



Fresh Fruit & Vegetables - Jordan

CBI Business Case 2018-2022

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Overview Business Case	
Ambition	We aim to improve exports not just in terms of quantity but also in terms of quality. We aim to contribute towards the further upgrading of the FFV value chain in Jordan by supporting the introduction of new technologies and introduction of new and higher-value-added crops and by penetrating higher-end consumer markets. We will also look for opportunities to reduce CSR risk and ways to reduce water consumption by the industry.
Objective(s) of the Business Case	The objectives of this project are: <ol style="list-style-type: none"> 1. 25 producers have increased their efficiency in the production of FFV (inputs and production methods). 2. 25 producers have increased their export turnover with higher-end products to new markets.
Targets (SMART) (use KPIs and PIs formulated in your M&E plan)	<ul style="list-style-type: none"> - 7 new/improved export services for SMEs by the 2 BSOs by 2022 - Sector platform for public-private dialogue is established by 2022 - Increased satisfaction of exporters with service provision by BSOs - Increased use of export-related services provided by the BSO - Sector platform has jointly developed an action plan for improved regulation - Sector platform has developed sector strategy (sector export marketing plan) - BSO has a system for dissemination of market information - Export increased by €20 mln from 25 directly supported SMEs in Jordan to the 4 identified markets by 2022 - 25 directly supported SMEs have realised export growth to EU/EFTA markets and the other 3 identified target markets by 2022 - Export increase of €20 mln to all international markets from directly supported SMEs from Jordan of which €5 mln to EU/EFTA markets - Level of social responsibility within the intervention group of directly supported SMEs has improved - 25 SMEs that are committed to social responsibility - Creation of 100 additional fixed jobs and 500 additional seasonal jobs at directly supported SMEs - 25 competent exporters directly supported by CBI

	<ul style="list-style-type: none"> - 750 business contacts between importers from EU/EFTA markets and exporters - 25 SMEs that have developed and implemented a social responsibility plan - 25 exporters have developed an export marketing plan - 25 exporters have acquired necessary safety and sustainability certification (GlobalG.A.P.) - 250 secured orders between exporters and importers in EU/EFTA markets - 25 exporters have changed their production to higher-quality crops for the export market - 5 importers have contributed to capacity building of exporters - 5 importers in new markets are familiar with Jordan's products and USPs
Country of Implementation	Jordan
Sector of Implementation	Fresh Fruit and Vegetables
Markets	<p>For the scope of this project we will not limit our focus to the European market as CBI usually does. The aim of the project is to get all products to the quality and certification levels of the European Union. However, there are more chances on the different regional and Asian markets.</p> <p>We will focus on the four identified markets that show opportunity for Jordanian FFV year-round: North-western Europe, Russia & Eastern Europe, the Gulf and Southeast Asia.</p>
Focus of the Project/Intervention Strategy	<p>The project focusses on three intervention areas (referred to as project pillars):</p> <ol style="list-style-type: none"> 1. Business Export Coaching of 20-25 Fresh Fruits and Vegetables enterprises to make them reliable suppliers of quality, healthy/safe (certified) fruit and vegetables in a sector that uses modern techniques in cultivation and post-harvest procedures; 2. Institutional Capacity Building of the Jordan Exporters and Producers Association for Fruit and Vegetables and the Jordanian Ministry of Agriculture; 3. Creating Sector Collaboration in the Fresh Fruits and Vegetables sector through the formalization of a sector platform for a public-private dialogue that addresses sector-wide issues and opportunities.
Major Stakeholders	Jordan Exporters and Producers Association for Fruit and Vegetables (JEPA), Jordanian Ministry of Agriculture (MoA), NL Embassy (EKN), EcoConsult, GIZ, DFID, World Bank, USAID.
Added Value of CBI Business Case	<u>Export growth</u> : €20 million additional to

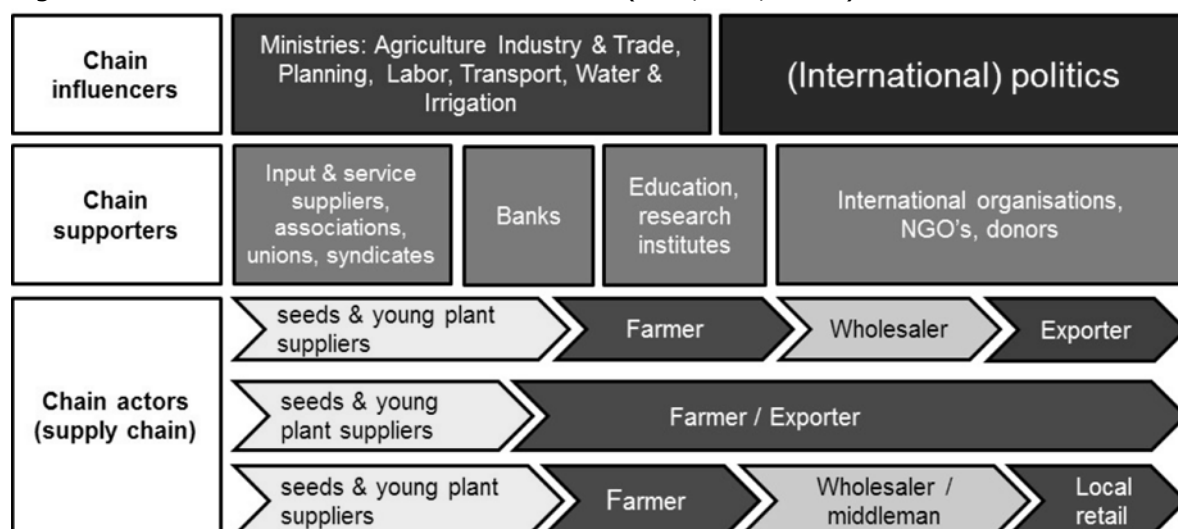
	<p>international markets, of which €5 million additional to the EU/EFTA market.</p> <p><u>Employment growth</u>: 100 additional fixed jobs and 500 additional seasonal jobs.</p> <p><u>CSR</u>: 20-25 GlobalG.A.P. certified companies with a CSR plan developed and implemented.</p> <p><u>EEE</u>: strengthened JEPA, more services MoA and more sector collaboration.</p>
Planned Start and End Date	May 2018 – Dec 2022
Written by (name and signature)	Anne Wensveen & Koos van Eyk
Date Business Case is submitted	02 March 2018

1. Context Business Case

Jordan produces large volumes of fresh fruits and vegetables, and based on all the research carried out in the preparation of this business case, the sector offers considerable potential for further growth and development. A key competitive advantage of the local fresh fruit and vegetables (FFV) sector is that due to the distinctive and diverse geographical climatic zones, vegetables can be produced throughout the year. Two key distinct agricultural production areas that provide particularly significant FFV opportunities resulting from its specific climate are the Jordan Valley and the Highlands.

The FFV sector in Jordan is characterized by many small producers (farmers with less than 3 ha) producing mainly for domestic markets and some larger farmers focusing on serving high-end domestic and international markets. The total farmer base is estimated at about 20,000 farmers, of which 19,000 in the Jordan Valley and 800 in the Highlands. These farmers are supplied by 100 input dealers, and sell their produce to 150-200 wholesalers and retailers. The total acreage of vegetables grown adds up to 84,500 ha, and an additional 51,000 ha is used for growing fruits. The value of vegetable exports in 2015 adds up to around 176 million euros, with fruit exports reaching 465 million euros. The figure below presents the main value chain actors, supporters and stakeholders in Jordan:

Figure 1: FFV value chain overview in Jordan (VCA, CBI, 2016)



Over the past six years the industry has been hit hard due to the conflict in the region. Currently, exports to most of Jordan’s traditional markets in Syria, Iraq and Lebanon are reduced to zero because of closed borders due to the Syrian crisis. As yet, most exporters have too few resources or too little knowledge on how to reach the Eastern European and Russian markets. Exports to Saudi Arabia and other Gulf countries are rising but cannot compensate for all the losses incurred. Export to the Western European market is currently being explored. This project is about supporting Jordan to diversify to these new markets with higher-end products to compensate for the loss of their traditional market, but also to instigate a transition towards delivering more high-end produce towards high-end markets. Assisting Jordan in its export development activities will make the country’s economy more resilient and stable. A stable economy makes it more likely that the country can adjust to the ever-changing political circumstances, frequent turmoil in the region and the influx of refugees and migrants.

Box 1.1 Impact of Syrian crises

According to the Ministry of Agriculture in the Jordan Valley: "Before 2010, 50% of the fruit and vegetables in Jordan had an export destination; in the Jordan Valley we grow tomato under plastic on 3,500 ha, of which 2,500 was contracted for export to Eastern Europe before 2010."

According to the Farmers Union in the Jordan Valley: "23,000 greenhouses were on contract for the markets in Eastern Europe and Russia before 2010; that's all back to zero now, we lost US\$ 5 billion in 5 years"

2. Value Chain Analysis

2.1 Value Chain Research & Analysis

In the lead up to this business case, several studies were carried out that form the basis of this project design. Below you can find a summary of the two most important analyses.

An extensive value chain analysis (funded by the Government of the Netherlands) on the Fresh Fruit and Vegetables sector in Jordan was performed in May 2016. This resulted in a clear overview of the current performance of the FFV sector, as well as constraints and opportunities for its further development.

In the period from November 2016 until June 2017, a sector export marketing plan (supported by CBI) was developed. Building on the VCA, this SEMP highlighted the major bottlenecks in the value chain that are currently hindering Jordan from reaching its ambition to become a reliable supplier of quality, healthy/safe (certified) fruit and vegetables, without residues and also organic.

There are more studies available from external partners; for example, the research carried out by WUR and Jos Leeters under the EcoConsult project scope and extensive reports from the World Bank Group on horticulture in Jordan and the Gulf market. We have taken all the information from our partner organisations into account in the writing of this business case.

2.2 CBI Analysis of the Value Chain

In collaboration with the Embassy of the Kingdom of the Netherlands, CBI conducted an assessment of all existing research material as well as the project outlook of all other donors in the FFV sector. This analysis logically categorised the existing bottlenecks in the sector in six output areas. For the purpose of this project design we have structured the analysis of the bottlenecks along the value chain according to these output areas:

1. Production:
 - a. Farming practices are below international standards and not of high enough quality to be competitive on the international markets.
 - b. The supply chain is not efficient and transparent due to a dominant role of middlemen and brokers.
 - c. The sector lacks capacity to add value or to properly process the produce.
 - d. Producers often don't have access to sufficient quality inputs/resources.
2. Human Resources:
 - a. Access to sufficient and qualified labour is a challenge.
 - b. There are a lot of Social Responsibility issues at the work floor on the farms regarding safety and health conditions, the legislative protection framework for employees and child labour.
 - c. Many Syrian refugees are present in the country and there are high unemployment rates amongst the refugees.
3. Finance:
 - a. Farmers often have insufficient access to finance to make the necessary investments in their farms.
4. Marketing:
 - a. There is no national marketing strategy.
 - b. Jordanian FFV produce does not have a great reputation on the international markets.

- c. Jordanian farmers often don't know how to target and to access the right international markets.
5. Policy & Governance:
- a. Government institutions and sector associations aren't streamlined and don't operate effectively and efficiently.
 - b. Associations and cooperatives in the sector play a marginal role.
 - c. There is no up-to-date market intelligence platform.
 - d. There is no legislation on product quality, resulting in bad quality reaching export markets.
6. Logistics & Infrastructure:
- a. The cold chain infrastructure is weak or absent and there is little knowledge of proper post-harvest treatments throughout the chain.
 - b. Infrastructure for air transport at the Amman airport and for sea transport in the Aqaba port is available but poor.
 - c. Jordan is one of the most water-stressed countries in the world and most farmers don't have a proper water infrastructure in place.

Many other donors are active in Jordan and wish to become active in the FFV sector as well. This means that many donors wish to get the attention of a relatively small group of companies and farmers, and all of them wish to implement interventions to address similar or complementary bottlenecks. This requires coordination of all interventions taking place. The Embassy of the Kingdom of the Netherlands in Amman is taking the lead in the FFV sector to coordinate all donors and activities. In the winter of 2017 a donor-mapping exercise was done to create insight into current and planned activities of all the donors. The result of this donor mapping can be found in Annex 1.

Based on this mapping we will actively try to collaborate with, amongst others, GIZ, DFID, ILO and EcoConsult in the implementation of this project. In the table below one can find a summary of the bottlenecks gathered from all the research, including information about which organisation is expected to work on what bottleneck. In the next chapter we will discuss the justification of the bottlenecks and project design chosen by CBI, and in Chapter 4 we will also elaborate on CBI's intervention strategy and the bottlenecks addressed by other donors.

Table 2.3: Value chain bottlenecks per output area

a. Observed constraints / bottlenecks in value chain and how they limit export opportunities	Critical ¹ constraint? (Y/N)	Solvable in short term ² (Y/N)	What (donor) organisation is providing this solution? (CBI, or others)
Production			
Producers often don't have access to sufficient quality inputs/resources.	Y	Y	USAID, World Bank

¹ Critical means if the constraint is not resolved the programme outcome is not possible, or significantly reduced.

² Short term means that the constraint can be addressed within the duration of the programme.

Farming practices are below international standards and not of high enough quality to be competitive.	Y	Y	CBI , RVO, USAID, GIZ, EKN, EcoConsult
The supply chain is not efficient and transparent due to a dominant role of middlemen and brokers.	Y	Y	USAID, GIZ
The sector lacks capacity to add value or to properly process the produce.	Y	Y	CBI , GIZ, EcoConsult, RVO, EKN, USAID
Human Resources			
Access to sufficient and qualified labour is a challenge.	N	N	GIZ, USAID, EKN, Spark, ILO, EcoConsult, RVO
There are a lot of Social Responsibility issues at the work floor on the farms regarding safety and health conditions, the legislative protection framework for employees and child labour	N	Y	ILO, CBI , EcoConsult, EKN, GIZ
Finance			
Farmers often have insufficient access to finance to make the necessary investments in their farms.	Y	Y	USAID, World Bank
Marketing			
There is no national marketing strategy.	Y	Y	CBI
Jordanian FFV produce does not have a great reputation on the international markets.	N	Y	CBI , GIZ
Jordanian farmers often don't know how to target and to access the right international markets.	Y	Y	CBI , EcoConsult, USAID
Policy & Governance			
Government institutions and sector associations aren't streamlined and don't operate effectively and efficiently.	Y	Y	CBI , GIZ
Cooperatives in the sector play a marginal role.	N	Y	CBI , GIZ, EcoConsult, USAID

There is no up-to-date market intelligence platform.	N	Y	CBI
There is no legislation on product quality, resulting in bad quality reaching export markets.	N	Y	CBI, USAID, GIZ
Logistics & Infrastructure			
Jordan is one of the most water-stressed countries in the world and most farmers don't have a proper water infrastructure in place.	Y	Y	USAID, GIZ, World Bank, EcoConsult, RVO
The cold chain infrastructure is weak or absent and there is little knowledge of proper post-harvest treatments throughout the chain.	Y	Y	RVO, EKN, CBI
Infrastructure for air transport at the Amman airport and for sea transport in the Aqaba port is available but poor.	Y	Y	RVO, EcoConsult

2.3 Identified Export Opportunities

The value chain analysis and the sector export marketing plan identified certain opportunities for exports to the international markets. These windows of opportunity are specifically beneficial for the exports of high-end fruits & vegetables. There are three windows of opportunity for Jordanian FFV produce that make export to international markets interesting.

1. The first concerns the adaption of the market to the time of the year. It can be interesting, for example, to produce certain fruits and vegetables for the EU market during European winters, when it is too cold in Europe for certain produce (December-February). From March onwards it might be better to continue production for the Gulf Market and the East Asian market. Because of this opportunity, the CBI project will not solely focus on export to the European market but will also look at the Russian, the Gulf and the East Asian market.
2. The second window concerns the growing demand for ethnic and exotic fruits, whereas the demand for certain types of fruits and vegetables is relatively stable or in small decline. Ethnic and exotic fruits are becoming more popular due to the growing trend to explore the culinary traditions from other continents. An increased demand in dates is a good example of this trend; dates are now frequently used as a sugar replacement. Dates will therefore be one of our target products, in addition to other high-end fruits and vegetables such as strawberries, eggplant, capsicum, broccoli, melons, seedless grapes and fresh herbs.
3. The final window of opportunity is the fact that Jordan has an overcapacity for the production of fruits and vegetables. Due to the difficult political situation Jordan's

neighbours face, farmers are forced to diversify their markets. The sector is therefore not limited by a lack of supply capacity.

2.4 Identified Export Markets

Taking into consideration the high potential for Jordanian FFV on other markets than the European market and the large amount of donors active in the country, it was decided that for this project CBI will not solely focus on the EU market.

Instead, CBI focusses on the European market but also supports market entry training and activities to other markets. CBI works in sectors that show EU export potential, we do not support sectors for which there is no EU export potential at all. The ambition is to bring the different sectors to EU-level standards. However, we realise that there is more than Europe and that for certain products, or in certain seasons other markets offer greater potential. We therefore also support the industry to penetrate other markets, as long as the European market is still in the picture.

A focus on Europe whilst being flexible enough to also support the export development to other markets will make it possible for CBI to develop more projects, cooperate with multiple donors, take the lead in different sectors and be an interesting partner for donor funding. There are quite a number of sectors that have EU export potential. If CBI can bring the sector up to EU market standards and also support the penetration to other markets, CBI will have a good position towards the different donors as well as the public and private sector in Jordan.

In the VCA and the SEMP, four different target markets were identified for the Jordanian FFV market:

The Gulf Region: the Gulf region represents Jordan's main export market. Jordan should consolidate its position with its current product portfolio by upgrading the quality. It should also position itself as a (new) supplier for higher-end segments for the same products, but with added value. Jordan's competitive advantage for vegetables is mainly in the summer from May–November. Nevertheless, Jordanian vegetables should be positioned in the Gulf countries as available year-round. Fruit can be positioned as seasonal and high-end. Stone fruit and strawberries are the most important ones. Dates especially are amongst the Jordanian flagships and should be either consolidated or expanded as premium. Jordan is the third-most-important vegetable supplier to the countries of the GCC (Gulf Cooperation Council), after Egypt and India.

North-western Europe: Jordan should position itself as a reliable supplier, being able to produce and deliver in season windows with high-quality products with added value, including strawberries, dates, fresh herbs, specialty vegetables, entering the market through the UK and the Netherlands. Competition mainly takes place at the price level but this will change in the future, especially for niche markets. It is expected that quality and sustainability will become more prominent values in the EU market. The window of opportunity is during winter months in Europe since most products can be produced in the EU during other seasons. The most important competitors besides the EU countries themselves are Israel, Morocco, South Africa and Tunisia.

Russia & Eastern Europe: Jordan should regain its position with its current product portfolio, but upgrade the quality of the produce. It should also position itself as a (new) supplier for higher-end segments for most vegetables, stone fruit, watermelon and dates,

but with added value and for new products. Russia's traditional import markets for FFV are China, Egypt, Morocco, Azerbaijan, Iran, Turkey and Central Asia. For Russia & Eastern Europe the main window of opportunity would be in the Russian & European winter months as well, and only in the high-end markets during the rest of the year.

Southeast Asia: the markets in the Far East pose a challenge for Jordan, as this is an entirely new region. It is known, however, that these markets are growing fast, are very large and without strong foreign competition. It has therefore been proposed to ensure that these markets will represent 5% of Jordan's total exports (by value) by 2022.

3. Justification

3.1. Development Cooperation

Trade is a useful instrument to stimulate growth and promote employment. By helping small and medium-sized enterprises (SMEs) in Jordan to enter new and more advanced markets, we promote the integration of the Jordanian FFV sector into these global value chains. In this way we assist the sector (entrepreneurs and employees) to benefit from the advantages that trade brings, and possibly to bring some relief from the trade deficits incurred due to surrounding conflicts.

We aim to improve exports not just in terms of quantity but also in terms of quality. We aim to contribute towards the further upgrading of the FFV value chain in Jordan by supporting the introduction of new technologies and the introduction of new and higher-value-added crops and by penetrating higher-end consumer markets. We will also look for opportunities to reduce CSR risk and ways to reduce water consumption by the industry.

By improving the Jordanian FFV sector and linking it with the international market, we aim to contribute towards stabilising the country and better equipping Jordan to deal with issues such as migration, as well as increasing the employment rate in the country. The FFV industry is one of the industries that got hit the hardest by the regional conflicts and equally one of the industries with the highest value addition to the local industry. Revitalising and upgrading the FFV industry could significantly contribute towards the resilience of the Jordanian economy.

The FFV sector is also a top priority for the Embassy of the Kingdom of the Netherlands. The embassy has earmarked the agricultural sector, specifically the FFV sector, as a priority sector in which it wishes to take the lead in developing the industry. The Netherlands is currently supporting the development of the industry through different initiatives, of which CBI is one. With this CBI project the Netherlands aims to show its commitment to continue supporting the development of the industry.

Donor coordination will be essential for the effective implementation of this project. The Embassy of the Kingdom of the Netherlands acts as a central donor and facilitates donor coordination with other donors such as GIZ, DFID, the World Bank, ILO and the EU. In December 2017 CBI carried out a donor mapping upon the request of the Embassy, which can be found in Attachment II of this business case, and which showcases the current and preferred activities of all other donors. During the first months of 2018 the Embassy will further coordinate all donor initiatives to ensure a constructive cooperation and collective approach to the sector.

Counting around 9.5 million people (census 2015), the population of Jordan got a large influx of at least 3 million immigrants of which almost 2 were million refugees from Syria in the last few years. This also influences the economic stability and employment opportunities in Jordan. Amongst refugees as well as the local population unemployment rates are high; 18% amongst Jordanians and for the Syrian refugees 57% (men) and 88% (women) in 2015 (ILO). In such a delicate environment, it is important that both groups are able to profit from the CBI interventions to ensure economic and political stability. Our employment interventions with the ILO will therefore be focussed on Jordanians as well as Syrian refugees.

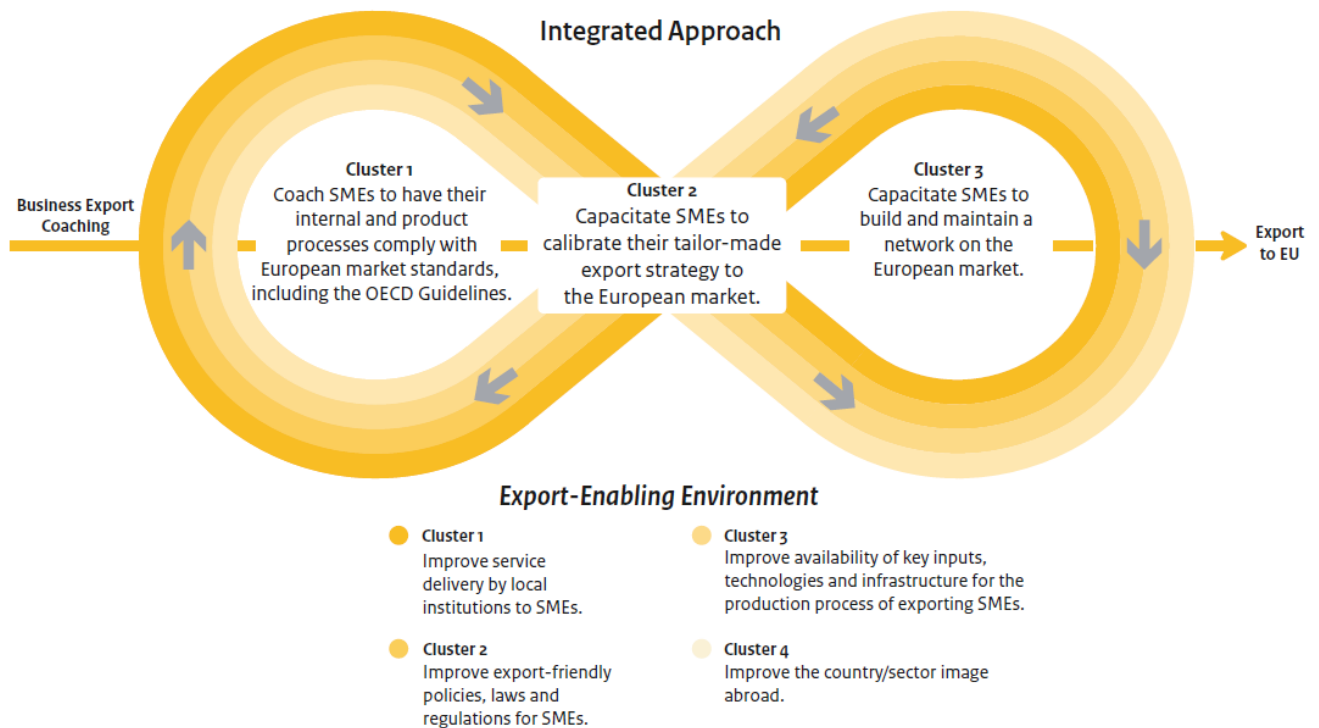
3.2. Value Added by CBI

CBI's Integrated Approach

CBI has a proven value chain development methodology – CBI's Integrated Approach - which combines interventions throughout the value chain, on company level and in the export-enabling environment. Over the years we have become an expert in dealing with bottlenecks on both company and government level as well as creating a public-private dialogue to address issues together. CBI's integrated approach is twofold and can be summarised as followed:

- *Business Export Coaching:* A regular BEC intervention takes four to five years, starting with a company selection phase followed by a company audit. Once selected, businesses are coached for their entry to the European market. The content of the coaching varies according to the needs identified in the company audit: these may include training tracks on business skills, certification, international export rules and legislation, business marketing and branding. In other words, the interventions are based on what SMEs in the project need in order to realise export to Europe. The following clusters fall under the Business Export Coaching:
 1. Coach SMEs to have their internal and product processes comply with European market standards, including the OECD Guidelines.
 2. Capacitate SMEs to calibrate their tailor-made export strategy to the European market.
 3. Capacitate SMEs to build and maintain a network on the European market.
- *Export-enabling Environment:* The business environment of a company may be defined as the sum of the external factors influencing a company's operations over which the company has no direct control. A business environment may exert a negative or a positive influence on the company's operations. The common denominator of CBI's export-enabling environment interventions is that they go beyond assisting individual companies. Interventions in the export-enabling environment usually require collective action, mostly within a particular sector or value chain. The following clusters fall under CBI's Export-enabling Environment interventions:
 4. Improve service delivery by local institutions to SMEs.
 5. Improve export-friendly policies, laws and regulations for SMEs.
 6. Improve availability of key inputs, technologies and infrastructure for the production process of exporting SMEs.
 7. Improve the country/sector image abroad.

Figure 3.1 CBI’s integrated approach



With a tailor-made approach, CBI can put together a technical assistance project that provides technical assistance to exporters, FFV sector organization JEPA and the Jordanian government and facilitates public-private collaboration to address other issues in the export-enabling environment.

Impact justification

CBI is required to report on the following four outcome areas to the Dutch Minister of Trade and Development Cooperation.

- Export growth: through this project we realise additional export growth from 25 directly supported SMEs in Jordan to EU/EFTA markets and to the rest of the world. We aim to support between 20-25 companies in their export endeavours to the EU and world market and wish to increase the additional export to all international markets with 20 million EUR, and to the EU/EFTA market specifically with 5 million EUR. This contributes to Sustainable Development Goal (SDG) #8.
- Employment growth: we aim to create extra jobs in the FFV sector in Jordan for Jordanians, Syrian refugees and refugees from other origins. We aim to create 100 additional fixed jobs and about 500 additional seasonal jobs. This contributes to SDG #8 'decent work & economic growth' as well as SDG #10 'reduced inequality (of refugees)'.
- CSR: we aim to have all project companies develop a CSR plan at the start of the project and implement it under the guidance of our experts during the project. Moreover, we aim to have all SMEs at least GlobalG.A.P. certified by the end of the project. GlobalG.A.P. includes food safety and traceability, environment (including biodiversity), workers' health, safety and welfare, animal welfare, Integrated Crop Management (ICM), Integrated Pest Control (IPC), Quality Management System (QMS), and Hazard Analysis and Critical Control Points (HACCP). Moreover, we have asked for the assistance of the ILO to assist in the

creation of decent jobs (for refugees) throughout the supply chain. Discussions about cooperation in the FFV sector with ILO are ongoing at the time of writing. In addition, CBI, together with other RVO initiatives and the EcoConsult project, will attempt to assist the Jordanian FFV sector in implementing water-saving technology to align with the NL Embassy strategy to reduce the water use in the agricultural sector with 30%. This contributes to SDG #12 'Responsible Consumption & Production' by addressing production methods and making them more sustainable.

- Improvement of export-enabling environment: CBI will support JEPA and the Jordanian Ministry of Agriculture in better supporting the sector with different services such as market information, rules & legislation and branding. But CBI will also help the organisations to create a clearer mandate for themselves that is also negotiated with other sector initiatives and organisations, ensuring all parties cooperate in supporting the sector rather than working for themselves.

4. Objectives & Target Group

4.1 Objectives

Jordan aims to make the transition from a supply-driven FFV sector towards a demand-driven FFV sector. Demand, not supply should be driving exports. This transition will require a better understanding of market demand, of market systems, market requirements and also a change in production and the supply chain of companies and the sector at large. In 2017, with CBI support, the sector has developed an ambition for the industry. This project aims to assist the sector in achieving this ambition.

- Ambition: the Jordanian FFV sector is a reliable supplier of quality, healthy/safe (certified) fruit and vegetables, without residues and also organic. The sector uses modern techniques in cultivation and post-harvest.
- Aspirations: (1) to have close, serious and long-term cooperation with the government, (2) to rebuild infrastructures, (3) to develop and improve the value chain, (4) to attract new investments in the sector, specifically in post-harvest.

We have structured the project in three result levels: the overall goal or impact area, two different objectives or outcome areas, and six output areas. Below, one can find a short explanation of the three result levels.

1 Impact area

1. CBI's overall goal is to increase the number of employees working in the whole sector as well as enlarge the income earned in the whole sector.

2 Outcome areas

1. 25 farmers/exporters have increased their efficiency in the production of FFV: efficiency as an outcome entails that the production methods and post-harvest treatments are at EU standards, the production chain should be of higher quality by using higher-quality inputs, more investments and better working conditions.
2. 25 farmers/exporters have increased their export with higher-end products to new markets: this entails that there is more knowledge of the market-product opportunities and a strategy behind the chosen market-product combinations. Furthermore, the infrastructure and the supporting and influencing actors in the value chain should be functioning and facilitating the development of the sector.

6 Output areas

1. Production: 25 farmers/exporters are able to produce a higher quality and quantity with higher efficiency.
2. Human Resources: improved employment situation and a better-equipped workforce.
3. Finance: 25 farmers/exporters invest in the scale and quality of their business.
4. Marketing: 25 farmers/exporters have access to new and more advanced markets.
5. Policy & Governance: Government and associations (JEPA) are actively facilitating FFV sector development.
6. Logistics & Infrastructure: Improved logistics and infrastructure is used by FFV VC actors.

To be as effective as possible and to cover all bottlenecks in the sector, CBI attempts to align its objectives with other donors in the FFV sector in Jordan. Therefore, the result chain, as can be seen in Annex 2, also includes some interventions by other donors.

4.2 Primary Target Group

The FFV sector in Jordan consists of different groups. In the CBI intervention (2017–2018) CBI started with a group of eight large farmers who already have some experience with exporting to international markets. This group is considered the top of the pyramid and six out of the eight companies will join the CBI project. For this project design, we envisage professionalising the whole sector and have an inclusive approach. Therefore, we need to target four different primary groups who will be the main beneficiaries of the CBI interventions.

This project proposes to offer a tailored support programme to the integrated farmers/exporter SMEs and those farmers who are currently indirectly supplying the export market or those who have the capacity and ability to make the transition towards direct exports.

1. *Integrated Farmers:* CBI distinguishes the integrated farmers from the dis-integrated export supply chains. Based on the research carried out in the VCA and SEMP, we anticipate that it will be easier for the integrated farmers to make the transition to higher-value crops, higher-end markets with higher-end technology.
2. *Integrated Farmers to be:* there are farmers who are currently supplying the international market through wholesalers or exporters but have the capacity, resources and interests to become direct farmers.

Integrated Famers	Farmers who export their own produce to the international market.	40	15-20
Integrated Farmers to be	Independent farmers who supply produce to wholesalers or exporters for the international market but have the ambition and ability to start exporting directly as well.	10-12	5-10

During the VCA and SEMP it became apparent that the most important value chain supporters and influencers are the Jordanian Ministry of Agriculture and the sector association JEPA. There are many other sub-associations within the FFV sector but JEPA is the overarching FFV sector association and is very seriously committed to improving the sector. Within the Jordanian Ministry of Agriculture there are several departments that could be beneficial to facilitating the sector. They will be the coordinating Ministry from the government’s side when it comes to supporting and improving the FFV sector in Jordan.

3. *JEPA:* Jordan Exporters and Producers Association for Fruit and Vegetables was established in 1994 with support of USAID. JEPA’s members constitute a diverse range of businesses and interests, including growers, importers, exporters, packers, input supply companies, nurseries and other related businesses. Their activities consist of representing, defending, lobbying for the position of its

members, promotion, training and consultancy (BRC, GlobalG.A.P, ISO, value chain analysis).

4. *Jordanian Ministry of Agriculture*: this is the key organisation for agriculture in the Jordanian government. Two of its units directly work with the farmers 'on the ground': the National Center for Agricultural Research and Extension NCARE deals with (applied) research and extension and the Department of Agricultural Marketing deals with monitoring & sharing data (information) and with licensing.

4.3 Secondary Target Group

Besides this primary group, there will be a secondary target group for the CBI interventions that we will support through the creation of a sector platform, addressing the needs and issues that come out of those discussions to further support the wider sector and ensure the sector as a whole benefits from our interventions. In this way, we will enlarge the effectiveness of this CBI project. This ensures a sector-wide and inclusive approach that is customised to the level of the different actors.

- Chain influencers & supporters: Jordanian Ministry of Industry and Trade, Jordanian Ministry of Water & Irrigation, Jordan Enterprise Agency (former JEDCO), Jordan Chamber of Industry & Jordan Chamber of Commerce, other sub-FFV produce associations, Farming Universities.
- Chain Actors: The value chain analysis explains that the disintegrated supply chains consist of smaller players with insufficient financial means to make the required investments to compete in high-end markets. We don't want to neglect this part of the industry and will include these actors through training and sector collaboration.

Farmers (supplying export market)	Independent farmers who supply produce to wholesalers or exporters for the international market.	250
Wholesalers (supplying export market)	Independent wholesalers who supply produce to exporters for the international market.	120
Exporters (not farming)	Independent exporters/traders who export produce from independent farmers to the international market.	50

5. Intervention Design & Strategy

5.1 Strategy

This intervention strategy is based on research carried out, such as the VCA, the SEMP and the donor mapping as well as on the pilot project that has been carried out from June 2017–May 2018. The intervention strategy has been discussed with the most important stakeholders in the Jordanian FFV sector and with the most important international partners.

The details of the action plans will be written in the CBI project plans according to the CBI project implementation methodology and are dependent on the outcome of the company assessments and discussions with JEPA and MoA. Hence, the intervention strategy below gives an indication of the type of activities that will take place within the framework of this project.

These activities are structured in three pillars in order to group the activities in a logical project design. In the table below, one can see the different bottlenecks that CBI will address per output area, followed by a short description of the activities CBI will use to address the bottlenecks. In Chapter 5.2 the three pillars and activities falling under these pillars will be discussed more extensively.

Table 5.1: Value chain bottlenecks per CBI activity pillar

a. Observed constraints / bottlenecks in value chain and how they limit export opportunities	What (donor) organisation is providing this solution? (CBI, or others)	CBI intervention
Production		
Producers often don't have access to sufficient quality inputs/resources.	USAID, World Bank	Not applicable
Farming practices are below international standards and not of high enough quality to be competitive.	CBI, RVO, USAID, GIZ, EKN, EcoConsult	<ul style="list-style-type: none"> • Business Export Coaching (pillar 1) • Certification Support (pillar 1)
The supply chain is not efficient and transparent due to a dominant role of middlemen and brokers.	USAID, GIZ	Not applicable
The sector lacks capacity to add value or to properly process the produce.	CBI, GIZ, EcoConsult, RVO, EKN, USAID	<ul style="list-style-type: none"> • Business Export Coaching (pillar 1) • Certification Support (pillar 1) • Sector Collaboration – rules & regulation and input services (pillar 3)
Human Resources		
Access to sufficient and qualified labour is a challenge.	GIZ, USAID, EKN, Spark, ILO, EcoConsult, RVO	Not applicable

There are a lot of Social Responsibility issues on the work floor on the farms regarding safety and health conditions, the legislative protection framework for employees and child labour	ILO, CBI, EcoConsult, EKN, GIZ	<ul style="list-style-type: none"> • Certification Support (pillar 1) • Business Export Coaching – Development CSR plan (pillar 1) • Sector Collaboration – rules & regulation and input services (pillar 3)
Finance		
Farmers often have insufficient access to finance to make the necessary investments in their farms.	USAID, World Bank	Not applicable
Marketing		
There is no national marketing strategy.	CBI	<ul style="list-style-type: none"> • Institutional Capacity Building JEPA & MoA (pillar 2) • Establishing a sector platform (pillar 3) • FFV sector strategy development (pillar 3)
Jordanian FFV produce does not have a great reputation on the international markets.	CBI, GIZ	<ul style="list-style-type: none"> • Trade Fair Participation (pillar 1) • Institutional Capacity Building JEPA & MoA (pillar 2) • FFV sector strategy development (pillar 3)
Jordanian farmers often don't know how to target and to access the right international markets.	CBI, EcoConsult, USAID	<ul style="list-style-type: none"> • Business Export Coaching (pillar 1) • Certification Support (pillar 1) • Trade Fair Participation (pillar 1) • Institutional Capacity Building JEPA & MoA (pillar 2)
Policy & Governance		
Government institutions and sector associations aren't streamlined and don't operate effectively and efficiently.	CBI, GIZ	<ul style="list-style-type: none"> • Institutional Capacity Building JEPA and MoA (pillar 2) • Establishing a sector platform (pillar 3) • FFV sector strategy development (pillar 3) • Sector Collaboration – working on standards and input services (pillar 3)
Associations and cooperatives in the sector play a marginal role.	CBI, GIZ, EcoConsult, USAID	<ul style="list-style-type: none"> • Institutional Capacity Building JEPA and MoA (pillar 2) • Establishing a sector platform (pillar 3)
There is no up-to-date market intelligence platform.	CBI	<ul style="list-style-type: none"> • Institutional Capacity Building MoA (pillar 2)
There is no legislation on product quality, resulting in bad quality reaching export markets.	CBI, USAID, GIZ	<ul style="list-style-type: none"> • Institutional Capacity Building MoA & JEPA (pillar 2) • Establishing a sector platform (pillar 3) • FFV sector strategy development (pillar 3) • Sector Collaboration – working on standards and input services (pillar 3)

Logistics & Infrastructure		
Jordan is one of the most water-stressed countries in the world and most farmers don't have a proper water infrastructure in place.	USAID, GIZ, World Bank, EcoConsult, RVO	Not applicable
The cold chain infrastructure is weak or absent and there is little knowledge of proper post-harvest treatments throughout the chain.	RVO, EKN, CBI	<ul style="list-style-type: none"> • Business Export Coaching (pillar 1) • Institutional Capacity Building MoA & JEPA (pillar 2)
Infrastructure for air transport at the Amman airport and for sea transport in the Aqaba port is available but poor.	RVO, EcoConsult	Not applicable

5.2. Project Activities

Pillar 1 – Business Exporters Coaching

A significant number of SMEs in Jordan have export potential, but lack sufficient export marketing knowledge/skills and export capacity in terms of value addition, quality norms & standards and accessing (the right) markets. With the objective of sustainable export growth of SMEs, CBI will build their export competencies through:

- *Individual export coaching:* Export coaching will be provided to the group of selected companies, who comply with certain selection criteria (related to their potential on the European market, as well as their need for support). One of the outputs each participating company will produce is the Export Marketing Plan (EMP). Each selected SME will start receiving individual coaching from a CBI sector expert specifically assigned to the company. This coaching – on a confidential basis – will focus on the implementation of the action plan made during the EMP development. To this end, CBI will be sending a team on Technical Assistance Missions. These missions take place throughout the whole project. The intensity varies from one to three times a year, depending on the number of issues per company/group. These trainings will focus on the output areas marketing, production, and human resources.
- *Group training:* CBI has developed ready-made generic training modules for the entire programme that can be tailored to the Jordanian reality. Training sessions on location will be organized for all participating companies to train their management and staff in sector-wide issues in the scope of the marketing, production, and human resources output areas. The proposed programme includes amongst others the following thematic sessions: marketing research, market access requirements, effective trade fair participation, online marketing, costing and pricing, certification and transparency, supply chain management.
- *Certification support:* There is currently limited compliance with high-end market requirements amongst Jordanian FFV exporters. For those companies that need support in certification processes (for quality, sustainability, safety, CSR or other types of certification), technical assistance will be offered. This fits within the scope of the production and human resources output areas. The goal of this support is to get all project companies at least GlobalG.A.P. certified by the end of the project.

- *Trade fair participation:* Targeting the marketing output area, improved export marketing capacity of SMEs is an important prerequisite to establish direct access to export markets. Once this export capacity of the involved enterprises has been built sufficiently, CBI will facilitate direct export links with EU buyers. An important highlight for participants is their participation in a 'Market Orientation Mission' to the different international markets. During this one-week mission participants will get a chance to discover the market, meet importers and study distribution channels and market trends. In addition, we will be taking the companies to the different trade fairs on the four identified markets. The main trade fairs will be Fruit Logistica, Asia Fruit Logistic and WOP Dubai. Based on the identified markets we will determine the trade fair schedule per year in the yearly project plans.

Pillar 2 – Institutional Capacity Building

Parallel to enterprise capacity building and awareness raising, CBI will support the relevant institutions in improving their service delivery and establishing conducive rules and regulation for the sector (legislative and private rules). The following organisations will be supported:

- *JEPA Institutional Capacity Building:* The FFV sector currently has a weak institutional environment that can only support the enterprises to a limited extent. JEPA has a key position in the sector and a strong network but currently lacks manpower, certain skills and a long-term vision. CBI will work with JEPA in a capacity-building trajectory for the full programme length of four years to address the policy & governance output area. This capacity-building trajectory is aimed at enabling JEPA to play a stronger role in the FFV value chain – and in specific for its 250 member enterprises (potentially) looking to engage in new markets. CBI will start with supporting JEPA by drafting a development strategy together with them which will entail improving and broadening the types of services the sector association can offer (see textbox to the right). This will contribute to the production and policy & governance output areas. Based on this strategy, CBI will develop a three-year training module that will consist of structured one-on-one coaching, training and concrete service development, assigned to a specialised CBI expert.
- *Jordanian Ministry of Agriculture Institutional Capacity Building:* The FFV enterprises in Jordan are missing a central point of contact for relevant market intelligence on domestic and international markets. The Ministry of Agriculture is properly placed to take this role, and has expressed willingness to take up this point of action. CBI will support MoA to work towards the design and implementation of a strong and trustworthy market intelligence tool. This intervention falls under the scope of the policy & governance and marketing output areas. The final goal is to ensure MoA is seen by the FFV sector as the main developer and supplier of market information for the sector and can deliver this as well. CBI will support MoA in applying the right rules and regulations that support an export-friendly environment for the FFV sector, contributing to the policy & governance output area.

Envisioned services to be offered by JEPA:

- Provide high-quality export-related services such as organising export promotion activities (trade fair participation, matchmaking, trade missions, and so on)
- Create sector awareness of opportunities in new markets
- Strengthen or assist companies' knowledge of CSR and sustainability, export rules, regulations and international standards, or the provision of business development services for speciality subsectors
- Act as a policy advocate (lobbyist)
- Provide market intelligence services (via third parties, see section B)

Pillar 3 – Sector Collaboration

There are multiple issues that cannot be solved by individual actors, issues that require sector collaboration. Over the past year CBI has supported the sector to develop a sector export marketing plan by working with a working group consisting of MoA, JEPA and private sector players. CBI will support the enabling environment by tackling issues (bottlenecks and opportunities) that require a collective approach at the enabling environment level. To this end, CBI will focus on three activities areas:

- *Establishing a Sector Platform:* Establishing a high-level platform to manage the development of the sector, contributing to the policy & governance output area. This platform will ideally be chaired by the Jordanian Ministry of Agriculture with the secretariat at JEPA. A public-private dialogue platform where the major stakeholders meet and set the direction for the industry. The platform should address issues in the sector that impede export and reach agreement on what action should be taken to resolve those issues. The exact issues will be defined during the scope of the project. Two areas have already been defined: the development of a sector export marketing strategy and a sector rules and regulation strategy. Other areas of importance such as finance, phytosanitary issues and infrastructure could be added to the agenda.
- *FFV Sector Strategy Development:* There is currently a draft national export marketing strategy for FFV but CBI will provide inputs (content) and guidance (process) towards JEPA in facilitating and coordinating the development and implementation of an export-oriented strategy. This sector strategy addresses the policy & governance and marketing output areas. JEPA and CBI will organize three consecutive round tables to formulate and finalise the sector strategy and make sure every stakeholder can agree on the action plan. CBI will support JEPA in playing a coordinating role during this whole track. The sector plan will consist of a five-year Export Marketing Strategy with a matching roadmap with assigned responsibilities for each key actor and a concrete timeline. The implementation of the sector plan (year 3–4) will also take place under the guidance of one of CBI's experts. JEPA will organise and host quarterly meetings with stakeholders to keep track of progress made in the implementation of the agreed-on roadmap in the sector strategy. JEPA and CBI will use these sessions to keep the momentum of sector strategy implementation going and support the government and other stakeholders with any support they might need for the efficient implementation of the activities agreed upon.
- *Rules & regulation and input services:* Based on the export audit of the companies in the individual export coaching trajectory, an analysis will be made of how changes in rules and regulation could improve the competitiveness of the industry, as well as an analysis of the input services required. Based on this analysis, specific projects will be initiated to create changes in rules and regulations and facilitate the creation of new or improved input services. This will be done in close coordination with other development partners.

5.3 Bottlenecks addressed by other donors

In the process of writing this business case and during the intervention carried out in 2017-2018, CBI has discussed the Fresh Fruit & Vegetables sector with many other donors and programmes in order to achieve as much alignment in the sector as possible. In Annex 3 you can find an extensive summary of the most important partners we have identified and the bottlenecks they will, amongst others, focus on. All the main bottlenecks are addressed by one or more of the donors active in the sector. The factor that is still addressed the least is the access to finance of the actors in the value chain. USAID and the World Bank have indicated in the donor mapping that they are willing to address this issue. In the near future, the donor coordination group will still need to design a strategy to address this bottleneck.

It should be specifically noted that the Embassy of the Kingdom of the Netherlands and CBI are in close communication on a joint approach with GIZ in the sector as well as DFID, which is not implementing activities but is supporting other donor initiatives in the sector.

5.4 Corporate Social Responsibility

In Annex 6 one can find the CSR risk assessment that has been drafted with CSR experts and colleagues at RVO.

This project will deal with several major CSR issues in the sector:

- *Health & safety conditions for workers*: The largest risk with respect to worker safety and health in crop production has to do with the labour intensity of the work and spraying and working with chemicals (which also poses an environmental risk). For those farms with international certifications (such as GlobalG.A.P) this risk is excluded, but in Jordan most of the farms don't follow these good agricultural practices (GAP).
- *Labour conditions (contracts, working hours, payments for overtime)*: Employers in agriculture such as producers and traders are allowed to hire Syrian refugees. Employers are happy with this regulation (since 2011) because it breaks the monopoly of Egyptian workers. Syrian employees usually have seasonal contracts on a farm and they live in basic accommodation or live in UNHCR tents, which are even more basic. There is a lack of a legislative framework that protects agricultural workers and says that most of the agricultural workers are not covered in the social security scheme.
- *Child labour*: It is common for Syrian refugee families to bring their whole family, including their children. They encourage employers to let them work as a whole family. Although it may embarrass employers or even get them into trouble because of international certifications (ILO requirements), it happens in the main production areas (Jordan Valley, Mafraq) that Syrian children as a matter of fact work on farms and in packing houses.
- *Water scarcity*: Water scarcity is a serious problem in the whole of Jordan, affecting available water for human consumption and for crop production. Jordan is one of the most water-deprived countries in the world.

We aim to have all project companies at least GlobalG.A.P. certified by the end of the project. This will cover a large part of the main issues addressed above. GlobalG.A.P. includes food safety and traceability, environment (including biodiversity), workers' health, safety and welfare, animal welfare, Integrated Crop Management (ICM), Integrated Pest Control (IPC), Quality Management System (QMS), and Hazard Analysis and Critical Control Points (HACCP). Moreover, we are in discussion with the ILO regarding cooperation within the scope of this CBI project on ensuring decent work and labour conditions by, amongst others, adding the GRASP module, dealing specifically with labour rights, to the GlobalG.A.P. certification process.

All jobs we will create should be decent jobs. CBI aligns itself with the OECD guidelines on decent jobs, meaning that the following criteria should be fulfilled to consider a job decent:

1. Prevention of child labour
2. Prevention of forced or compulsory labour
3. Fair employment terms: minimum wage / paying fair wages, decent working time, stable employment relationships
4. Occupational health and safety dangers for workers
5. Freedom of association and collective bargaining

6. No discrimination of workers (disadvantageous treatment of a person or group of people)

The issues with water scarcity will be mainly dealt with by the EcoConsult project of the government of the Netherlands, with whom we will work in close cooperation. In addition, CBI, together with other RVO initiatives, will attempt to assist the Jordanian FFV sector in implementing water-saving technology. Furthermore, as CBI we will keep in close contact with other donors who will work on CSR issues in the sector to align the initiatives.

A specific CSR-related opportunity in this project lies in the cooperation with ILO to create more decent jobs and to ensure that these jobs are also partly allocated to Syrian refugees. Since the Syrian crisis many Syrians have taken refuge in Jordan, which has a large impact on the Jordanian economy and the employment situation for locals as well. With the ILO we want to specifically give attention to a good balance of employment between locals and refugees and ensure more jobs for both target groups are created.

5.5 Sustainable Development Goals

The CBI project in FFV in Jordan contributes to Sustainable Development Goal (SDG) #8 'decent work & economic growth' with its interventions regarding export coaching and certification support in cooperation with the ILO.

Furthermore, the project aims to address SDG #12 'responsible consumption and production'. Production of FFV in Jordan will transition to agricultural practices that are sustainable and consider interventions with respect for the environment in terms of water and soil use as well as pesticides.

5.6 Monitoring & Evaluation

A Monitoring & Evaluation plan including the KPIs from the CBI M&E framework and the business case-specific Performance Indicators can be found in Annex 4. Each year the M&E plan will be reviewed and updated in the project's progress report.

6. Assumptions and Risks

Table 6.1 gives an overview and analysis of the most important risks that may influence the project outcome. It also indicates for each risk the likelihood of the risk, and the severity of the possible impact on the programme, followed by mitigation strategies to reduce these risks as much as possible. Most of the mitigation strategies have been built into the design of the regional programme already, e.g. through the design of integrated interventions, multi-stakeholder set-ups, donor coordination by the Embassy of the Kingdom of the Netherlands and an emphasis on CSR activities from CBI and other donors.

Table 6.1: Most salient risks

Risk (general or specific)	Possible negative impact on project output area	L	I	Mitigation strategy
Local government and business association cannot agree on strategy	Policy & Governance: Government and associations are actively facilitating FFV sector development	2	5	A coherent business model for certified trade is developed in collaboration with exporters, highlighting the potential benefits for local government, in order to achieve buy-in.
There are too many donors active that don't coordinate activities in FFV sector	Impacts all possible output areas: Could lead to competition for supporting companies, inconsistent marketing to the industry and gaps in support to the industry.	3	3	Netherlands Embassy is attempting to coordinate all donor activity in the sector to achieve alignment.
There is a lack of financial resources to create sufficient quality products	Producers are able to produce a higher quality and quantity with higher efficiency.	2	5	Keep in close contact with stakeholders dealing with input interventions to monitor the amount of resources that are available for FFV produce.
Lagging infrastructure development (cold chain)	Improved logistics and infrastructure is used by FFV VC actors. Crucial for successful export to international markets.	3	4	The cool chain facilities available will influence the markets that can be reached. Important to (1) monitor the developments in this area closely to advise SMEs accordingly and (2) to facilitate donor coordination to ensure this topics remains high on the agenda of the donors and the industry.
Lack of commitment SMEs. Lack of sufficient capable SMEs willing to participate.	Will influence all output areas: A transition like this will require a significant number of companies to commit to long-term investment. It can be a gradual process but there should be enough private-sector players committed to the process.	2	4	Ensure that the interventions implemented will include commitment mechanisms, make expectations clear from the start and ensure that all interventions always cater to the needs of the companies. A tailored approach for each type of company is required, not one size fits all.
Political instability	Will influence all output areas but specifically marketing. Buyers are simply not interested in sourcing in instable countries, let alone investing.	3	4	It is important to give the international market a realistic picture of the situation in Jordan and surrounding. Managing expectations is important to build sustainable relationships in new markets.

L = Likelihood (of risk materialising): 5 = almost certain, 4 = likely, 3 = possible, 2 = unlikely, 1 = rare
 I = Impact (on programme): 5 = severe, 4 = major, 3 = moderate, 2 = minor, 1 = negligible

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