The Program of Productivity Projects for Cooperative Sector

The program supports income-generating projects undertaken by cooperatives societies that undergo to specific funding standards and criteria. The projects are based on grants productivity of cooperatives on the philosophy of choosing, funding and implementation, monitoring and evaluation of productivity projects that enhance the socio-economic development of the local community in various positions and categories, as long as that these projects come from the needs and requirements of the local community in the target area, to ensure the success and sustainability.

Program Objectives

1. Improve the standard of living of citizens and encourage them to establish productivity projects to diversify sources of income for residents of targeted areas.

2. Create jobs for the unemployed and low-income residents of the target area.

3. Reduce the burden on social welfare institutions of the state by promoting a culture of work and self-reliance, and reject the culture of shame and begging for aid and donations.

4. Contribute to government efforts to fight poverty and unemployment.

5. Provide technical assistance to support workers with the required skills, and necessary technological knowledge.

6. The provision of goods and services to citizens at competitive and appropriate prices.

Beneficiaries (Cooperatives)

Characteristics of the cooperatives which are socio-economic institutions, serve its members and local community.

1. Membership is allowed to all local community who meet the conditions of membership.
2. Each member has one vote regardless of the contribution.

3. Distribution of profits to members according to their contributions.

4. Raise awareness and collaborative culture among the community members.

5. Create income generating productive projects.

6. To diversify sources of income for its members.

7. Provide economic and social services directly to the members and local community.

8. Create more jobs to local communities to reduce poverty and unemployment.

**Comparative Between Cooperatives and Profit Companies**

1. Cooperative is established to meet the needs of the low-income community, while company is to invest by people with high financial potentials.

2. Objective of cooperative is social and economic development, while company is private investment seeking profit.

3. Each member has one vote regardless of its shares in the cooperatives, on the other hand company's voting power is based on share.

4. Portion of profits of cooperative serve the local community.

5. Cooperative is working on building the institutional capacity of its members and promotes a culture of production in the NGOs.
1. **Receiving applications**

   Applications are received by the official body (JCC) where a meeting held between staff of department of cooperatives and the target groups to discuss the feasibility and sustainability of the project consistent with the standards and criteria of funding.

2. **Preliminary study**

   Field visit is arranged to evaluate the administrative and financial situation of the cooperative, in addition to prepare the preliminary study for the project.

3. **Feasibility study of the project**

   Feasibility study is prepared and sent to the ministry by the enhanced productivity centers (IRADA) which are distributed in the governorates of Jordan.

4. **Joint Committee for fund**

   The project proposed is reviewed by the staff of the program, then it is submitted to the Joint Committee for funding, which includes representatives from the Social and Economic Productivity Programs, Ministry of Finance, Audit Bureau and Department of General Budget.

5. **Placement to the minister**

   After approval of the representatives, the study is raised to the Minister/Secretary General by the manager of the unit containing a detailed full project report in addition to placement approval or rejection of funding with a statement of the reasons for both cases.

6. **Agreement**

   After obtaining the approval of the Minister, a financing agreement held between the Ministry, the Cooperative and the Jordanian Cooperative Corporation.

7. **Implementation**
After signing the agreement, management committee is formed for the project by the beneficiary, in addition to a procurement Committee for the project by the same cooperative. The committee will be responsible for the implementation of the key items for the project, with the participation of a representative of the Jordanian Cooperative Corporation.

8. Follow-up

Financial claims of the project are received and ascertain compliance with the terms of financial, then transferred to the Finance Section to be paid, with continuous field visits to follow up the completion rates in the projects, as well as project reports to take corrective action in case of deviation of project activities compared to the plan.
Request conforms to the principles and criteria for funding small grants component

Receive requests from cooperatives

Request conforms

Non-conforming

A financing agreement

Corrective actions in coordination with the beneficiary / implementing

Implementation of the project by the beneficiary

Monitoring and Evaluation Reports and field visits

Ensure proper performance and conformity with the agreement

Suspension of funding

Contact the applicant to amend the application

Apologize for the funding of the applicant

Placement to HE the Minister / Secretary-General

Approved

Not approved

Submissioning the application to the Joint Committee on Finance

Not approved

Approved

Receive requests from cooperatives

Administrative closing of the project

The final report with the continued follow-up by Ministry

Preliminary study
Feasibility study
study/visit
The criteria of selecting the applicants:

1. The applicant must be a registered cooperative in the Jordanian Cooperative Corporation (JCC) at least for one year from the date of submitting the application.

2. The number of general committee members of the applying cooperative having paid their annual contribution should not be less than (30) as well as not relatives of the first-degree.

3. The purpose of founding the cooperative is to achieve the public benefit of the targeted group fairly.

4. The applicant should have a well-known headquarter (tenant or property) to implement its activities.

5. The applying cooperative must be capable to manage, implement and sustain the project technically, financially and administratively), including the development projects being implemented by the cooperative, in addition to a clear vision of the administrative and technical structures of the proposed project.

6. To provide evidences showing the cooperative’s ability to participate with 30% of the requested fund.

7. To provide evidences of its ability to sign agreements with the government, and access to grants according to enforced laws and regulations.

The project selection criteria

1. The project should be implemented within the work area of the applying cooperative.

2. The Proposed projects must be productive and consistent with the objectives of the enhanced productivity program and the government policies.
3. The project should be economically feasible and sustainable, through providing a feasibility study for a proposed project.

4. The project should not be similar to other existing projects, and negatively affecting the projects that have been implemented by the private sector in the same area.

5. The project should produce services or a product that can be marketed.

6. The project should create at least 2 job opportunities for local employments. This number is to increase according to amount of fund.

7. The operational and administrative expenses of the project should not exceed 30% of total costs.

8. The project implementation period should not exceed one year.

9. The project should be environmentally safe, culturally and socially acceptable to the targeted community.

10. The idea of the project should be derived from the priorities of the targeted group and it should satisfy their needs.

• Funding standards

1. The ministry’s contribution to the fund for any project should not exceed 70% of its total cost, and it shouldn’t exceed 70 thousand JD in any case.

2. The number of cooperative’s general assembly members having paid their annual fees shouldn’t be less than (30), and the maximum funding that can be given to the cooperatives is as follows:

   - (35.000) J.D for cooperatives with (30-39) members.
   - (50.000) J.D for cooperatives with (40-49) members.
   - (70.000) J.D for cooperatives with (50) members.

3. Ministry's contribution should not be used in purchasing real estates including; lands or building or even building or finishing public halls for weddings and events.
4. The available funds should not be used for purchasing furniture or cars for the management of the cooperative.

5. It should not be used to buy livestock except within an integrated project and with a maximum of (15000) J.D.

6. It should not be used in financing salaries and wages only in necessary cases, and no more than (3000) J.D

7. No additional funding is allowed except in necessary and justified cases and it must not exceed 20% of the total amount of funding and does not use any part of the additional funding to cover salaries and wages.

8. No funds for new productive projects of cooperatives that have previously benefited from the social and economic productivity program with more than (20,000) J.D, till after Three years of operation of the project. Then they can apply for new funding under the following conditions:
   - The projects and activities that have been previously funded must be proved with evidence provided by cooperative to be successful, not failed or stuck.
   - The requested funding must be for a new project or activity, or it must add value to a project or activity that has been previously funded by the program, but that should not include operating expenses such as salaries and wages.

9. Cooperatives which have previously received funding can apply for a new one unless it is not exceed the total value of (20.000) J.D during the past three years, according to the conditions in the section number (7) above, so that the total funding of both grants must not be more than (70,000) J.D

10. An exceptional funding can be given to registered cooperatives older than (4) months and less than one year old from the date of submitting the application, for implementation of small productivity projects or activities with a total funding that must not exceed (3,000) J.D to motivate and prepare them to move forward towards achieving their goals, but they must meet the condition of the number of members of the cooperative.
General Conditions

1. The allocated funding can be canceled by the ministry after six months in case the beneficiary did not start the implementation of the project, except in cases in which the ministry is satisfied with the reasons those are beyond the control of that party.

2. The implementation period of the project can be extended by the ministry where necessary and justified, but it should not exceed (18) months.