

Executive summary

1. Description of the Actions

Background

Jordan has faced a series of shocks including influx of refugees, regional instabilities, and economic pressures for a long period of time. The high unemployment coupled with increased poverty are caused mainly by the limited capacity of the public sector to pursue a coherent and effective policy to promote employability, provide the enabling business environment for start-ups and existing businesses, ease access to credit, as well as to promote lifelong learning and an entrepreneurial culture and education among youth and women together with the development of necessary technical skills. The low activity rates, particularly among women, are constraining economic growth, and together with high job informality, are limiting the capacity of the labor market to reduce poverty.

Objectives of the Actions

The two projects JOinUP! and Mubaderoon (called thereafter the Actions) were implemented through a Call for Proposals related to one of the specific objectives targeting improved social inclusion under the EU Skills for Employment and Social Inclusion Programme (SESIP) adopted in 2014. The call for proposals set the following *global objective*: to contribute to poverty reduction and social inclusion of people confined in the informal economy and disadvantaged/marginalised groups through their integration into the formal economy.

The call for proposals sets *two specific objectives*:

- (1) **Meso level**: To improve capacities of social entrepreneurship support structures while fostering the development and/or reinforcement of linkages with the same type of support structure in the region and in the EU.
- (2) **Micro level**: To support and strengthen the existing social entrepreneurial initiatives/social enterprises including the newly created and registered non-profit companies and CSOs, and self-employment.

Although not required by the call for proposal or clearly defined in the logical frameworks of the Actions, the interventions' theory of change also addressed the Macro level. Specifically, Mubaderoon aimed at promoting an enabling and favourable policy and legislative framework for SEs in Jordan.

Stakeholders

The main stakeholders are:

- The implementing partners for JOinUP!: Oxfam, TTI, DIESIS and for Mubaderoon: Plan International, Ruwwad, Al Fanar and Euricse.
- The national partners: Ministry of Digital Economy and Entrepreneurship, Ministry of Industry and Trade, and Ministry of Social Development and Labour.
- The target groups consisting of the Social Enterprise Support Organizations and the social enterprises, private sector actors, CSOs, and end beneficiaries.

2. Objectives and scope of the evaluation

The main objectives of this ex-post evaluation are to provide the relevant services of the European Union and the interested stakeholders with:

- An overall independent assessment of the mid-term (possibly long-term) impact of the JOinUP! and Mubaderoon projects, paying particular attention to how they contributed to the overall objectives of the programme, the sustainability and the synergies created.
- Key lessons learned, conclusions and related recommendations in order to improve current and particular future interventions.

The evaluation assessed the Actions using the following criteria: coherence, effectiveness, sustainability and impact, the EU added value, EU visibility, and Cross-cutting issues. Considering this is an ex-post

evaluation, the criteria of relevance and efficiency were not assessed as they were areas of focus in previous ROMs and final evaluations.

Major limitations of the evaluation

(1) Limitations related to reaching Social Enterprises (SEs) and end beneficiaries since most of the grantees' projects were completed two years ago; (2) Loose definition of Social Enterprise Support Organisations (SESOs): many of the SESOs met did not identify as such, but as SEs; and (3) Limitations related to the assessment of the social impact, particularly long-term impact.

3. Evaluation methodology

The evaluation team constructed a joint intervention logic and theory of change (ToC) for both actions, and reformulated the outcomes at the macro, meso and micro levels. It formulated qualitative indicators or the purpose of this evaluation, as the indicators of both actions were mostly quantitative. The evaluation team formulated key evaluation questions linked to the evaluation criteria. The key questions are assessed on the basis of judgement criteria and a number of indicators. For that purpose, an evaluation matrix was prepared.

The evaluation conducted key informant interviews with all implementing and national partners, private sector actors and Civil Society Organisations (CSOs), in addition to 27% of the SESOs involved in the capacity building activities of JOinUP!, the three Support centres, 23.5% of total SEs. 60% of the sample were visited in Amman governorate and 40% in the other governorates (Irbid, Ajloun and Tafileh). A total of 7 focus group discussions were conducted for the end beneficiaries in four targeted areas.

4. Key findings of the evaluation

4.1 Effectiveness

Effectiveness of the Actions in promoting an enabling and favourable policy and legislative framework (Macro Level)

The policy recommendations have not induced an enabling and favourable social entrepreneurship policy and legislative framework in Jordan. The Mubaderoon project has contributed to initiating a participatory, government-led dialogue about the SE ecosystem in Jordan and has produced a policy paper that includes a proposed definition of SEs and three scenarios for legislative amendments conducive to SEs, however, these were rejected by the government. In the assessment of the evaluators, this rejection was mainly due to: (1) non-readiness of the ecosystem to accommodate such legislative change and (2) the quality of the proposed legislative change was so low and did not actually undertake a full legal assessment (and potential negative effect) of the proposed change.

The recommendations developed by the advisory panel on strengthening the SE ecosystem in Jordan have not induced the government agenda on SEs and the topic of social entrepreneurship has lost its momentum as a policy priority in Jordan. In fact, there does not seem to be a common understanding or an agreed definition of the notion of SEs among government and private sector stakeholders that were met, although its potential to contributing to development goals is appreciated by some stakeholders. The legal and business framework remains challenging to SEs who, in addition to facing the common difficulties for doing business in Jordan, also lack specific support, incentives and understanding.

Effectiveness of the actions in improving the quality and accessibility of Social Entrepreneurship Support Organisation services for inclusive Social Enterprises, in particular women-led SEs (Meso Level)

The training delivered to SESOs was not effective in building capacity for delivery of SE support as: (1) it was not adapted to the level of maturity of the ecosystem and its needs; (2) was not based on an in-depth training needs assessment (3) took the format of recorded videos on a learning platform, all leading to lack of interest from participating organisations. The JOinUP! implementing partners acknowledge that the mapping of the ecosystem and the definition used to identify SESOs was flawed as it relied on self-identification based on the fact whether the surveyed organization provided at least one SE support service. In an ecosystem where no agreed definition or recognition of SEs is present, such self-identification is questionable. Furthermore, the results of JOinUP! mapping contradict with the MedUp! and Mubaderoon mapping exercises, occurring at the same time, that have concluded that no SESOs exist in the ecosystem.

In fact, most of the interviewed SESOs (60%) have not identified themselves as SE exclusive service providers or as having an SE specific support service. The programme implementers acknowledge also that more in-depth training needs assessment was needed in order to tailor a more relevant capacity building programme following which a smaller number should have been identified for further support.

Similarly, the technical and financial support provided by Mubaderoon to the support centres in East Amman, Ajloun and Tafileh was not sufficient (very superficial) to build their capacity to establish an SE support or incubation function. The support centres in East Amman, Ajloun and Tafileh do not identify themselves as providers of SE support nor do they have the capacity to provide such services.

Furthermore, there was a disconnect between the training provided to SESOs and the capacity building of SEs. The Actions did not ensure linkages between SESOs and SEs via a financial incentive or by implementing the voucher schemes. SEs interviewed reported lack of adequate support in general and SE tailored support in particular in the ecosystem.

Effectiveness of networking and knowledge sharing between SESOs and SEs in Jordan and with their counterparts in the region and Europe in strengthening social enterprises (Meso Level)

The actions have to a limited extent allowed for knowledge sharing among beneficiaries of the actions, however they were not effective in creating knowledge and experience platforms or enhancing networking among Jordanian SEs and between Jordanian, regional and European SEs. The knowledge sharing activities were fully implemented, however, they failed to become national SE platforms and resource centres for shared learning, challenges and a solution-based hub to support enterprises. There is no evidence of benefits from increased knowledge, partnerships, networking or skills gained by Jordanian SESOs and SEs from the networking and linkages meetings and events organised by the actions.

Effectiveness of the actions in strengthening the competitiveness of newly created and existing SEs/ social entrepreneurial initiatives and high potential SEs in Jordan

The Capacity of SEs/SEIs to translate social needs into business cases and the benefits gained by SEs from training and coaching vary significantly between those supported by JOinUP! and Mubaderoon. The training provided by JOinUP! was focused on the grant process rather than on business training. SEs do not recall any other business training or coaching sessions by JOinUP! In contrast, the SEs supported by Mubaderoon appreciated the interactive online training as well as the coaching provided by Al Fanar. Both, JOinUP! and Mubaderoon SEs, expressed the need for further support to be customized to their particular needs.

The grants enabled several SEs to launch and develop new products, improve quality and increase the sales and profits, though the grant process was considered complex and time consuming. The grants were mainly used to cover running costs rather than investment, rent a location and furnish it, purchase the raw materials and equipment, and cover the cost of training. Most interviewed SEs expressed the need for further financial and technical support to sustain and develop their operations. The pandemic negatively affected several SEs, more particularly those which rented a location without using it.

Effectiveness of the actions in increasing the contribution of existing SEs and SEIs to tangible socio-economic improvements for the most marginalized groups, and women's economic empowerment in both urban and rural areas

Most interviewed SEs have with varying degrees a social dimension in their projects, and which was reflected in the contribution of SEs to socio-economic conditions of marginalized people, youth and women, particularly the increase of job creation, better living conditions, skills development, education development focused on education technology and tech innovation, and the creation of new products and services.

4.2 Sustainability

The dialogue around development of a conducive policy and legal framework for SEs seem to have lost momentum after the Actions end. The Ministry of Digital Economy and Entrepreneurship (MoDEE) does not have technical capacity and needs support to build its social entrepreneurship team. MoDEE is seeking to employ a manager for its SE directorate and has expressed the need for capacity building. No policy or

legal changes are foreseen in the short to medium term addressing a more favourable environment for social entrepreneurship.

Institutional and organisational capacity building of SESOs and Support Centres was not achieved. With the exception of the East Amman Support Centre, none of the Support Centres have developed new SE support services and initiatives. The knowledge and resource sharing platforms were also not fully achieved and sustained after the end of the actions. SE support is sustained to a certain extent by the local implementing partners of both actions, though through implementation of donor funded programmes.

Several supported SEs continue to sustain their current operations or develop new products and services and increase their sales and revenue. The grant provided to SEs by both actions and their effective use has allowed them access to support from other national and international programmes and, in some cases, the private sector, mostly funding in the form of grants and bids. Such funding has enhanced the potential of SEs, particularly those operating as a business, to become sustainable.

4.3 Impact

The Jordanian social entrepreneurship ecosystem remains a nascent and early-stage SE ecosystem. There is no official or at least agreed definition of SEs nor common understanding of their potential. The legal framework is not conducive for their creation or development and the ecosystem lacks a network of support services or knowledge sharing. A diverse mix of high potential social enterprises is emerging in Jordan, but no national record or surveys provide a full picture of available SEs registered under different forms.

At project level, the data collected shows that 40% of the interviewed sample had, with varying degrees, social impact that is reflected in improvements in quality of life, job creation, changes in behavior, reduction in poverty and disease. At national level, the impact on job creation and poverty reduction at the national level is premature to assess given that the actions have only recently ended, and such impact cannot be attributed only to the Actions.

4.4 Coherence

Internal coherence: The Actions, in general, are coherent with EU Social Entrepreneurship Policy and EU Strategy in Jordan aimed at reduction of unemployment and social inequalities. They are also coherent, at an overall objective level, with the EU's Multi-annual Indicative Programme (2014-2022) which focused among other things on enhancement of social and economic development, though social entrepreneurship was not signaled out as an objective under the 2014-2022 MIP. Under the new MIP (2021-2027), however, strengthened social enterprises support structures (social enterprises clusters/incubators/accelerators) and establishment of partnerships with EU equivalent organisations are expected results under the private sector development priority. Although aligned with the MedUP! regional project, there is little evidence of leveraging synergies between the regional and local actions. Similarly, there were weak synergies between the two projects (Mubaderoon and JOinUP!), in terms of collaboration, sharing of lessons learnt and success stories as well as implementing resources to increase efficiency and effectiveness.

External coherence: The Actions are aligned to national priorities aimed at employment and social inclusion, though national policies did not (and still do not) prioritise or address social entrepreneurship as a strategy for addressing these priorities. Partnerships and more harmonisation with other projects and key players in Jordan to ensure optimisation of resources and maximisation of the project impact are not evident with the exception of collaboration between United Nations Development Programme (UNDP) and Mubaderoon on macro level activity.

4.5 EU visibility

Generally, the Actions respected EU visibility rules throughout implementation. The perception of EU's role among beneficiaries is well-understood and positive as there was an acceptable level of acknowledgement among the sub-grantees of the role of EU in supporting SE, however, the difficulties many beneficiaries had in the management of the grant did not consolidate the image of EU as provider of direct support. The role of EU in funding activities leading to set up of the Advisory Panel and producing the draft policy document presented and discussed in the UNDP Conference are not acknowledged.

4.6 Cross-cutting issues

The selection of SEs took into consideration the gender issues and groups at social risks as well as the contribution of SEs to poverty reduction and job creation. Geographically, the actions targeted 5 governorates though the biggest number of SEs was in Amman/East Amman. The Actions have indirectly provided an opportunity to deal with environmental and sustainability issues, though no clear indicators were assigned to this issue.

4.7 EU Added value

The intervention covered by the actions is not novel or differentiated as far as the approach to social entrepreneurship is concerned, especially at the micro level where a number of donors provide technical and financial support to SE, particularly at idea and start-up stage. However, its added value lies in the fact that it has pioneered support at macro level, pushing dialogue on policy and legal frameworks for SEs. The opportunity to provide added value at the meso level, where no other donor seems to be active, was missed as the actions were not effective in building the capacity of the support organisations.

5. Lessons learned

(1) Non-readiness of the ecosystem to accept or comply with legislation, the opposition and/or resistance to regulation and potential negative effects of legal frameworks might motivate the decision of not designing legal frameworks for social enterprises in the short to medium term. When policy and legal framework interventions are not linked to clear national strategic priorities and a reform champion, it is unlikely that major (if any) changes can be achieved. A regulatory impact assessment exercise would be needed prior to enacting the legal change to assess any potential negative impact. Therefore, such interventions are better suited under different forms of support such as Budget Support.

(2) Entrepreneurship support entities in Jordan are not motivated and have a limited role in supporting social entrepreneurship ecosystems despite their relatively long experience. Entrepreneurship support organisations are still not familiar with the concept of social enterprise and give social entrepreneurs limited consideration regarding social impact measurement and management.

(3) Social enterprise support programmes are mostly driven by donors and international non-governmental organisations (NGOs) and are characterised as short term, and mainly geared towards job creation.

(4) Support Organisations are not motivated or incentivized to continue support after the end of donor programmes.

(5) Support is missing for the SEs in the middle. The challenge lies in those social enterprises that received support or seed funding in their start-up stage and still require additional support before being capable or ready for another round of investment.

(6) Absence of data on the sector. One of the elements of an SE ecosystem development is the availability and accessibility of data related to its key components. This is mostly absent in Jordan where SE sector-related data is not readily available, unified or easily accessible by stakeholders and actors.

(7) Disconnect between SESOs and SEs. The relative absence of linkages between SESOs and the SEs is mainly related to the design of the Action which focused on the capacity building of SESOs without giving enough attention to the identification of training and coaching needs of the demand side, that of SEs.

6. Recommendations

For the EU

R1. Avoid strategies based on policy and legal change in the absence of a clear policy priority or reform champion from within the government: The Call for Proposals did not foresee any intervention at Macro Level (it was not identified in the guidelines as a specific objective), this was rather an outcome planned under the Mubaderoon Project. Although the vertical logic (i.e. hierarchy of objectives) of Mubaderoon's intervention was sound, however, the objective was too ambitious and beyond its scope. This outcome (and related outcomes and activities) should have been revisited especially following the initial assessment of the ecosystem which revealed its nascency and non-readiness. Ideally, policy and legal framework developments are better suited under different aid modalities (e.g. budget support), once

SEs are agreed as a government priority. In the interim, project actions can focus on education, awareness raising and sharing of knowledge and best practices.

R2. Support at the Meso level should be tailored to the level of development of the ecosystem where SESOs are virtually not existing and can differentiate EU support to the SE ecosystem: Against this backdrop, providing technical and financial support to existing pure business support organisations contingent upon an SE-oriented partial re-adaptation of their services may be an effective strategy to promote the strengthening of SEs in the long run. However, before any support, a synthesis of the multiple existing ecosystem mappings should be performed together with further assessment of the priorities and needs of support organisations. A small number of SESOs should also be selected on a competitive basis and the support should be tailored to their needs, while the rest of the ecosystem should be engaged in awareness raising, knowledge sharing and networking events. This small group can present exemplary success stories for the ecosystem and differentiate the support provided by the EU to the sector. To ensure their commitment, financial contribution (of significance) can be sought from these SESOs. Another approach would be working with MoDEE to identify a couple of the incubators in their incubator network that can be dedicated to Social Entrepreneurship or directly work with SESO leaders such as Al Fanar.

R3. Complement financial support with co-financing and technical support that should be tailored to development level and specific SE needs: The insufficiency, and in many cases, lack of tailored technical assistance and advisory support to grant beneficiaries constitutes a significant weakness of support programmes, especially in the case of idea and start up stages particularly for SE situated in Governorates outside Amman. An adequate mix of technical and financial support, provided in phases, based on tangible deliverables and co-financing can, on the one hand, fight grant / donor-funding over-dependency, contribute to changing the behavior of SEs towards grants dependency, increase absorption capacity and quantitatively and qualitatively improve the effects and impacts of the support provided. In view of the overdependency on grants and in order to avoid that SEs claim they have a social impact to get the support, it is crucial to conduct a thorough assessment of the SEs in the selection phase to find out the extent to which they integrate in their core business social innovation aspect as detailed below, skill development of beneficiaries, contribution to SDG, and running on commercial basis.

In this regard, TA support to SEs in the identification and implementation of innovative business ideas would be needed in future EU interventions. Very few SEs had social innovation concepts or projects. Social innovation consists of the creation by SEs of new processes, products, or services that provide solutions to social problems such as poverty, inequality, and lack of access to basic services. Though SEs are contributing to providing solutions to social problems, these are still very limited in terms of outreach in view of the fact that most of the SEs' initiatives/interventions are still traditional in nature, and their current increase in sales and revenues are mainly due to the grants. Otherwise, SEs will not be able to compete in the market, to be sustainable and survive without operating as a business with innovative products and services.

R4. Avoid a one size fits all technical assistance/business advisory approach that relies mostly on general training courses or general advisory: Technical/business advisory support should be tailored to the development level of the SE and should specifically address its needs. This becomes more important in a nascent ecosystem where the need for exemplar successful SEs is needed and where on the other hand, SE specific support is missing. Most entrepreneurs come to investors unprepared and without a real understanding about proper pitching techniques, negotiations, valuation, governance, or financial disclosure. Moreover, entrepreneurs who are fortunate enough to attract seed or angel investors often find themselves in need of ongoing advice, as few have managed a business growth before. They lack the practical knowledge to sustain a business, accelerate its growth, and attract investments.

R5. Avoid focusing on grants as the only source of financial support and integrate other forms of financial support (through e.g. grants, loans with more favorable-than-market conditions, guarantee mechanisms or other means) to SEs by actively engaging with financial and banking institutions and seeking collaboration with EIB and EBRD. On the other hand, such mechanisms should not distort the market or constitute means for inducing competitiveness biases, leading to opportunistic approaches and increased reliance on donor grants. **Differentiate grants to SEs from those given to businesses through including a solid social/environmental impact evaluation framework within the subgrant design. Also, increase complementarities within different available tools.**

For Implementing Partners

R6. Careful Selection of Implementing Partners: During Proposal Development Phase, it is recommended that the implementing partners have good experience working with each other and jointly develop the proposal so that there is clarity on the roles and expectations. Set up a clear project management and governance structure identifying balanced and distinct roles within the work teams and between implementing partners according to the specific expertise and capacities of the team members to enhance efficiency and ensure transparency.

R7. Seek Synergies with other EU Actions and Coordinate with other interventions in the same field. Other interventions implemented by the EU, by Member States or even other donors constitute a core part of the ecosystem in Jordan. Implementing partners should at the outset undertake a mapping of existing interventions and look at these interventions as partners and collaborators rather than competition. Enhanced synergy and collaboration will reflect on leveraging the effectiveness and efficiencies of the interventions and ensure wider impact. Coordination should be seen as an essential activity of the project management and should be integrated in the monitoring and reporting systems. This would also enhance the EU value add and visibility.

R8. Clearly define objectives, do not embark on quantity vs. quality trade-offs and practice systematic value-for-money oriented analyses, monitoring and evaluation: Establishing clear objectives for the interventions, with appropriate quantification of results and measurable value-added of effects is paramount for value-for-money success of enterprise support schemes. Quantification of indicators and clear definition of respective counterfactual should contribute to better and more focused management and easier and more effective monitoring & evaluation. During the implementation, adapt project activities and indicators based on a detailed beneficiary needs analysis to better address the local priorities and challenges and enhance effectiveness of achieved results and their sustainability.

R9. In delivery of support in general and grants in particular, adapt instruments and procedures to the nature of the intervention, its target beneficiaries and the objectives to be attained, thus maximising cost-effectiveness in implementation. Sub-grantees of EU programmes generally complain about excessively complex, difficult, and time-consuming applications and reporting procedures for grants which, many times, is on account of time dedicated to the actual management of the enterprise. In fact, the process was not easier for the implementing partners where the development of the grant manual took 7 months of the total duration of the project. Adopting well-designed instruments and procedures, which may gather the relevant information for well-grounded judgment, follow-up and management, but nothing else than what is essential, establishing user-friendly application, reporting, monitoring and evaluation procedures (as much as possible through online / digitalized mechanisms and interfaces), whilst making it easier for the beneficiaries.