



Presentation on Livelihoods for the HDPG by the PMU January 15, 2017



Why are we here?

This presentation:

- Provides an overview of a key livelihoods challenge under the Jordan Compact
- Presents perspectives of main players, including the government and donors
- Defines gaps
- Provides a framework to discuss ways for HDPG members to work together and initiate mechanisms for better coordination



Role of the Project Management Unit (PMU)

- Monitors and coordinates efforts under the Jordan Compact
- Created by donors, especially USAID, DFID and World Bank
- Part of the GoJ (embedded within MoPIC)
- Support and follow up on progress in 4 sectors: Trade, Business Climate, Investment & Labor.

The Compact is ultimately about economic development and employment, which requires that:

1. Businesses expand to create new jobs, and
2. An enabling environment is created to connect workers and jobs.



Current PMU Activities

- Promoting Exports and the EU Agreement
 - Automate the registration mechanism to issue an authorization number for factories to export to the EU
 - Communications and outreach to inform manufacturers about the new RoO agreement
 - Direct technical assistance to the selected factories
- Promoting Investment and the Business Climate
 - Develop a JIC Action Plan
 - Align investment needs with donor support
- Addressing Labor Market Issues of the Compact
 - Liaise with MoL to provide better information and hopefully an upgraded system for data
 - Work with World Bank on labor market transparency efforts
- Managing the World Bank Program for Results
- Reporting and Communications to Donors
- Manage the action plan for the Compact, mostly within GoJ



Background

- What's our common objective? The Jordan Compact
 - “Cumulatively these measures could in the coming years provide about 200,000 job opportunities for Syrian refugees while they remain in the country, contributing to the Jordanian economy without competing with Jordanians for jobs”
 - Currently at 37,326 permits as of January 11, 2017, 4% women
- For this presentation, the PMU:
 - Conducted an analysis of work permit trends
 - Held interviews with donors, implementers and government
 - Analyzed donor programs and recommendations



Assumptions for Year 2017-2018 Work Permit Numbers

Indicator is “work permits issued within that calendar year”
(counting restarts each year)

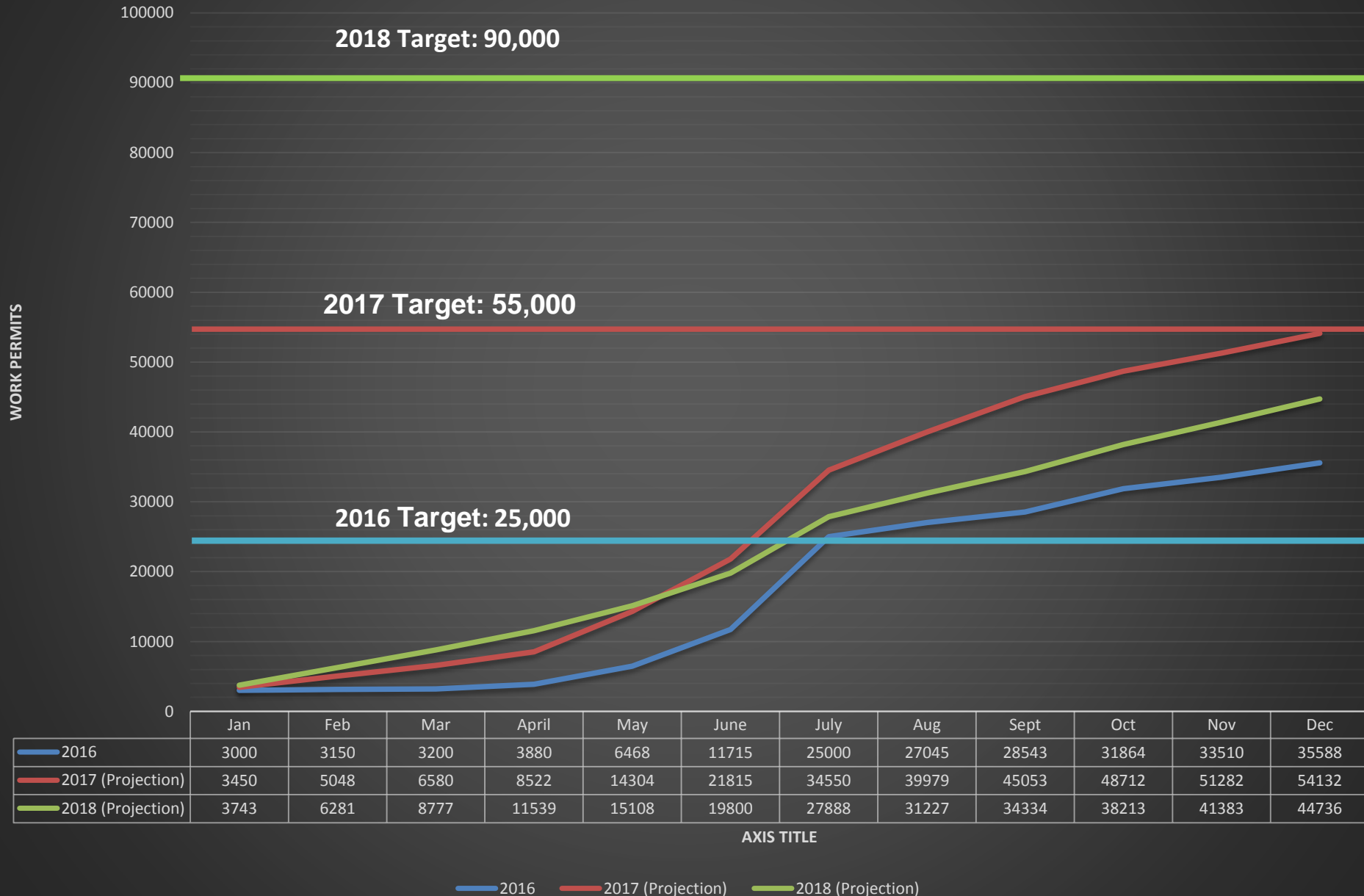
3 Scenarios:

- **Conservative Scenario:** 50% of Syrian will renew their work permits + 1000 new work permits per month
- **Modest Scenario:** 65% of Syrian will renew their work permits + 1500 new work permits per month
- **Optimistic Scenario:** 80% of Syrian will renew their work permits + 2000 new work permits per month

Additional Work Permit Increases:

Based on 2017 planned interventions by different implementers another 13,000 work permits is expected from May up to September 2017.

Actual and Projected Modest Scenario for Work Permits (2016-2018)





Barriers to (Formal) Employment

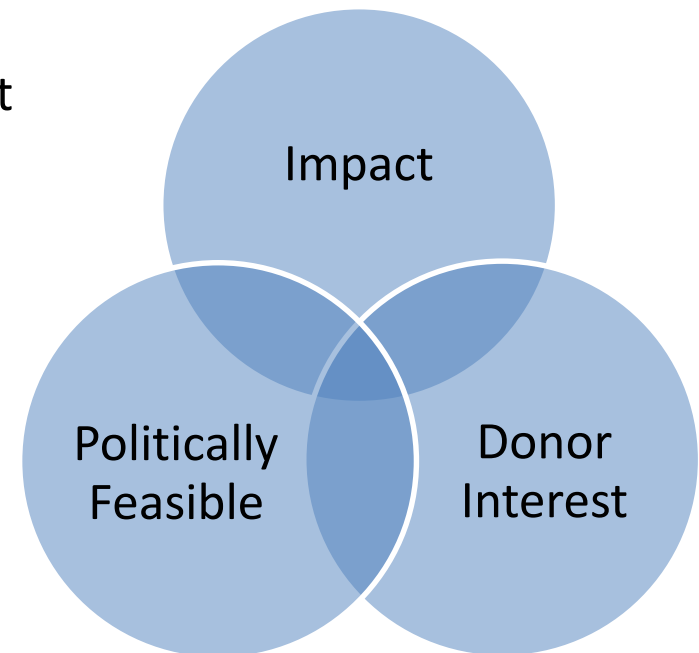
from the Donor/Implementer perspective

- Lack of information
- Available wages are low
 - Employers don't want to pay more than minimum wage
 - Costs exceed benefits or benefits are better with informal work
- Policy challenges with refugees
 - Legal status of refugees – No MOI card
 - Nature of work permits – don't include short-term work, work that isn't employer based
- Barriers to work (Lack of transportation and cost, Lack of childcare services, Long working hours, perceptions of work and especially of women)
- Employers and workers can't find each other
- Skills Mismatch



How do we all work together to increase employment and work permits?

- Supporting the GoJ
- Public perception of Syrian crisis as temporary
- What GoJ wants
 - Job creation for Jordanians and to legalize illegal Syrian workers
 - Taking advantage of the EU agreement
 - Focus on manufacturing
 - Focus on Development Zones
 - Quick wins
 - Attract employment of highly skilled Syrians in designated zones
 - Assistance from Donor Community in coming up with creative solutions





Donor/Implementer Suggestions for GoJ

- Consider policy options to increase work permits for Syrians
- Simplify and clarify regulations and procedures on...
 - Clarification of rights, aid entitlements and opportunities for refugees. Refugee status, access to humanitarian aid, effects on asylum applications and resettlement options
 - Employee incentives, such as paying and cashing out social security and allowances for childcare and transportation
 - Steps in accessing a work permit
 - Starting a business so it's easier and counted as an opportunity
 - Redress mechanisms
- Protection for refugees without MOI cards
- Enforce minimum wage and sensitize private sector



Policy Options to increase work permits

Policy Option (proposed by donors)	GoJ Perspective/Status
Open closed professions/quotas	Out of the question
Allow the MOI card to act as a work permit	Not feasible
Disconnect work permits from employer	Not feasible, Doing in construction and ag only
Create short-term work permit options for seasonal or short-term work	Not feasible
Work sector by sector to find solutions	Working on this now
Allow a percentage of Syrians to be employed across all sectors	MoL studying to see if there's a sector/profession this could work in
Create options for skilled migrant work permits	Need options from donor community

GoJ will soon announce...

- Work permits in industrial sector within 18 zones will be free of charge for next 3 years (starting in 2017-2019)
- Will continue flexible work permits in agriculture and construction until the end of 2017



What Donors and NGOs are Doing

Area	Major Donors/Implementers	Key Activities
Demand for Labor: Jobs and Opportunities		
Private sector development	EU, USAID/JCP, UK, WB	EU Private Sector Development WB and DFID Initiatives
Short-term Job Creation	ILO, IFC, KfW	ILO Intensive Employment
Labor market policies (Decent work, Work permits in sectors)	ILO, GIZ, IFC, UK, UNHCR, Swiss	Better Work Jordan, Doing Business (modernizing laws), IFC Inspections reform
Supply of Labor: Training, Matching		
Matchmaking	UNHCR, ILO, USAID/WFD, JICA, PMU, GIZ, UN-WFP	ILO Employment Hubs USAID/WFD EPU's
Addressing Barriers to Work	INGO pilots in child care and transport	(Small scale)
Skills Development/TVET	GIZ, EU, ILO, JICA, USAID, WFP, ETF, British Council, DFID	Many, including USAID/WFD, GIZ working with MoL
Wage subsidies	USAID, World Bank	
Home-Based Businesses		
Policy reform	IFC, USAID/LENS	WB Simplification of HBB permits
Access to Finance	GIZ, USAID/LENS, EBRD, IFC	



Implementation Gaps based on PMU Analysis for INGOs & Donors

Area	PMU Analysis/Concerns	Recommendations for INGOs and Donors
Demand for Labor: Jobs and Opportunities		
Private sector development	Predictability of donor efforts	Better coordination, wider involvement, Prioritize the ROO & manufacturing sector
Short-term employment	Sustainability, MoL concerned with potential for shocks and social tension	Better coordination
Supply of Labor: Training, Matching		
Matchmaking	Many small efforts, lessons and failures not being shared	Better coordination, more sharing, scale up, provide information on refugees skills
Addressing Barriers to Work	Few programs at scale (in transportation & child care, for example)	Scale up and create new programs
Skills Development/TVET	Not demand driven or connected to employment	Connect to jobs
Wage subsidies/ Incentives		Provide allowances, provide thought leadership on incentives
Home-Based Businesses		
Access to Finance	Less access for refugees	Coordinate to provide wider, more effective options
Communications and outreach		Conduct information campaigns and help government to create materials



Additional Information Needed

ROBUST information needed on:

- Refugees and their social/cultural/economic reality
 - Real cost-benefit comparison of those with work permits and those without
 - Household income
 - What would it take to make them interested in manufacturing?
- Reasons employers don't apply for work permits for Syrian workers and why they stay informal for Jordanians
- Landscape of highly skilled Syrians
- Alternative policy options for increasing work permits



Recommendations

1. Improve coordination efforts

- Move from donor orientation to function orientation
- Small, issue-based groups that are short-term with a defined task.

Possible groups include:

- Matchmaking
- Incentive structures and employer outreach
- Employment intensive approaches/short-term employment
- Access to finance for refugees
- Labor market policies
- PSD Donor Coordination group to meet more often?

2. Mapping efforts

- How will this be used? What information do we really need?
- Who is best placed to take this on?

3. Need more robust information!

What are the next steps?



HDPG Livelihoods Attendees

1. **Private Sector Development Informal Donor Coordination Group** – meets every 6 months
2. **Livelihoods Working Group** – Implementers including WB and donors, focus on disseminating technical standards, addressing specific challenges
3. **INGO Forum Livelihoods Working Group** – INGO Implementers, address specific challenges, also produce materials and advocacy messaging
4. **JRP Livelihoods Task Force** – Led by Ministry of Labor, focuses on JRP planning and resource allocation
5. **Economic Opportunities Working Group** – Donor coordination, interest in funding
6. **MoPIC Project Management Unit (PMU)** – Manage and coordinate around the Jordan Compact