



TERMS OF REFERENCE

Job title:	<i>Senior Investment Advisor</i>
Project title:	SDG Joint Fund Call for Proposal – Joint Programme Development – Component II
Location:	Amman, Jordan or home-based
Type of Contract:	Individual Contract (IC)
Post Title:	International or National Consultant
Duration of Contract:	25 days intermittently between 1 September and 30 November 2020

Background

The socio-economic impact of COVID-19 in Jordan is expected to be massive, compounded by persistent regional instability, years of low growth and fiscal crisis. To meet its SDG priorities in the context of these challenges, Jordan needs to align existing investments to the SDGs and catalyze additional financing.

The last call of the global UN joint SDG fund has focused on supporting financing for the SDGs and included two Components:

Component I of the call focuses on the SDG financing ecosystem. UNDP jointly with UNICEF and UN Women submitted a full joint programme (JP) proposal in March 2020 and was awarded USD 1 million to implement the two years programme. Implementation has been initiated.

Component II of the call focuses on catalytic strategic investments. UNDP jointly with UN Women and UNIDO submitted an initial concept note (see Annex) and has now, after the initial screening process, been requested to develop a full joint programme document.

The overall objective of Component II - Investing in SDG Acceleration (SDG Accelerate) is to accelerate progress towards the SDGs by mobilizing the private sector to align their business models and investments to the SDGs and to catalyze investment towards these.

Over the past two years, a joint UNCT SDG financing initiative, UNDP's flagship SDG Impact Jordan and UN Women's Women Empowerment Principles (WEP) initiative, tested many levers based on which we have identified key entry points. Joint activities, including those proposed under Component I, are ensuring the foundations for an impact investment ecosystem are being strengthened, building the trust needed to open new channels of investment. The JP will build on this momentum, scale activities and partnerships and hit the ground running focusing on addressing the following challenges:

Creating a pipeline of SDG aligned investment opportunities: A major constraint facing impact investors is the lack of an investment-ready pipeline, a challenge likely to increase with

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the impact of COVID-19 on SMEs, representing most businesses and job opportunities. The JP will support businesses with their competitiveness, resource efficiency, IMM and WEP.

Increasing the number of funds and investors adopting an SDG lens and attracting impact investors to Jordan. To date only 2% of global impact investment reaches the MENA region (MoPIC, 2019) and few funds are being set up with an impact focus. The JP will support existing, and newly establishing funds to align with the SDGs and work towards attracting new investors.

Multiplier effect through catalytic investments and partnerships. The JP will provide catalytic capital to two to three funds to diversify and scale impact. With the JP as an anchor investor, this will facilitate fundraising efforts of the investee funds. Furthermore, we will be testing different funding mechanisms via the varied financing products the funds offer.

Objectives of Assignment

The overall objective of this assignment is to develop the investment strategy for Component II. This will inform the preparations of the JP document to be submitted by 31 October 2020. The JP document will undergo a competitive selection process.

Note: If successful, activities outlined in the JP will be initiated by Q4 2020/Q1 2021 and require additional services of an investment advisor (not part of current terms of references).

Duties and Responsibilities

Development of Investment Strategy (1 September to first week of October)

- Review relevant background documents (a shared folder will be set up with key relevant documents), analyse investment ecosystem in Jordan and elsewhere and conduct detailed consultations with relevant key stakeholders.
- Review and analyse options in terms of:
 - UN internal regulations in terms of investing in private funds and setting up a fund of fund (in consultation with relevant UN staff); and
 - Jordanian law or any other relevant law.
- Based on above, develop investment strategy including detailed investment criteria for JP ensuring the following:
 - Maximizing the catalytic financing potential of the UN's contribution. The catalytic financing potential of the UN's investment is one of the key criteria against which the JP will be evaluated.
 - Support to the COVID-19 response and the UN's support to 'building back better' with a strong focus on women's economic empowerment and on addressing climate change.
- Identify technical assistance and capacity building requirements to be supported by



JP in particular those related to capacity building of fund managers/ future fund managers.

Determine eligibility, readiness and catalytic financing potential of various funds

- Conduct detailed interviews with funds that have been set up in Jordan recently to determine eligibility and readiness for a potential investment by UN as well as catalytic financing potential.
- The Senior Investment Advisor will review supporting documentation from other co-investors or potential investors.

Provide inputs to Joint Programme Document (by 20 October)

- Review JP strategy and theory of change;
- Provide input into technical assistance component of JP (capacity building for fund managers, etc.).
- Provide substantive inputs into relevant sections of the JP document.

The senior investment advisor will be requested to coordinate with other team members involved in the preparation of the document including relevant staff of UNIDO, UNDP, UN Women, and the UN Resident Coordinator Office (RCO) a Senior Sustainable Development Financing Expert who is coordinating all inputs for the JP and a Gender Lens and Impact Management and Measurement Expert.

Deliverables

Regular meetings with the focal points at the RCO, UNDP, UN Women and UNIDO will be held to ensure timely completion.

Deliverables:

Draft investment strategy: first week of October 2020

Inputs/ guidance on final Joint Programme document: 31 October 2020

Payment schedule: 100% upon completion of all deliverables.

Reporting

The Senior Investment Advisor will report to UNDP's Senior Economic Advisor and work closely with the other participating agencies (UNIDO and UN Women) as well as the RCO.

Experience



- Strong, established track record in investment fund design set-up and fund management;
- Strong knowledge of the Jordan context, development financing landscape as well as investment ecosystem preferred.
- Familiarity with sustainable development and gender/ women's economic empowerment.
- Excellent analytical and writing skills.

Academic Qualifications/Education:

- Master's degree in economics, development, finance, accounting, business administration or related field.

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Annex:

SDG Joint Fund – Component II Concept Note

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Annex: Component II (Concept note for Joint Programme Document)

FACT SHEET

Title of the proposed Joint Programme: Investing in SDG Acceleration (SDG Accelerate)

UNCT: Jordan

Date: 31 March 2020

Relevant Cooperation Framework Outcome/s and Output/s:

The Joint Programme (JP) addresses the following outcomes and outputs from the UN Sustainable Development Framework in Jordan (2018-2022):

Outcome 1: Institutions in Jordan at national and local levels are more responsive, inclusive, accountable, transparent and resilient.

Output 1.4: Implementation of UN Conventions and the Global Development Agenda: Government and relevant institutions have enhanced capacity to address gaps, monitor, and report on progress in meeting Jordan's commitments in human rights and development such as the 2030 Agenda for Sustainable Development.

Output 1.5: Gender Equality and Women's Empowerment: National and local public institutions adopt/better implement policies and programmes that promote gender equality and women's empowerment.

Output 1.7: Fostering Partnerships and Innovation: The Government of Jordan is better able to strengthen its partnerships with the private sector, civil society organizations, humanitarian actors, and bilateral partners towards national priorities and international development goals.

Outcome 3: Enhanced opportunities for inclusive engagement of all people living in Jordan within the social, economic, environmental, and political spheres.

Output 3.2: Strengthening Economic and Investment Opportunities: Vulnerable groups have increased access to decent work and livelihood opportunities.

Output 3.4: Strengthening Sustainable Environment Opportunities: More platforms and opportunities for engagement of people, especially vulnerable groups, on sustainable environment are created.

Relevant objective/s from national strategic document/s:



Jordan has prioritized the attraction of domestic as well as international private sector investment to meet its national SDG priorities. The Voluntary National Review submitted in 2017 notes the criticality of financing for development in light of the decline in domestic revenues and high public debt undermining progress towards the SDGs. The importance of improving the ecosystem for impact investment and of attracting impact financing to Jordan was highlighted in discussions following the high-level London Conference in February 2019 and a report commissioned by the Ministry of Planning and International Cooperation (MoPIC) on the potential for attracting impact investors to Jordan.

The JP seeks to catalyze financing for the following priority areas:

Accelerated Action on Climate Change. Jordan's commitments to addressing climate change include the Nationally Determined Contributions (NDC) of 2015 with a national target to lower greenhouse gas emissions by 14% by 2030, 12.5% conditional upon Jordan receiving international financing. The NDC estimates a financing requirement of USD 5.7 bn to address Jordan's mitigation actions. These estimates are currently being updated, in addition to a National Adaptation Plan currently being finalized.

Gender and Women's Economic Empowerment. On 8 March 2020 the Government of Jordan approved the National Women's Strategy 2020-2025. This strategy has four pillars and includes a standalone Gender Mainstreaming Policy. A costing exercise supported by UN Women and the Jordanian National Commission for Women (JNCW) is being developed, followed by a financing strategy. These two documents seek to ensure that all necessary actions for achieving gender equality and women's empowerment are planned for, aligned with sectoral and national budgets, financing gaps identified, and actions implemented. The identification of financing gaps will inform the JP.

Business competitiveness and investment readiness. Enhancing business competitiveness are key priorities articulated in the Government's Renaissance Plan, the 5-year Growth Matrix and other strategic documents. Stimulating economic growth through scaling Jordanian exports is one of the main priorities of the Ministry of Industry Trade and Supplies (MoIT). This includes reduce production costs through improvements in resource efficiency specifically energy and water, highlighted also in the Government's Green Growth Plan (currently being discussed).

SDG targets on which progress will be accelerated (includes targets from a range of SDGs and development pillars)

Catalytic investments made by the JP will accelerate progress across different SDGs with a specific focus on the targets outlined below. We look to advance other SDGs indirectly through supporting companies operating in sectors and sub-sectors that advance priority SDGs for Jordan including SDG 2, 3, 4, 5, 6, 7, 9, 12 and 13. Furthermore, particularly in light



of the socio-economic impact of COVID-19, we will be prioritizing supporting businesses that address the bottom-of-the-pyramid.

SDG 5 Achieve gender equality and empower all women and girls

Target: 5c. Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels.

SDG 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Target: 8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors

Target: 8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead.

Target: 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

Target: 8.6 By 2030, substantially reduce the proportion of youth not in employment, education and training.

SDG 9: build resilient infrastructure, promote inclusive and sustainable industrial development and foster innovation.

Target: 9.3 by 2030 Increase the access of small-scale industrial and other enterprises, to financial services, including affordable credit, and their integration into value chains and markets

Target 9.4 by 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes in accordance with their respective capabilities

SDG 12 Ensure sustainable consumption and production patterns



Target: 12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

SDG 17 Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

Target 17.3. Mobilize additional financial resources for developing countries from multiple sources.

17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.

SELF-ASSESSMENT

Eligibility criteria	Yes/No
The proposal reflects the integrated nature of the SDGs	YES
The proposal is based on an inter-agency approach (two to more UN entities involved), with RC coordinating preparation and implementation	YES
The proposed results are part of the UNDAF/Cooperation Framework and aligned with national SDG priorities	YES
The proposed Joint Programme will be endorsed by government and include key national stakeholders	YES
The proposal is based on country-wide consultations, as explained in the Concept note, and endorsed by the government (the letter of endorsement)	YES



<p>The proposal is based on the standard template for Concept Notes, it is complete, and it includes:</p> <ul style="list-style-type: none"> - Theory of Change demonstrating contribution to SDG acceleration, - Results-oriented partnerships, including a strategy to engage and partner with IFIs/MDBs - “Quick wins” and substantive outcome-level results, and - Initial risk assessment and mitigation measures. 	YES
The proposal is expected to leverage resources for the SDGs at scale	YES

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PROPOSAL for JOINT PROGRAMME

1. Summary of the Joint Programme

The socio-economic impact of COVID-19 in Jordan is expected to be massive, compounded by persistent regional instability, years of low growth and fiscal crisis. To meet its SDG priorities in the context of these challenges, Jordan needs to align existing investments to the SDGs and catalyze additional financing.

Investing in SDG Acceleration (SDG Accelerate) - a joint UN offering led by UNDP in partnership with UN Women and UNIDO - aims to accelerate progress towards the SDGs by mobilizing the private sector to align their business models and investments to the SDGs and to catalyze investment towards these.

Over the past two years, a joint UNCT SDG financing initiative, UNDP's flagship SDG Impact and UN Women's Women Empowerment Principles (WEP) initiative, tested many levers based on which we have identified key entry points. Joint activities, including those proposed under Component I, are ensuring the foundations for an impact investment ecosystem are being strengthened, building the trust needed to open new channels of investment. As a result of our engagements, the first private sector led SDG aligned blended finance deal is being launched by 17 Ventures and SEAF. The JP will provide catalytic investment and technical assistance on Impact Measurement and Management (IMM) and the WEP to this fund.

The JP will build on this momentum, scale activities and partnerships and hit the ground running focusing on addressing the following challenges:

Creating a pipeline of SDG aligned investment opportunities: A major constraint facing impact investors is the lack of an investment-ready pipeline, a challenge likely to increase with the impact of COVID-19 on SMEs, representing most businesses and job opportunities. The JP will support businesses with their competitiveness, resource efficiency, IMM and WEP.

Increasing the number of funds and investors adopting an SDG lens and attracting impact investors to Jordan. To date only 2% of global impact investment reaches the MENA region (MoPIC, 2019) and few funds are being set up with an impact focus. The JP will support existing, and newly establishing funds to align with the SDGs and work towards attracting new investors.

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Multiplier effect through catalytic investments and partnerships. The JP will provide catalytic capital to two to three funds to diversify and scale impact. With the JP as an anchor investor, this will facilitate fundraising efforts of the investee funds. Furthermore, we will be testing different funding mechanisms via the varied financing products the funds offer.

2. Thesis and Theory of Change

Achieving the SDGs will require a greater role for the private sector and significant transformation in how economic growth is generated and business activities undertaken. In the context of low growth, fiscal crisis and the impact of COVID-19 on businesses in Jordan, it is essential to leverage public and private investments to attract additional funding to deliver on the SDGs.

Goal: The overall objective of the JP is to catalyze strategic investments to national SDG priorities.

The expected change of the JP results from developing a pipeline of SDG aligned investment opportunities for investors and funds (Outcome 1), increasing the number of existing funds adopting an SDG lens and attracting new impact investors to Jordan (Outcome 2) and catalyzing investments towards these businesses and funds (Outcome 3).

Outcome 1: Pipeline of SDG aligned investment opportunities for investors and funds developed

Many businesses in Jordan require support in investment readiness and in aligning their business processes and strategies to the SDGs. The JP will leverage SME support by other ecosystem players through partnerships with EBRD, IFC and other relevant players to allow for scaling, coverage of different industries and systemic change. Our support will scale UNIDO's successful flagship Resource Efficient and Cleaner Production (RECP) methodology to address widespread ineffective use of resources and lack of competitiveness (Output 1.1.) and roll out support on IMM and the WEP. Specific emphasis will be on supporting companies that are addressing the bottom of the pyramid and that can move the needle in terms of SDGs with a particular focus on gender and women's economic empowerment (Output 1.2.).

Outcome 2: Number of existing funds adopting SDG lens increased and attracting new impact investors to Jordan

Raising awareness of the SDG investment case is key to convert mainstream investors to impact investors. The JP will build local and regional capacity on impact investment (Output



2.1.) and develop Jordan's impact narrative to build momentum behind Jordan as a destination for impact investment, creating relationships with investors with the potential to invest in SDG aligned opportunities. In addition to developing a compelling impact investment narrative, the capacity of the Jordan Investment Commission (JIC) will be built to take an account management approach to target investors and investor convenings and roadshows organized (Output 2.2).

Outcome 3: Investments leverage additional funding to deliver on SDGs

Through providing catalytic investments into new private-sector led SDG aligned funds (Output 3.1) and supporting their IMM framework and capacity (Output 3.2), we will facilitate fundraising of several funds while scaling our impact and accelerating progress across a range of SDGs.

Main Assumptions:

- Government continues to improve policy framework and improvements to impact investment ecosystem (supported through ongoing initiatives of UNDP, UN Women in partnership with EBRD, IFC and others and activities under Component I). This includes government commitment to scaling up resource efficiency.
- SMEs introducing resource efficiency and business process improvements to align with the SDGs, IMM and WEPs will attract impact investors.

3. What are the expected results of the proposed Joint Programme?

The JP focuses on the following results. These results underpin the UNSDF's vision (2018-2022) on strengthening partnerships and financing and on designing innovative, catalytic integrated development solutions.

Outcome 1: Pipeline of SDG aligned investment opportunities for investors and funds developed

Output 1.1. Capacity of Businesses to scale and multiply their impact strengthened

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Capacity of businesses built through network of partners on investment readiness, resource efficiency (RECP methodology), business process alignment with SDGs and WEP. Target: 40 businesses supported including 15 on RECP.

Output 1.2 IMM capacity of businesses scaled

Capacity on IMM and WEP built through partnership with Social Value UK (SVUK). SVUK will also build local capacity through training of trainers (ToT) to ensure scale and sustainability. Priority for businesses receiving catalytic financing through funds we invest in under Outcome 3. Target number: 40 companies, 40 trainers (ToT).

Companies will report at beginning and end of JP: number of jobs created, number of women employed, number of refugees employed, resource efficiency improvements, investments raised.

Outcome 2: Number of existing funds adopting SDG lens increased and attracting new impact investors to Jordan

Output 2.1. Local and regional capacity built on impact investing

Capacity of new impact fund managers built in partnership with Beyond Capital's Ifada program (program by Endeavor and Silicon Badia (first Venture Capital firm in the Middle East)) and awareness raising on impact investing amongst existing funds in Jordan and the region and family offices through roundtable discussions and impact investing events (see Output 2.2). Target: at least 30 fund managers trained.

Output 2.2. Compelling impact investment narrative for Jordan developed

Jordan's impact narrative developed in partnership with key stakeholders including JIC, MoPIC, development partners and investors and capacity of JIC and others built to take an account management approach to target investors. Investor convenings organized (at least 3).

Outcome 3: Investments leverage additional funding to deliver on SDGs

Output 3.1. Catalytic investments into new SDG aligned funds

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Catalytic financing to unleash additional financing towards the SDGs. Ticket sizes: USD 0.5 – 2 million per fund, with commitment not exceeding 10% of minimum commitments for fund. Minimum fund size JP will support: USD10 million, with maximum fund term of 12 years and fund investment period of no more than 5 years. Expected investment multiplier factor: 4x.

Output 3.2. Impact framework and IMM capacity of funds strengthened

4. Describe the innovative nature of the Joint Programme

Attracting impact investors to a new market and new thematic areas. The MENA region currently attracts only 2% of total global impact investments (MoPIC 2019) with strong growth potential. FDI has remained low due to a challenging regional environment and structural impediments and is likely to be significantly affected by the impact of COVID-19. Investments into SDG priorities are largely ODA (grant/ concessional) financed with minimal private investments in gender, women's economic empowerment and climate change related priorities (with the exception of renewable energy). The JP's catalytic investments into these priorities represent a signaling effect to attract new investors.

At every step, the JP looks to **build local capacity to scale and sustain results**. This includes building the capacity of governmental (such as JIC) and semi-governmental entities, as well as building the capacity of local consultants and ToT who can provide support on RECP, IMM and WEP.

By supporting the establishment of multiple funds, we are **diversifying risk, testing different instruments while scaling our impact**. SDG Accelerate's investments and the credibility of the UN will help funds to fundraise and catalyze additional investments. Targeted funds include:

- *The Jordan Growth and Impact Fund by SEAF and 17 Ventures*, the first private sector led SDG aligned blended finance deal in Jordan. The fund has an SDG carry, additional points of carry of up to 10% for each SDG KPI that is achieved as independently verified. The fund has a strong gender focus and is female led (<https://17-ventures.com/>).
- *AMAM Ventures*, a Mezzanine gender lens fund that caters to businesses that are committed to diversity and equal opportunities and those who put conscious efforts to create impact and positive change (<https://www.amamventures.com/>)



- *Ajyal Capital* focusing on investing in early childhood education (<http://www.ajyal.me/#page>)
- *Hassad Fund*, an agri-tech accelerator, a key SDG priority for Jordan (www.hassad.io).

With our investments we will **test different financing mechanisms** and will share our learning with UN agencies, development partners, government and the investment community. We will support the **scaling of private sector led blended finance instruments**, an approach currently not commonly used in Jordan.

The JP will be developed and delivered with **multiple key partners** from government, development partners, in particular and the private sector. Part of the challenge in driving the impact agenda is a lack of **unified language around impact** and impact investing. This JP looks to bring everyone around the SDG framework.

5. Expected added value of the UN and the SDG Fund

The main value add of this JP is to strengthen the **UN's position as a credible partner for the government, private sector and IFIs/DFI on financing for sustainable development**. This is particularly important in the context of a middle-income country, the humanitarian-development nexus and in a country that is gearing up to mitigate the socio-economic impact of COVID-19 while facing severe fiscal challenges.

Several private funds are being set up in Jordan, currently in the fundraising stage. Through catalytic investment and supportive TA, the JP's added value is to **influence and direct the pipeline of funds towards solving for priority SDGs**.

Without our catalytic investments, SDG aligned funds are likely to face challenges to attract investments in a frontier market like Jordan. Our investments and the UN's credibility will help funds fundraise.

Through rolling out IMM and WEP, we will **avoid 'SDG washing' and ensure integrated approaches to investing** – ensuring not only positive impact on SDGs but also avoiding negative impact on all other dimensions.

Our partnerships with key ecosystem players, particularly IFIs/DFIs allows us to leverage and scale our support. The UN in Jordan can draw on a strong national and sub-national network of partners from government, civil society, development partners and the private sector as well as its regional and global networks.



We will draw on ongoing activities supporting the ecosystem for impact investing as part of UNDP's SDG Impact initiative, UN Women's WEP initiative and the UNCT's sustainable financing initiative as well as UNIDO's track record on working with SMEs on resource efficiency and cleaner production, providing a strong business case for investing in sustainable and inclusive business processes. **Improving the ecosystem for impact investment and positioning Jordan as a credible impact economy** is also one of the main focus areas of our proposal for Component I.

6. Leadership and implementation of the Joint Programme

The RCO will facilitate coordination amongst participating UN agencies and other stakeholders, ensure learnings are shared and timely monitoring, reporting and evaluation.

UNDP will act as lead agency for the JP building on its leading role in the UNCT financing for sustainable development initiative and SDG Impact. The JP will build on existing SDG Impact capacities and partnerships on IMM with SVUK, impact awareness and impact intelligence and draw on UNDP's extensive global network including UNDP's Business Call to Action and its Finance Hub. UN Women will leverage its expert knowledge and build on its partnerships with SSIF, private sector, the government and civil society to enhance the adoption of gender smart investing and IMM tools and facilitate investments aligned with SDG 5. UNIDO will leverage its local and global expertise and partnerships with the private sector through rolling out its RECP methodology to support businesses in production efficiency, environmental protection and social inclusion.

Other UN agencies will be brought in based on their respective sector expertise to support capacity building activities envisaged under the JP. The JP will **source external capacity and partnerships** to build internal UN and government capacity. External capacity will be required to develop our financial model and investment strategy.

Existing **partnerships with EBRD, IFC** will be leveraged through our TA through partnership approach. There is also an opportunity, building on ongoing discussions, to **ensure greater alignment of IFI and DFI investments with the SDGs**.

The JIC, the PPP Unit at the Prime Minister's Office and MoPIC will be our main partners on the Government side.

Development partners such as Canada, DFID and the EU will continue to support through co-financing and leveraging their own resources to catalyze SDG aligned investment.

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Private sector is heavily engaged as recipient and contributor to all activities.

7. Expected period of implementation

The JP will adopt a flexible approach. At the time of writing the socio-economic implications of COVID-19 were not clear and adjustments to the scope and timelines may need to be made depending on how the crisis and the government response unfolds.

Capacity building activities will be rolled out during the first two years. During this period the team will work on a partnership model and sustainable revenue base for TA delivery beyond the two years. Investment activities (Outcome 3) will span over a period of four years.

Key Milestones:

Outcome 1:

Q1 2021: First IMM/ WEP and TOT program.

Q3 2021: First IMM business cohort trained (at least 20 SMEs). First batch of SMEs supported on RECP, investment readiness (minimum of 10 SMEs). This contributes to the implementation of the Green Growth Plan.

Outcome 2:

Q2 2021: Investment narrative developed and first investor convening organized to support Jordan in its efforts to stem decline in FDI as a result of the impact of COVID-19.

Q3 2021: First IMM training for investors.

Q1 2022: First Ifada cohort for fund manager training

Outcome 3:

Q4 2021: First catalytic investment (at least 1 fund)

Q4 2023: First fund close

8. Cost, co-funding, and co-financing of Joint Programme

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USD 10 million are requested from the Joint SDG fund. The total estimated costs are USD 12 million. For TA components we will seek to match contributions by the Joint SDG fund through co-financing by participating agencies and key partners such as EBRD, IFC and leveraging existing resources.

Our expected investment multiplier factor: 4x

Outcome 1 - Pipeline of SDG aligned investment opportunities

Output 1.1 Capacity of Businesses to scale

Capacity building activities through partnerships to ensure sustainability and scale. Scaling of UNIDO's RECP. UNIDO will leverage its Switch Med program financed by the EU and explore other co-financing opportunities. Target: 40 companies including 20 on RECP.

Estimated total costs: 3,000,000; SDG Joint Fund: USD 1,800,000

Output 1.2. IMM capacity of businesses scaled

Face-to-face learnings during set modules, mentorship and support in between modules. Curriculum design and localization. At least 40 companies and 40 trainers (ToT program)

Estimated total costs: USD 800,000; SDG Joint Fund: USD 600,000

Outcome 2 - Number of existing funds adopting SDG lens increased and impact investors attracted

Output 2.1. Capacity on impact investing built

Researching potential investors/ funds in priority SDG sectors, organizing investor roundtables and related expenses; tailoring and roll out of IMM training for investors. Running of 2 cohorts of Ifada Fund Manager training for 30 prospect funds managers, cost related to adjusting their curriculum for impact investors.

Estimated total costs: USD 1,000,000; SDG Joint Fund: USD 700,000

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Output 2.2. Impact investment narrative developed

Development of “Why Jordan” investment narrative and investor deck, research and reporting writing work, booklet production, design and printing cost. Working level talks with investors and investor convenings. This program will be co-funded by DFID.

Estimated total costs: 800,000 (co-financed by UNDP SDG Impact/ DFID); SDG Joint Fund: USD 600,000

Outcome 3 - Investments leverage additional funding to deliver on SDGs

Output 3.1. Catalytic investments into new SDG aligned funds

Investment in funds, between USD 0.5 to 2 million will be invested in 2-3 funds.

Total investments (see section 11 for details); SDG Joint Fund: USD 5,000,000

Output 3.2. Impact framework and IMM capacity of funds strengthened

Covers TA to be offered to both funds we invest in and other interested funds in building their IMM/WEP capacity.

Estimated total costs: USD 300,000; SDG Joint Fund: USD 200,000

Other costs (to be funded by SDG Joint Fund):

Communications: USD 200,000; M&E: USD 200,000; GMS (7%): USD 700,000

9. Risk Assessment

Risk 1: Growth slows significantly due to impact of COVID-19 affecting ability of SMEs to scale impact

Risk level: 16; Likelihood: 4; Impact: 4

Mitigation measures:



- JP will support SMEs in partnership with ecosystem players. TA will focus on business process innovation including adaptation of business models to respond to COVID-19, scaling of RECP (leading to cost savings)
- JP will connect SDG aligned businesses with investors, SDG aligned funds to impact investors
- UNIDO will develop supportive policy framework by supporting integration of RECP into relevant policies

Risk 2: Investor interest in Jordan is affected by COVID-19

Risk level: 16; Likelihood: 4; Impact: 4

Mitigation measures:

- JP will work with investors, government and development partners on impact investment narrative, support investor convenings to build trust in Jordan as an impact investment destination (linking to Component I)
- JP will engage with IFIs/DFIs and other partners to scale blended finance approaches
- JP will provide catalytic capital to SDG aligned funds to help them fundraise

Risk 3: Private sector shows limited interest in aligning to SDGs, particularly in context of economic crisis

Risk level: 9; Likelihood: 3 Impact: 3

Mitigation measures:

- Capacity building and outreach on business/ investment case of SDGs (building on SDG Impact, RECP interventions)
- Policy dialogue to improve impact investment ecosystem with government, development partners including introduction of incentives

Risk 4: Government no longer prioritizes improvements in impact investment ecosystem (as a result of impact of COVID-19)

Risk level: 9; Medium; Likelihood: 3 Impact: 3

Mitigation measures:

- Continue public private dialogue on improving impact investment ecosystem with key players, IFIs/DFIs (to incentivize government reform measures)
- Build capacity on blended financing approaches (Component I and SDG Impact)



Risk 5: JP considered by stakeholders and general public as mission drift from original mandate of UN agencies affecting reputation

Risk level: 4; Likelihood: 2; Impact: 2

Mitigation measures:

- Communication efforts to demonstrate how JP catalyzes investments to accelerate SDGs implementation
- Activities will ensure impartiality towards selection of SDG aligned funds and businesses, through developing transparent selection criteria in consultation with national stakeholders

Risk 6: Lack of compliance by UN partner organizations and contractors results in reputational loss and fiduciary risks

Risk level: 12; Likelihood:3; Impact:4

- Regular briefings on compliance with UN rules and procedures and monitoring and reporting by partners
- Diligent financial oversight of partner organizations and contractors

10. Convening the private sector and engaging IFIs/DFIs

This JP builds on the partnerships with private sector and IFI/DFIs of SDG Impact Jordan, UN Women's collaboration with the IFC in projects related to enhancing women's engagement in the private sector using the WEPs, developing women's leadership, and professional skills, and enhancing women's professional networks. It also builds on UNIDO's private sector network in particular its successful RECP programme.

SDG Impact has undertaken significant work to raise awareness in Jordan on the business case for SDGs and to initiate and develop the partnerships needed for SDG Accelerate. The proposed JP scales these partnerships through:

- TA through partnerships with key ecosystem players such as EBRD, IFC, GIZ, USAID, Ifada and others.
- Investor convenings and public private dialogue on the impact investment ecosystem engaging business associations, Chambers of Industry/ Commerce, the banking association and other private sector representatives.



- Providing a common impact framework for different ecosystem players around the SDGs.

The JP builds on activities under Component I of the SDG Joint Fund call. Component I includes support to the Jordan Securities Commission in partnership with EBRD and the UN Global Compact, the PPP Unit of the Prime Ministry in partnership with IFC and EBRD and SSIF.

11. Leverage and catalytic function

The JP is designed to leverage our resources and those of our partners to catalyze additional resources through various mechanisms:

Leveraging additional capital including private finance (Outcome 3). Our expected investment multiplier factor is at least 4x. Funds we are targeting include (a detailed list and investment strategy will be developed in the full proposal).

Jordan Growth and Impact Fund: Target size is USD 100 million. With our investment of up to USD 2 million we expect to catalyze up to USD 98 million. First close is USD 50 million with Canada expected to invest CDN\$ 20 million and the remainder to be raised from private sector investors. The UNCT's early engagement on financing for SDGs has led to the establishment of this fund.

Amam Ventures: Target size is USD 20 million. With hard commitments from Triple Jump (<https://triplejump.eu>) of USD 5 million matched by ISSF Jordan with another USD 5 million. With our investment of up to USD 2 million, we expect to catalyze the remaining USD 8 million.

Other funds such as Aiyal Capital and the Hassad Fund are in early stages of development but our investments would seek to have a multiplier factor of at least 4X.

All our capacity building activities are designed to be delivered with and through our partners, in particular EBRD, IFC, GIZ and Ifada (Beyond Capital). We will seek to match contributions by the Joint fund through co-financing from these agencies and through leveraging and scaling our own resources. EBRD, IFC and GIZ have large-scale SME support programs and have indicated strong support for co-financing related activities.

Where feasible, we will also seek to charge fee-for service building on the successful model of SDG Impact whereby private sector contributed to the costs of trainings on IMM. UNDP will also leverage its own resources, in particular those of SDG Impact.

SFO



UNIDO will co-finance activities and leverage its ongoing EU supported Switch Med project that is supporting the food and beverage sector to integrate RECP. UNIDO is also exploring GIZ support to scale RECP focusing on small sized enterprises. UNDO will also tap on national funds such as the Jordan Renewable Energy and Energy Efficiency Fund under the Ministry of Energy to co-finance energy efficiency related measures in selected enterprises.

UN Women will co-finance through providing technical assistance for SMEs and investment funds with an amount of \$ 100,000 (Outcome 1 and 2).

