H.E. Mr. Ibrahim Saif
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H. E. Dr. Ziad Fariz
Governor
Central Bank of Jordan
Amman, the Hashemite Kingdom of Jordan
(Transmission by email: Governor@cbj.gov.jo)

Subject: Endorsement of Jordan’s Enhancing Governance and Strengthening the Regulatory and Institutional Framework for Micro, Small and Medium Enterprises Development Project

Excellencies,

We are hereby endorsing the above mentioned project proposed jointly by the Central Bank of Jordan, as implementing agency, and by the Ministry of Planning and International Cooperation. The World Bank is ready to support the implementation of this strategic project as Implementation Support Agency in partnership with the Arab Fund for Economic and Social Development (AFESD). The project has been prepared in accordance with the World Bank’s normal policies and procedures, and appraisal is complete.

We welcome the transformational nature of this project proposal, which intends to enhance financial services and products and to strengthen financial protection mechanism for MSMEs.

In our view, this project is fully aligned with the overarching goals of the Transition Fund, namely: (i) investing in sustainable growth, which will be achieved by creating a more enabling and conducive business environment, through improving the regulatory, and institutional, framework for microfinance, with the ultimate goal of enhancing access to finance; (ii) inclusive development and job creation, by addressing key challenges confronting SMEs that are main creators of private sector employment opportunities, through strengthening the credit guarantee schemes for SMEs, and expanding the outreach of services to underserved segments (women and youth), and to integrate lagging regions outside Amman, attaining a more inclusive system; and (iii) enhancing economic governance, which will be achieved by establishing a consumer complaint mechanism that will promote consumer protection, transparency, disclosure, and accountability in the financial system. Consistently, the project addresses two of the three pillars of the Deauville Partnership, namely finance and governance.
The proposed project complements the on-going and proposed lines of credit, which are supported by the Bank and AFESD, ensuring that these investment projects have a strong impact on the ground, reaching out to underserved areas and marginalized groups, in a fair, competitive, and transparent way, as well as adequately regulated and supervised to ensure compliance with prudential regulations and best practices, fostering financial inclusion.

Yours sincerely,

Pilar Maisterra
Acting Country Director
Middle East Department
Middle East & North Africa Region

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