USAID INFORMAL LIVELIHOODS ADVANCEMENT ACTIVITY (IQLAA)

Introduction

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MERCY CORPS

Expectation State

Dalberg

Migrate

Middle East Investment Initiative

ANDERSEN

perspective.

The American Chamber of Commerce in Jordan

Local Context and Challenges

Photo Credit: Mercy Corps

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Local Context – MSEs in Jordan

- **Jordan's micro and small enterprises (MSEs) comprise 98% of the country's businesses**
  - Employing around 60% of the country's private sector workforce
  - Contributing 50% of the national GDP
    - Essential driver of economic stability in Jordan
- **Large and growing informal economy**
  - Increasing number of survival entrepreneurs (people looking to make ends meet and survive)
  - Over 60% of the workforce work in the informal economy
    - Declining rate of business formalization

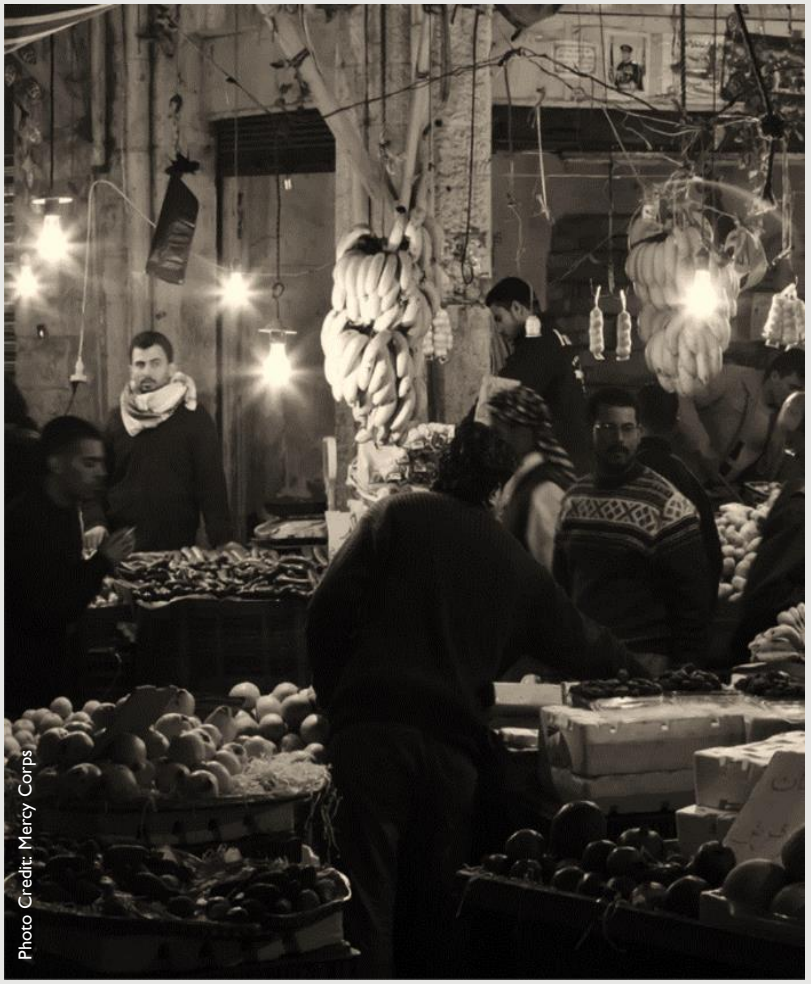
Photo Credit: Mercy Corps

Local Context – Challenges

HBBs and MSEs in Jordan face overlapping challenges:

- Limited management & financial capacity and skills
- Limited access to and knowledge of use of ICT
- Limited access to markets and business development services
- Export markets require difficult-to-meet volumes and quality standards
- Limited access to finance
- Entrepreneurial activity rate is 5.4% for women vs. 10% for men
- Burdensome regulatory environment

Photo Credit: Mercy Corps

Program Description and Approach

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Program Description

Goal	Support home-based businesses (HBBs) and Micro and Small Enterprises (MSEs) in Jordan to grow, transform, and become resilient to future challenges
End Beneficiaries	Formal & informal Jordan-based HBBs and MSEs in four sectors across Jordan: Agriculture, Tourism, Manufacturing, and Services
Consortium Partners	Mercy Corps I Dalberg I Expectation State I MEII I Andersen I AmCham I Q Perspective I Migrate

Iqlaa aims to

1

Enhance Public-Private Dialogue: by

- institutionalizing a national commitment
- championing the utilization of evidence to inform policy discussions

2

Improve MSEs' access to business opportunities: by

- increasing their managerial and technical capacities
- fostering stronger business linkages and access to markets
- facilitating formalization if applicable

3

Enhance MSEs' access to appropriate financial services and products: by

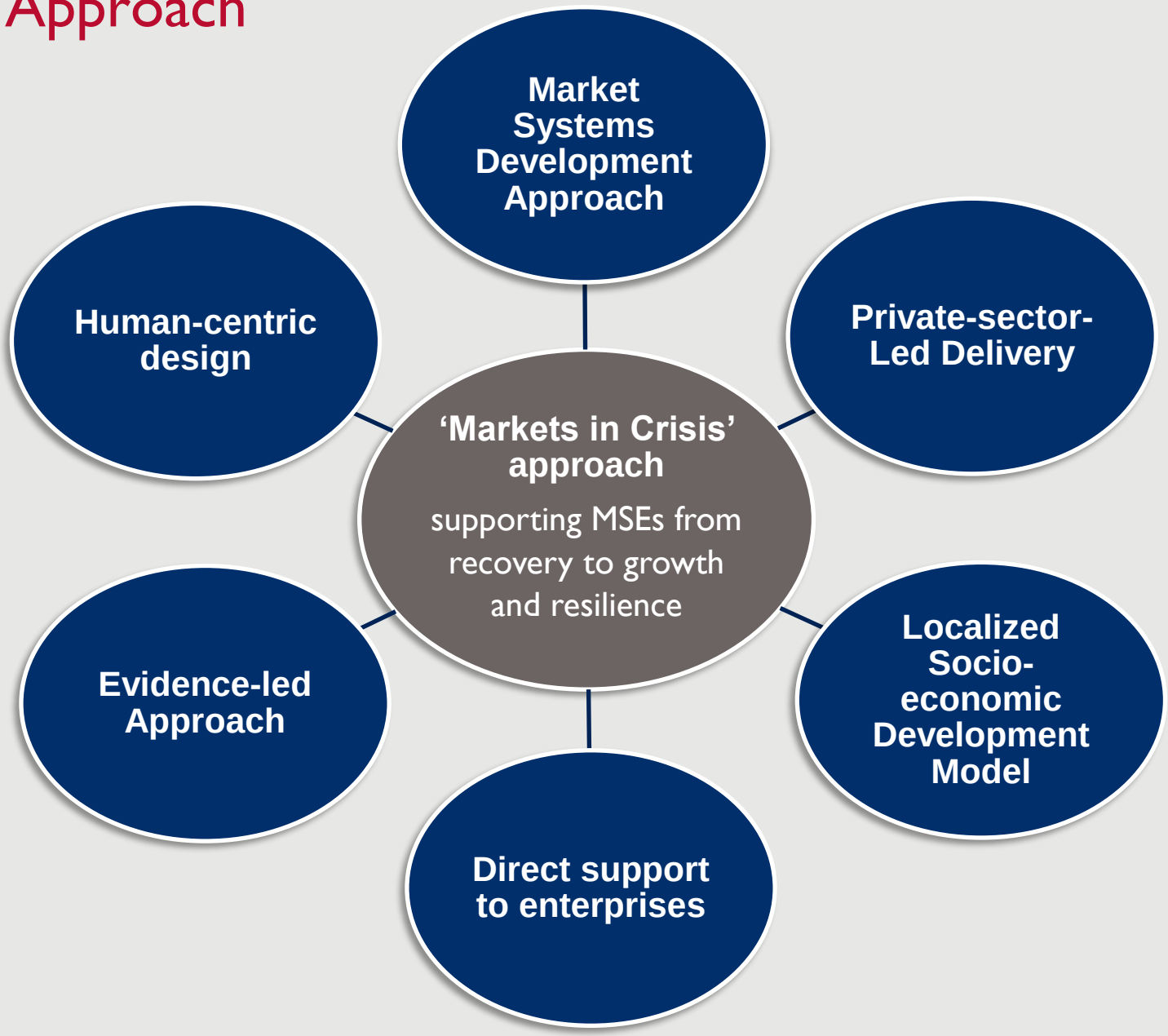
- strengthening financial skills
- increasing the capacity of financial service providers to cater to MSEs' needs

Coverage

- **Sectors:** Agriculture; Tourism; Services; Manufacturing
- **Geographies:** All governorates
- **Inclusion:** Women; youth; people living with disabilities

Photo Credit: Mercy Corps

Iqlaa's Approach



Our Approach

- Access to Markets (aggregation, e-commerce, others)
- Access to Finance
- Capacity building
- Supporting Market Actors (incubators, accelerators, etc.)

Anticipated Key Impact

11,180
supported HBBs/ MSEs

8,000
full-time-equivalent employment of firms assisted

6,000
MSEs provided with financial management services/ products and access to markets

2,400
increased sales and revenue for HBBs/ MSEs

840
women-owned business achieve revenue growth

6,708
HBBs/ MSEs enjoy improved resilience capacities

300
growth-oriented businesses receive formalization support

2
financing options for MSEs piloted or enhanced

2400
MSEs that reach new or expanded markets

Public-private dialogue for MSEs is enhanced and national commitment is institutionalized

Interventions

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R2: Increased MSEs access to business opportunities

2.1: Increased MSE managerial and technical capacities	2.2: Increased MSEs business linkages	2.3: Increased MSE access to formalization

Illustrative Interventions

- Delivery of foundational and advanced capacity-building skills
- MicroMentor for business mentorship services
- E-commerce support and building e-stores (MakanE)
- Micro-Aggregator for MSEs led or owned by PLWD
- Innovative Tourism Incubators (grants)
- General Aggregators (grants)
- FormaJo local production kitchen: Italian cheese-making in Karak
- Business Hubs & Business Kiosks expansion (micro-franchising model)
- Nurseries micro-franchising
- Business Clinics
- Entertainment Value Chain Assessment
- Legal and formalization advisory services and hotline

R3: Increased access to appropriate financial services and products for MSEs

3.1: Strengthened MSEs financial skills

3.2: Increased capacity of financial service providers to better serve MSEs

Illustrative Interventions

- **Tamweeli Assist:** improving financial & and digital management skills by adopting simplified bookkeeping software with coaching
- **Tamweeli Academy**: A hybrid training program in accounting and financial literacy
- Trade financing support in cooperation with local banks
- Improved MFI services *(upcoming)*
- Facilitation of loan guarantees to MFIs *(upcoming)*

Grants

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Grants by Iqlaa

Grant money needs to be spent or invested within a developmental and growth context to be effectively deployed with sustainable impact. Iqlaa will extend grants to **market actors** under five grants schemes:

Formalization	Start-Up Funding	Business Growth	Innovation & Scale	Technology Integration

Grant schemes will be updated annually.

Iqlaa will also issue **unsolicited grants** without a competitive process but based on program purpose, objectives, logical framework, and evaluation criteria. These grants may or may not be advertised and applicants can directly apply for these grants.

FOR INFORMATION

Jo-Iqlaa@mercycorps.org

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