

# Barriers and Opportunities for the Use of the Graduation Model in Jordan

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## 1. EXECUTIVE SUMMARY

**With the Syrian conflict heading into its eleventh year, Jordanians and Syrian refugees living in poverty continue to face a fragile economy with limited prospects for resilience and self-reliance.**

A middle-income country, Jordan nonetheless suffers from high poverty rates. In 2019, the national poverty rate reached 15.7%; since the beginning of the Coronavirus disease 2019 (COVID-19) crisis, the poverty rates for Jordanians have increased by 38%, and the rates for Syrian have increased by 18%.<sup>1</sup> Moreover, with a small, informal market, Jordan suffers from a stagnant economy with little opportunities for labor market engagement. New to the Jordanian context, and still largely untested in the Middle East and North Africa (MENA) region and in middle-income economies, the graduation approach (GA or graduation) has gained traction as a promising methodology to lift households in Jordan out of extreme poverty and into self-reliance.

**This study, conducted by the Durable Solutions Platform (DSP) and the Resilient Youth, Socially and Economically Empowered (RYSE) project, examines the barriers and prospects for a successful application of the graduation model in Jordan.**

Using a qualitative methodology and multi-stakeholder participatory process, including desk review of relevant materials, key informant interviews (KIIs) and in-depth interviews (IDIs), the report explores promising practices, highlights lessons learned, and exposes outstanding questions around the adaptation of graduation for the Jordanian context. The paper begins by providing an overview of recommendations for the Government of Jordan (GoJ), the international donor community, and operational agencies supporting and implementing the graduation approach. Next, it provides an overview of the Jordanian context and the graduation approach, followed by an overview of the research methodology and limitations. The fourth section provides an overview of research findings related to (a) the macroeconomic context in Jordan, (b) Jordan's legal and regulatory environment, (c) participant targeting, and (d) graduation mentorship. Finally, the paper presents high-level conclusions and emerging operational recommendations.

**The graduation approach provides a unique approach to help overcome many of the challenges faced by Jordan's macroeconomic environment.**

To date, most livelihoods programming in Jordan has focused on "push strategies" such as vocational training, short-term job matching, and cash for work programming. However, with Jordan's stagnant private sector growth, high public sector employment rates, and reliance on the informal economy, these types of interventions that focus on building the capacity of individual level actors to engage in markets have not proven sustainable. Graduation programs like the RYSE project are exploring ways to overcome these challenges, including through engagement with the private sector to develop complementary "pull strategies" that help to expand the quality and diversity of economic opportunities available. Notable opportunities within the tech-enabled and information and communications technology (ICT) sector and food processing and agribusiness have been identified as high-growth opportunities that would also be appropriate for women, youth, and Syrian refugees, who often face additional barriers to market engagement.

The **graduation approach** describes any carefully integrated, sequenced, and closely monitored set of time-bound interventions designed to holistically address the multidimensional needs faced by the poorest by pushing households to move beyond food insecurity and extreme poverty into sustainable livelihoods.

1 Malaeb, Bilal and Matthew Wai-Poi. 2020. "Compounding Misfortunes. Changes in Poverty since the onset of COVID-19 on Syrian Refugees and Host Communities in Jordan, the Kurdistan Region of Iraq and Lebanon. World Bank.

**Successful graduation programs are designed to build off existing social protection schemes and in alignment with the legal and regulatory environment that moderates refugees' engagement in the economy.**

Through the Ministry of Social Development's (MoSD) National Aid Fund (NAF) and the United Nations High Commissioner for Refugees (UNHCR), there are existing social protection schemes in place that help Jordanians and Syrian refugees meet their basic needs, respectively. These can be leveraged to support the delivery of consumption support to graduation participants, though many voice a hesitation that engagement in graduation programming will restrict their access to these benefits. In addition, the Government of Jordan takes a strong stand towards the categorization and formalization of employment opportunities, irrespective of nationality or type of employment. As graduation programming traditionally falls within the informal sector, graduation programs are exploring how to best support participants' participation in the formal sector, compliance with challenging business requirements related to home-based businesses, and engagement in the nebulous area of freelance or non-home-based self-employment. Meanwhile, while Syrian refugees face fewer regulatory barriers in Jordan than in many other refugee contexts, including the right to work, they continue to face restrictions regarding the type and quality of work that they can engage in.

**Though still in its infancy, the graduation community of practice in Jordan has already produced numerous lessons learned about who and how to target for graduation programming.**

While many of the traditional approaches utilized by graduation practitioners for participant targeting and selection have not been successful and/or are not appropriate for the Jordanian context, operational agencies are beginning to work with the GoJ and UNHCR poverty and vulnerability lists to identify prospective households. To select potential participants, RYSE and other programs are also developing context-specific scorecards to measure poverty and vulnerability. Operational agencies also continue to grapple with if and how to measure individuals' motivation for participating in a graduation program and their likelihood for success. RYSE participants identified bad living conditions and lack of available jobs as their main motivation for participating in the program and indicated that upon completion of RYSE they hoped to have a stable income, increase social interactions, and improve self-confidence. The most common concerns related to program engagement was a fear of failure, apprehension that they would not achieve anything upon completion of the program, and a fear of losing social protection assistance. As operational agencies learn more about the characteristics of these different participant profiles, they should modify targeting and selection processes and tools accordingly.

**Mentorship is a relatively new concept in Jordan, particularly in the space of economic inclusion programming, leaving a lot of opportunity for innovation and Jordan-specific design.**

There is a general agreement amongst implementing organizations and participants that graduation mentorship should focus on building households' resilience to help address challenges and opportunities related to both livelihood- and household-level matters. There is a similar agreement in terms of the ideal profile for graduation mentors in Jordan. Soft skills and humility were identified as the most important traits for a graduation mentor, though pertinent business acumen and/or in-depth technical expertise are also desirable. In addition, it is important that the graduation mentor be from the local community and, ideally, of the same gender as the participation. One distinct expectation that surfaced was the need and opportunity for graduation mentoring to address themes of psychosocial wellbeing and resilience to encourage engagement in livelihood activities.

**Despite the uniquely challenging situation of implementing the graduation approach in Jordan, opportunities remain promising.**

Programs like RYSE have already begun to identify innovative opportunities for income generation and successful practices related to coordination with the Government of Jordan and UNHCR, participant targeting and graduation mentoring. Moreover, there are numerous opportunities to engage in multi-sectoral graduation learning communities of practice, such as UNHCR's Poverty Alleviation Coalition (PAC) and RYSE's Graduation Approach Coordination & Advocacy Platform/Taskforce, to exchange knowledge and tools and explore innovative solutions that will shape the future of graduation in Jordan. With ongoing advocacy efforts from the international donor community and operational agencies, the Government of Jordan is well positioned to enact policy reform that supports job creation, decreases dependency on the public sector, and creates opportunities in the informal economy, while also continuing to decrease barriers to livelihood and financial engagement for Syrian refugees.

## 2. RECOMMENDATIONS

This section provides an overview of recommendations for the Government of Jordan, the international donor community, and operational agencies supporting and implementing graduation.

### Recommendations for the Government of Jordan:

1. **Focus on improving Jordan's macroeconomic situation through policy reform that supports job creation, decreases dependency on the public sector, and creates opportunities in the informal economy.**

Until Jordan's macroeconomic context is strengthened, economic inclusion programming alone, including the graduation approach, is unlikely to result in sustainable change and increased resilience for graduation participants. Policy reform that allows leniency for small-scale home-based businesses to operate with fewer restrictions, creates more opportunities for engagement in the informal economy, and expands opportunities for freelance or non-home-based self-employment would have a direct benefit for graduation participants, including women, who most frequently work in these sectors.

**2. *Continue decreasing barriers to livelihood engagement for Syrian refugees, including expanding livelihood sectors, decreasing quota requirements, expanding work permits, expanding opportunities for home-based businesses, and expanding refugees' access to financial services.***

Despite significant improvements to Syrian refugees' rights, Syrian graduation participants continue to face numerous barriers to sustainable engagement in livelihood activities. Moreover, constant changes in policy and inconsistent enforcement amongst municipalities makes it difficult for operational agencies implementing graduation to effectively support Syrians. Updated policy and practice that help Syrian refugees to start and grow IGAs, particularly through the formalization of home-based businesses and access to financial services, would be especially beneficial to graduation participants, especially women.

**3. *Continue engaging in graduation learning communities of practice, including PAC Jordan and RYSE's Graduation Approach Coordination & Advocacy Platform/Taskforce to exchange knowledge and tools and shape the future of graduation in Jordan.***

There are numerous global and local communities of practice dedicated to economic inclusion and the graduation approach specifically. For example, RYSE recently established the National Graduation Approach Coordination and Advocacy Platform/Taskforce to introduce the minimum standards for the effective implementation of GA programs in Jordan and avoiding duplication and overlap between different projects in terms of beneficiaries and locations. If not already involved, it is recommended that the GoJ, most notably those implementing GA directly, including the National Aid Fund, Ministry of Labor (MoL), and Ministry of Agriculture (MoA), would benefit from active engagement in these for a. Not only would they provide opportunities for knowledge and tool exchange, but would ensure that GoJ actors are at the forefront of the discussions shaping the future of GA in Jordan, particularly as it relates to government-led scale-up of programming.

**4. *Coordinate with operational agencies around the use of NAF participant lists for program targeting and the implications of participation in a graduation program on receipt of NAF benefits.***

There is a clear opportunity for the GoJ to coordinate with GA operational agencies around the use of NAF participant lists for program targeting and more broadly regarding the implications of participation in a graduation program on receipt of NAF benefits. Given the appropriateness of many NAF beneficiaries for graduation programming, it would be beneficial to ensure that NAF is able to share beneficiary lists with operational agencies in a timely and accurate manner. Furthermore, it is imperative that NAF and operational agencies collaborate to develop clear protocols and messaging around the implication of participation in graduation programming on NAF benefits. Despite reassurances to the contrary, Jordanians throughout the country are under the impression that their eligibility for NAF support may be negatively impacted by engagement in graduation programming, resulting in hesitation to do so.

## **Recommendations for the international donor community**

**1. *Influence policy reform and increase direct funding to support job creation and an enabling environment that addresses the ongoing barriers that Syrian refugees face to sustainable engagement in income generating activities.***

Within the space of economic inclusion, donors should stop funding ineffective push-only interventions, and instead focus on more holistic approaches like graduation. In addition, donors are well positioned to continue funding broader macroeconomic strengthening interventions that focus on job creation, value chain, and private sector development, and which provide a much-needed counterpart to graduation. Donors are also well positioned to encourage the GoJ to adopt policy reform that decreases regulation on economic engagement and creates more opportunities for growth in the informal economy, necessary for graduation participants' success. The international donor community is similarly well positioned to continue supporting ongoing policy reform, particularly related to Syrian refugees' right to work and access finance.

**2. *Continue to expand grant funding duration to provide appropriate support for long-term economic inclusion programs, including the graduation approach.***

Economic inclusion programs, and the graduation approach, specifically, require longer-term implementation periods, recommended at three to five years. While some donors are beginning to expand funding duration, many, particularly those working within the humanitarian context, continue to be bound by year-long funding requirements. Timeline expansion should further allow for sufficient inception activities, including socio-economic assessments, context- and participant-specific market analyses, and targeting and mentor process and tool development.

### ***3. Encourage and fund opportunities for graduation knowledge exchange and learning.***

There is a clear need and opportunity for knowledge exchange and learning amongst operational agencies, GoJ ministries, and the donor community of practice. Donors are well-positioned to earmark funding for monitoring, evaluation, research, and learning, which will enable operational agencies to prioritize such endeavors. With leadership from the donor community, the Jordanian graduation community of practice is well positioned to lead systematic research and learning around how best to adapt and adopt graduation programming to middle-income and refugee contexts. Donors can also encourage open-source sharing and exchange between operational agencies, reducing proprietary restrictions to tools and competition around private sector engagement. Finally, they are well positioned to promote high-quality programming through the support of post-pilot learning and adaptation, allowing operational agencies to reflect on lessons learned from pilot programs and intentionally update tools and processes before scale-up.

## **Recommendations for operational agencies supporting and implementing graduation:**

### ***1. Engage in advocacy efforts with the Government of Jordan and the donor community to address policies that impact Jordan's enabling environment and Syrian refugees' ability to participate in sustainable income generating activities.***

All operational agencies noted the importance of advocacy efforts with the Government of Jordan to address Jordan's dire macroeconomic situation and the ongoing barriers that Syrian refugees face to sustainable engagement in income generating activities. While advocacy may not be at the core of graduation programming, it is imperative that operational agencies allocate efforts to continuing to address these broader challenges with the GoJ and the donor community to ensure a sustainable and scalable path forward for graduation participants.

### ***2. Explore opportunities to couple graduation's holistic push interventions with market-led pull interventions.***

Linking the graduation approach with appropriate market-led solutions will help graduation participants overcome some of the systemic macroeconomic and policy challenges that present ongoing barriers to their engagement in sustainable livelihoods. Private sector and value chain development in appropriate high-growth sectors, such as ICT and agriculture should be explored.

### ***3. Engage with operational agencies in transparent exchange of tools and lessons learned around graduation design and programming.***

Currently many operational agencies are wrestling with many of the same challenges as they begin to design and implement a graduation program adapted for the Jordanian context. Despite participation in numerous relevant communities of practice, transparency and knowledge exchange between operational agencies related to graduation programming and operations is limited. There is a clear opportunity to share grey literature, processes, and tools, particularly related to participant targeting and graduation mentoring. In addition, operational agencies must actively come together to address the real challenges that they are creating and facing in the economy, including the role of ongoing humanitarian assistance and incentive schemes to private sector employers.

### ***4. Coordinate with NAF and UNHCR around the use of existing participant lists for graduation program targeting and messaging related to social protection schemes.***

There is a clear opportunity for implementing partners to continue coordinating with the GoJ and UNHCR around the use of NAF and Vulnerability Assessment Framework (VAF) participant lists to help streamline graduation program targeting. Whether or not there is any actual policy implication, Jordanians and Syrian refugees are under the impression that their NAF and humanitarian assistance, respectively, may be at risk because of engagement in graduation programming, resulting in hesitation to do so. As a result, it is imperative that operational agencies collaborate with NAF and UNHCR to develop clear and transparent protocols and messaging around the implication of participation in graduation programming on NAF and humanitarian aid benefits. Moreover, staff from all stakeholder organizations, and at all levels, from frontline mentors to senior officials, understand and communicate similar messages.

### ***5. Develop appropriate mentoring and support system tools and processes that address the needs unique to the Jordanian context.***

Specifically, graduation operational agencies have an opportunity to strategically design mentoring guides and monitoring tools that address and support psychosocial wellbeing, resilience, and motivation to engage in income generating activities. The use of in-depth qualitative assessments may help operational agencies to better understand households' thresholds for participation and the terms around which participants are most likely to engage and succeed in graduation programming, including location and duration of training sessions, IGA activities and salaries, etc. Follow-up assessments with those who opt out of graduation programming and drop out early can help operational agencies understand why and how the program could be adapted to make it more conducive for them. Most importantly, as specific barriers are highlighted, it will be imperative to adapt program design to help overcome them.