



Employment-Oriented MSME Promotion Project

Boosting Private Enterprise as an Engine for Job Creation

Special Initiative Middle East and North Africa
Action Field
Economic Stabilization



The challenge

Jordan's economy is dominated by a strong public sector which has traditionally been the country's largest employer, accounting for more than 40% of the workforce. However, the sector has seen a massive decline in recruitment in recent years.

At the same time, while Jordan's private sector provides opportunities for growth, innovation and employment, the density of micro, small and medium enterprises (MSMEs) is considerably lower than in other higher middle-income countries. MSMEs often fail to compete with foreign companies, partly due to a lack of qualified personnel and limited access to business development services. In addition, an inflexible legal framework makes it hard for MSMEs to establish themselves in the market. The situation of MSMEs in Jordan was further aggravated by the significant disruptions of the COVID-19 pandemic, which resulted in supply chain disruptions and demand depression. As a result, the official unemployment rate reached a high of 24.7% by the first quarter of 2021.

Our approach

The 'Employment-oriented MSME promotion' project aims to support Jordanian MSMEs in accordance with 'Jordan 2025 – A National Vision and Strategy and the 'Jordan Economic Growth Plan 2018-2022'. It does so by focusing on food processing, information, and communication technology (ICT) and tourism as sectors with considerable growth and employment potential.

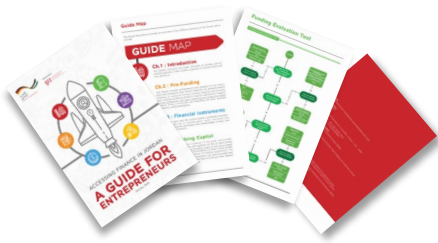
The project supports the implementation of sectoral and market strategies to boost the prospect of MSMEs and the sectors altogether. By working with local partner organizations, the project also helps to develop sustainable mechanisms that improve access to financial and non-financial services for enterprises in Jordan. Through the strengthening of public-private dialogue platforms, the project further encourages the active involvement of relevant stakeholders and helps to identify and tackle barriers to employment-oriented MSME growth. Throughout its activities, the project sets a particular focus on promoting women economic empowerment.

Project name	Employment-oriented MSME promotion
Commissioned by	German Federal Ministry for Economic Cooperation and Development (BMZ)
Implemented by	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
Project area	Jordan
Political partner	Ministry of Industry, Trade and Supply (MoITS)
National partners	Ministry of Tourism and Antiquities; Ministry of Digital Economy and Entrepreneurship; Chambers of Industry and Commerce; Business Associations; relevant service providers; local administrations within the regions; civil society
Duration	01/2018 - 04/2024
Budget	12.8 Mio. Euro



Left Photo: Signing of the Addendum to Implementation Agreement for the Women Economic Empowerment Top-Up with MSME team leader Ms. Diana Hollmann, Mrs. Elisabeth Girschbach GIZ Country Director, MoITS Minister H.E Eng. Maha Al Ali, and the S.G of MoITS Mr. Yousef Al Shamali © GIZ/MSME

Right Photo: Planning workshop with key stakeholders in entrepreneurship promotion (J-CORE) © GIZ/MSME



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Left Photo: Picture of the Finance Guide for Entrepreneurs published by © GIZ/ MSME

Right Photo: Head of a production kitchen in Amman who expanded her business with support of GIZ MSME © GIZ/ MSME

The benefits

On an institutional level, the project strengthens the capacities of key partners to provide relevant services and promote policies that improve the business-enabling environment of MSMEs.

By enabling companies to create more job opportunities, the project ultimately targets job seekers, entrepreneurs, and employees of Jordanian MSMEs with a special focus on women. In 2020, the project worked with local stakeholders, to develop a guide for entrepreneurs to access finance in Jordan. It provides an overview of financial instruments and services as well as a roadmap on how to validate ideas, evaluate a business, and approach funders at different junctures along the growth journey. Jointly with local stakeholders, the guide is being made available digitally on a regularly updated platform. As such it provides a strong reference for ecosystem facilitators as well as for small and growing businesses themselves to gain much-needed access to finance for employment-oriented growth.

The project is part of a special initiative designed to stabilize and promote development in North Africa and the Middle East run by Germany's Federal Ministry for Economic Cooperation and Development (BMZ). Through the projects that make up this special initiative, BMZ is helping to open up economic and social prospects for people in the region. Within this context, more than 80 additional development cooperation projects are implemented in the period from 2014-2024. The thematic focus is on youth and employment promotion, economic stabilization, democracy and stabilizing neighbouring countries in crisis situations.

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