

## PROJECT FACTSHEET

<b>Title of project</b>	<b>SCBF 2013-14: Development of Small Enterprise (SE) Lending at Vitas Jordan</b>
<b>Country / region</b>	<b>Jordan</b>
<b>Financial Institution</b>	<b>Vitas Jordan</b>
<b>Competence Centre mandated for execution</b>	<b>Business &amp; Finance Consulting (BFC)</b> Max-Högger-Strasse 6, CH-8048 Zurich, Switzerland
<b>Overall project budget</b>	CHF 177'020 (20% self-contribution by partner)
<b>SCBF contribution</b>	<b>CHF 140'860</b> (80% SCBF funding share)
<b>Date of project approval</b>	19.12.2013
<b>Project period</b>	04.2014 until 08.2015
<b>Context</b>	<p>Jordan, like other countries in the MENA region, is facing high population growth and rising unemployment rates, especially among youth. To fight with this problem, the government of Jordan developed a strategy to promote the growth of SMEs as a means to increase income and promote job creation.</p> <p>According to an OECD study on the SME sector in MENA countries, sources of financing to emerging companies are particularly weak in Jordan, loans to SMEs representing only around 10% of total loans extended by financial institutions. Small enterprises in Jordan have the most difficulty in accessing finance mainly due to the fact that no institutions target this market. Commercial banks target bigger firms, while the growing micro-lending sector is focused on micro- or medium-enterprises.</p>
<b>Current status of the MFI</b>	<p>In 2013, VITAS Jordan became the successor of MEMCC – Global Communities' (formerly CHF) most profitable development finance institution and one of the largest MFIs in Jordan. Vitas Jordan is targeting MSMEs in Amman, Zagra and Kerak. It intends to reach the target of 8'000 clients in the first year of operations and 25'000 clients at the end of five years.</p> <p>Vitas Jordan's mission is to be a catalyst for long-lasting positive change in low- and medium-income communities and to develop the financial capacity of small enterprises in Jordan.</p> <p>Among Vitas Jordan's aims is to reach the unserved SE sector – a capacity building grant from SCBF enables Vitas Jordan to develop new strategies to reach out to this sector.</p>
<b>Objective and main activities</b>	<p>The main goal of the project is to enable Vitas Jordan to fill the market gap for the currently "un-bankable" clients or the missing middle, by developing SE lending products and methodology. The main activities of the project are to:</p> <ol style="list-style-type: none"> <li>1. Conduct a market research to identify and confirm the financing needs of the small business segment</li> <li>2. Conduct an institutional assessment to review products and methodologies in place at Vitas Jordan and identify areas of innovations</li> <li>3. Develop SE lending products and corresponding product methodology, fitting the segment of loans between CHF 6'300 – 27'000</li> <li>4. Align Vitas Jordan staff with the new strategic direction and target market, training them on the introduced products and loan methodology</li> <li>5. Support Vitas Jordan launch loan products in pilot branches</li> <li>6. Evaluate pilot results according to pre-established Key Performance Indicators.</li> <li>7. Provide off-site support to Vitas Jordan during 6 months of full product launch in all branches</li> </ol> <p>Upon project completion, Vitas Jordan should be in a position to effectively serve small enterprises in Jordan. Small enterprises access to finance will generate employment creation and increase income among low and medium income Jordanians.</p>



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Factsheet shall not be longer than 1 page!