

Employment-Oriented MSME Promotion Project

Boosting Private Enterprise as an Engine for Job Creation

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 22.6% by the second quarter of 2022.

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)
Project region	Jordan
Political partner	Ministry of Industry, Trade and Supply (MoITS)
Duration	2018 - 2024

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 road map 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.



Left Photo: From the Public Private consultation sessions for the tourism licensing reform

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

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

Right Photo: from the kick-off of the food processing business licensing reform © GIZ/ MSME

An example from the field

Kawthar Al Khattab, a mother of five, is a certified chef who manages and operates a production kitchen in Amman. In her kitchen, Kawthar produces a variety of local and homemade pickles, frozen products such as kubbeh and shishbarak, and other local dishes, and depends mainly on word of mouth to market her products through family and neighbours.



Kawthar participated in the aggregated food processing initiative supported by the GIZ implemented MSME project that offered coaching, mentoring, and linked her with "Bilforon" online application, which connects home chefs, production kitchens, and home-based businesses with end markets thus providing new sales process to join the application, several food tests are requested before approval.

Kawthar successfully completed the process and has been added to the app with three months of free subscription as an incentive. Kawthar started receiving orders through the app and is expecting to increase her outreach.

"I'm flying in the skies of my dreams! My work is my passion and the happiness it brings me I share with my family"
Kawthar.

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 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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