

WATER INNOVATION TECHNOLOGIES PROJECT (WIT)

WATER SAVING TECHNOLOGIES BUSINESS EVALUATION REPORT: HOUSEHOLD'S SUPPLIERS

MAY 2021



THIS REPORT WAS PRODUCED FOR REVIEW AND APPROVAL BY THE UNITED STATES AGENCY DEVELOPMENT (USAID). IT WAS PREPARED BY MERCY CORPS.

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I. EXECUTIVE SUMMARY

This report was developed to provide a situational analysis and an evaluation for the four suppliers of households' water saving technologies, who have been supported by WIT's investment fund intervention. This report was conducted in the wake of COVID-19 crisis, therefore it was essential to check the pulse of these companies, gain a better understanding of their struggles amid the lingering effects of COVID-19 crisis, and analyse their needs, to see what the best approach would be to address these needs if possible. In addition, since the investment fund intervention was already concluded by the time of writing the report, it is important to evaluate the effect and the impact of the intervention on these companies, gather their feedback on the intervention and on their engagement with WIT, and extract lessons learned and future recommendations from their feedback.

To be able to generate the report, unstructured and semi-structured interviews were conducted with the CEOs and founders of the four companies and with WIT's household team members. The interviews aimed to cover subjects such as sales analysis, near future plans, marketing plans, effect of COVID-19 on sales, logistics, and human resources, potential for sustainability, current gaps and needs, new products, gender, diversity and inclusion, feedback regarding WIT's interventions, and future recommendations.

In general, the interviews showed that all businesses are doing relatively well. They were all either introducing new products or penetrating new markets, they did survive COVID-19 crisis with almost zero effect on human resources, and with manageable effects on sales. In other words, when it comes to the potential sustainability of these businesses, the interviews are reassuring. The needs reported by the companies were reasonable, and accurate. These needs were also a testament to the strategic thinking of the businesses. Some common needs were identified, such as the need for a business intelligence expert, and the need to develop marketing plans.

Feedback on the investment fund intervention was unanimously positive, with common themes; such as being appreciative for the facilitated access to new markets in new geographical areas, and the positive impact on sales, inclusion, and diversity, common challenges were also identified, these include difficulties to create product awareness in the less privileged geographical areas, COVID negative impact on demand and consumers purchasing power, and COVID negative effect on supply chains; and the associated effect on prices.

2. INTRODUCTION

The Water Innovation Technologies (WIT) Project is a five-year initiative funded by the United States Agency for International Development (USAID) and implemented by Mercy Corps (MC) whose objective is to increase water conservation in Jordan by focusing on water efficiency in the agricultural sector and at the community, and household levels.

Through private companies, WIT promotes the sustainable and scaled adoption of water-saving practices and technologies in agriculture, households, and key market actors who work directly with farmers, householders, and communities in the North of Jordan.

WIT's activities brought improved and affordable water-saving practices and technologies into use. Project activities aim to 1) Inform farmers and households about the financial, environmental, and access-related benefits of water-saving technologies, building market demand for related goods and services; and 2) Build the capacity of market actors to design, distribute, market, and finance water-saving technologies, improving the supply and affordability of related goods and services.

Since 2018, WIT implemented "Investment Fund" to support the water saving technologies suppliers. This report is presented as a follow up to the investment fund initiative and intervention, conducted by the WIT project. Through the Investments Fund activities, WIT provided technical and financial packages of support to suppliers of household-level water saving technologies. Working through a market system development approach, WIT provided the aforementioned support packages to expand the reach of these suppliers; connecting them to new markets and new targeted audiences and helping them mitigate some of the risks associated with exploring new markets; by sharing some of the costs with them. This light touch, collaborative approach; where financial risks are shared with suppliers, and not fully subsidized for them, will foster the sustainability of their growth, and the connections they make in the market. The impact of these activities would be to increase the amount of water saving in Jordan, by achieving wider adaptation for the household-level products provided by these suppliers.

WIT engagement with these suppliers; including the provided market research, market connections, financial support, and technical support, is currently being concluded, thus, WIT is hoping to evaluate the business aspects for these suppliers. The report is based on several interviews that have been held with the management teams of each household supplier. The purpose of these interviews was to check the current progress of the suppliers, discuss COVID-19 crisis effect on the flow of the supplier's operations, understand the near future plans of the suppliers, gather the feedback of the suppliers on the engagement with the investment fund, and conduct a quick pains/needs analysis with each supplier; to see if it would be possible to help them address some of these needs/pains.

3. METHODOLOGY

1. **Data collection method:** Data was collected through unstructured interviews; conducted with the CEOs or the co-founders of the companies in February 2021, and semi-structured interviews; conducted with the same CEOs and founders in March - April 2021. The themes, structure and the questions provided for the semi-structured interviews were provided through a developed concept paper (Annex I).
2. **Data analysis:** Data was analyzed through a specialist's opinion, judgement, and points of view. The specialist who designed the evaluation activity, conducted the interviews, and devised this evaluation report, has 14 years of experience working on enterprises' support, and has conducted hundreds of similar evaluations. Further, comments and feedback were provided by the MEL and households' team members.
3. **Data validation:** Data was self-reported during the interviews. Validation was applied through the MEL and households' team members attending the interviews and reviewing the report, to confirm the validity of anything mentioned by the companies.

4. PETRA GREEN COMMUNITY ENTERPRISE (PETRA GCE)

4.1 Company introduction: Petra Green Community Enterprise (Petra GCE); was established after years of research and effort aimed at finding the ideal solutions to water issues in arid regions. Many aspects of water treatment were thoroughly researched by Jordanian professionals, including nanotechnologies in water treatment, development operations of household water treatment systems, and how to find efficient and sustainable alternatives to minimize the water waste. The pinnacle of these efforts was finding a method for eliminating water waste in household water treatment systems operating by reverse osmosis by %100. PetraGCE works in the following sectors: Water, Energy and Food, targeting local Jordanian and neighborhood markets through providing environmentally friendly solutions, products, and services for the purpose of improving and upgrading their clients' existing processes, products, services to be more environmentally friendly. Petra Green engagement with WIT focused on a zero-waste reverse osmosis grey water filtration system.

4.2 Evaluation general impressions: The founder, owner, and the CEO of the business; Mr. Mohsen Abu Haifa, is closer to being an innovator, inventor, and a technical lead than being a traditional businessman, nonetheless, he embraced a journey from the time he invented and patented his first technology, till this moment in time; at which he is running a successful tech enterprise. It is clear he has learned a lot through this journey, and he was able to attract the attention of multiple stakeholders, who have previously provided him with either technical support, incubation, or financial support, mainly in the form of grants or loans.

Mr. Abu Haifa is still introducing new products; including an innovative float valve for water tanks, through his continuous research and development efforts, nonetheless, he is giving enough focus and attention to his current products. The pace is currently slower for new products development, since developing new products requires additional funding and financing. His sales have been increasing over the past few years (disregarding COVID crisis period), even though he is not yet reaching large scale, but this is to be expected with new technologies, since barriers to market entry tend to be higher, and the level of adaptation and change expected and required from customers is also higher.

4.3 The effect of COVID crisis: In the second half of 2020, and the first few months of 2021, COVID crisis negatively affected Petra green sales, Mr. Abu Haifa did a quick analysis in order to investigate the reasons leading to this negative effect on sales. The root causes according to the analysis are related to the declining purchasing power of customers that resulted from the nationwide decline in income, in other words, there were no causes specific to the products of Peter Green. This analysis is valid, since the products provided by Petra Green are sold through a business to consumer (B2C) model; targeting individuals and households, and none of these products are perceived to be essential by these households, hence the magnified effect of the purchasing power decline. COVID crisis also affected the supply chain for Petra Green new products, leading to delays in the launch of some of these products. As an example, one of these new products needed casting molds, the molds were delayed, and Petra Green has not received them yet due to COVID crisis. Petra Green partners in some cases closed for prolonged periods, because they discovered COVID cases among their staff.

Since Petra Green is operated through a small core team, COVID didn't negatively affect their human resources, Petra Green did not lay off any employee during the crisis, nor did it decrease the salaries of any employees. Nonetheless, no additional staff were hired, since COVID crisis hindered the expansion of Petra Green.

4.4 Next steps, and near-future plans:

1. Building a wide network of points of sales, through various organizations, such as retirement funds, and trade unions.
2. More focus on middle class households.
3. Target workers at entities, institutions, and employers who are managing employees' funds, in order to benefit from the ability to sell based on monthly payments.
4. Develop new tactics to engage and incentivize points of sales.
5. Establish a digital interactive showroom.

6. Continue utilizing the revolving loans mechanisms that are provided through community-based organizations (which were initially established in collaboration with WIT's team).
7. Sign a contract with a PR agency to promote Petra Green.
8. Reach a critical mass of one million consumers, from lower and middle classes, and utilize this critical mass to strengthen Petra green Market position. Social media could be used as a tool to achieve this reach.

4.5 Gap analysis: When asked about his current needs, Mr. Abu Hiafa said that as Petra Green expands into new markets, he is discovering the importance of market research. He mentioned that there is a lot of data and information that he thinks are essential to succeed when you introduce a new product, enter a new market, or target a new customer segment. Accordingly, his desire was to get a market research/marketing expert, who can conduct market analysis for Petra Green, and advice on the best marketing strategy based on the analysis. Petra Green wants the consultant to help in particular with deep identification and analysis of different market segments, and the communication channels and tactics that fit each segment. This was actually his direct request for any near future support, he clarified that he does not require covering a marketing budget or sales budget, what he needs in the time being, is the consultation of a market research/marketing expert. WIT households team agrees with Mr. Abu Haifa on the general principle that issues related to marketing are hindering the potential of Petra Green, nonetheless, their feedback focused on issues that are more related to the implementation of a marketing plan; such as upgrading the packaging of Petra Green products to be more presentable. When Mr. Abu Haifa was presented with this feedback, he did not disagree, but he said deciding on these issues should be based on the recommendation of the marketing expert, and the analysis that the expert would conduct. This sounds like a solid strategy, as it is generally recommended to design all the details of a marketing plan based on market analysis and market research.

4.6 The effect of working with WIT investment fund on sales, gender, diversity, and inclusion: Driven by their work with WIT's investment fund, Petra Green explored additional markets in new governorates that would have not been reached if it wasn't for the support of WIT. In addition, the work with the investment fund led Petra Green to launch an initiative to hire sales representatives from these new governorates; through community-based organizations (CBOs). Even though the CBOs were very cooperative with Petra Green on other issues, the CBOs were not responsive on this particular matter, and did not move forward with Petra Green's offer to hire these representatives. Nonetheless, the work conducted with these CBOs required Petra Green to work with female CBO agents, which was a new and a positive experience for Petra Green; in a sector that is statistically dominated by males.

WIT intervention led Petra Green to sell 90 filtration systems in six months. Given that these systems were newly introduced to the targeted markets at the time of the intervention, these numbers are considered to be very good.

4.7 Feedback on the relationship with WIT investment fund, and advice/recommendations for the future: Petra green feedback on the work done with WIT was positive. Mr. Abu Haifa mentioned that the project was very efficient in pinpointing the issues that faced both the businesses and the sector as a whole. As for future advice, Petra Green recommends future projects to become more flexible in regard to targeted geographical areas, as an example, he said including Amman will maximize the benefits for the businesses providing the technologies to households like Petra Green.

5. AL-AMAN COMPREHENSIVE TRADING COMPANY- ACT

5.1 Company introduction: Al-Aman was established in 1976 with a focus on importing and selling electrical wiring products and solutions. In 2011 they became a local distributor for the Niagara Conservation Corporation, a US-based manufacturer of high efficiency water saving devices such as showerheads, toilets, and faucet aerators. Al-Aman engagement with WIT focused on small water saving devices for households.

5.2 General impressions: Al Aman is one of the oldest suppliers supported by WIT. Al Aman is a family business that has been operated through two generations so far. The company has an expansive scope that goes beyond water technologies, as they also work in fields related to telecommunication products. The company is currently being co-managed by the son of the original founder; Mr. Anas Alawneh, a smart engineer who exhibited an excellent understanding of the business model, the market, and the challenges. Even though the telecommunication department is more profitable for Al Aman, and generates more income than the water saving products, Al Aman have proven their dedication and commitment to the success of the water saving products. The company hired and maintained several senior staff members who are fully allocated to the water saving technologies department, who are continuously exploring, experimenting, and investigating with the management, to find the best strategies that will lead to the success of the water saving technologies department.

The engagement between Al Aman and WIT's investment fund focused on penetrating new markets in the north of Jordan, and despite the apparent and clear efforts exerted by both WIT and Al Aman teams, the company still struggled with these new markets in comparison to Amman, the capital. Al Aman noticed that consumers in Amman are more conscious and aware about the importance of water saving than consumers in these new markets, in addition to the higher purchasing power of Amman's consumers. Also, Al Aman in Amman was not focusing only on households but was also accessing Business to Business (B2B) markets, and was selling to SMEs, corporates, and governmental entities; especially before COVID crisis. Excluding the period of COVID crisis, Al Aman sales in Amman was increasing exponentially, and even though the company was struggling in other areas, the success of sales in Amman was enough to guarantee and sustain the success of the water saving technologies department.

The biggest struggle for Al Aman with northern governorates was with the fact that consumers' lack of awareness and interest reflected on the retailers Al Aman were working with. Even when the company would offer these retailers free stands, marketing materials, free samples, and goods on consignment to exhibit in their stores, they wouldn't do the needed efforts to promote these products, and if the consumer does not ask about the product by himself/herself, the retailers won't bother. Al Aman was hoping for a more collaborative approach from these retailers and was unfortunately disappointed in this regard.

5.3 The effect of COVID crisis: The first apparent effect of COVID crisis for Al Aman was related to the cost of goods sold, as they noticed a spike in prices for anything they had to buy, due to the steep increment in the prices of raw materials, such as Copper or Polyvinyl chloride (PVC). The prices for some of these materials more than doubled. This was not felt until the beginning of 2021. During the peak of the crisis in 2020, global producers and suppliers were still adjusting. Whether business customers or household customers, Al Aman was already facing price complaints, many of these customers were budget-aware customers, and were not convinced in regard to the value for money these technologies provide, so this increase in prices was not helping at all.

Another significant effect COVID crisis had on Al Aman was related to the declining demand from business customers. As mentioned above, a significant percentage of Al Aman customers, particularly in Amman, were business customers. It was challenging to convince businesses and institutions to prioritize water saving to begin with, especially with the prices of water bills, compared to other resources, such as energy. This was valid even for governmental institutions. So, with COVID crisis, business customers put a hold on most of their non-essential and non-urgent spending's, and water saving was deemed unessential in most of the cases, hence the decline in demand from business customers during COVID crisis.

Even though Al Aman was heavily affected by COVID they did not lay off employees or decrease salaries as a response. In fact, when asked about the challenges and hardship faced by employees during COVID crisis, none of their feedback was related to livelihood or personal challenges, all of their feedback was related to their frustration toward the decline in consumers' demand, and their feeling that their efforts sometimes go in vain; either because they plan an activity, and then it gets canceled due to COVID (e.g. lockdowns), or they chase multiple clients, who then decide not to buy during this crisis and this difficult economy.

5.4 Next steps, and near-future plans:

- I. Some of Al Aman's next steps are directly related to COVID crisis response, as an example, the decline in demand from B2B customers, is driving Al Aman to develop a mass scale campaign for targeting households. Al Aman believes that with the right amount of efforts, marketing, awareness campaigns, and advocacy, water saving technologies can become widely adopted by households.

2. Part of the mass scale household's campaign can be done through freelance sales representatives. Based on their experience, Al Aman noticed that this strategy has the potential to be more effective than working with retailers/points of sale. Freelance representatives are more motivated than retailers and are more capable of moving between households. Mercy Corps will introduce Al Aman to a company called kader, who can help them connect to freelance sales representatives.
3. Before COVID, Al Aman was planning to organize multiple urban awareness sessions at demo houses, where water saving products have been installed. During the sessions, demo houses would have invited neighbors to show them the benefits of these water saving technologies. Therefore, Al Aman is hoping to be able to regain these activities, after recovery from the COVID crisis.
4. Al Aman believes that the mass scale campaign can use an "Amman first" strategy. While current sales in Amman are good, and are still much higher than other governorates, these products are still not dominant in Amman, and the potential to expand far exceeds the current sales. Accordingly, Al Aman current strategy is to intensify their marketing and sales efforts in Amman, since they know that once the product becomes dominant in Amman, retailers and vendors in other governorates will show immediate interest.
5. The Jordanian government has announced that 2021 and 2022 will be even more water-scarce, the government is telling the public to prepare themselves, as it intends to apply strict measures related to water policies and plans to distribute water to households only once every two weeks. This will open an opportunity for Al Aman, who has already been using this marketing message; "buy our products, not only to save money, but to make whatever water you get from the government lasts a little longer". This message is more valid and important now than ever. On the other hand, the government needs to issue new policies that motivate and incentivize households and businesses to use water saving technologies, such policies could include tax and fees exemptions on water saving products, or enforcing minimum water saving requirements and standards for products specifications. As a result, Mercy Corps have already integrated these desired policy changes in its advocacy and influence strategy for the next year.

5.5 Gap analysis: In order to pursue the above-mentioned mass scale households' campaign, Al Aman identified market intelligence and analysis, and developing a marketing and sales plan, as their first needs and top current priority for any support they would request. For Al Aman, the analysis needs to unravel three key areas, which are level of households' awareness in regard to the value, benefits, and importance of water saving technologies, level of willingness of households to invest in/purchase water saving technologies, and the real pains of households when it comes to water consumption (e.g., does it come from toilet water consumption?). Al Aman's second priority when it comes to identified needs is financing the marketing side of the above-mentioned mass scale households' campaign, and in this regard,

it was agreed that Al Aman will send more details on the specific marketing activities that they wish to finance.

5.6 The effect of working with WIT investment fund on sales, gender, diversity, and inclusion: As a result of the work done in collaboration with the WIT program, Al Aman entered new markets that they would have never thought of if it wasn't for WIT, particularly less privileged communities in northern governorates. The work done with WIT also led Al Aman to hire sales representatives from these communities, two of which were females. Al Aman intends to continue this strategy of working with community-based sales representatives, as they believe this strategy to be- initially at least- more effective than working with vendors and retailers.

The engagement with WIT also led Al Aman to witness a dramatic increase in sales, from 14,000 pieces in 2019 to 44,000 pieces in 2020.

5.7 Feedback on the relationship with WIT investment fund, and advice/recommendations for the future: Al Aman feedback on the engagement with the investment fund is very positive, their advice for the future is to invest more efforts in advocacy, as this would support the work of suppliers like them. Also, for the future, Al Aman wishes to see a second phase of the program, as they believe there is still a lot of work to be done, especially in a post COVID future.

6. UNITEX COMPANY

6.1 Company introduction: Unitex is a woman-owned and ISO 9001 certified manufacturer of a diverse range of plastic products that cater to the needs of varied market sectors including industrial, traffic safety, agriculture, and gardening. Since its establishment in 1993, Unitex has been supplying the local and regional market with optimal quality products manufactured using the latest technologies and equipment, in accordance with stringent safety standards and timely customer service. One of their main products is water tanks of various sizes which can be placed on rooftops as water storage tanks. These tanks are widely used in Jordan as water reservoirs to supply homes between the days when water is supplied by municipal systems. Unitex engagement with WIT focused on a large above ground tank for rainwater-harvesting systems.

6.2 Evaluation general impressions: Unitex is a one of the larger companies WIT worked with, Unitex has a diverse profile of B2B and B2C clients, since they provide a wide range of plastic-based products; but mainly tanks. The focus of the engagement with WIT has been large tanks and water harvesting systems. Unitex is female led, and the founder is a well experienced CEO who exhibited an excellent understanding of the market and her business model.

6.3 The effect of COVID crisis: For Unitex, while COVID crisis had the expected negative effects resulting from economic decline, challenging logistics, and spikes in raw material prices,

COVID was not the major factor affecting Unitex sales till this moment. As an example, last year witnessed a rain-scarce season, this had a larger effect on Unitex sales than COVID. Seasonal changes through last year caused a 15-20% fluctuation in sales, where low seasons would witness an up to 20% decline in sales, while high seasons would witness an up to 20% increase in sales, nonetheless, for large tanks, average sales in 2020 was 25% higher than 2019. As for the increase in raw material prices, Unitex increased the prices of their end products as a response, but they haven't seen the effect of this measure yet, Unitex expects to see and understand the effects of these price increases in the coming year.

COVID crisis did not affect Unitex handling of human resources, Unitex did not lay off any employees, in fact, Unitex hired a new employee this year to focus more on marketing. Unitex also did not decrease the salaries of any employees, the only effect on salaries was that this year, annual increments did not include all employees like before, but no salaries were decreased.

6.4 Next steps, and near-future plans:

1. During the interviews conducted with Unitex, it was clear that they need to develop a new marketing plan, and to integrate a larger share for marketing in their annual budget. Accordingly, Unitex management and financial department had a meeting to discuss the budget for the next fiscal year and decided to pilot the idea of dedicating a larger budget share for marketing for the first quarter, measure the impact by the end of the first quarter, and decide on how to move forward accordingly. Nonetheless, Unitex is aware that the impact of marketing activities might not show immediately, and can be more apparent on a longer term, so they have already managed their expectations for the impact measured at the end of the first quarter.
2. WIT connected Unitex to a large B2B project, with a group of schools who need water harvesting systems, the project will be implemented in collaboration with Jordan River. Unitex will continue working on the project for the coming period.

6.5 Gap analysis: The only gap identified by Unitex, which they need help with, was power saving through utilization of renewable energy sources. Unitex is struggling with high energy costs and is now pursuing an initiative supported by the government to help install solar panels, but it is taking time. Unitex also hopes that WIT project can continue supporting them with social media marketing; utilizing WIT's social media channels and outreach.

6.6 The effect of working with WIT investment fund on sales, gender, diversity, and inclusion: Unitex became more inclusive in its targeting of new customers and markets, as a result of working with WIT's investment fund, Unitex said this relationship helped them to reach governorates and rural markets that they wouldn't have reached otherwise. WIT also helped Unitex work with new business partners, such as community-based organizations, which were mostly female led. The relationship between Unitex and these community-based organizations deepened, so while direct hiring at Unitex has not become more gender

inclusive yet, the collaboration with WIT was an exercise for Unitex staff in working closely with female leaders.

WIT intervention led Unitex to sell 221 large tanks in six months. Large tanks are not cheap, and they resemble considerable investments for the customers, thus, selling 221 large tanks in a short period of six months is considered to be an excellent achievement.

6.7 Feedback on the relationship with WIT investment fund, and advice/recommendations for the future: Unitex commended the exposure provided to their staff by working with WIT, the CEO said WIT's team helped her staff get exposed to new markets, new market segments (e.g. schools), and new geographical areas, in addition to working with new partners, such as female led CBOs (the CEO said that even working with female business partners was a new experience for the staff, due to the nature of this sector; that is male led in most cases), and she said these interaction had a huge positive effect for them. Unitex also mentioned that WIT helped them raise awareness toward their large tanks and water harvesting systems in new geographical areas, they even mentioned raising awareness toward the importance of water saving among their own staff; something they are thankful for and attribute to WIT's team.

As for things to change in the future, Unitex only mentioned the need for more strict measures to prevent some beneficiaries from abusing the system, such as measures that prevent them from reselling the tanks subsidized by WIT.

7. SOLVILLION COMPANY

7.1 Company introduction: Established in 2019, SOLVillion is an engineering solutions company that specializes in water & sanitation systems. SOLVillion solutions aspire to meet high environmental and quality standards. Prior to working with WIT, SOLVillion focused on selling black-water disposal technologies, but they saw a potential to offer custom designed greywater treatment technologies in community and institutional buildings within their portfolio. SOLVillion engagement with WIT focused on a greywater treatment system.

7.2 Evaluation general impressions: SOLVillion is a great example for an entrepreneurial emerging startup, the founding young team of SOLVillion is aspirational, professional, smart, and committed. They know how to keep a balance between maintaining and growing the commercial success of SOLVillion and being able to achieve the social impact they desire for SOLVillion. In addition to the water technologies presented by SOLVillion, the company also presents innovation, on job training, and capacity building services; through the SOLVillion challenge. SOLVillion is still introducing, creating, and piloting new products in the areas of grey and wastewater treatment technologies. Through the work with WIT, SOLVillion has fully installed 30 grey water treatment systems in two years. Knowing that these systems are new to the Jordanian household's culture, especially in governorates, this is considered a big achievement.

7.3 The effect of COVID crisis: For SOLVillion, COVID put a hold on their grey water systems in particular, as they are hearing rumors that the government issued specific regulations related to grey water during the crisis, but they did not know exactly what these regulations were. SOLVillion noticed that all tenders and requests for grey water systems halted during the crisis, so they also assumed it was related to the new regulations. As a result, SOLVillion contacted the Jordanian Ministry of Water and Irrigation to ask about the new regulations, and they are currently pursuing multiple governmental agencies to understand exactly the impact of these new regulations, and the changes required from them according to these regulations.

The COVID crisis hasn't yet affected pricing and logistics related to raw materials for SOLVillion; since most of the components they use are local. They only import air blowers, and these in particular are becoming pricier and more complicated to get, but the effect on SOLVillion is still limited. The COVID crisis helped SOLVillion shift their operations to remote and digital work, something SOLVillion sees as a positive. Even though they have two offices in Jordan, employees' attendance at SOLVillion premises is optional. SOLVillion was surprised by the amount of energy, time, and cost that can be saved from the shift to remote work. As for the effect on salaries and HR management, SOLVillion did not do any layoffs during COVID crisis, nor did they decrease the salaries of any employees. This is because their total sales from both products and services are still not largely affected by the crisis. Also, SOLVillion has a good fundraising strategy. Entrepreneurship support organizations and investors are fond of SOLVillion, and accordingly, they have received support from organizations such as Shamal Start, Injaz Jordan, and the Tank by Umniah.

In fact, SOLVillion HR strategy has benefited from the COVID crisis. As mentioned before, SOLVillion runs an innovation and on job training program "called SOLvillion challenge". Through this program, SOLVillion gets access to apprentices. Due to COVID driven unemployment, SOLVillion says that the apprentices they are getting this year are more experienced engineers. This is very useful for SOLVillion, even though they realize it is not healthy for the sector itself, since it indicates that the unemployment situation is becoming dire, to a degree that many engineers are willing to join apprenticeship opportunities they are overqualified for. Another HR related issue that SOLVillion noticed during the COVID crisis is that all apprentices are asking about advice on how to get opportunities outside the country, this is also not a good indication, as it will lead to brain drain from Jordan.

7.4 Next steps, and near-future plans:

1. SOLVillion has a new project with World Vision to pilot and install four to five wastewater treatment systems, these systems will use the new model developed by SOLVillion.
2. SOLVillion will continue coordinating with the Jordanian government, to solve the regulatory issues related to the installation of grey water treatment systems, so they can regain and recover the momentum on their grey water systems.

3. SOLVillion will launch the next wave of their SOLVillion challenge. This wave is hosted by Shamal Start, who promised to incubate the winner of the challenge.

7.5 Gap analysis: When asked about the needs and pains that SOLVillion would like to receive support on, they mentioned two main issues. The first one is related to extending support to wastewater households' systems, SOLVillion says there is a great demand for these systems, yet, NGOs and other support organizations focus on grey water only, ignoring wastewater systems.

Another area SOLVillion would like to receive support on is exposure to global capacity building programs, two of their management staff have already joined one, and they realized the huge value of such programs; so, they wish they can receive support to join other similar programs.

7.6 The effect of working with WIT investment fund on sales, gender, diversity, and inclusion: SOLVillion mentioned that being established by a female co-founder, they were already doing very well in regard to gender inclusivity, before joining WIT's challenge fund. Nonetheless, the work with WIT helped them to discover new markets in northern governorates, and as a result, they are now accepting apprentices from outside of Amman. In the past, all of their apprentices were from Amman, but after the expansion that was driven by the work with WIT, they started to include apprentices from other governorates.

WIT intervention led SOLVillion to install 22 treatment systems in 16 months. Treatment systems are a considerable investment for the customers, and installing one is not an easy decision. These systems have also been installed in governorates that were introduced to them for the first time, thus, these numbers are considered to be very good.

7.7 Feedback on the relationship with WIT investment fund, and advice/recommendations for the future: SOLVillion feedback on the work with WIT have been very positive, mentioning three areas in particular, the first one is that the engagement with WIT helped them enhance their project management skills as a company. Through their work with WIT's team, they had to plan for activities, build budgets, and set targets, schedules, and timelines. This was a very useful learning experience for them. The other area was providing them with credibility. As a startup, working with a big project like WIT, a donor like USAID, and an international NGO like Mercy Corps, gave them a huge credibility boost, which helped them to land other contracts. The third area is related to expanding into new markets, particularly in the north of Jordan.

8. FEEDBACK FROM WIT'S HOUSEHOLD'S TEAM

WIT household's team all agreed that they had a great learning experience working with these four companies. They praised the passion, commitment, and creativity of these businesses. The team mentioned that applying a market system development (MSD) approach with these businesses proved to be of a huge value. At the beginning of the intervention, the team were

introduced to the approach, but it was all theoretical, as the intervention moved forward, the team saw these theoretical principles turn into realities, and they started to understand the reasoning behind each of these principles. They know by now why it is important to share the risk with the supported businesses, why it is important to drive for systematic changes, why it is important to thoroughly vet partners, and why it is critical to build sustainable market connections between different actors.

On the other hand, working this closely with private sector businesses made the team recognize the unique nature of the private sector. Businesses move at a very fast pace; in order to respond to the quick market changes, therefore, the needs of these businesses change rapidly. Witnessing some of these rapid changes in action, made the team realize that in order to efficiently support businesses, NGOs and donors must have the ability to keep up with this fast pace; by building agile and flexible internal systems.

9. CONCLUSION

The investment fund was clearly a success, feedback was positive from both the supported companies and WIT's household team members. Even though the intervention tackled the monumental challenge of introducing new products to new markets in less privileged governorates, and within communities that are less aware in regard to the benefits of these products, sales were increased as a result of the intervention, which was not an easy achievement.

The companies were able to survive COVID crisis, a testament to their future potential for sustainability. All four companies have clear plans for the near future and are either introducing new products or expanding into new markets; amid the continuous challenges imposed by the lingering effects of COVID crisis.

As expected, the companies still have some gaps and needs to be fulfilled, but their requests are reasonable, and for the most part, their requests are spot on, and match their real needs.

9.1 Lessons learned

- The MSD approach proved to be of great value in this intervention. The impact of utilizing the approach in this intervention was very clear. As a result of using the approach, the companies exhibited positive behavioral changes. They have become more strategic in addressing their needs and challenges. As an example, when they discussed future plans, and mentioned their intentions to launch new activities, introduce new products, or penetrate new markets, they showed a clear understanding of the risks associated with these plans, and did not just ask for money to fund these activities; so, they could immediately jump into them. Instead, they asked for market intelligence experts who can help them understand the market better and help them mitigate these risks. In fact, none of the companies simply asked for more money when they were asked about what they need, this by itself is a clear behavioral change. History has shown that most companies

ask for additional funds, first and foremost, when they are approached by an NGO, or a donor funded program.

- Most of the interviewed companies struggled due to the mandate to sell in specific governorates and geographical areas. While it is necessary to be inclusive to less privileged communities, the companies were asking for the geographical targeting of the intervention to be more flexible, and to include areas such as Amman, in addition to other governorates.
- While the intervention was successful, and the feedback was positive from both WIT households' team members and the companies, the team members mentioned the delays that are caused by internal administrative systems. This feedback indicates the need to review these systems and make them more responsive to the rapidly changing needs of the private sector.
- While it was almost impossible to predict a crisis like COVID, the huge negative effect it had on the companies' logistics and sales calls for having better risk management plans. This can be done in collaboration between the supporting project and the companies in the future.

9.2 Recommendations

- For the companies that requested a consultant to support them with market intelligence and market research, it is recommended, if possible, to connect them to such a consultant, the cost for such consultations is not high, but the added value is tremendous.
- For companies that have requests or needs that cannot be fulfilled within the capacity and the remaining time of WIT, it is recommended to use the project network and connections to refer these companies to other projects and entities that can help them. As an example, Al Aman mentioned their intention to hire freelance sales agents. There are several job matching platforms in Jordan specialized in connecting employers to freelance workers, Al Aman can be referred to one of them. Companies who are planning to implement new initiatives or introduce new products, can be referred to entities willing to finance such initiatives, through loans, equity investment, or grants. WIT team members can conduct ecosystem mapping to identify these entities.
- As mentioned before, the MSD approach proved to be of a great impact and value in this intervention. It is recommended for future projects to keep utilizing this approach for engaging private sector partners, and to document this intervention as a case study and a success story.
- For future interventions, it is recommended to co-develop risk management plans, and have it as a mandate for the selected companies, this will prove to be very useful in the face of crises like COVID.

- For future interventions, it is recommended to assign a business planning expert to each company, this will help the supported companies to better understand the needed budgets for critical activities like marketing. Business planning provides the supported companies with better access to market intelligence and helps them develop fundraising plans; to assure they have access to finance for all of their endeavors.
- It is recommended to support the 4 companies to establish an online-offline platform that will help them sharing experience, support collaboration and coordination related to the HH water saving technologies market.

ANNEX I: STUDY CONCEPT NOTE

The impact of WIT's investment fund intervention on the progress and growth of household's suppliers, through the lens of business evaluation methodologies

- Introduction

Through the “Investments Fund” activities, WIT provided technical and financial packages of support to suppliers of household-level water saving technologies. Working through a market system development approach, WIT provided the aforementioned support packages to expand the reach of these suppliers; connecting them to new markets and new targeted audiences and helping them mitigate some of the risks associated with exploring new markets; by sharing some of the costs with them. This light touch, collaborative approach; where financial risks are shared with suppliers, and not fully subsidized for them, will foster the sustainability of their growth, and the connections they make in the market. The impact of these activities would be to increase the amount of water saving in Jordan, by achieving wider adaptation for the household-level products provided by these suppliers.

WIT engagement with these suppliers; including the provided market research, market connections, financial support, and technical support, is currently being concluded, thus, WIT is hoping to evaluate the business aspects for these suppliers, including their performance for the last year, their past challenges, their future plans, their growth in revenues and sales, and their potential for success. In addition, the evaluation aims to shed light on their experience with the investment fund, what are the perceived benefits they think they gained out of it, what are they planning next, and how can WIT be involved in their future endeavors.

- Methodology

Data collection:

- In Depth interviews with the suppliers, to collect qualitative and quantitative data.
- In depth interviews and focus groups with the WIT's household investment fund team.
- Analysis of the material, documentation, and content available within the hands of the household's investment fund team.

- **Evaluation objectives**

- Provide a situational analysis for the suppliers, to assess their current situation in regards to their market share, geographical coverage, sales, revenue and profit, range of provided services and products, competitive advantages, and customers satisfaction, among other business aspects.
- Understand the future plans for the suppliers and explore any potential involvement for WIT in these plans.
- Conduct a pain analysis for the suppliers, to see if they are experiencing any challenges that would hinder their growth.
- Evaluate the suppliers' experience with the investment fund engagement, to build the content that can be used for lessons learned and recommendations in the future.
- Measure the GDI (gender, diversity, and inclusion) impact of the investment fund initiative on the suppliers; including ability to introduce products or services to vulnerable or marginalized households, that wouldn't have been reached without the support of the investment funds, and the ability to recruit additional female workers or workers with disabilities if applicable.

- **List of themes/areas and questions to be covered during the evaluation (an indicative, but not a comprehensive list)**

1- Sales, income, and market share

- a. Analysis of sales, suppliers' income, and market share during the last year.
- b. Suppliers' growth plans for the near future.

2- Covid-19 impact

- a. The effect of COVID19 crisis on suppliers' sales and performance.
- b. Effects of COVID-19 on employee retention, health, productivity, need for support (e.g., childcare, home internet bundles, transportation?).

3- Products

- a. Are there any new products or services planned by the suppliers for the near future?

4- Suppliers feedback on IF

- a. What changes did the suppliers witness as a result of participating in the investment fund initiative?
- b. What other business support could the IF provide?

5- CLA (Collaboration, Learning and Adaptation)

- a. A gap analysis, to understand the challenges currently experienced by suppliers, and the potential role of WIT in addressing these challenges.
- b. Would the suppliers have explored the markets emphasized by WIT, if it wasn't for the investment fund initiative? And if no, why?
- c. For the suppliers, what was the positive impact of the investment fund initiative? And what can be improved?
- d. For the suppliers, what was (if any) the negative impact of the investment fund initiative? And what needs to be changed?
- e. GDI analysis; did the investment fund help suppliers introduce products or services to vulnerable or marginalized households, that wouldn't have been reached otherwise? Did the suppliers recruit in the past year any female workers or any workers with disabilities? Are the suppliers intending to do so in the near future?

6- Labour Force

- a. Did the supplier add or omit any employees' benefits during the last year?
- b. Did the number of employees work for the supplier increase or decrease during the last year? Were there any layoffs? Did the supplier recruit new staff members?
- c. Did the supplier receive any complaints from staff members during last year, in regard to their working conditions? Salaries and benefits? Or workload and working hours?

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