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**USAID/Jordan Local Enterprise Support Activity
(USAID LENS)**

Associate Award

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USAID/Jordan Local Enterprise Support Activity (USAID LENS)

QUARTERLY REPORT

FY16 Q1

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Acronyms

ACC	Agriculture Credit Corporation
AOR	Agreement Officer Representative
APS	Annual Program Statement
A2F	Access to Finance
AVI	Association Viability Index
BDS	Business Development Services
BDSP	Business Development Service Provider
BSP	Business Service Provider
CAM	Competitiveness Appraisal Matrix
CBO	Community-based Organization
CCD	Company Controls Department
CDS	Cities Development Strategy
CEP	Jordan Civic Engagement Project
CGAP	Consultative Group to Assist the Poor
CLA	Collaboration, Learning, and Adapting
CDCS	Country Development Cooperation Strategy
JLGFP	Jordan Loan Guaranty Facility Program
CIBER	Competitiveness Impacts of Business Environment Reform
CSP	Jordan Civil Society Program
CSR	Corporate Social Responsibility
DEF	Development and Employment Fund
DFS	Digital Financial Services
E-TVET	Employment, Technical and Vocational Education Training Fund
EU	European Union
FHI 360	Family Health International 360
FI	Financial Institutions
FSA	Financial Sector Assessment
GIZ	German Society for International Cooperation

GAM	Greater Amman Municipality
GOJ	Government of Jordan
GDP	Gross Domestic Product
HBB	Home-based Business
ICMA	International City/County Management Association
ICT	Information Communication Technologies
IFC	International Finance Corporation
IR	Intermediate Result
JBA	Jordanian Beekeepers Association
JEDCO	Jordan Enterprise Development Corporation
JEDP	Jordan Economic Development Project
JFRP II	Jordan Fiscal Reform Program II
JIB	Jordan Investment Board
JCP	Jordan Competitiveness Program
JFDA	Jordan Food and Drug Administration
JLGF	Jordan Loan Guarantee Facility
JOHUD	Jordanian Hashemite Fund for Human Development
JTD III	Jordan Tourism Development III Program
LDD	Local Development Directorates
LDU	Local Development Units
LDVC	Local Development Voluntary Committees
LED	Local Economic Development
LENS	Jordan Local Enterprise Support Activity
LES	Local Economic Scorecard
LGDP	Local Governance Development Program
LTRC	Land Transport Regulatory Commission
M&E	Monitoring and Evaluation
MEDA	Mennonite Economic Development Associates
MFI	Microfinance Institution
MSE	Micro and Small Enterprises

MSME	Micro, Small and Medium-Sized Enterprises
MFW	Microfinance Fund for Women
MIT	Mobile Interactive Technologies Group
MOA	Ministry of Agriculture
MOI	Ministry of Interior
MOMA	Ministry of Municipal Affairs
MOPIC	Ministry of Planning and International Cooperation
NAFES	National Fund for Enterprise Support
NBFI	Non-Bank Financial Institution
NGO	Non-Governmental Organization
OIRE	Office of International Research Ethics
OPIC	Overseas Private Investment Corporation
PLEDJ	Promoting Local Economic Development in Jordan
PMP	Project Management Professional
PPD	Public-Private Dialogue
PPP	Public-Private Partnership
RFA	Request for Application
RFP	Request for Proposal
RFQ	Request for Quotation
RLDP	Regional and Local Development Project
SME	Small and Medium-sized Enterprises
SOW	Statement of Work
SWOT	Strengths, Weaknesses, Opportunities, Threats
TA	Technical Assistance
TOT	Training of Trainers
TrainNet	Training Results and Information Network
UNDP	United Nations Development Programme
USAID	U.S. Agency for International Development
VCA	Value Chain Analysis
WEPIA	USAID Water Efficiency and Public Information for Action project

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I. EXECUTIVE SUMMARY

USAID LENS kicked off Year 3 with several new grants solicitation mechanisms in order to have a more targeted approach to the grants program and greater integration with value chain activities. The mechanisms include a new BSP APS with a ceiling of JD 175,000; a new MSE APS that must be linked to LENS sectors with a ceiling of JD 100,000; an RFA in support of tourism circuit development in the areas of Azraq and Irbid; and an APS in support of policy reform.

The project also published several RFPs and other solicitations to procure technical assistance in LENS targeted sectors and cross-cutting areas. These include the LENS Consultancy for Grantees Training Support to provide training, mentoring, capacity building, and support services for MSE grantees; an Auto Market Segmentation Study to build understanding of the sector for future interventions; Technical Development of Mobile Banking Services for National Microfinance Bank; and a Local Restaurant Capacity Upgrade to provide a range of technical assistance and capacity building services to local restaurants in Naour.

The project also proposed a major regulatory initiative to the Ministry of Municipal Affairs concerning home-based businesses (HBBs). The initiative proposed to expand regulation of home-based businesses in Amman to Zarqa, as a pilot for a nation-wide roll-out. The successful expansion of the regulation has the potential to benefit hundreds of businesses. In addition, we worked with the Jordan Food and Drug Administration (JFDA) to develop a pre-approval process to allow LENS to proceed with grants to food processing businesses during the licensing process.

In addition, the Technical, Communications, and Procurement teams worked together to advance concepts and procurements for several high profile events being organized by USAID LENS in the next few months. These include the Digital Financial Services conference planned for late March; the Dive Expo planned for early April; and the Companies Control Department (CCD) Awareness Campaign which should kick off with the publication of the registration manuals.

II. KEY RESULTS AND ACHIEVEMENTS

The volume of grants implementation and technical assistance/training increased significantly by USAID LENS in the 1st quarter of FY 16. This was due to greater efficiencies in grant award and procurement, with additional staff and clearer processes. The technical team also increased the number of workshops and trainings delivered. In addition, LENS leveraged STTA and international expertise in its work with the Land Transport Regulatory Commission (LTRC) and with regard to the hiking industry. The following summarizes the key results in Q1 FY 16.

USAID LENS continued to make steady progress towards the achievement of targets in several areas. As noted in the table in Section III. Impacts Achieved against Objectives, there are several indicators where results will be achieved through grants, including both MFIs and businesses, as well as through value chain activities conducted by the technical teams. The quantification of these results will be demonstrated through the monitoring and evaluation of MSEs reached through grants and value chains, direct data collection tools by the project, and ultimately the Targeted MSE Survey, a tool designed to track the responses of project beneficiary MSEs across

indicators of firm performance and perceptions of LDU and municipality capacity. This tool was finalized in Year 2 and will begin tracking a rolling sample of project beneficiaries annually in Year 3. As technical and grants activities move to stronger implementation early in Year 3, the project anticipates the pace towards the achievement of targets to accelerate.

Several trainings and workshop activities have been implemented in both the private and enabling environment sectors. Nine workshops were conducted in the private sector with a total of 1,612 person hours where 40 hours of PMP workshop were conducted for LDU staff with a total of 960 person hours.

In order to maintain a high quality and useful training, the LENS M&E team started conducting Training Evaluations to help improve training for future participants, confirm that participants are getting the needed training, and assess the value-added of the training.

Please check below Training evaluation results (score from 1 to 5, as 5 is the highest score)



This quarter, an additional 123 MSEs were reached through grants, value chain activities, and BSPs. In the next quarters, these MSEs are expected to increase their revenue, create more jobs, and form vertical and horizontal linkages. Additionally, 34 grantees have been shortlisted and are expected to contribute to jobs creation, increased revenue and linkages once implementation begins.

MSE Strengthening

- During the quarter, 240 MSEs increased awareness of resources through direct and indirect LENS support. These included training workshops for businesses in the adventure tourism, bee keeping and honey production and olive oil production sectors, along with home-based businesses (mostly in food processing) and MSE grantees and potential grantees in a variety of sectors. In parallel, USAID LENS delivered more than 1,600 training hours to MSEs being supported through the project’s technical assistance activities and the grants program.
- Sixteen (16) MSEs registered their businesses, and 17 new jobs have been created as a result of LENS grants.

- USAID LENS proposed a major regulatory change to the Ministry of Municipal Affairs (MOMA) in a concept paper presented in December 2015. The proposed change regards an extension of an instruction applied in Amman municipality regarding home-based business registration and licensing. The instruction allows the registration and licensing of certain home-based businesses by the municipality. The concept paper includes a strategy for applying the instruction in Zarqa as an initial pilot and discusses the potential economic impact for informal home-based businesses and communities.

Access to Finance Strengthening

- USAID LENS published two RFQs to support Tamweelcom's mobile banking initiative: one for delivery of a customized bus that will serve as a mobile branch and another for six kiosk payment machines.
- Bayan Advisors completed the business diagnostic and analysis in preparation for the roll-out of the design and implementation of the Tanmeyah Information-sharing Database. The project submitted an RFP for establishment of the database at Tanmeyah.

Local Economic Development Strengthening

- USAID LENS facilitated stakeholder meetings in 9 partner municipalities. The resulting recommendations on SWOT analysis, vision, mission and strategic development objectives formed the basis of LED planning in each municipality. Draft LED plans in all 9 municipalities were completed in December and the project anticipates an LED plans launch event in April 2016.

Grants

- USAID LENS revised its APS for MSEs and BSPs to be more targeted to LENS value chains and other priorities. In addition, LENS issued two other sector-specific grants solicitations including an RFA to support tourism circuit development in the regions of Irbid and Azraq and an APS to support policy reform. (See also *Section III: Grants Implementation and Appraisal*).
- The project also received USAID approval for two subcontracts to provide technical services under grants to NMB and for three new grants under the MFI RFA. Together these totaled \$704,000 in grants to support four microfinance institutions. (See also *Section III: Grants Implementation and Appraisal*).

III. IMPACT ACHIEVED AGAINST OBJECTIVES

USAID LENS KEY INDICATORS October 1, 2015 to December 31, 2015

Indicator	FY16 Q1 Actuals	Key Activities in FY16 Q1	Cumulative Targets (FY 15- FY 16)	Cumulative Actuals	Estimated Results in FY 16 Q2 from ongoing activities
I.1.1 Percentage of targeted MSEs with increased awareness of resources	<ul style="list-style-type: none"> • 240 	<ul style="list-style-type: none"> • Solicitation workshops in Aqaba, Tafileh and Zarqa for 66 MSEs to increase their awareness about grants.¹ • Through a LENS grant, the Jordanian Beekeeper Association (JBA) trained 45 beekeepers' to increase their access to markets and improve their production. Al Zyoud grantee targeted 10 olive farmers through technical assistance. • A workshop for 51 HBBs in Zarqa to increase their awareness of business opportunities, registration and procedures. • Two Grants Management Orientation workshops conducted for 43 grantees to increase their awareness on business registration and licensing. • Training workshop for 17 hiking and climbing companies to increase their awareness of business registration and licensing. • Marketing training workshop for 8 diving companies to increase their awareness of resources and access to markets. 	2,500	<ul style="list-style-type: none"> • 1,384 	<ul style="list-style-type: none"> • It is estimated that 50 Tafileh-based MSEs, targeted through workshops on business opportunities and business registration, will increase awareness in the next quarter. • 20 Drivers Training Centers are to be targeted for awareness of resources. • An estimated 400 MSEs Bee Keepers will be trained to increase their access to markets and improve their production, through the BSP JBA training and value chain. • 34 MSE grantees are expected to receive awareness of resources, through grants management workshops.
I.1.2 Percentage increase of targeted MSEs with more	<ul style="list-style-type: none"> • NA • Several grants that are underway will 	<ul style="list-style-type: none"> • Zyoud Olive Oil grantee targeted 10 olive oil producers to improve their production and they are expected to start increasing their revenue in March 2016. 	3,500	<ul style="list-style-type: none"> • 3 	<ul style="list-style-type: none"> • It is estimated that 316 MSEs will increase revenues in Q2.

¹ We are cleaning our system to report on a more accurate number that is compatible with the definition of this indicator especially for the Solicitation workshop where the number of attendees was huge. The results for will be revised.

revenue	produce results against this indicator in the near future	<ul style="list-style-type: none"> • JBA membership has increased to 175. All will be supported through technical assistance to market their products and increase their revenues. • 19 MSE grants awarded last quarter started implementation in December and are expected to increase their revenue by the next quarter. • 41 MSE grantees are in the pipeline that will allow them to generate revenues. • Marketing training to 15 diving companies through technical assistance and marketing trainings, expected to increase revenue after a diving expo in March 2016. • Value chain activities are targeting 6 restaurants to help them increase their customers and thus their revenue. • 51 woman-owned HBBs received technical support on business registration and increasing access to markets, expected to lead to an increase in their revenue. 			
1.1.3 Number of new jobs created in targeted MSEs in targeted localities	<ul style="list-style-type: none"> • 17 	<ul style="list-style-type: none"> • Baraka grantee has hired 2 new staff. • JBA has hired 1 new staff. • Dwahreh Factory has hired 2 new staff. • One MSE grantee has hired 2 volunteers. • JSTA has hired 2 new staff. • 8 new businesses are established and officially registered. • The implementation of 19 grants from last quarter is expected to generate 99 new jobs. 	1,000	<ul style="list-style-type: none"> • 36 	<ul style="list-style-type: none"> • Estimate of new jobs from the 19 grantees is 99. • 11 New Business Grantees shortlisted will be officially registered in the next quarter. • 22 MSE grantees are shortlisted in the grants pipeline and are expected to create jobs once they start implementation.

I.1.4 Person hours of training completed in private sector productive capacity supported by USG assistance	<ul style="list-style-type: none"> • 1,612 	<p>The following trainings were conducted in Q1 FY 16:</p> <ul style="list-style-type: none"> • 32 person hours in Al Adasiyeh Restaurants. (8 hours x 4 restaurant owners) • Two Grants Management workshops for a total of 172 person hours. (4 hours x 43 grantees) • 236 person hours in HBB workshop in Zarqa. (4 hours x 51 attendees). • 160 person hours in marketing training for diving companies (8 hours x 18 attendees) • 297 person hours in hiking and climbing in the Mountaineering Association workshop (11 hours x 27 attendees) • 315 person hours in beekeeping management workshop (7 hours x 45 attendees) • 400 person hours in harvesting QA training (40 hours x 10 farmers) 	11,750	<ul style="list-style-type: none"> • 2,109 	
I.1.5 Percentage of targeted BSPs with increased sales	<ul style="list-style-type: none"> • NA 	<ul style="list-style-type: none"> • Pioneer Women, Cattle Breeders, JBA, Al Zyoud, Baraka, Zahr Al Ruman, JSTA, Kinana Cooperative, LLC, Jordan Marketing Information zone are expecting to increase their sales through grants. • The Aqaba Diving Association is expected to increase its members, thus its sales. 	25	<ul style="list-style-type: none"> • NA 	<ul style="list-style-type: none"> • 10 BSPs will start implementation next quarter, and are expecting to increase sales after implementation over the coming next quarters.
I.1.6 Percentage of targeted BSPs with more clients	<ul style="list-style-type: none"> • NA 	<ul style="list-style-type: none"> • JBA has increased its clients from 120 to 175. • The Aqaba Diving Association is expected to increase its members next quarter. 	25	<ul style="list-style-type: none"> • 1 	<ul style="list-style-type: none"> • 1 BSP

<p>1.1.7 Number of laws, policies, strategies, plans, agreements, or regulations in development stages of analysis, drafting and consultation, legislative review, approval or implementation addressing private sector competitiveness officially proposed, adopted, or implemented as a result of USG</p>	<ul style="list-style-type: none"> • 1 Drafted • 1 Presented 	<ul style="list-style-type: none"> • One policy was analyzed for institutionalizing the LDUs. The HBB policy was presented to the ministry for approval 	<ul style="list-style-type: none"> • 4 analyzed • 2 drafted • 2 presented • 1 passed 	<ul style="list-style-type: none"> • 2 analyzed • 1 Drafted • 1 Presented 	<ul style="list-style-type: none"> • The LDU policy is planned to be presented next quarter.
<p>1.1.8 Percentage of MSEs assisted that increased vertical linkages (e.g. outsourcing relationships, partnerships, mentoring) and horizontal linkages (e.g. joint procurement of inputs, use of BDS</p>	<ul style="list-style-type: none"> • NA 	<ul style="list-style-type: none"> • Grants are being awarded to firms that will integrate other MSEs into vertical and horizontal linkages, including Olive Oil, Pickles, Honey and Tourism, AL Dwahreh. Safeway initiative will provide participants in targeted cooperatives the opportunity to sell to Safeway. 	<p>1,100</p>	<ul style="list-style-type: none"> • NA 	<ul style="list-style-type: none"> • Safeway will help 4 producers to reach end market. • Dive Expo will help create new linkages. • Two stakeholders meetings & workshops are planned to help JBA members (175) and JBU members (150) to create linkages through capacity building and networking.

I.1.9 Number of firms that have applied improved technologies as a result of USG assistance	<ul style="list-style-type: none"> • 10 	<ul style="list-style-type: none"> • Several grants under the RFA and APS include new equipment and technology • 10 New Business grantees started implementation this quarter, which includes using new technology. 	<p>350</p>	<ul style="list-style-type: none"> • 32 	<ul style="list-style-type: none"> • 34 grantees are shortlisted in the pipeline and will apply new technologies to start their businesses.
I.1.2.1 Number increase in MSE clients of FIs	<ul style="list-style-type: none"> • NA 	<ul style="list-style-type: none"> • Grants and technical assistance are being provided to MFIs to reach underserved populations. Key grants are: MfW Risk Management grant & Learning Center grant; NMB mobile banking services and SME Department; Tamweelcom mobile branch and remote kiosks 	<p>3,000</p>	<ul style="list-style-type: none"> • NA 	<ul style="list-style-type: none"> • Lengthy procurement processes have delayed the achievement of results. The Mobile Banking Branch, for example, will require at least 6 months to deliver following issue of an RFQ; the kiosks could be installed by the end of the year.
I.1.2.2 Number of new products in MFI sector resulting from USG assistance (including new services by Tanmieyah to the sector)	<ul style="list-style-type: none"> • NA 	<ul style="list-style-type: none"> • Grants and technical assistance to MFIs will result in the introduction of new products. Specific examples include NMB's SME Department and anticipated grants for Innovation to MFIs. 	<p>4</p>	<ul style="list-style-type: none"> • NA 	<ul style="list-style-type: none"> • Lengthy procurement processes have delayed the achievement of results.
I.1.2.3 Number of women businesses financed	<ul style="list-style-type: none"> • 1 	<ul style="list-style-type: none"> • 1 women-owned MSE grantees started implementation (██████████) 	<p>300</p>	<ul style="list-style-type: none"> • 10 	<ul style="list-style-type: none"> • There are 13 females in the pipeline shortlisted to receive a grant. • MfW and NMB grants are expected to support and fund women-owned businesses.
I.1.2.4 Volume of loans disbursed with USG assistance	<ul style="list-style-type: none"> • NA 	<ul style="list-style-type: none"> • Grants and technical assistance to MFIs will result in disbursement of loans. Specific examples include NMB's SME Department and anticipated grants for Innovation to MFIs. 	<p>3.36 M</p>	<ul style="list-style-type: none"> • NA 	<ul style="list-style-type: none"> • Lengthy procurement processes have delayed the achievement of results.

1.1.3.1 Monetary value of new investment, revenue and savings in local economy	The LED Plans are in the finalization process, and upon implementation, values will be captured and reported.		Monetary value of new investment, revenue and savings in local economy in targeted areas		
1.1.3.3 Number of municipal regulations and administrative procedures that have been simplified as a result of USG assistance	<ul style="list-style-type: none"> • NA 	<ul style="list-style-type: none"> • Work was done on Home based business policies on the national level that are expected to be part of the administrative procedures held at the municipalities, the HBB policy is presented. 	2	<ul style="list-style-type: none"> • NA 	<ul style="list-style-type: none"> • The approval of HBB policy at the ministerial level will result in a change of regulations at the municipal level.
1.1.3.4 Person hours of training completed in business enabling environment supported by USG assistance	<ul style="list-style-type: none"> • 960 	<ul style="list-style-type: none"> • 40 hours of training in PMP workshop was conducted for 24 LDU staff. 	9,820	3,096	<ul style="list-style-type: none"> •
1.2.2.1 Number of new formalized businesses among project beneficiaries	<ul style="list-style-type: none"> • 16 	<ul style="list-style-type: none"> • 16 New Business grantees registered their business this quarter. 	500	<ul style="list-style-type: none"> • 27 	<ul style="list-style-type: none"> • 28 grantees in the pipeline are expected to register their business in order to receive the grant.
1.2.2.2 Number of MSEs reached with MSE support services	<ul style="list-style-type: none"> • 114 	<ul style="list-style-type: none"> • Number of MSEs reached through grants, value chain and BSPs include: <ul style="list-style-type: none"> ○ 10 farmers through the Al Zyoud grant ○ 45 beekeepers through JBA ○ 10 MSE grants under implementation this quarter. ○ 10 additional hiking & climbing ○ 5 additional diving ○ 34 additional home-based businesses 	4,000	<ul style="list-style-type: none"> • 220 	<ul style="list-style-type: none"> • 34 grantees in the pipeline. • 50 MSEs through value chains in Tafileh governorate, which the project anticipates supporting.

1.2.4.1 Number of USG-supported PPPs	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> • During the last year, several meetings were conducted with 9 municipalities but most of them were not deemed feasible for potential PPP. However, LENS has worked with them on the development of LED plans and expects that each municipality will present 2 potential PPPs in their LED plans and from there LENS will support the implementation. 	<p>5</p>	<ul style="list-style-type: none"> • 	
1.2.4.2 Percentage of targeted municipalities with increased economic development capacity as measured by municipal capacity index *	<ul style="list-style-type: none"> • NA 	<ul style="list-style-type: none"> • The tools for measuring the index are finalized which are the LDU assessment and the TMSE survey. 	<p>14</p>	<ul style="list-style-type: none"> • NA 	
1.2.4.3 Number of targeted LDUs have increased capacity to implement LED activities in targeted localities	<ul style="list-style-type: none"> • NA 	<ul style="list-style-type: none"> • The LDU assessment tool was implemented in August 2015 for 9 municipalities to collect baseline information. 	<p>19</p>	<ul style="list-style-type: none"> • NA 	<ul style="list-style-type: none"> • 9 LDUs are being supported as part of LED Plans Development.

1.2.4.4 Number of community grants issued that meet growth needs	<ul style="list-style-type: none"> • 1 	<ul style="list-style-type: none"> • 9 MLDUs in selected municipalities received grants to improve their capacity to advance economic growth through infrastructure and capacity improvements. • One grant was issued to the 3 targeted GLDUs and the LDD in the Mol. 	<p>25</p>	<ul style="list-style-type: none"> • 2 	<ul style="list-style-type: none"> •
4.2.a Number of laws, policies, or procedures drafted, proposed or adopted to promote gender equality at the regional, national or local level	<ul style="list-style-type: none"> • NA 	<ul style="list-style-type: none"> • One of the 2 policies analyzed was the home-based business policy, which promotes gender equality. 	<p>1</p>	<ul style="list-style-type: none"> • 1 	<ul style="list-style-type: none"> •
4.3.a Number of women and girls benefitting from new or improved USG-supported social services targeted at women and girls	<ul style="list-style-type: none"> • 49 	<ul style="list-style-type: none"> • LENS held a workshop for 49 woman-owned HBBs in Zarqa to increase their awareness of business registration procedures and access to markets. 	<p>350</p>	<ul style="list-style-type: none"> • 49 	<ul style="list-style-type: none"> •

4.3.b Percentage of female participants in USG-assisted programs designed to increase access to productive economic resources (assets, credit, income or employment)	<ul style="list-style-type: none"> • 5 females 	<ul style="list-style-type: none"> • As part of the new jobs created by women through grants as well as the women who were financed as part of the grants activity. 	<p>275</p>	<ul style="list-style-type: none"> • 19 females 	
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IV. GRANTS IMPLEMENTATION AND APPRAISAL

In Q4, the grants and technical teams worked together to restructure grant opportunities to more narrowly target USAID LENS priority sectors, geographies and indicators. The key changes to the APSs include an expansion to the geographical coverage to include three new governorates; a greater focus on value chains in the new MSE and BSP APSs; greater clarity on ineligible items and activities; and an increase of the funding limit to JD 175,000 for BSPs.

USAID LENS published the Tourism Circuit Development RFA for Azraq and Irbid, and held a solicitation workshop attended by members of the Jordan Inbound Tourism Operators Association. Grants under this RFA will support the creation, development and/or marketing of a tourism circuit in the abovementioned areas. The RFA targets tour operators and/or business service providers to encourage the development of products that can increase the number of domestic, non-national residents of Jordan and/or international tourists.

The project published a new grant opportunity in support of policy reform. The Policy Reform APS targets law firms, associations, NGOs, CBOs, think tanks, research institutions (including universities) and others to submit proposals for policy reform/advocacy tools and strategies on several policy issues to encourage business and improve the business environment in Jordan. The publication of the grant was accompanied by a solicitation workshop, attended by 20 BPSs. During the workshop, LENS introduced participants to the MSE Survey Dashboard.

The project held two grants management workshops for a total of 45 grantees on basic grant management skills. The sessions focused on budgeting, branding and communication, M&E, financial management and the submission of basic required documents. The project is providing one-to-one support to grantees in order to finalize their documents.

USAID LENS published a consultancy opportunity seeking business consultants to mentor USAID LENS MSE grantees. Each consultant will be expected to support approximately 5-10 businesses by serving as advisors/mentors to businesses on an ongoing basis over a period of several months to build their skills.

During the last quarter, the following New Business and Fast Track grant applications were approved by USAID:

- **Nasser Masa'deh Bakery – Irbid/Greater Irbid (Shatana and Khetem). New Businesses In-kind grant for the amount of JOD 14,800.** This grant will equip a bakery with basic equipment.
- **Acacia Factory for Plastic and Carton Manufacturing – Irbid/Greater Irbid. Fast Track In-kind grant for the amount of JOD 17,000.** This grant will equip Acacia Factory with a forklift that will enhance and increase productivity, provide a better working environment for the staff by better utilizing their time and physical effort and provide handling service for loading ready products and unloading raw materials inside the factory. Business is 50% owned by a woman.

- **Naser Abu al Hayja – Irbid/Greater Irbid. New Business In-kind grant for the amount of JOD 14,995.** This grant will equip a car maintenance workshop with electronic and computerized equipment.
- **Zahr el-Rumman Society – Irbid/Yarmouk. Business Service Providers’ In-kind grant for the amount of JOD 47,321 (Safeway Initiative).** This grant will equip the association’s pickling workshop to allow for expanded production and increased quality standards.
- **Hiba Qundeel – Zarqa/Greater Zarqa. Fast Track In-kind grant for the amount of JOD 17,080.** This grant will equip the proprietor’s workshop with a filling and packaging line for her products, which will enhance and increase productivity.
- **Hadea Al Younis – Zarqa/Azraq. New Business In-kind grant for the amount of JOD 15,004.** This grant will equip a restaurant and café in Azraq with all basic equipment needed to establish the business.
- **Dhawahreh Factory – Irbid/Muath Bin Jabal. Fast Track In-kind grant for the amount of JOD 19,632(Safeway Initiative).** This grant will equip the Dhawahreh Factory for producing pickled vegetables with a refrigerated vehicle and equipment to expand production, increased quality standards and address their challenge in product distribution.
- **Milana Al-Musha’asha’ – Irbid/Greater Irbid. New Business In-kind grant for the amount of JOD 17,408.** This grant will equip the home based business, Irbid Cupcakes, with the basic equipment needed to rent a shop and establish the business formally. This is a woman-owned and run business.
- **Nasser Al-Ta’ani – Irbid/Greater Irbid. New Business In-kind grant for the amount of JOD 15,500.** This grant will provide basic equipment needed to start up a bakery.
- **Ibrahim Jeet – Irbid/Ramtha. New Business In-kind grant for the amount of JOD 17,000.** This grant will equip the business with the basic equipment needed to start up a bakery.
- **Hani Rawabdeh - Irbid/Greater Irbid. New Business In-kind grant for the amount of JOD 15,556.** This grant will equip a start-up business to sew car floor mats.

With regard to the MFIs, USAID approved two subcontracts for activities under grants with NMB totaling \$507,000 and three MFI RFA grants totaling \$197,200. These are:

- **NMB Department:** USAID approval received to subcontract with the Frankfurt School through a grant of approximately \$275,000 to support the establishment of an SME Department with NMB. Team to be deployed early 2016. USAID approval received for a subcontract with Continuum for human centered design of a mobile payments interface approved in the amount of \$232,000. Work to begin in January 2016.
- **MFI grants:** Three new grants of more than \$197,200 were approved by USAID to be shortlisted for due diligence. These include Microfund for Women for a green energy initiative and product; Ethmar for Islamic Finance to develop product development capability; and Ahli Microfinance Company to establish eFAWATEERcom within their institution.

V. OVERVIEW OF ON-GOING TECHNICAL ACTIVITIES

MSE Strengthening

i) *Food-processing Sector*

Home-based businesses: USAID LENS submitted a concept paper to the Ministry of Municipal Affairs (MOMA) regarding an extension of an instruction applied in Amman municipality regarding home-based business registration and licensing. The instruction allows the registration and licensing of certain home-based businesses by the municipality. The concept paper includes a strategy for applying the instruction in Zarqa as an initial pilot and discusses the potential economic impact for informal home-based businesses and communities. The paper is pending at MOMA and the project expects to meet with the minister to discuss it further. LENS anticipates that the extension of the instruction will be especially impactful for women, particularly those in food processing.

The project also held a workshop for 50 women home-based food processors in Zarqa. The Home-to-Business Model Orientation Workshop at the Zarqa Chamber of Industry included presentations from the JFDA, the municipalities of Greater Amman and Zarqa, among others, on registration and licensing of home-based businesses. It revealed a strong commitment to cooperation in enabling the formalization of these businesses, which are a key source of women's employment.

Artisanal foods: Technical teams began exploring opportunities to drive the development of MSEs in the artisanal food value chain. A focus group in November identified makdous, jameed, vinegar, essential oils and blossom water as leading products for development and sector strengthening. The project is using the lead firm approach in this sector and is currently in discussion with a leading niche market food distributor to identify and integrate producers of jameed and makdous into its supply chain. The proposed initiative will support product development to enable micro-producers to meet the quantity and quality standards of the lead firm, as well as support the lead firm to adopt and apply solutions that facilitate the management of relationships with micro-producers in multiple remote locations. The project has also identified a potential opportunity for collaboration with a BSP to support the development of essential oils and anticipates exploring this further.

Al Adasiyah restaurants upgrade: The Local Restaurant Capacity Upgrading RFP was published (December 22). The RFP solicits proposals from Jordanian firms, business associations, organizations or coalitions of these entities to provide a range of technical assistance and capacity building services to local restaurants in the Al Adasiyah area of Naour, with six restaurants identified as participants in this activity. Technical assistance will support the restaurants to introduce new products, enhance quality and reach new markets.

Bee-keeping and honey production: USAID LENS organized the first stakeholder meeting on hive protection against harmful pesticides that drew the participation of 20 sector stakeholders. The sessions covered farmers; current use of pesticides; legislation applied in Jordan for pesticide registration; obstacles facing the use of safe pesticides in organic farming; and

recommendations for collaborative measures between bee keepers and farmers for better crop pollination. The session concluded with recommendations to protect bees from harmful pesticide exposure, including the prohibition and/or minimization of application of pesticides toxic for bees. The meeting was facilitated by USAID LENS consultant Nizar Haddad.

The stakeholder meeting is first in a series to support the honey sector in Jordan. A second stakeholder meeting is planned for January 2016. This will be followed by a training of trainers for ten highly experienced bee keepers, and training on hive management for 400 bee keepers throughout Jordan, beginning in March 2016. The training is expected to help bee keepers increase their production through better hive management in order to meet considerable unmet local demand for honey and honey products. The project is working with the consultant to develop several tools that will accompany the training, including a manual on hive management and honey production best practices. The project will publish an RFP for a graphic designer to layout the materials for publication.

The project is also collaborating with A2F and the Agriculture Credit Corporation (ACC) to determine the potential for establishing an appropriate bee keeping finance mechanism.

ii) Tourism Sector

In the adventure tourism sector, USAID LENS intensively engaged actors in the hiking and climbing and diving industries. The project is working with the country's established scuba diving industry on marketing efforts to help win back business lost to regional turmoil, and, more significantly, to target Jordan's promising domestic market, comprising both Jordanians and tens of thousands of resident expatriates. This has included an online marketing training workshop for nine dive companies, and the development of a concept for a dive expo in Amman in the spring. The project has published an RFP for an event management firm to organize and market the expo, which will raise awareness among Jordanians of all ages about diving as an adventure sport, promote Aqaba's dive sites, and introduce the marine life of Aqaba and the services offered by diving companies and other tourism-affiliated businesses in Aqaba. The project also has solicited the help of four Amman-based small businesses about hosting diving photo exhibitions to support the promotion of the expo.

Engagement with businesses in the hiking and climbing sector, the fastest-growing but least established of the adventure tourism sub-sectors, is oriented towards supporting the industry to develop linkages that will support the sector's development and preserve it against arbitrary over-regulation. To this end, the project held a workshop for 31 industry stakeholders, which led to the finalization of a working paper on the formation and proposed functions of the Jordan Mountaineering Association. The paper has been circulated among stakeholders for feedback.

USAID LENS also procured the services of international consultant Jack Delf in November for a three-week assignment to begin assessments of key canyons. In addition to assessing the canyons and hiking sites to identify associated risks that can be addressed through LENS interventions, the consultant also met with key stakeholders to discuss the structure and goals of the proposed association.

iii) *Transport Sector*

USAID LENS brought together stakeholders in the transport sector to reach agreement on the proposed LTRC training curriculum, priorities of training and target groups, certification mechanisms for training centers and mechanics and the sustainability of certification and training. Participants included the LTRC, the Jordan Traffic Institute, Greater Amman Municipality, Drivers and Vehicles Licensing Department and the Royal Automobile Club of Jordan.

The project also published an RFP for a market segmentation study of the auto-repair sector as part of its partnership with the Guild of Professional Mechanics. Late last year, the project in partnership with the guild, identified five areas of collaboration that will support the upgrading and professionalization of this sector, including the development and implementation of classification criteria. Vendor selection is anticipated in Y3 Q2.

Access to Finance Strengthening

In Q1, A2F technical assistance included support from a MEDA financial capabilities specialist to aid NMB in developing systems to successfully integrate a new youth financial capabilities training into their operations, while also developing the curriculum to be field tested in April 2016. The project also finalized and received client approval for the Digital Financial Services (DFS) workshop, planned for late March. This event will include and global industry introduction to DFS in the Middle East and North Africa region, including Jordan.

USAID LENS also published two RFQs to support Tamweelcom's mobile banking initiative: one for delivery of a customized bus that will serve as a mobile branch and another for six kiosk payment machines.

LED Strengthening

LED Planning: The project supported its nine partner municipalities in hosting stakeholder meetings in support of the LED planning activity. Participants were nominated by LDUs, mayors and steering committees to ensure the inclusivity of all community groups and the private sector. These meetings resulted in recommendations for the SWOT analysis and the development of vision, mission and strategic development objectives to be integrated in the LED plans of each municipality.

After the workshops, project consultants met with the municipalities' internal departments and private sectors to present the findings and recommendations, to vet proposals and to gather additional suggestions on other economic initiatives that can be taken into consideration. This has allowed the project to develop a list of potential public-private partnerships (PPPs) that can be explored. One of the LED consultants facilitated a meeting for businessmen in Zarqa to discuss business ideas for the governorate and the role of the municipality in facilitating these. Next steps include following up on potential projects and investors to facilitate PPPs and investments.

The project team met with USAID JCP representatives to discuss cooperation regarding investment promotion through building linkages between partner municipalities and the Jordan Investment Commission (JIC) as part of municipal capacity building. Next steps include participating in a JIC strategy meeting in January 2016 to discuss the integration approach, which will promote and support the LED plans.

The draft Arabic versions of the LED plans were completed by end of December 2015 and were sent to translation. Translations will be shared with an international consultant (Sandi Chesrown) to review and offer technical advice. It is anticipated that plans will be finalized by end February 2016, with a launch event anticipated in April 2016.

Implementation of LED Strengthening Activities: As part of the LDU support package training, a committee from the technical team reviewed applications to short-list firms qualified to provide capacity-building to targeted municipalities to support the implementation of key aspects of their LED plans. The next step was to define an approach to determine the assignment of tasks. The process by which the service providers are being contracted is currently under review.

Under the same LDU package, the first PMP training was provided to LDU partners from the interior ministry, governorates and municipalities (December 13-17). Training was conducted by Methods Corp, Amman. Another round for another three participants from MOMA will be held in February 2016.

Strengthening the Enabling Environment

i) MSE-Specific Activities

USAID LENS published a new grant opportunity in support of policy reform. The Policy Reform APS targets law firms, associations, NGOs, CBOs, think tanks, research institutions (including universities) and others to submit proposals for policy reform/advocacy tools and strategies on several policy issues to encourage business and improve the business environment in Jordan.

The delivery and installation of a new server at the CCD was completed in early Q1. The server was procured through a LENS grant and will support the CCD's capacity to serve business registrants and other governmental and civil entities by minimizing downtime, direct and indirect maintenance costs and inefficiencies in the registration process.

In parallel, the content of a business registration manual that clarifies the registration process for different types of business entities, outlines the tangible and intangible costs/benefits of registration and answers FAQs about the CCD services and units also has been completed. The project is working with a graphic designer to develop the design for the manual, and plans to publish an RFP to identify a marketing company able to conduct an awareness campaign to launch the start-up guide, including reaching at least 2,000 MSEs with information about the registration process and resulting in the registration of at least 300 MSEs.

ii) *LED-Specific Activities*

Policy consultant Rami Samain delivered the final version of the policy paper on institutionalizing LDUs. The paper was presented to the senior project management. Following agreement on the recommendations, it was agreed that the paper would be presented to MOMA.

USAID LENS also met with MOMA to discuss potential collaboration to support partner municipalities in terms of policy and management systems, including policy recommendations, resources mapping, financial management, GIS and others.

VI. GENDER

USAID LENS submitted a gender strategy for the next three years to the client in December 2015. The gender strategy targets four core objectives: 1) embedding gender organizationally and project cycle integration; 2) strengthening women's representation and/or participation in selected sectors and value chains; 3) increasing women's access to services, information, resources and social networks as these relate to the USAID LENS project; and 4) increasing the awareness and capacity of institutional partners to mainstream gender and support women's economic empowerment in the design of policy, programs and products. The latter derives from the project's reliance on a range of stakeholders for successful project implementation but that may not have competence in gender mainstreaming and equality and diversity principles. The strategy is accompanied by an implementation plan and four tools to support the implementation of the strategy and the integration of gender across the project.

The project is in the process of recruiting a gender advisor to support the implementation of the strategy as well as develop relevant technical activities in support of women's economic empowerment. A series of trainings are planned for all levels of project staff in Y3 on their roles in the implementation of the strategy.

A review of the LENS grants program is also underway to understand its impact for women and potentially strengthen the project's approach to women's economic empowerment through the grants program.

VII. RESEARCH AND LEARNING

MSE Survey

USAID LENS concluded the second segment of its MSE Survey covering 2,278 businesses in the governorates of Kerak, Tafilah and Aqaba, and the descriptive results from this segment of the survey have been complete. Infographics to make the data accessible and provide key numbers to a diverse group of stakeholders to encourage the use of data and information are in process. The project plans an event in mid-2016 to introduce the survey to a wide array of stakeholders.

Municipal Resource Mapping (MRM)

Following the initial round of municipal resource mapping in partner municipalities during Q4, the project developed a master sheet of data which was used by the consultants to identify the gaps in information at the municipal level. The data collected by the municipalities with the support of the project's consultants has been integrated in the LED Plans.

As part of USAID LENS efforts to establish a sustainable process of data collection, analysis, and dissemination at the municipal level, the project has identified two (2) potential projects to support in coordination with MOMA. Support aims at upgrading both central systems (MOMA) to include functions relative to LED and MSE development and implementation will include partner municipalities as a pilot. Next steps include meeting with MOMA to discuss the implementation mechanism, timeframe, and budget followed by a concept development to be submitted for approval by AOR.

VIII. CHALLENGES ENCOUNTERED & PROPOSED REMEDIAL ACTIONS

- Recruitment of senior technical advisor position remains a challenge. USAID LENS will re-launch recruitment in February 2016.
- USAID LENS A2F Technical Director Dale Lampe is working remotely through February 2016. The project has put together a management plan to support work in the sector during this time.
- USAID LENS faces challenges in hiring an appropriately experienced and knowledgeable policy advisor. An offer letter to an advisor working on a consultancy basis was refused. The project plans to interview other candidates in coming weeks.
- The departure of the HR and Procurement Manager in December created some challenges, particularly in completing new hiring. However, several new procurement staff joined the project in December and played a critical role in moving forward RFQs, RFPs and SOWs. The project is recruiting for an HR Manager or Officer and will separate that role from procurement.
- Approximately half of food processing grant applications have been held up due to licensing and registration issues. LENS is working with the JFDA to find a mechanism that will bridge this gap in a way that allows grants to move forward while minimizing risk.

IX. NEXT QUARTER ACTIVITIES

Access to Finance

- Deployment of Frankfurt School team to support the establishment of SME department with NMB (early 2016)
- Commencement on design of mobile payments interface with NMB (January 2016)
- On-boarding of new A2F technical advisor (late January 2016)
- Re-launch recruitment for TA position
- RFPs for three new MFI initiatives to be issued

- Management consultant for development of Tanmeyah credit information database and contract with risk management expert to conduct training for Tanmeyah in early 2016
- RFP for consultant or firm to conduct sector employee benefits survey to be issued in early 2016
- Development and field testing of Financial Capabilities curriculum (April 2016)
- Digital Financial Services workshop (late March 2016)

Local Economic Development

- LED Plans launch event (anticipated April 2016)

Value Chains

- Bee keeping stakeholders meeting (early January 2016)
- Bee keeping TOT (late January 2016)
- Bee keeping extension training (late March 2016)
- LTRC government stakeholders training (early January 2016)
- Jordan mountaineering workshop (late January 2016)
- Home-based business orientation workshop/Amman (early February 2016)
- Home-based business orientation workshop/Aqaba (late February 2016)
- Home-based business RFA solicitation workshop (March 2016)
- Policy reform RFA solicitation workshop (early February 2016)
- LTRC TOT curriculum (mid-February 2016)
- Homestay stakeholders meetings (mid-February 2016)

X. BUDGET INFORMATION

XI. SUCCESS STORIES AND COMMUNICATIONS HIGHLIGHTS

USAID LENS Event Highlights:



Al Zyoud Auto Mill, a USAID LENS grantee based in Azraq, organized a training in mid-December 2015 to train local farmers on using new harvesting methods using machines procured with assistance of USAID LENS. 10 Farmers attended the training for a period of 2 weeks.



Held PMP training for LDU partners from Ministry of Interior, governorates and municipalities from December 13-17 at Methods Corp, Amman. This training makes them eligible to attain the globally-recognized PMP certification.



USAID LENS held a small event with our grantees from Zarqa governorate on November 2, 2015, who we invited to attend a meeting with the Zarqa governor Dr. Raed Al Adwan. This event received national media coverage.



Organized a solicitation workshop on December 15, 2015, for business service providers (BSPs) where more than 20 representatives of local BSPs attended to discuss the BSPs grants program offered by LENS in addition to being introduced to the MSE Survey Dashboard.



USAID LENS organized a stakeholder meeting on December 12, 2015, on honey bee protection from pesticides. The stakeholder meeting investigated current policy measures and restrictions and put forth recommendations to protect bees from harmful pesticide exposure.



USAID LENS held a solicitation workshop for JITOA members on December 16, 2015, on the tourism circuit development RFA grant opportunity. The RFA aims to increase local revenue and job creation in and around Azraq and Irbid.



USAID LENS conducted field assessments of different canyons and hiking trails in Jordan in November 2015 in order to determine needed interventions to further strengthen MSEs in the hiking industry.



USAID LENS held a workshop on November 10, 2015, for around 50 women from Zarqa working from home in food processing to discuss with them the proposed "Home-to-Business" Model which will help develop their businesses and increase their revenues.