

Promote access to finance for micro, small and medium-sized enterprises

National Target, Strategic Objectives and Activities for Financial Inclusion for the years 2018-2020

National Targets:

1. Increase the level of financial Inclusion from 33.1% in 2017 in terms of account ownership in financial institutions by the adults to 41.5% by 2020
2. Reduce the gender gap from 53% to 35%

Sub-Goals	Targets	Strategic Measures / Activities	Time Frame (Quarterly)		Responsibility	
			Start	End	Responsible bodies	Counselors
<p>Increase the share of financing (percentage of loans) provided by banks and MFIs to micro, small and medium enterprises from 8.5% to 15% by 2020</p>	<p>Increase the size of loans granted to micro-enterprises by 18% annually</p>	<p>The Central bank of Jordan will allocate 10% of the it's facilitated loans obtained from international and regional financial institutions to microfinance institutions in order to lend them to micro, and small enterprises</p>	Fourth Quarter 2018	Fourth Quarter 2020	CBJ, Microfinance Companies	Tanmeyah
		<p>Microfinance institutions shall incorporate quantitative targets in their plans and estimated budgets related to achieve an increase in their loan portfolio of microenterprise projects by at least 15% annually</p>	Beginning of 2019	End of 2019	Microfinance Companies	Tanmeyah
	<p>Increase the size of loans granted to small enterprises by 15% annually.</p>	<p>The Central Bank of Jordan will allocate 15% of its facilitated loans obtained from international and regional institutions for start-up companies through banks and microfinance institutions</p>	Fourth Quarter 2018	Fourth Quarter 2020	CBJ, Banks, Microfinance Companies	
		<p>The Central Bank of Jordan will increase the amount of the established fund by JLGC for guaranteeing start-up loans from 50 to 100 million Dinar.</p>			CBJ	Jordan Loan Guarantee Corporation
		<p>from 50 to 77 million dinar</p>	Fourth Quarter 2018	First Quarter 2019		
		<p>from 78 to 90 million dinar</p>	Second Quarter 2019	Fourth Quarter 2019		
		<p>from 91 to 100 million dinar</p>	First Quarter 2020	Fourth Quarter 2020		
		<p>To expand the loan guarantee program for small start-up projects to include all economic sectors and to expand the definition of small start-up enterprises within this program into officially registered small enterprises that started working for a period of no more than 5 years instead of 3 years</p>	Beginning of Fourth Quarter 2018	End of Fourth Quarter 2018	JLGC, CBJ	
	<p>Banks and microfinance institutions shall incorporate quantitative targets in their plans and estimated budgets related to achieve an increase in their loan portfolio of small projects by at least 13% annually.</p>	Beginning of 2019	End of 2019	Banks, Microfinance Companies	Association of Banks, Tanmeyah, JEDCO	
	<p>Increase the size of loans granted to medium enterprises by 15% annually.</p>	<p>Increase the collateral cap for the industrial and service financing program from JD50 thousand to reach JD1 million through increasing the amount of the collateral program from 5 to 10 million dinars</p>	Fourth Quarter 2018	Fourth Quarter 2020	Ministry of Planning, CBJ, Jordan Loan Guarantee Corporation	
		<p>Provide technical assistance to the Jordan Loan Guarantee Company to build the capacity of its employees in the effective implementation of the Export Credit Guarantee Program, which was established with funding from the Central Bank</p>	First Quarter 2019	Fourth Quarter 2019	World Bank	
		<p>The Central Bank will conduct a study on the feasibility and possibility of expanding its internal financing program to include more economic sectors to benefit from this program.</p>	Fourth Quarter 2018	Second Quarter 2019	CBJ	
		<p>Conducting a diagnostic study to evaluate the gaps in the Ecosystem for SME's</p>	First Quarter 2019	Fourth Quarter 2019	World Bank in collaboration with CBJ	
		<p>Bank shall incorporate quantitative targets in their plans and estimated budgets related to achieve an increase in their loan portfolio of medium projects by at least 13% annually.</p>	Beginning of 2019	End of 2019	Banks	Association of Banks, JEDCO

Providing venture capital arrangements for small and medium enterprises	The Jordanian Entrepreneurship fund which has been established with a capital of \$ 98 million shall start investing in the capital of innovative start-ups and/ or investment funds.	Fourth Quarter 2018	Fourth Quarter 2020	Jordanian Entrepreneurship fund	Jordan Loan Guarantee Corporation, World Bank
	Commercial banks shall finalize the establishment of an investment company with a capital of JDs 100 million to invest in the capital of medium enterprises for the purpose of expanding and developing their businesses	Fourth Quarter 2018	Second Quarter 2019	Commercial Banks	
	Islamic banks shall finalize the establishment of an investment company with a capital of JDs 25 million to invest in the capital of medium enterprises for the purpose of expanding and developing their businesses	Fourth Quarter 2018	Second Quarter 2019	Islamic Banks	
Improving the legislative framework to enhance Micro, Small and Medium Enterprises access to finance.	Expand the regulatory umbrella of the central bank of Jordan to include the non- bank financial institutions sector to enhance its role in financing micro, small, and medium enterprises				
	Preparing a draft of non-banking financial companies supervision bylaw and sent to the Council of Ministers	Fourth Quarter 2018	Second Quarter 2019	CBJ	
	The Bylaw is approved by Council of Ministers	Third Quarter 2019	Fourth Quarter 2019	Council of Ministers	
Provide a suitable business environment for the establishment and development of Micro, Small and Medium Enterprises	Simplify the procedures of registering micro, small and medium enterprises.	Fourth Quarter 2018	Fourth Quarter 2020	Ministry of Industry / Trade, and Supply / Companies Control Department	
	Build financial capabilities of small and medium project owners focusing on improving sustainability prospects and growth of start-up projects within the first two years of their establishment (The weakest phase)				
	Conduct two training courses to build the capacity of SMEs	First Quarter 2019	Fourth Quarter 2019	JEDCO in collaboration with CBJ	
	Conduct two training courses to build the capacity of SMEs	First Quarter 2020	Fourth Quarter 2020	JEDCO in collaboration with CBJ	
	Provide technical assistance to banks and financial institutions to build their capacity in dealing with small and medium enterprises and managing their financing risk				
	The Association of Banks will conduct a training course for banks in this field	Fourth Quarter 2018	First Quarter 2019	Association of Banks	
	Tanmeyah will conduct a training course for microfinance companies in this field	Fourth Quarter 2018	First Quarter 2019	Tanmeyah	
	The EBRD will conduct three training courses for three banks in this field	First Quarter 2019	Fourth Quarter 2020	EBRD	
	Establishing an orientation office to guide citizens/or projects to the suitable financing fund/window.	Fourth Quarter 2018	Second Quarter 2019	Irada Ministry of Planning	
	Developing special financial products, services, and loan guarantees for micro, small, and medium enterprises.	Fourth Quarter 2018	Fourth Quarter 2020	Banks, Jordan Loan Guarantee Corporation, Microfinance companies,	
	Review and amend banks and microfinance institutions credit policies to take into consideration the specifications of micro, small and medium enterprises	Fourth Quarter 2018	Fourth Quarter 2020	Banks, Microfinance companies	
	Developing an operational model and risk management that suits micro, small, and medium enterprises.	Fourth Quarter 2018	Fourth Quarter 2020	Banks, Microfinance companies	
	Accessibility and ease of use of digital financial services by the SMEs sector.	Fourth Quarter 2018	Fourth Quarter 2020	CBJ, Banks, Microfinance companies	
Setting a certain percentage(as per Bylaw or Law) of government tenders to be taken on an annual basis by micro, small and medium enterprises.	Fourth Quarter 2019	Fourth Quarter 2020	The government Tenders Department		