focus on supporting entrepreneurship and innovation in Jordan.
- (35) The government directs the Ministry to continue to coordinate and cooperate with the Jordanian Entrepreneurship Fund to enable access to financing opportunities in the areas of investment capital and ownership, focus on attracting investment, studying the possibility of enhancing the Fund's work and expanding the beneficiary base through financing phases below one million dollars, while prioritizing investments ranging between 200 and 500 thousand US dollars, and facilitating access to financing in growth phases for over five million US dollars.
- (36) The government directs the Ministry to encourage business funds, incubators and accelerators to clearly and transparently handle entrepreneur requirements, including, for example, outlining reasons for rejection, clarifying requirements, necessary standards, etc.

2.5 Provide Support Areas

- (37) Through this component, the government seeks to increase the number of new startup companies with a focus on the quality of outputs by building entrepreneur administrative capacities and their readiness for investment opportunities, in addition to facilitating the establishment of entrepreneurial companies, accommodating more of them, and expediting the initiation of their employment process.
- (38) On links and networking between the components of the entrepreneurship system (including government bodies), the government realizes the importance of ensuring connections between stakeholders in the entrepreneurship system in all areas of the Kingdom, including business incubators and accelerators, donors, licensing agencies and others. Therefore, the government directs the Ministry to provide support to stakeholders, including civil society organizations, the private sector and universities to organize public and specialized activities that bring together stakeholders in the entrepreneurship system to attain connectivity and enable cooperation among them. Additionally, the government directs the Ministry to enhance networking between donors, financiers, entrepreneurs and civil society organizations, and encourage and enable the organization of participatory initiatives and provide financial support to these initiatives.

- (39) The government directs the Ministry to establish a “National Entrepreneurship Platform” in cooperation and coordination with the stakeholders, including the Jordanian Entrepreneurship Fund, to ensure communication between entrepreneurs and stakeholders in the entrepreneurship system, shed light on support opportunities and success stories, provide the necessary information to the entrepreneurs in their various development phases, starting from pre-establishment to the growth phase, offer counseling to them, advertise entrepreneurship national and international competitions, and provide the necessary communications channels through a single platform.
- (40) The government directs the Ministry to continue full cooperation and coordination with all government stakeholders and funds working on entrepreneurship, including the Jordanian Entrepreneurship Fund and private sector partners supporting entrepreneurship, the Youth, Technology and Jobs Program, and any other programs at the Ministry, to provide various support services, develop them and improve their quality continually, and enable entrepreneurial access in various growth phases (with a focus on start-up stages) at any time, including joint services and specialized business development services, and increase company readiness as investment opportunities.
- (41) The government directs the Ministry to continue full cooperation and coordination with all government agencies and funds operating on entrepreneurship, including the Jordanian Entrepreneurship Fun and any other initiatives, programs or entities, to ensure comprehensiveness, equality and support throughout the Kingdom regardless of gender or age, include vulnerable groups and persons with disabilities and their families among the beneficiary groups, provide financial incentives for the projects offered by them, improve women’s access to markets and bridging the gender gap in the entrepreneurship system, and encourage additional women’s entrepreneurship and overcome legal and cultural obstacles. In addition to the above, the government is working on providing applications, programs and guidebooks relevant to entrepreneurship in facilitated, simple and easy to understand ways, design programs targeting these groups, and offering preferential advantages to local communities in line with sustainable development goals.

2.6 Cultural View of Entrepreneurship

- (42) The government believes that it is necessary to take a series of measures and procedures to improve the general impression on entrepreneurship and increase linkages between the components of the Jordanian entrepreneurial system to attain a comprehensive entrepreneurial system nationwide.
- (43) Therefore the government directs the Ministry to cooperate and coordinate fulfill with all government agencies, stakeholders and donor agencies to exert additional efforts to promote a culture of overcoming difficulties and obstacles at the national and

community levels, raise awareness to increase demand on entrepreneurship by all community groups in all governorates and of both genders, promote entrepreneurship as a professional option among young in general and specifically among job seekers, and highlight success stories for entrepreneurship while shedding light on local models through various media outlets.

- (44) The government directs the Ministry, in coordination and cooperation with the Jordanian Central Bank and donor agencies, to encourage donors, especially from the banking sector, to participate in venture capital investments, enhance financial inclusion to ensure improvement of the regulatory and legislative framework to enhance access opportunities for micro, small and media companies to financing, and increase the size of loans granted to these companies. The Central Bank will create projects to provide grants to entrepreneurial projects, including the digital currency initiative for empowerment.

3. Governance

- (45) The government delegates full responsibility for monitoring and managing the implementation of the policy and national strategic plan to the Ministry in cooperation and coordination with the stakeholders in this policy. The Ministry must submit an annual report on the status of implementing the policy requirements to cabinet.
- (46) The government directs all ministries and public sector institutions to work in accordance with this policy and to submit reports on their achievements in implementing the items they are responsible for to the Ministry.
- (47) The government directs the Ministry to cooperate and coordinate with the public and private sector stakeholders, draft a national strategic plan for entrepreneurship for the next five years, create measurable indicators with the number of jobs created, capital dedicated for entrepreneurs, revenues achieved, number of new companies registered and the percentage of participation by women and vulnerable groups in entrepreneurship projects, along with other relevant performance indicators.
- (48) The government has established the national Entrepreneurship Council (“The Council”) chaired by the Minister of Digital Economy and Entrepreneurship (“The Minister”) and with members appointed by Cabinet at the recommendation of the Minister, with experience and specialization from the public and private sectors and civil society organizations, so that 70% of the Council members shall be from the private sector and civil society organizations and 30% from the public sector, from relevant ministries and government institutions.
- (49) The Council shall undertake the following duties:

- Review and update the entrepreneurship policy and national strategic plan as needed.
- Assess the progress achieved in implementing the national strategic plan, monitor main performance indicators and take corrective action when needed.
- Assess the applied policies and review and analyze all legislation relevant to entrepreneurship then submit recommendations on the amendments in line with the economic development objectives throughout the Kingdom.
- Propose solutions and measures necessary to motivate entrepreneurial companies, identify the challenges and remove the obstacles facing entrepreneurial companies and investment in the entrepreneurship sector.

(50) The Ministry shall establish an office to manage entrepreneurship projects affiliated with the Minister to undertake the following duties:

- Track project implementation within the entrepreneurship policy and the national strategic plan based on it, in cooperation with all stakeholders.
- Monitor progress in key performance indicators.
- Submit periodic reports, and whenever needed, to the Cabinet through the Ministry, on the results of the Council's work, activities, achievements and obstacles faced in the performance of its functions, along with the Council's proposals and recommendations.
- Submit a periodic report on the progress achieved to the National Entrepreneurship Council.
- Apply the measures necessary to target the donor organizations to finance the projects of the Policy and National Strategic Plan for entrepreneurship.
- Convene regular meetings with the partners and stakeholders to monitor progress in the national entrepreneurship system.
- Monitor local and international entrepreneurial indicators to guarantee sustainable progress to enhance the Kingdom's competitive standing at the international level in the area of entrepreneurship.
- Monitor implementation of the Kingdom's commitment to international conventions in the area of entrepreneurship in cooperation with the Ministry of Planning and International Cooperation and the Ministry of Foreign Affairs and Expatriates.
- Supervise the Kingdom's representation in international events in cooperation with entrepreneurs and stakeholders in the entrepreneurial system.
- Collect and organize information on the entrepreneurial system from stakeholders to benefit from them in facilitating the entrepreneurial system in the Kingdom.