EXECUTIVE SUMMARY

Why Graduation in Jordan?

- Jordan is one of the countries most affected by the Syria crisis, hosting the second highest share of refugees per capita in the world. With 78% of Syrian refugees living below the poverty line, PAC partners expect to support the first cohort of the refugee households on a trajectory out of poverty, thereby reducing dependence on aid and unlocking refugees’ ability to positively contribute to Jordan’s economy and social cohesion.

- With poverty indicators worsening, unemployment rates in Jordan have reached 19.2% during the second quarter of 2019. PAC Graduation programming will strive to promote sustainable livelihoods, supporting people living in extreme poverty and specific vulnerabilities, to access and diversify income streams.

- Jordan has one of the lowest female Labor Force Participation Rates globally, currently at 14%. Unemployment is significantly higher among women (27.2%). The proposed Graduation programmes will integrate ways to address barriers to youth and women’s economic empowerment to ensure inclusive interventions.

- As a middle-income country, Jordan’s economy and related programme design as well as costs for programming differ from many of the contexts in which Graduation has to date been implemented. The PAC partners will ensure that the Jordan pilots strategically contribute to stability and prosperity in Jordan, while generating learnings that benefit the global community of practitioners regarding Graduation and meaningful nexus programming in humanitarian crisis.

- Critical policy discussions in Jordan, such as the refinement of the national social protection strategy, will benefit from evidence-based decision making. Where appropriate, PAC members will design their programmes to collect policy-relevant evidence that can support these processes.

Partners Present in Jordan

Target Numbers of Households

11,100 extremely poor and vulnerable refugee and host community households over five years
CONTEXT IN JORDAN

Ongoing violence in Syria, Iraq, Yemen, and Libya has resulted in unprecedented population movements within the region and beyond. Jordan has been particularly affected by the crisis and has welcomed some 1.4 million Syrian refugees over the past decade, making it the country with the second-highest share of refugees compared to its population in the world (with 89 refugees per 1,000 inhabitants).

With the Syria crisis in its ninth year, humanitarian aid and the absorption capacity of Jordanian communities have become stretched. Many refugees, with limited access to sustainable livelihood options, have now entered a cycle of asset depletion, with savings gradually exhausted and levels of debt increasing. The most vulnerable refugees are particularly affected. About 46% of refugees are adopting severe coping strategies, such as reducing food consumption, withdrawing children from school or taking on informal, exploitative or hazardous employment. With limited access to sustainable livelihood options, many refugees enter a cycle of asset and savings depletion, resulting in higher levels of debt.

The influx of a large number of displaced persons has placed a severe strain on Jordan’s labor market, public sector services, and social cohesion. The protracted nature of this crisis has made it increasingly difficult to mobilize sufficient domestic and external humanitarian assistance to be able to support Syrian refugees in Jordan. Traditional livelihood programs implemented by humanitarian organizations have struggled to provide the means to cover the most basic needs of refugee households, let alone a dignified and hopeful future for refugee families. Implementing organizations are increasingly coming to the realization that a protracted crisis-affected context, requires new and innovative ways to gradually promote self-reliance, through interventions that meet the holistic needs of households. The future prosperity and stability of Jordan rest on creating mutually beneficial economic opportunities for both Jordanian citizens as well as refugees.

The Poverty Alleviation Coalition (PAC) is a collaborative initiative between UNHCR, The World Bank Partnership for Economic Inclusion (PEI) and 13 NGOs formed to work towards the common vision of increasing self-reliance, economic and social inclusion of refugees & host communities by sustainably increasing income-earning opportunities.

Acknowledging challenges and opportunities, this concept note describes the joint efforts of the PAC members, namely Caritas Switzerland (CACH), the Danish Refugee Council (DRC), Mercy Corps, Norwegian Refugee Council (NRC), Trickle Up and World Vision International (WVI), to alleviate poverty among refugees and Jordanian host communities through the implementation of the Graduation Approach - a holistic set of interventions that combine both humanitarian and development assistance to sustainably alleviate poverty and help households become self-reliant.

1 Government of Jordan
2 UNHCR Jordan Factsheet - June 2018
3 Vulnerability Assessment Framework 2019 - UNHCR, ILO, Action Against Hunger
THE GRADUATION APPROACH

The Graduation Approach consists of a carefully sequenced and time-bound package of services that typically combines elements of social protection (including consumption support and mentoring), livelihood development (seed capital, technical and vocational skills training) and financial inclusion (savings and financial literacy). This approach has been increasingly implemented worldwide, both as standalone programs and integrated into government social protection programs. There is a mounting body of evidence showing strong positive results on a wide range of wellbeing indicators, including households’ food security, income, consumption, assets, savings, and aspects of psychosocial wellbeing. Moreover, follow-up impact studies have also demonstrated that the positive household impacts from implementing the graduation approach sustained over time -- meaning that it is able to sustainably alleviate poverty.

As illustrated in the infographic above, the key components of the graduation approach in Jordan would include:

1. **Mentoring** - A mentor visits each participant household regularly throughout the duration of the program to accompany the households along the trajectory to self-sufficiency. This includes jointly developing a livelihoods roadmap that ensures diversification, sustainability and resilience against shocks.

2. **Referral Services and Linkages** - Participants are connected with existing networks and services which build synergies, solidarity, social capital, resilience, and strengthen integration. This could include linking to existing services, as well as access to opportunities both within and beyond their community.

3. **Savings and Financial Inclusion** - Participants are encouraged to save and integrate with appropriate financial services crucial for building resilience to shocks. This intervention could include a formal bank account, mobile wallets, Village Savings and Loan Associations or other channels.

4. **Network Engagement** - Participants build solidarity, resilience, and strengthen integration. This is especially important in urban refugee context where savings groups do not serve this role of building engagement with peers.

5. **Consumption Support** - Consumption stipend in the form of cash, voucher or non-food items are provided to participants at the beginning of the program to ensure
that each household can invest time and resources towards learning the skills needed to sustain productive livelihood options.

6. **Core Capacity Building** - Core Capacity or soft skills training ensure that participants attain the necessary attitudes, skills, and knowledge to successfully participate in the program. This can include training on rights, financial management and entrepreneurship.

7. **Technical Skills Training** - Technical skills training builds the capacity of participants to engage in sustainable livelihoods and employment activities.

8. **Productive Asset Transfer or Job Support** - An asset transfer provides an immediate injection of capital and value to the participant’s livelihoods activity that will significantly increase the earning capacity of the household.

### THE GRADUATION APPROACH IN JORDAN

The multifaceted nature of poverty in Jordan is particularly acute for refugee households. The majority of refugees (78%) are highly or severely vulnerable and live below the Jordanian poverty line (US$96). Approximately 40% of school-age Syrian children in Jordan are not attending school. Only 2% of Syrian refugee households report having savings, while about 66% have accumulated debt; 33% still receive transfers from the government or NGOs either as a complement to their income or as their sole revenue source. Moreover, the moderate and severe prevalence rate of food insecurity among Syrian refugees in Jordan is 40%.

Enabling refugees to work in Jordan has received renewed attention in the past years as a way to combine development needs of host communities with the humanitarian needs of refugees. When refugees are able to work, their self-reliance is enhanced, and they are able to provide for themselves and their families, increase resilience, regain dignity, and build independent and meaningful future. Ultimately, access to livelihoods and jobs enable both Jordanian and refugee households to meet their needs for protection, food security, health, housing, and other essential services in a safe, sustainable, and dignified manner. A growing body of evidence suggests that including refugees in local economies contributes to economic growth, and can thus be mutually beneficial for refugees and host communities. Overall, access to work reduces pressure on refugees and hosts locally, contributes to economic growth, and therefore eases pressure on the host country as a whole.

The collective efforts of the members of the Poverty Alleviation Coalition (PAC) represent the first time that the Graduation Approach is being implemented in Jordan. The holistic model of sequenced and time-bound components is expected to help both refugee and host community households to overcome the multifaceted barriers that keep them in extreme poverty. Specific features of the Jordanian context, such as the need to adapt the approach to the dwindling economic situation of a middle income country, will have to be carefully examined and systematically addressed.

The Government of Jordan leads the refugee response, in a collaborative effort amongst the donor community, UN agencies, international and national NGOs, community-based

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4 Jordan INGO Forum, 2018
5 The Living Conditions of Syrian Refugees in Jordan, FAFO, Age A. Tiltnes, Huafeng Zang and Jon Pedersen, February 2019
organizations, refugees and host communities. The Ministry of Planning and International Cooperation (MoPIC) prepares the *Jordan Response Plan (JRP)* on an annual basis. The 2020-2022 JRP aligns all sectors with SDGs and areas in need of support as per *Global Compact on Refugees (GCR)*. Currently, eight sectors provide support within the Jordan refugee response, including *Economic Empowerment and Livelihoods*, co-chaired by UNHCR and Mercy Corps.

Despite the substantial response by government and humanitarian partners, there is still a large gap between refugee households’ income and expenditure. In response, the Government of Jordan has taken **steps to increase formal employment** opportunities for Syrians:

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**'Supporting Syria & the Region Conference'**

*London*  
*February 2016*

- **Jobs and economic opportunities**  
  Better trade conditions (including EU rules of origin)  
  Support programmes – bilateral & concessional funding

- **Agricultural Cooperative**  
  Facilitate access to work permits

- **Refugees in camps allowed to work outside**

- **'Freelance' work permits in construction through the General Federation of Jordanian Trade Unions**

- **‘Supporting Syria and the Region Conference’**  
  *Brussels I & II*  
  *2018 & 2017*

- **New decision issued to allow Syrian refugees to register & operate home-based businesses**  
  *November 2018*

- **Ministry of Labour**  
  Adjusted the skilled occupations open for foreigners in manufacturing

- **Ministry of Labour issued circular allowing Syrian refugees to move freely between employers & sectors**  
  *November 2018*

- **Regulations restricting home-based businesses**

- **‘Supporting Syria & the Region Conference’**  
  *Brussels I & II*  
  *2018 & 2017*

- **Number of valid work permits was affected due to new Ministry of Labour decision on allowed professions, work permits rectification grace period**  
  *2019*
With the Jordan Compact coming to an end in December 2019, the Government of Jordan and international community are discussing new commitments in various sectors, including livelihoods. The Ministry of Labor is in the process of requesting the continued permission for Syrian refugees to work and for there to be no increase in the cost of work permits. It is anticipated that a favorable decision will be taken before the end of the year.

Discussion on Home Based Businesses among partners is on-going to ensure that this modality can be further supported in 2020 onwards. Joint advocacy efforts continue to be vital with overall aims of improving the legal framework supporting and paving the way for increased Female Participation Rates in the Labour Force. Sustainable funding is critically needed to support key activities targeting refugees, in particular graduation out of poverty projects, home-based business, transportation, childcare subsidies, and Vocational and technical skills training.

The situation in Jordan positively differs from many refugee host countries in terms of the political and legal framework, enabling environment, capacity, diversity and engagement of response agencies and the private sector. The Government of Jordan has undertaken important policy shifts to foster socio economic inclusion, while Jordan’s international partners have increased their investment in the Jordanian economy to support these changes. The Jordanian Government is positively disposed to include Syrian refugees in national development efforts. The Ministry of Social Development’s National Social Protection Strategy 2019-2025 lays out a comprehensive strategy to break the intergenerational cycle of poverty through three pillars: dignity (targeted and temporary safety net); opportunity (private-sector focused labor market based on decent work including social security) and, empowerment (government provision of universal basic services). Revisions are currently taking place to the existing social safety net program to improve targeting for the poorest Jordanian households. Concurrently, UNHCR, UNICEF, WFP - the three largest providers of humanitarian cash assistance in Jordan - in partnership with the Ministry of Planning and International Cooperation (MoPIC) and Department of Statistics are designing a Joint Comprehensive Vulnerability Assessment (JCVA) to ensure a consistent and comparable means of understanding vulnerability and capacities. The JCVA will include Jordanians, Syrians and refugees of other nationalities and therefore potentially provide a relatively comprehensive and objective picture of needs of different population groups in Jordan.

The rigorous application of the GA in different regions in Jordan can furthermore enhance the evidence base to inform future poverty alleviation strategies. It will enable the collection of data to define poverty beyond economic indicators; identify specific markets of relevance for the extremely poor; and map out pathways to better serve the extreme poor populations with the social protection systems. The differential focus of the PAC member organisations, some specialising in supporting youth or women, will further enrich the experience to ensure inclusivity of future strategies.

For Jordan in specific, successful poverty alleviation programming is expected to contribute to social cohesion and easing the economic hardship that the country’s population faces. The proposed interventions will directly contribute to stabilising tendencies in one of the last safe havens in the region through improving the socio-economic situation of over 11,000 households over the coming five years. The PAC members will therefore coordinate around joint learning and, where applicable, streamlined advocacy, while maintaining the space to leverage individual strengths.
POVERTY ALLEVIATION COALITION IN JORDAN

The Poverty Alleviation Coalition (PAC), convened by UNHCR and the World Bank’s Partnership for Economic Inclusion (PEI), brings together 12 international NGOs around a commitment to set 500,000 households in 35 countries on a trajectory towards self-reliance between 2020 and 2024. Using the Graduation Approach (GA) as a well-proven poverty alleviation model, it targets extremely poor households in communities affected by displacement. PAC members will rely on common Graduation programme features to deliver consistent quality in the application of the GA across different operations, and draw on standards established by the global community of Graduation practitioners in the design of the proposed action.

In Jordan, the number of PAC members present is particularly high, with five implementing partners and one technical assistance partner present. Throughout 2019, these partners have in different constellations worked on joint project development and proposals. Jordan being a country where Graduation has not been implemented before, the pilots starting in 2020 will be of particular interest for future learning and adaptation. With new strategies for social protection and poverty alleviation in the making, the projects will be set up to generate evidence that can inform future policy decisions.

Globally, the results of these first cohorts are expected to yield insights regarding GA programming in a middle-income country in addition to further adapting the Graduation Approach to a displacement context.

As such, the partners are committed to cooperation and coordination in Jordan and globally through PAC, with a view to joint learning, knowledge sharing and advocacy surrounding self-reliance programming, social protection and the promotion of decent work and sustainable livelihoods.

Poverty Alleviation Coalition Members in Jordan

Caritas Switzerland

Caritas Switzerland (CACH) is an independent aid organization established in 1927. Committed to a world without poverty, the organization is guided by the principles of solidarity, justice and peace and envisions a world where the inviolable dignity and rights of every human being are respected. CACH will contribute its experience in using market system development frameworks to inform sustainable livelihoods programming in emergency and development contexts worldwide as well as in Jordan to PAC’s work in Jordan. Added value and the know-how necessary to adapt the Graduation Approach to the local context will come from close cooperation with Caritas Jordan, established since 1967 and present in all Governorates through 15 community centres and mobile units. In partnership with Caritas Jordan and Trickle Up, CACH will leverage the experience from a Graduation Approach pilot cohort starting in mid-2020, which was designed with a view to future scale up across Jordan. Throughout its programmes, CACH emphasises localisation and sustainable transfer of knowledge to national actors.
Danish Refugee Council

DRC is a leading humanitarian organization globally and the largest NGO in Denmark. In 2018, DRC provided assistance to 5.7 million people in nearly 40 countries. DRC has been ranked among the five best NGOs in the world for the last five consecutive years by the independent organization NGO Advisor. In 2019, the DRC was ranked third best. DRC’s expertise is used in collaboration with inter-agency efforts to provide protection and assistance, influence policies, and impact positive change for forcibly displaced people. Protection and income generation activities represent DRC’s largest sectors of programming. Across diverse sectors of intervention, DRC’s response is guided by common operational principles including Capacity Development and Gender & Diversity.

Mercy Corps

Mercy Corps is a leading global organization that has operated in some of the world’s most complex and fragile environments for the last 39 years. With an annual budget of $480 million, Mercy Corps currently manages a diverse portfolio of 430 programs and serves 22 million people. While each and every community is unique, we are able to tap into a significant body of knowledge and expertise across our 5,000+ member team — 87% of whom are from the countries where they work — to address the most significant and shared global challenges of our time. Mercy Corps has also established guidelines, systems and processes to ensure responsible stewardship of funds. Over the last five years, Mercy Corps has used 86 percent of our resources to fund programs that help people in need around the world, with only 14 percent going to administrative costs, earning us the highest ratings for efficiency, accountability and transparency from charity watchdog groups such as Charity Navigator and the Better Business Bureau Wise Giving Alliance.

Norwegian Refugee Council

The Norwegian Refugee Council established its presence in Jordan in 2012, and has extensive human resources (approximate 580 national and international staff) and geographical reach covering Za’atari and Azraq camps, as well as host communities (Amman, Mafraq, Irbid, Jerash, Ajloun, and Zarqa). NRC primary areas of interventions are shelter, education, youth, livelihoods and legal assistance and counselling and in 2018 NRC reached approximately 200,000 individuals with its services. NRC Jordan has significant experience in specific graduation approach components including labour intermediation, improving access to legal and protection services, and building the employability of youth.
Trickle Up

Trickle Up was founded in 1979 at a time when “trickle down” economics provided the conventional wisdom on poverty alleviation. Since then, Trickle Up (TU) has targeted people living in extreme poverty with interventions that focus on livelihood strengthening and economic development. TU has also deepened its focus on marginalized populations, developing significant expertise to empower those that live in extreme poverty and face multiple levels of exclusion such as refugee status or gender. TU has therefore directly adapted and contextualized Graduation in about twenty countries with diverse target populations, always seeking to reach the underserved and extreme poor. Over the past decade, TU has become a pioneer in the development and global adoption of the Graduation Approach and is now partnering with governments and INGOs to scale its impact.

UNHCR, the United Nations High Commissioner for Refugees

UNHCR is a global organization dedicated to saving lives, protecting the rights and building a better future for refugees, forcibly displaced communities and stateless people.

Since the early 1990s, UNHCR operations in Jordan have been serving refugees and asylum-seekers from several countries. After the crisis in Syria erupted in March 2011, however, hundreds of thousands of Syrian refugees were forced to flee across the border and seek international protection in Jordan, making Jordan one of the countries with the highest refugee population per capita, and placing enormous pressure on the country and its host communities.

UNHCR Jordan is now running three main offices across the Kingdom (Amman, Irbid and Mafraq). UNHCR works closely with the Government of Jordan and numerous other national and international partners in providing protection and assistance to refugees and asylum seekers, as well as to Jordanian communities affected by the refugee influx.

World Vision International

WVI in Jordan was established first in 1991 and reopened in 2013, and provides emergency, durable solution and resilience based-programming that ensures that Syrians refugees as well as Jordanian host communities are provided with necessary humanitarian assistance. With its National Office based in Amman, the organization has field operations in 7 governorates in Jordan, with an emphasis on the northern governorates which host the largest percentage of Syrian refugees including the two refugee camps Zaatar and Azraq Refugee Camp. Since its establishment, WVI works to improve the protection and living conditions of displaced populations and host communities through Livelihoods, Child Protection, Education, Food Security and Livelihoods and WASH interventions. In 2018, 132 staff were employed with an operating budget of more than EUR 25 million through support from multiples donors such as EU/DEVCO (including EU MADAD Trust fund), UNOCHA, WFP, BMZ (German Development Ministry), Global Affairs Canada, GIZ, Japanese Government among other donors.