

# White Paper Development on Public Procurement of Innovation (PPI) in Jordan

## Final Report

Developed for:



Developed by:



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## Contents

1.	Introduction and Overview .....	2
1.1.	Introduction.....	2
1.2.	Project Overview .....	2
2.	Methodology .....	3
3.	Tools & Analysis.....	4
4.	Meetings .....	5
4.1.	Policy Makers Group (Final List) .....	5
4.2.	Topics, Outcomes & Participants .....	6
5.	Work plan.....	7
5.1.	Activities.....	7
5.2.	Challenges .....	7
6.	Project Outcomes & Deliverables .....	8
6.1.	Project Deliverables.....	8
6.1.1.	Documents Developed .....	8
6.1.2.	PMG Meetings Conducted .....	8
6.2.	Final Results .....	8
6.2.1.	Gap Analysis .....	8
6.2.2.	PPI White Paper .....	9
6.3.	Recommendations.....	9
6.4.	Future Perspectives .....	11

# I. Introduction and Overview

## I.1. Introduction

The PPI4MED project is implemented in five countries: Spain, Italy, Tunisia, Egypt, Jordan, and aims to transfer the R&D results from National Research Centers (NRCs) to society through Public Procurement of Innovation (PPI) model.

PPI4MED project aims to boost the commercialization of research results from public research institutions through Public Procurement of Innovation (PPI) programs and projects, as well as private-public commercialization partnerships.

The project will raise the awareness of policymakers in each country to promote PPI as a strategic instrument to transfer results as part of the science-policy in each country. PPI can be a transformational instrument for scientific policy and R&D results financed by the public sector.

## I.2. Project Overview

In this initial phase, the focus is on establishing a strong foundation for the research project on Public Procurement of Innovation (PPI) in Jordan. Key stakeholders are identified and engaged, forming a Policy Makers Group (PMG). This group includes government entities, procurement experts, policymakers, industry representatives, and innovators. This diverse representation ensures a comprehensive understanding of perspectives, challenges, and needs in the realm of public procurement. The engagement with the PMG aims to lay the groundwork for informed decision-making and strategy development by collecting insights into the intricacies of PPI in Jordan.

The second phase delves into an extensive analysis of various dimensions surrounding PPI. A comprehensive literature review is conducted, drawing from both local and global sources, to establish a knowledge base and pinpoint gaps and opportunities. The examination of successful PPI initiatives in similar contexts provides invaluable insights for the design of Jordan's strategy. Data collection methods, including desktop research and procurement record analysis, contribute to a holistic understanding of Jordan's procurement practices, innovation ecosystem, and private sector involvement in R&D. The legal and policy framework is scrutinized to identify barriers and avenues for innovation integration within procurement processes. Stakeholder engagement remains integral, ensuring that the research findings are aligned with the needs and expectations of the PMG.

In the last phase, the culmination of the research effort is the development of a comprehensive White Paper. This document reflects the collective insights gathered throughout the previous phases. It distills the analysis, research findings, and best practices into a strategic guide tailored to Jordan's context. Policy recommendations are framed to be both actionable and contextually sensitive, accounting for economic, social, and political dynamics. The White Paper's focal point is proposing a roadmap and guidelines for implementing PPI and innovation policies in Jordan in a methodical and all-encompassing manner.

## 2. Methodology

- **Phase 1- Preparations:**
  - **Stakeholder Identification and PMG Creation:** Identify and engage with key policy makers and stakeholders involved in the public procurement process in Jordan. This will include government agencies, procurement officials, policymakers, industry representatives, and potential innovators. Understanding their perspectives and needs will provide valuable insights into the challenges and opportunities for PPI implementation. The stakeholders to be invited to join the policy makers group (PMG).
- **Phase 2- Analysis:**
  - **Literature Review:** Conduct a review of existing literature, research papers, reports, and case studies related to PPI, both from Jordan and other countries. This will provide a foundation of knowledge and help identify gaps and opportunities for innovation in Jordan's public procurement processes.
  - **Case Studies:** Examine successful PPI initiatives from other countries with similar socio-economic contexts to Jordan. These case studies will serve as valuable benchmarks and provide practical insights for Jordan's PPI strategy.
  - **Data Collection:** Gather relevant data on Jordan's current procurement practices, innovation ecosystem, and the level of private sector involvement in research and development. This data to be obtained through baseline survey, interviews, and analysis of public procurement records.
  - **Analysis of Legal and Policy Framework:** Review the existing legal and policy framework related to public procurement in Jordan. Identify any barriers or opportunities for incorporating innovation elements into the procurement process. This analysis will be essential to propose policy recommendations.
  - **Engagement:** Engage with relevant stakeholders (Policy Makers Group ) throughout the research process to gather feedback and ensure the recommendations align with their needs.
- **Phase 3- White Paper Development and Dissemination:**
  - Based on the research findings and analysis, develop White Paper on PPI as an Instrument to transfer results from the R&D Research Centers. Policy recommendations to be tailored to Jordan's context.
  - These recommendations should be actionable and feasible, taking into account the country's economic, social, and political conditions.
  - The White Paper will propose a roadmap and guidelines of PPI and innovation to implement the instrument in a systematic and holistic way in Jordan.

### 3. Tools & Analysis

SWOT and PESTEL strategic analysis tools were used in the development of the white paper.

**SWOT Analysis:** Conducted a SWOT analysis to assess the current state of public procurement in Jordan:

- **Strengths:** Identify the internal factors that may be advantageous for PPI, such as established procurement practices or existing innovation initiatives.
- **Weaknesses:** Recognize the internal factors that may hinder PPI implementation, such as bureaucratic barriers or lack of awareness about innovation benefits.
- **Opportunities:** Identify external factors and opportunities that can be leveraged to promote PPI, such as funding programs or collaboration with research institutions.
- **Threats:** Identify external factors and challenges that may impede PPI efforts, such as budget constraints or resistance to change.

**PESTEL Analysis:** PESTEL analysis was used to assess the external factors that influence PPI implementation in Jordan:

- **Political:** Evaluate how government policies, political stability, and decision-making processes impact PPI initiatives.
- **Economic:** Examine the economic conditions and how they affect funding opportunities and the ability to invest in innovative solutions.
- **Social:** Understand societal attitudes towards innovation and how they can influence the adoption of innovative procurement practices.
- **Technological:** Analyze the technological landscape and how advancements can be integrated into procurement processes to drive innovation.
- **Environmental:** Consider environmental factors, such as sustainability goals, and how they align with the objectives of PPI.
- **Legal:** Examine the legal framework surrounding public procurement and identify any legal barriers or opportunities for PPI.

## 4. Meetings

### 4.1. Policy Makers Group (Final List)

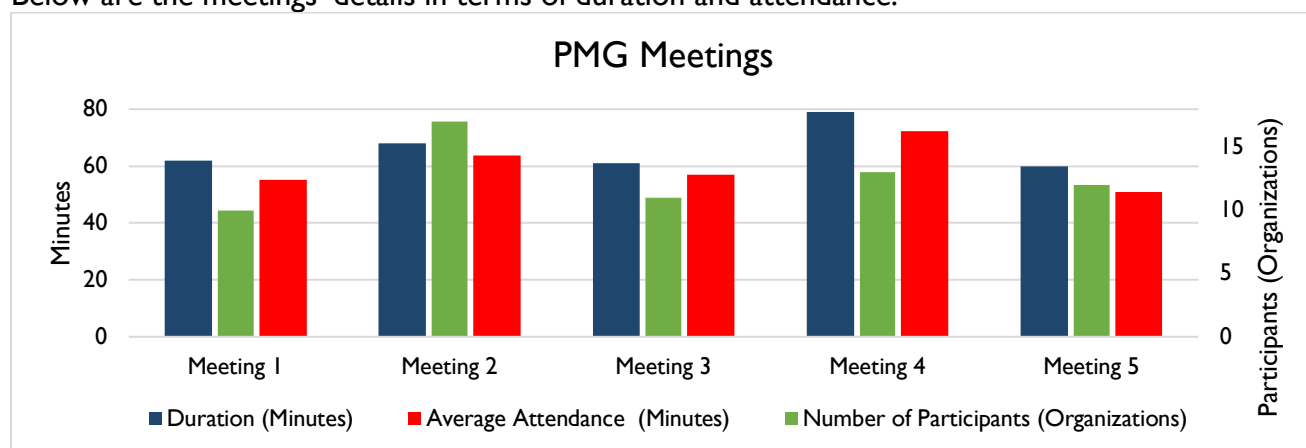
No.	Stakeholder	Name	Position	Organization
1	IP Related	Dr. Mohammed Aljafari	Director	Intellectual Property Commercialization Office, iPARK
2	Policy -Government	Dr. Wasim Halaseh and Samar Werikat	Scientific Research and Innovation Support Fund	MOHE
3	Policy -Government	Dr. Zain Arabiyat	Director of The Procurement Policies and Complaints Unit	The Prime Ministry
4	Policy -Government	Abedalbaset Bani Atieh	Procurement Expert	Government Procurement Department
5	Policy -Government -Agriculture	Ammar Hatar and Ghida Jbara	Director of institutional development and knowledge management	National Agricultural Research Center (NARC)
6	Policy -Government -Digital Economy	Dr. Suleiman Alkhawaldeh	Director For Knowledge Stations	MoDEE
7	Policy -Government -Energy	Omar Barqawi	Head of Innovation and Knowledge Management Department	Ministry of Energy and Mineral Resources
8	Policy -Government -Science and Technology	Dr. Hussam Khasawneh	Director	The National Center for Innovation, HCST
9	Policy -Government -Water	Malak El-Far	Head of Contracts and Follow up Department	Jordan Valley Authority
10	Private Sector-Industry	Mohammad AbuSailik	Industrial Affairs	Amman Chamber of Industry
11	Private Sector-Starups	Mohammed Obaidat	Director	Queen Rania Center for Entrepreneurship, PSUT
12	Private Sector-Starups	Khaleel Najjar	Director of Economy and Climate	Mercy Corps Jordan
13	Private Sector-Starups	Ibrahim Faza	General Manager	JordanStart
14	Private Sector-Starups	Faisal Nsour	Corporate Entrepreneurship Responsibility Manager	Zain Jordan
15	R&D Related	Dr. Mohammed A. AL-Anber	Dean- Faculty of Sciences	Mutah University
16	R&D Related	Dr. Ala' Khalifeh	Associate Professor	The German Jordanian University
17	R&D Related	Tareq Mukattash	Dean of scientific research	Jordan University of Science and Technology

## 4.2. Topics, Outcomes & Participants

Below are the meetings' details in topics and outcomes:

Meetings	Date for Meeting	Topics & Outcomes	Location	Resources & Tools	Attendace
Kick-off Meeting	August 29, 2023	Final Action Plan developed & discussed Final PMG List developed & discussed	Virtual (ZOOM)	Plan & realted resources	Maha Aqra; Farhan Kalaldehy
1st PMG Meeting	September 10, 2023	Project introduced to PMG (Presentation of PPI4MED/ What is PMG and why it is important/ Expected outcome of PMG meetings)	Virtual (ZOOM)	Agenda objectives/ Presentation/ Baseline survey results/ Brainstorming Questions	Dr. Wasim Halaseh and Samar Werikat; Abedalbasety Bani Atieh; Ammar Hatar and Ghida Jbara; Malak El-Far; Mohammed Obaidat; Khaleel Najjar; Ibrahim Faza; Dr. Ala' Khalifeh; Maha Aqra; Farhan Kalaldehy
2nd PMG Meeting	September 17, 2023	Gap Analysis Report developed & discussed	Virtual (ZOOM)	Meeting agenda / Analysis Results / Brainstorming Questions	Dr. Mohammed Aljafari; Dr. Wasim Halaseh and Samar Werikat; Dr. Zain Arabiyat; Abedalbasety Bani Atieh; Ammar Hatar and Ghida Jbara; Omar Barqawi; Dr. Hussam Khasawneh; Malak El-Far; Mohammad AbuSailik; Mohammed Obaidat; Khaleel Najjar; Faisal Nsour; Dr. Mohammed A. AL-Anber; Dr. Ala' Khalifeh; Tareq Mukattash; Maha Aqra; Farhan Kalaldehy
3rd PMG Meeting	September 24, 2023	White Paper Design developed & discussed	Virtual (ZOOM)	Meeting agenda / PPI Design / Brainstorming Questions	Dr. Wasim Halaseh and Samar Werikat; Dr. Zain Arabiyat; Abedalbasety Bani Atieh; Ghida Jbara; Omar Barqawi; Dr. Hussam Khasawneh; Malak El-Far; Mohammad AbuSailik; Faisal Nsour; Dr. Ala' Khalifeh; Farhan Kalaldehy
4th PMG Meeting	October 8, 2023	Draft White Paper developed & discussed	Virtual (ZOOM)	Meeting agenda / Draft white paper / Brainstorming Questions	Dr. Mohammed Aljafari; Dr. Wasim Halaseh and Samar Werikat; Dr. Zain Arabiyat; Abedalbasety Bani Atieh; Ammar Hatar and Ghida Jbara; Dr. Suleiman Alkhawaldeh; Omar Barqawi; Malak El-Far; Khaleel Najjar; Faisal Nsour; Dr. Ala' Khalifeh; Maha Aqra; Farhan Kalaldehy
5th PMG Meeting	October 22, 2023	Final White Paper developed & discussed	Virtual (ZOOM)	Meeting agenda / Final white paper	Dr. Wasim Halaseh and Samar Werikat; Dr. Zain Arabiyat; Ghida Jbara; Omar Barqawi; Malak El-Far; Mohammad AbuSailik; Mohammed Obaidat; Faisal Nsour; Dr. Ala' Khalifeh; Tareq Mukattash; Maha Aqra; Farhan Kalaldehy

Below are the meetings' details in terms of duration and attendance:



## 5. Work plan

### 5.1. Activities

The below breakdown provides detailed workplan for the planned activities as per the provided SOW. The project had 5 meetings and workshops scheduled with stakeholders to discuss issues and provide advice/progress updates.

Phase	Activity	Duration	Activities completion Dates & Dates for Meetings	Location	Input (Tools)	Output (Deliverables)
Phase 1 - Preparations	Develop and Finalize Action Plan	2 Wks	August 29, 2023	NCRD	Plan & realted resources	Final Action Plan
	Develop and Finalize PMG List					Final PMG List
	Kick off meeting with NCRD					
	1st PMG Meeting (Presentation of PPI4MED/What is PMG and why it is important/Expected outcome of PMG meetings)	2 Wks	September 10, 2023	Virtual (ZOOM)	Agenda objectives/ Presentation/ Baseline survey results/ Brainstorming Questions	1st PMG Meeting organized
Phase 2- Analysis	Conduct Gap analysis	1 Wk	September 17, 2023	Virtual (ZOOM)	Meeting agenda / Analysis Results / Brainstorming Questions	Gap Analysis Report
	Identify good international practices and local barriers					
	2nd PMG Meeting					2nd PMG Meeting organized
Phase 3- White Paper Development and Dissemination	Design the white paper for PPI model.	1 Wk	September 24, 2023	Virtual (ZOOM)	Meeting agenda / PPI Design / Brainstorming Questions	3rd PMG Meeting organized
	3rd PMG Meeting					
	Develop first draft for white paper (Amend the white paper for PPI model)	2 Wks	October 8, 2023	Virtual (ZOOM)	Meeting agenda / Draft white paper / Brainstorming Questions	4th PMG Meeting organized
	4th PMG Meeting					
	Finalize white paper	2 Wks	October 22, 2023	Virtual (ZOOM)	Meeting agenda / Final white paper	Final White Paper
	5th PMG Meeting					5th PMG Meeting organized
	Develop final report	1 Wk	October 29, 2023	NCRD	Certificates	Final Report
	6th PMG Meeting (Celebration of completion activities & Certificates)					6th PMG Meeting organized

### 5.2. Challenges

The key challenge in this project was the limited time frame for the various project activities and developing the white paper.



## 6. Project Outcomes & Deliverables

### 6.1. Project Deliverables

#### 6.1.1. Documents Developed

- **Final Action Plan (English)**
- **Final PMG List (English)**
- **Gap Analysis Report (English)**
- **Final White Paper (Arabic)**
- **Final Report (English)**

#### 6.1.2. PMG Meetings Conducted

- **1<sup>st</sup> PMG Meeting, Sunday September 10, 2023**
- **2<sup>nd</sup> PMG Meeting, Sunday September 17, 2023**
- **3<sup>rd</sup> PMG Meeting, Sunday September 24, 2023**
- **4<sup>th</sup> PMG Meeting, Sunday October 8, 2023**
- **5<sup>th</sup> PMG Meeting, Sunday October 22, 2023**

### 6.2. Final Results

#### 6.2.1. Gap Analysis

The below process was used in the gaps analysis:



Following recommendations were developed based on the initial gap analysis:

- Develop an integrated program to be funded internally (public) and externally (donors) to: Increase awareness; improve readiness for stakeholders; build internal capabilities; align R&D outputs with public needs; develop needed process/regulations; and initiate/manage pilots.
- Assign an ultimate owner to plan, secure funding, initiate, coordinate and manage activities (Assessment, Awareness, Training, Technical Assistance, Linkages, M&E, Advocacy, ...etc) that will engage needed government, research and private stakeholders.
- Provide political support to the assigner owner to control and regulate all relevant activities, with adequate funding to mitigate risks, and provide needed incentives for all stakeholders.
- Focus activities on limited number of pilots to help improve process, rally needed resources, and ensure proper follow-up and issue/risk resolving. This will show the determination from stakeholders and genuine/practical/realistic approach to achieve results.

### 6.2.2. PPI White Paper

Following structure was adopted in developing the White Paper.

#### **1. Executive Summary**

This section provides a brief overview of the white paper, including its purpose, key findings, and recommendations.

#### **2. Introduction**

This section defines public procurement of innovation (PPI) and explains its importance. It also discusses selected case studies of successful PPI projects from other countries.

#### **3. Current Status of PPI in Jordan**

This section provides a detailed overview of the current state of PPI in Jordan. It will discuss the following:

- Relevant legislation and regulations.
- Key stakeholders.
- Existing PPI projects and initiatives.
- Benefits of PPI for Jordan: Potential benefits such as Improved quality and efficiency of public services, Reduced costs of public procurement, Creation of new jobs and businesses, and Promotion of sustainable development.
- Challenges of PPI for Jordan: Such as lack of specific legislation and regulations, lack of incentives and capacity among public procurers to design and implement PPI projects, and lack of awareness of PPI among businesses and the general public.

#### **4. Recommendations for Promoting PPI in Jordan**

This section provides a set of recommendations for the Jordanian government and other stakeholders on how to promote and implement PPI in the country, and how to overcome specific challenges to PPI implementation in Jordan. The recommendations will be based on the findings of the white paper and the best practices from other countries. This can include enacting specific legislation and regulations on PPI, providing training and support to public procurers on PPI, establishing a national center of excellence on PPI, and raising awareness of PPI among businesses and the general public.

#### **5. Conclusion**

This section summarizes the key points of the white paper and reiterate the importance of PPI for Jordan. It will also call for action from the Jordanian government and other stakeholders to implement the recommendations of the white paper.

#### **Annexes**

- A list of references

## **6.3. Recommendations**

Following recommendations were proposed in the White Paper.

### **1. Planning and Supporting Existing Institutional Framework Dimension: Establishing a Comprehensive Framework for PPI in Jordan**

Public Procurement of Innovation (PPI) is a promising approach to stimulating innovation in the Jordanian economy. For Jordan, the future of PPI is contingent upon establishing a comprehensive framework inclusive of an integrated national strategy and program, backed by a specialized high-level entity.

- **National Strategy for PPI:** Central to Jordan's success is the development of a national strategy for PPI. This strategy should:
  - Begin with a holistic assessment of Jordan's innovation landscape.
  - Identify sectors with a high need for innovation.
  - Set clear objectives and key performance indicators.
  - Determine coordination mechanisms among government institutions.
  - Allocate budgets for PPI projects.
  - Involve stakeholders such as government purchasers, businesses, and research communities.
  - Address potential challenges and risks associated with PPI.
  - Enhance transparency in purchasing processes.
- **National Center of Excellence for PPI:** Parallel to the strategy, there is a need for a single high-level umbrella, envisioned as a national center for excellence in PPI. This center would:
  - Act as the focal point for executing the national strategy.
  - Disseminate knowledge, offer training and support.
  - Provide resources like guidelines, best practices, and case studies.
  - Cover diverse aspects of PPI, including policy & advocacy, risk assessment, and project management.
  - Collaborate closely with universities, research institutions, business associations, industry chambers, and international organizations.
  - Facilitate communication between government buyers and innovative companies and promote partnerships.

Through this centralized knowledge and support hub, the national center for excellence can accelerate the adoption of PPI, contributing significantly to Jordan's entrepreneurial and innovation ecosystem.

## 2. Regulatory Framework Dimension : Enact Specific Legislation and Regulations on PPI

For PPI to be sustainably integrated into the public sector, developing dedicated legislation and regulations are needed. This would mean creating policies, regulations, and guidelines that promote and govern PPI at the same time. Engaging with experts and consultants during this phase can ensure that global best practices are incorporated.

## 3. Activities Dimension and Empowering Key Stakeholders: Awareness, Capacity Building and Support

The success of PPI in Jordan largely depends on widespread awareness and training. Government purchasers must be made aware of how PPI can enhance the efficiency and effectiveness of their operations. On the other hand, businesses, especially startups and SMEs, need to be aware of the opportunities that PPI presents. Public awareness campaigns, leveraging various tools like workshops, online resources, and business sector events, can play a pivotal role.

To make PPI effective, it is essential to develop capacities both at the individual and institutional levels. After awareness creation, training programs become vital. Such programs should equip government buyers with the skills and knowledge about the effectiveness of PPI, covering aspects like innovation needs identification, risk evaluation, and project management. Additionally, support in the form of dedicated PPI teams can streamline the implementation process. These teams can guide, monitor projects, and facilitate collaboration with private sector companies and research institutions.

Similarly, businesses, particularly startups and SMEs, need capacity-building and support to effectively engage with PPI. Government-sponsored programs can offer funding, mentorship, and resources to help these businesses develop innovative solutions in line with government needs. Besides financial support, capacity-building initiatives should also assist businesses in understanding the procurement process, legal requirements, and effective interaction with government buyers. Efforts in these directions can spur entrepreneurship, job opportunities, and economic growth by fostering an ecosystem of innovative businesses in Jordan.

In essence, for PPI to become a cornerstone of Jordan's economic growth strategy, it's crucial to create a transparent framework, develop capacities, and intensify stakeholder engagement efforts.

#### 6.4. Future Perspectives

Jordan's future in public procurement of innovation (PPI) relies on establishing an integrated framework that encompasses both a national strategy and a knowledge hub. This framework will be the guiding force behind infusing innovation systematically into public procurement. The first step involves crafting a comprehensive national strategy. This strategy should stem from a detailed analysis of Jordan's innovation landscape, pinpointing sectors in dire need of innovation.

Parallely, Jordan should setup a centralized Center of Excellence, entirely dedicated to PPI. This center will serve as a reservoir of knowledge, offering comprehensive resources, best practices, and real-world case studies. Its core mission is to develop and implement highly integrated national program covering the multifaceted aspects of PPI such as Awareness activities, Capacity Building & Readiness activities, Networking & Matchmaking activities, and Policy Development and Advocacy.

In essence, the intertwined future of PPI in Jordan relies on crafting an integrated national strategy and program while establishing a dedicated big umbrella. This approach ensures that innovation becomes an inherent part of public procurement.