



Impact Jordan

Impact Jordan Finance, Ethics, and the Return of Meaning



IDRC · CRDI

International Development Research Centre
Centre de recherches pour le développement international

Canada

This work was carried out with the aid of a grant from the International Development Research Centre (IDRC), Ottawa, Canada. The views expressed herein do not necessarily represent those of IDRC or its Board of Governors.

This report was written by Jean Mulot, founding member of Impact Jordan with inputs from Michaela Prokop, founding member of Impact Jordan. Andrew Gharaibeh Collingwood from Expectation State, founding member of Impact Jordan, provided guidance and inputs.

The Arabic translation was revised by Mohammad Ejil with support from Raya Rousan (Expectation State), Nesreen Barakat (Jordan Strategy Forum) and Khulood HindiyeH.

Funded by the International Development Research Centre (IDRC), Canada

Executive Synthesis

Impact Jordan – From Contextualisation to Ethical Localisation

This report offers a critical exploration of Jordan's evolving journey in impact finance, situating it within a deeper historical and ethical struggle to reconcile finance with communal, spiritual, and moral values. It argues that while Jordan has embraced global frameworks like the Sustainable Development Goals (SDGs), Environmental Social and Governance (ESG) frameworks, and IRIS+, its impact finance ecosystem remains largely in a phase of contextualisation - adapting foreign models without yet anchoring them in its own indigenous ethical frameworks.

The report contends that ethical localisation - defined as the emergence of locally defined metrics, institutions, and narratives grounded in moral traditions such as Islamic finance, tribal ethics, and relational wellbeing - is both necessary and possible. However, this transition requires more than technical adjustment: it demands a revival of epistemic institutions, a strategic reconfiguration of governance roles and mechanisms, and an investment in narrative sovereignty.

Based on a review of the journey of Impact Jordan as a case study and drawing on 10 months of embedded research, the report offers five core insights:

1. Jordan's impact ecosystem is still in contextualisation mode.

The ecosystem is vibrant but heavily shaped by donor agendas and global benchmarks. Local actors retrofit global metrics to Jordanian realities, often bypassing deeper ethical reflection or cultural legitimacy or adopt metrics determined by their investors or funders. Language localisation is still largely about translating global concepts and terminologies rather than identifying and developing locally relevant and rooted concepts. Fragmented institutions and limited private sector leadership compound the challenge.

2. Islamic Finance has normative depth but limited strategic adaptation.

While *maqāṣid al-sharīʿa* provides a coherent ethical grammar, current Islamic finance practice often replicates Western models under a Sharia compliance wrapper. To drive localisation in Jordan, Islamic finance must evolve into a more pluralistic, purpose-driven architecture—“Islamic Finance 2.0.”

3. Indigenous moral systems are rich but epistemically undervalued.

Tribal reciprocity norms, relational ethics, and communal notions of wellbeing offer critical building blocks for a localised impact framework. However, they remain under researched and unintegrated due to a lack of academic engagement and lack of translation into operational tools.

4. Impact Jordan can serve as a platform for ethical localisation.

Impact Jordan has convening power and early momentum. By extending its membership and engagement with a broader range of ecosystem players; developing a governance structure reflective of broader ownership; and investing in shared metrics design, participatory narrative development, and epistemic infrastructure (especially universities and scholars), it can catalyse a more durable and legitimate impact ecosystem.

5. A regional ethical finance compact is both necessary and viable.

Jordan's experience is relevant to the Arab region more broadly. A regional compact grounded in shared values—such as maqāṣid, tribal legitimacy, and postcolonial critique—could enable ethical interoperability across borders and rebalance donor-local actor dynamics.

Strategic Implications



For Policymakers: Establish incentives and regulatory space for values-based finance and ethics-first innovation.



For Universities and Scholars: Take a leading role in theorising indigenous ethics, designing pluralistic curricula, and developing narrative impact and financing tools.



For Practitioners: Move beyond performance optimisation toward value articulation and ethical translation. Co-design and pilot new metrics and financing tools.



For Regional Actors: Co-create an ethical framework for Arab impact finance through shared taxonomies, pilot metrics, and knowledge diplomacy.

Looking Forward

Impact Jordan is not the final word in ethical finance localisation - but it may be the first coherent signal. The path ahead requires enabling pluralism, restoring legitimacy, and building institutions that not only track value, but also reflect it. Jordan has a unique opportunity to lead, not by perfecting existing models, but by co-authoring new ones grounded in its own moral, historical, and epistemic terrain.

Contents

Executive Synthesis	3
List of Abbreviations	6
Impact Jordan – Finance, Ethics, and the Return of Meaning	7
Introduction.....	11
I. The Historical Tension Between Finance and Ethics	13
II. Contextualisation vs. Localisation: Theoretical and Political Implications.....	17
III. Indigenous Approaches to Ethical Finance	20
IV. Impact Jordan – Building an Ethically Grounded Impact Ecosystem	23
V. Institutional Pathways: Roles of Government, Intermediaries, and Epistemic Institutions.....	37
VI. Toward a Regional Collaborative Initiative: How Jordan's Model Could Inform a Broader Arab Ethical Finance Movement	39
VII. Conclusions and Recommendations: Synthesis of Findings and Future Directions	42
Annex I. References	44
Annex II. Methodological Note, Interview Themes and Guiding Questions	45
Annex III. Glossary of Key Terms.....	47
Annex IV. Localisation Readiness Framework	48

List of Abbreviations

ASE	Amman Stock Exchange
AVPN	Asian Venture Philanthropy Network
AVPA	African Venture Philanthropy Alliance
BcTA	Business Call to Action
BDS	Boycott, Divestment and Sanctions
CPF	Crown Prince Foundation
CSR	Corporate Social Responsibility
ESG	Environmental Social Governance
GSG	Global Steering Group for Impact Investment
IDRC	International Development Research Centre
IFC	International Finance Corporation
IFI	International Financing Institution
JIIB	Jordan Impact Investment Board
NAB	National Advisory Board
NMB	National Microfinance Bank
ODA	Overseas Development Assistance
OIC	Organisation of Islamic Cooperation
RIN	Refugee Investment Network
SDG	Sustainable Development Goal
SRI	Socially Responsible Investing
UNDP	United Nations Development Programme
WEP	Women's Empowerment Principles

Impact Jordan – Finance, Ethics, and the Return of Meaning

Executive Summary

Impact Jordan – Ethics, Finance, and the Path to Localisation

This report explores the emergence of Impact Jordan within a broader regional and global search for ethical alternatives to mainstream finance. It argues that impact finance originated as a Western attempt to reconcile financial practice with ethical values. While Jordan has made notable progress in adopting impact-oriented initiatives, its ethical finance ecosystem remains in an early, foundational stage. Contrary to appearances, Jordan is not at the “noon” of its localisation journey but closer to “dawn”.

The report critically assesses the assumption that global impact frameworks - such as ESG, SDGs, and IRIS+ - can be adapted or contextualised to Jordan through minor technical modifications. Instead, it calls for a more ambitious rethinking: one rooted in local moral vocabularies, Islamic jurisprudence, tribal ethics, and relational values. Localisation, unlike contextualisation, demands epistemic sovereignty: allowing Jordan to define impact through its own ethical and historical frameworks, rather than importing and adjusting metrics designed elsewhere.

What Was Done, What Was Learned, and Why It Matters

This report documents a 10-month embedded research process using qualitative methods, institutional analysis, and historical framing. It traces the trajectory of Impact Jordan as both a collaborative initiative and a reflection of a broader ethical finance awakening in Jordan and the Arab region. Through interviews, document reviews, and ecosystem engagement, the study examines how global models have been contextualised - and where early signs of localisation have emerged.

The research reveals that while Jordan has built an active and innovative impact ecosystem, the field remains anchored in global frameworks, often retrofitted to local needs rather than defined by them. Impact products that have been launched are largely funded, financed or co-financed by Western donors and their development finance institutions and track metrics defined by their respective priorities. Islamic finance, tribal values, and public ethics offer fertile ground for localisation - but they remain under-theorised and insufficiently integrated into impact design and application. Tapping into Islamic finance, which is considerably larger than impact finance in the MENA region, could also provide opportunities for scaling investment in impact driven opportunities. A shared, localised, national definition of impact is premature. Yet the building blocks - a typology of ethical frameworks, narrative shifts, and institutional experimentation - are already in motion.

For members of Impact Jordan, these findings underscore the strategic decision to move beyond global accreditation (e.g., Global Steering Group for Impact Investment (GSG Impact) National Advisory Board (NAB) status) and instead prioritise value-led ecosystem building. This includes supporting the development of localised definitions of impact. For private sector stakeholders, the report offers conceptual and operational pathways to better engage with community legitimacy and ethical alignment as well as opportunities for co-designing and eventually for tapping into new sources of financing. For regulators, universities and think tanks, it outlines the institutional gaps that must be addressed to shift from impact as technical compliance and contextualised global frameworks to impact as moral co-creation.

Three Core Findings

Jordan’s Impact ecosystem is still in the phase of contextualisation

Efforts by Impact Jordan and related stakeholders have largely focused on adapting global tools to local use. These initiatives—though valuable—have not yet produced an operationally distinct Jordanian framework for defining and assessing impact. Institutional weakness, limited coordination, and dependency on donor funding and financing remain central challenges to many impact related initiatives.

Islamic Finance is not yet ready to anchor a localised impact system

While Islamic finance represents Jordan's most developed indigenous ethical financing tradition, it remains largely focused on textual compliance and structurally mimics conventional Western financial models. To serve as the foundation of a localised impact system, it must first evolve beyond formalistic adherence to Sharia and embrace the deeper ethical aspirations of the *maqāṣid al-sharī'a*. Second, it must actively respond to contemporary moral imperatives- ecological sustainability, gender equity, technological disruption, and intergenerational justice. A transition toward Islamic Finance 2.0 is needed: one rooted in the *maqāṣid* and open to plural ethical engagement.

A localised definition of impact is premature - but a roadmap is possible

The report concludes that a unified, localised nationally endorsed definition of impact is not yet feasible or legitimate. However, a typology of ethical frameworks, a participatory process for defining localised metrics, and a series of targeted pilot programs can offer a path forward.

Strategic Implications

Building on work so far Impact Jordan should now position itself as a platform for foundational ecosystem development. This includes:

- **Building narrative and epistemic infrastructure** through collaboration with universities, scholars, and civic institutions.
- **Fostering ethical innovation and experimentation** by piloting localised impact metrics in sectors like refugee investment, gender empowerment, and youth employment.
- **Investing in thought leadership** to articulate a future vision for Islamic Finance 2.0, grounded in values rather than mimicry.
- **Convening a regional dialogue** to co-develop a pluralistic, justice-based, and culturally aligned impact framework.

In concrete terms, this means:

- **Establishing a participatory working group** under Impact Jordan to codesign and prototype localised metrics in high-priority sectors.
- **Launching a series of dialogues** between Impact Jordan, regulators, Islamic scholars, and tribal actors to explore legitimacy in Jordanian impact discourse.
- **Initiating a regional impact platform**, drawing on the Arab Impact Network, to facilitate South-South collaboration on ethical finance and localisation strategies.

Conclusion

This is not the end of a journey - it is the beginning of one. Impact Jordan represents the potential for ethical finance localisation in the Arab world, not its culmination. The task now is not to finalise definitions, but to enable the **conditions for their emergence**. With careful investment in epistemic infrastructure, ethical deliberation, and regional collaboration, Jordan can help pioneer a new generation of impact finance rooted in meaning, justice, and shared legitimacy.

This report was written by Jean Mulot, founding member of Impact Jordan with inputs from Michaela Prokop, founding member of Impact Jordan. Andrew Gharaibeh Collingwood from Expectation State, founding member of Impact Jordan, provided guidance and inputs.

Acknowledgment:

This research was made possible with the financial support of the **International Development Research Centre (IDRC), Ottawa, Canada**. IDRC's contribution enabled the embedded research process, including fieldwork, stakeholder engagement, and institutional analysis. We would like to highlight the specific contributions of the MENA team at IDRC, based in Amman for their support and guidance throughout the research. The findings and recommendations of this report reflect the views of the authors and do not necessarily represent those of IDRC.

Reflexivity Statement: Positionality, Voice, and Knowledge Boundaries

This report was developed through a qualitative, embedded case study approach rooted in sustained engagement with Jordan's impact ecosystem over a 10-month period. As such, it reflects both the intellectual stance and relational embeddedness of the research team. This positioning carries unique strengths - but also responsibilities and limitations.

The primary author operates at the intersection of policy consulting, academic research, and ecosystem facilitation across the Arab region. This vantage point has enabled privileged access to actors, insider narratives, and unpublished documentation. However, it also raises critical questions about partiality, institutional proximity, and representational scope.

While care was taken to include diverse perspectives—across finance, civil society, government, and academia—some groups remain underrepresented, notably tribal elders and religious scholars who may articulate alternative moral grammars of value. Their limited presence is due not to exclusion but to timing and accessibility constraints. Given the centrality of these actors to any authentic localisation of impact finance, this gap is acknowledged as a limitation. To address it, Impact Jordan and its partners are currently exploring structured avenues for engagement in the next research phase. These include co-hosted ethical deliberation forums, targeted interviews with Islamic finance scholars, and partnerships with universities and religious institutions to facilitate access and co-design. These efforts aim to ensure that future iterations of the framework are grounded not only in institutional logic, but in the lived ethical vocabularies of the communities it seeks to serve.

The narrative lens adopted here - centering epistemic legitimacy, ethical localisation, and narrative sovereignty - is not value-neutral. It draws on decolonial theory, Islamic jurisprudential ethics, and constructivist inquiry, all of which challenge dominant models of development finance. These commitments shape not only the analysis but also the questions the report chose to prioritise.

Finally, while the report critiques global impact frameworks, it does not reject the possibility of ethical globalism. Rather, it argues for a redistribution of narrative authority: that meaning must be co-produced with those who live with the consequences of financial decisions. This reflexivity is not a disclaimer, but an invitation—to deepen the conversation on who gets to define value, and how.

Disclaimer on Use of Generative AI

Portions of this report, including early drafts of analytic framing, comparative tables, and select summaries, were developed with the assistance of generative AI tools (e.g., OpenAI's ChatGPT) under expert human supervision. All content has been reviewed, refined, and contextualised by the authors to ensure cultural, ethical, and scholarly appropriateness. The use of AI reflects a commitment to innovation in policy research, without substituting for critical judgment or accountability.

Given the report's focus on narrative sovereignty and ethical localisation, we acknowledge the tension inherent in using generative AI tools - many of which are trained on dominant, often Western-centric, knowledge systems. Throughout the drafting process, AI outputs were treated as scaffolds rather than authoritative sources. Local authorship, interpretive agency, and ethical framing remained firmly in the hands of the research team. The use of AI thus served as a productivity aid - one subjected to rigorous cultural, political, and epistemic oversight - rather than as a substitute for locally grounded authorship.

About Impact Jordan

Impact Jordan is a collaborative action and movement, committed to building and strengthening the impact ecosystem in Jordan and the wider Arab Region. Incubated within the Crown Prince Foundation, it is a voluntary organisation, comprised of some of Jordan's leading impact organisations: 17 Ventures, Alfanar Venture Philanthropy, Arcan Impact, Beyond Capital, Catalyst, Expectation State, Jordan Capital Investment Fund, Jordan Strategy Forum and Cewas.



As Impact Jordan, we are grateful to IDRC for their support and commitment to this research. This case study and exploration of localisation and impact is intended to offer an example for other impact builders across the world, particularly in the majority world. We believe that there must be a reframing of impact in a way that is representative of indigenous and existing impact practices as well as those that have developed and practiced in the minority world. It is an exercise in reclaiming sovereignty and demonstrating the journey of doing so in order to invite a wider debate and practice that is rooted in localisation.

About the International Development Research Centre

As part of Canada’s foreign affairs and development efforts, the International Development Research Centre (IDRC) champions and funds research and innovation within and alongside developing regions to drive global change. IDRC invests in high-quality research in developing countries, shares knowledge with researchers and policymakers for greater uptake and use, and mobilises global alliances to build a more sustainable and inclusive world.

IDRC was established by an Act of Canada’s Parliament in 1970 with a mandate “to initiate, encourage, support, and conduct research into the problems of the developing regions of the world and into the means for applying and adapting scientific, technical, and other knowledge to the economic and social advancement of those regions.”

Introduction

This report opens with a fundamental question: *What is the broader historical and philosophical context of impact finance?* Rather than treating impact finance as a mere policy tool or technical innovation, we understand it as part of a centuries-long global conversation - a struggle to align the mechanisms of finance, and its role in addressing pressing developmental challenges, with the demands of moral, spiritual imperatives.

Impact investing, in this light, represents a contemporary Western response to that old dilemma. It seeks to infuse capital with purpose - to attach moral significance to financial flows. Building primarily on a liberal logic, this response remains deeply technocratic, often failing to interrogate whose values define "impact" and how legitimacy is constructed. While SDG and ESG frameworks have global reach, their underlying assumptions remain contested.

In practice, this creates a tangible set of friction for Jordanian actors. For instance, local entrepreneurs may find that donor-funded impact programs require reporting against gender or climate metrics that do not resonate with community priorities or cultural understandings of wellbeing. Fund managers must align with ESG benchmarks to access capital, even when these exclude faith-based or tribal legitimacy indicators. Meanwhile, regulators and civil society actors struggle to reconcile external accountability requirements with local moral vocabularies - such as those rooted in Islamic finance or communal reciprocity. These contested assumptions do not just shape theory; they determine which initiatives receive financing, how impact is measured, and whose ethical frameworks are legitimised in practice.

This report documents Impact Jordan's journey to date by critically examining the limits of contextualising such global frameworks. It argues for a deeper shift: from adaptation to localisation - a process that centers local ethical traditions, cultural values, and political narratives in defining impact. In Jordan, this could mean drawing on the language of Islamic finance, invoking tribal legitimacy, and, more recently, rearticulating public values and justice in response to the war in Gaza and Palestine as well as other regional crises.

These efforts are still in their infancy. The limited integration of local ethical traditions and tribal norms into mainstream impact thinking is a symptom of a deeper issue: the weakness of the country's epistemic infrastructure. Universities, research centers, and civic knowledge institutions have largely remained peripheral in the effort to define local meanings of impact. For example, few academic programs in Jordan - whether in business, economics, Islamic finance, or public policy - offer substantive coursework on indigenous ethical frameworks or their relevance to development finance. The University of Jordan is only now establishing a master program in Islamic finance. Cross-sector collaboration between universities and impact actors remains rare, and no major university or think-tank-led research initiative has yet attempted to theorise Jordanian definitions of impact rooted in *maqāṣid al-sharī'a*, tribal legitimacy, or relational wellbeing. Meanwhile, leading impact organisations - including Impact Jordan - have typically focused on donor engagement and operational piloting, rather than forging long-term partnerships with epistemic institutions to build narrative infrastructure or co-design localised metrics. This lack of mutual engagement represents a missed opportunity to cultivate ethical fluency, local legitimacy, and plural knowledge production within the Jordanian impact ecosystem.

This research explores the following key questions:

Primary Research Question

What would it take for Jordan to move from contextualising global definitions of impact and impact finance models to localising them—through the integration of indigenous ethical frameworks, institutional transformation, and narrative leadership?

Research Sub-questions

- Why has finance historically struggled to align with ethical, spiritual, and communal values? What lessons can be drawn from this tension for building locally legitimate impact finance in Jordan?
- What is the difference between contextualising and localising global impact frameworks? Why does this matter for ethical legitimacy, governance, and long-term sustainability?

- What indigenous ethical systems exist in Jordan—such as Islamic finance, tribal values, and relational ethics—and how can they be integrated into a localised impact model?
- What institutional and epistemic conditions are required to activate these ethical systems effectively, despite current capacity gaps?
- What roles should Impact Jordan, government, financial intermediaries, and other private sector actors play within the impact ecosystem?

These questions matter not only for academic inquiry, but for real-world policy. They speak to the legitimacy of financial reform, the moral politics of development, and the urgency of grounding economic models in locally meaningful terms. They are particularly timely given post-2023 shifts in regional sentiment, global donor dynamics, and growing resistance to extractive frameworks and practices.

This study finds that the failure of global models stems not from bad design, but from a mismatch between the knowledge systems, assumptions, and value frameworks embedded in global impact finance models and those rooted in the local context—cultural, ethical, historical, or religious. Impact Jordan’s case illustrates both the promise and the challenge of ethically driven localisation. While Islamic finance and narrative shifts offer powerful foundations, a truly plural and sustainable impact ecosystem will require a renewed investment in local knowledge production.

Methodologically, the report draws on historical and philosophical analysis, a review of Impact Jordan’s journey through document review, key informant interviews with Impact Jordan members and other ecosystem players, and workshop validation. The report adopts a hybrid lens that blends critical policy analysis, localisation theory, and constructivist narrative inquiry.

The chapters that follow move from historical framing to conceptual debate, and from ethical foundations to institutional practice. They culminate in a regional proposition: that the future of ethical impact lies not in the diffusion of global tools, but in the sovereign articulation of what matters, by those who live it.

I. The Historical Tension Between Finance and Ethics

The relationship between finance and ethics has been a recurring tension throughout history. Societies across cultures have long sought to balance the functional necessities of economic exchange with the moral imperative to protect human dignity, community cohesion, and spiritual principles. This chapter traces the genealogy of this tension through religious, cultural, and ideological traditions that sought to regulate or reimagine finance as a domain of moral action.

Understanding this historical tension is not an abstract exercise—it is a necessary starting point for reclaiming narrative agency. Modern impact finance is not a neutral tool but a Western construct shaped by liberal ethical assumptions, technocratic logic, and historical development trajectories. Recognising this origin is a central step toward building alternatives that reflect Jordan's own ethical, spiritual, and communal priorities.

As Impact Jordan navigates the shift from global adaptation to ethical localisation, it confronts a question that has echoed through centuries: Can finance be reoriented toward justice without being captured by dominant power structures?

By tracing how different civilisations negotiated the balance between economic functionality and moral purpose, this chapter offers a foundation for developing a localised theory of change - one that resists mimicry, reclaims ethical authorship, and integrates plural value systems. This genealogy clarifies both the potential and the limits of inherited frameworks - Islamic, tribal, or Western - and prepares the ground for strategic decisions now facing Jordan's impact ecosystem.

Early Religious Foundations

In the Abrahamic traditions, finance was never value-neutral. Judaism, Christianity, and Islam all instituted strict norms on lending and wealth accumulation.



The **Hebrew Bible** warns against charging interest to one's community members, emphasising mutual aid over profit.



Early **Christian** doctrine built on this, institutionalising usury bans across medieval Europe. Church councils, theologians, and philosophers alike deemed interest immoral because it generated profit without labor—contrary to natural law.



Islamic jurisprudence went further, establishing a comprehensive moral economy rooted in the prohibition of unjust gain or interest (*riba*), the avoidance of speculation (*gharar*), and an emphasis on shared risk and communal justice.

These principles led to the development of Islamic finance as a distinct system, one which remains deeply relevant in contemporary efforts to align finance with ethics.

Medieval Pragmatism and Marginalisation

Despite these moral strictures, economic systems required intermediaries. In Christian Europe, where usury bans applied only to Christians, Jewish communities—excluded from guilds and land ownership—were pushed into moneylending roles. While essential to economic functioning, their moral positioning remained fraught, often exploited and scapegoated. Meanwhile, Islamic societies developed morally infused commercial practices such as profit-sharing partnerships (*mudarabah*), emphasising reciprocity and transparency.

Reformation and the Protestant Ethic

The Protestant Reformation began to soften the moral stance toward profit. Calvinist reinterpretations allowed for modest interest as a legitimate return on risk. In the American context, Methodism and Puritanism laid the moral groundwork for what Max Weber later described as the “Protestant ethic and the spirit of capitalism”: a theological acceptance of work, thrift, and accumulation—so long as they were tied to moral purpose and self-discipline. This ushered in a new fusion of faith and finance, where economic success could signal divine favor.

Contemporary Relevance: The Jordanian Debate on Profit and Legitimacy

This historical evolution of the moral rationale for profit—culminating in Weber’s idea of wealth as a signal of virtue—finds echoes in contemporary Jordan, particularly during times of crisis and public distrust. From controversies over microfinance institutions perceived as extractive to public backlash against opaque privatisation deals, a Jordanian moral economy is taking shape. It frames profit as legitimate only when transparently earned and socially reinvested. This parallel underscores the enduring relevance of the Protestant ethic’s central question: under what conditions can profit be morally justified? For those shaping Jordan’s ethical impact ecosystem, this debate is not merely academic—it defines the boundaries of legitimacy, trust, and public purpose in financial design.

Modernity and the Moral Retreat of Finance

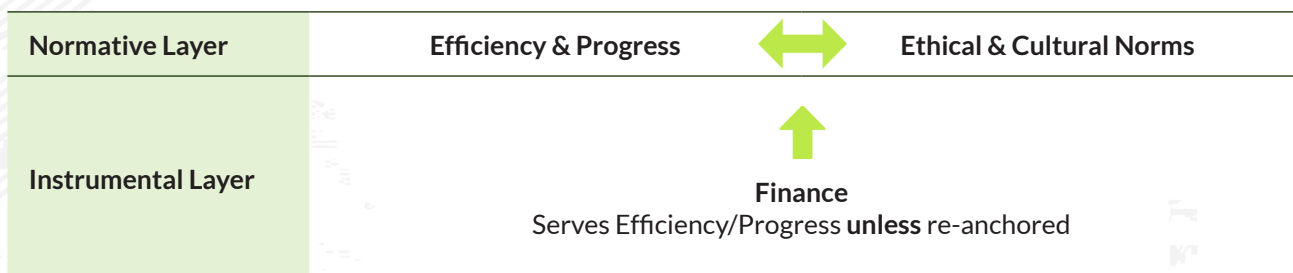
By the 20th century, especially after World War II, finance underwent a moral retreat. The rise of shareholder capitalism, monetarist theory, and global financial liberalisation detached finance from ethical scrutiny. Milton Friedman’s dictum—that the sole responsibility of business is to increase shareholder value—reflected this intellectual shift. Ethics, when considered, was externalised into philanthropy or corporate social responsibility, rarely embedded within financial design.

Figures 1 and 2 seek to illustrate the core tension at the normative and instrumental (finance) level.

Figure 1: The Core Tension at the Normative Level

POLE 1	POLE 2
Efficiency & Progress	Ethical & Cultural Norms
Instrumental Rationality	Substantive Rationality (Weberian terms)
“What works best”	“What is right or meaningful”

Figure 2: The Core Tension at the Normative Level vs. Finance



The Return of Ethical Finance

In the mid-20th century, ethics began to resurface in financial discourse. Islamic finance re-emerged, offering a values-based alternative to Western banking grounded in religious principles.

Anwar Qureshi (1946), Naiem Siddiqi (1948), and Maududi (1950s) were among the first to articulate the vision of a banking system compliant with Islamic norms. The launch of the Mit Ghamr Savings Bank in 1963 in Egypt is widely recognised as the first modern Islamic financial institution. The bank operated without interest, using profit-sharing instead¹. The establishment of the Islamic Development Bank in 1975 under the Organisation of Islamic Cooperation (OIC) marked the formal institutionalisation of Islamic finance at the international development level. Later Malaysia took a leading role in pioneering a dual banking system integrating Islamic finance into a conventional framework and is now widely recognised as a global hub.

Jordan's Partial Engagement with the Islamic Finance Legacy

Jordan has engaged selectively with this global Islamic finance trajectory. The Central Bank of Jordan regulates a growing network of Islamic financial institutions, and Jordanian banks such as the Jordan Islamic Bank have adopted core Sharia-compliant instruments, including profit-sharing (*mudarabah*) and cost-plus financing (*murabaha*). However, the ecosystem has remained largely focused on compliance rather than innovation. Unlike Malaysia, Jordan has not pursued a dual-banking model that formally integrates Islamic finance into national development policy or impact metrics. Nor have Islamic financial institutions in Jordan—so far—embraced profit-sharing models as a means of expanding inclusive finance or addressing national development goals. While the institutional infrastructure exists, the normative and operational potential of Islamic finance remains underutilised. This gap highlights the need for a more deliberate articulation of Islamic Finance 2.0 within Jordan's localisation journey.

The Rise of Global Impact Finance

Socially responsible investing (SRI) gained traction in the United States during the Vietnam War, as investors sought to avoid supporting weapons manufacturers and apartheid regimes. Over time, these movements evolved into more structured frameworks, including ESG standards and, eventually, impact investing.

The Global Steering Group for Impact Investment (GSG Impact) exemplifies the formalisation of this ethical turn in finance. It emerged in response to the structural failings exposed by the 2008 global financial crisis, which eroded public trust in traditional markets and highlighted the need for capital systems that could address inequality, exclusion, and environmental breakdown. In this context, impact investment surfaced as a third way - between philanthropy and profit-maximisation - aimed at aligning financial returns with measurable social and environmental outcomes. In 2013 the G8 Social Impact Investment Taskforce chaired by Sir Ronald Cohen was set up. The taskforce aimed to stimulate national ecosystems through National Advisory Boards (NABs) and codified the sector's principles: intentionality, impact measurement and financial sustainability. This built on earlier efforts spearheaded by the UK such as the Social Investment Taskforce launched in 2000 and the establishment of Big Society Capital in 2012, the world's first wholesale investment institution. When the Social Impact Investment Taskforce concluded its mandate in 2015, GSG Impact was established as an independent successor to globalise and scale these efforts. However, while impact investing differs from SRI by seeking to generate positive rather than merely less harmful outcomes, its philosophical foundations remain contested and underdeveloped. Rooted in Western liberal ideals - individual agency, metrics, and rational design - it often struggles to resonate with the ethical, spiritual, or collective norms of non-Western societies. Moreover, there is increasing concern that impact finance is itself a neoliberal construct, repackaging social problems as investment opportunities and reinforcing existing power dynamics (see Box 1).

¹ El-Gamal, M. A. (2006). *Islamic Finance: Law, Economics, and Practice*. Cambridge University Press and Wilson, R. (1997). "Islamic finance and ethical investment." *International Journal of Social Economics*, 24(11), 1325-1342.
Archer, S., & Abdel Karim, R. A. A. (Eds.). (2007). *Islamic Finance: The Regulatory Challenge*. Wiley.

Box: 1 Impact Finance – A Neoliberal Project?

Impact finance, which aims to generate both financial returns and positive social or environmental outcomes, is often critiqued as a neoliberal construct embedding a market logic into social change. It shifts responsibility for public welfare from governments to private investors and businesses thus reinforcing the idea that markets are the primary solution for today's challenges. Critics emphasise that impact finance prioritises measurable, short-term outcomes over systemic change solidifying existing power and wealth imbalances. This also risks commodifying social issues, turning poverty, education or environmental degradation into investment opportunities.

In *Winners Take All: The Elite Charade of Changing the World* Anand Giridharadas critiques how the global elite engage in philanthropy and social change while preserving systems that maintain their own power and wealth accumulation. He argues that seemingly well-intentioned efforts to 'give back' reinforce the status quo by avoiding structural reforms. Elite-driven initiatives often serve to legitimise their influence, mask inequalities, and maintain control over the direction of social – and political – change. Instead of challenging the roots of injustice and inequality, efforts often aim for incremental fixes that are compatible with continued profit and privilege. Similar critique is being echoed by Michael Edwards². He argued that 'philanthrocapitalism' by applying business principles to solve social problems leads to a loss of democratic accountability and equity.

In the 'Wall Street Consensus' Daniela Gabor³ offers a foundational critique of the financialisation of development. She argues that impact finance is part of a broader policy shift replacing public-sector investments with private capital flows underpinned by de-risking strategies and market-oriented reforms. The social purpose of finance is subordinated to the logic of markets aligning closely with neoliberal tenets of privatisation and deregulation.

Toward a Plural Ethics of Finance

This historical review reveals that efforts to guide finance with ethical purpose have always been embedded in cultural and religious traditions. When these efforts falter, finance tends to dominate ethics rather than serve it. For Jordan—and for the broader Global South—the challenge is not simply to adapt global ethical finance tools, but to rediscover and express their own ethical frameworks for defining value and purpose in finance. That reclamation begins with history.

This historical exploration revealed that the tension between finance and ethics is not new—it is recurring, adaptive, and deeply cultural. Yet while past systems sought legitimacy through religious or communal grounding, contemporary models often prioritise technocratic universality. It must be acknowledged, however, that previous efforts to align finance with ethical values took place in fundamentally different contexts. Contemporary challenges—such as environmental degradation, gender equity, and the disruptive role of technology—have introduced new ethical demands that require both fresh thinking and institutional innovation. This disjuncture sets the stage for a critical distinction between two modern responses: contextualisation and localisation. The next chapter examines these concepts, contrasting how global frameworks adjust to local realities versus how local systems redefine what impact means.

2 Edwards, M. (2008). *Just Another Emperor? The Myths and Realities of Philanthrocapitalism*. Demos.

Edwards, M. (2010). *Small Change: Why Business Won't Save the World*. Berrett-Koehler.

3 Gabor, D. (2021). *The Wall Street Consensus: How Development Became Financialized*. ROAR Magazine

II. Contextualisation vs. Localisation: Theoretical and Political Implications

The global rise of impact finance has been accompanied by growing calls for contextual sensitivity. Yet too often, this has taken the form of contextualisation rather than localisation - an important distinction that this chapter aims to unpack. While both approaches acknowledge that global financial tools must interact with local realities, they differ profoundly in their assumptions about authority, knowledge, and legitimacy. In Jordan, this distinction is evident in the widespread adaptation of global frameworks like SDGs and ESG - without redefining the concept of impact itself. Even where indigenous systems such as Islamic finance are operational, they have rarely been used to shape the epistemic foundations or measurement logic of the impact ecosystem.

Defining Contextualisation

Contextualisation refers to the adaptation of global frameworks and standards - such as the SDGs, ESG or IRIS+ metrics - to local environments. These adaptations are typically technical: adjusting indicators, retrofitting national development strategies, or tailoring language to suit cultural norms. The goal is to make global tools more acceptable, relevant, and implementable in specific countries.

Contextualisation assumes that the core frameworks are fundamentally sound and need only modification to achieve broader uptake. It often preserves external accountability structures, particularly toward international investors or donors.

For example, contextualisation is evident in the adaptation of ESG reporting frameworks by several African sovereign wealth funds, which retain global indicators but include localised metrics—such as smallholder farmer outreach or regional infrastructure priorities—within their SDG alignment reports. Similarly, in Jordan and Egypt, impact bond feasibility studies have adjusted outcome indicators to reflect national education or employment strategies, while still benchmarking against OECD-defined results metrics.

In Jordan SDG Impact's investor mapping exercise reviewed Jordan's national and sectoral development priorities to identify SDG-aligned investment opportunities. The Amman Stock Exchange introduced mandatory sustainability reporting as well as climate disclosures following practices elsewhere and based on global frameworks. Impact related products launched by Impact Jordan members such as the Catalyst or Beyond Capital largely follow and are required to adopt impact metrics of their investors such as DFIs. In all these cases, the core financial logic and measurement systems remain externally anchored, and accountability flows upward to international funders and technical partners.

While these adaptations increase local relevance, they do not fundamentally shift the locus of authority over what constitutes value, risk, or success. That is the realm of localisation, which seeks to invert - not just adapt - the logic of global frameworks.

Defining Localisation

Localisation, by contrast, challenges the premise that global tools are neutral or sufficient. It seeks to redefine the terms of value creation and ethical assessment from within local systems of meaning. Localisation is about epistemic sovereignty - allowing communities to determine what counts as success, who defines it, and why it matters.

Localisation does not reject global frameworks outright, but insists that they be subordinated to local ethics, traditions, and legitimacy. It is as much a political act as a technical one.

Table 1: Contextualisation vs. Localisation in Impact Finance

DIMENSION	CONTEXTUALISATION	LOCALISATION	APPLICATION IN JORDAN
Definition of impact	Adapts global definitions to local settings	Defines impact through local moral and cultural values	Definitions to date focus on adaptation of global frameworks and are largely determined by those providing the capital (mostly DFIs) with a focus on employment (youth, gender), access to renewable energy, etc. (SDGs).
Source of legitimacy	External validation (donors, global investors)	Internal legitimacy (community norms, religious ethics)	Source of validation mostly external through donors/ those providing capital.
Role of local actors	Implementers of pre-defined models	Co-creators of frameworks and evaluators of success	Some efforts to co-create frameworks with beneficiaries/ investees but mostly pre-defined models (e.g. Beyond Capital in partnership with Danish Refugee Council)
Use of Global Tools	Modified but prioritised	Subordinated to local frameworks or replaced	Some efforts (e.g. Refugee Investment Facility) to integrate local tools (Islamic finance) into offering to increase uptake and interest from local businesses.
Power Dynamics	External standards shape local action	Local narratives reshape global expectations	So far it is largely external standards (sustainability and climate disclosures of ASE, etc.).
Measurement Logic	Global measurement frameworks (e.g. SDGs)	Ethical indicators (e.g. dignity, family security) and other locally developed indicators	All reviewed impact products use or are based on global measurement and reporting frameworks.

Implications for Legitimacy and Practice

The distinction between contextualisation and localisation has significant implications. In Jordan, for example, contextualisation has led to the integration – often more of retrofitting - of SDGs into national development strategies and policies, sustainability indices, and investment platforms aligned with donor priorities. But these efforts often lack traction with local communities because the underlying models are externally derived. Several funds and businesses interviewed for Seeds of Impact (see Chapter IV) highlighted that they lack incentives and capacities for integrating impact metrics unless the investor or development partner mandates reporting. An interesting example is also the DRC / iGravity Refugee Investment Facility which found it hard to find SMEs willing to take on concessional loans offered by the facility - unless based on Islamic finance principles.

Localisation, by contrast, has found greater resonance through Islamic finance, which articulates an indigenous moral logic centered on fairness, reciprocity, and communal well-being. In the wake of the Gaza war, a broader ethical awakening has been visible in public discourse, especially through consumer-led boycotts and demands for greater ethical clarity in economic transactions. While these shifts may not directly redefine institutional notions of "impact," they do signal a growing appetite for values-driven economic behavior - a dynamic that could, if engaged seriously, inform more grounded and legitimate forms of impact finance in the region.

A key barrier to localisation is the weakness of epistemic infrastructure. Universities and civic institutions have been insufficiently empowered - or resourced - to theorise or teach localised ethics of finance.⁴ This leaves a vacuum in ethical framing, often filled by either imported metrics or faith-based norms that are rich but not plural. This is compounded by a lack of collaboration between the epistemic and impact ecosystems specifically around the concept of localised approaches to impact. This is beginning to shift with the likes of the Jordan Strategy Forum and German Jordanian University establishing formal partnerships with impact actors or impact programmes, but it needs to go further.

Beyond Adaptation: Toward Ethical Framing

Genuine localisation requires moving beyond adaptation toward ethical framing. It involves co-producing impact frameworks with stakeholders from the local epistemic infrastructure; developing metrics based on their relevant norms; and embedding these values in systems and institutions able to implement them.

Genuine Localisation



Moving beyond adaptation toward ethical framing



Co-producing impact frameworks with stakeholders from the local epistemic infrastructure



Developing metrics based on their relevant norms



Embedding these values in systems and institutions capable of implementing them

This is not a rejection of global tools, but a call to invert the hierarchy: to treat local frameworks not as supplements, but as foundations. In the context of an impact economy, this would mean rethinking what is measured, who decides, and how legitimacy is earned. Jordan's experience illustrates both the need for and the challenge of this transition. Without investment in knowledge production, narrative sovereignty, and institutional support, localisation risks becoming aspirational rather than transformative. The next chapters examine how Impact Jordan has been navigating this terrain—and what lessons their path holds for the region.

While the distinction between contextualisation and localisation offers a conceptual map for navigating global frameworks, it raises a deeper question: what are the actual ethical foundations that could anchor localisation in Jordan? Rather than importing normative models, this chapter turns inward—exploring indigenous ethical economies already present in Jordan's religious, tribal, and cultural heritage. These traditions offer not only ethical coherence but deep-rooted legitimacy, which are essential to any locally owned impact ecosystem.

⁴ Multiple scholars and institutions have noted the insufficient empowerment of universities and civic institutions across the Global South, particularly in the Arab and Islamic worlds, to theorise or teach localised ethical approaches to finance. Chronic underfunding, limited academic freedom, and donor-driven knowledge agendas have left many institutions unable to develop indigenous frameworks grounded in local values (Hasan, 2008; Ramadan, 2004; UNDP, 2003; Asutay, 2007).

III. Indigenous Approaches to Ethical Finance

Jordan offers a unique ethical and cultural landscape for the localisation of impact finance. This chapter explores the ethical foundations of systems—specifically, Islamic finance, tribal social structures, and relational conceptions of wellbeing. It also considers the limitations of these foundations in the absence of strong epistemic institutions.

Islamic Finance: A Spiritual and Legal Infrastructure

Islamic finance stands out as the most developed indigenous ethical economic system in Jordan. Rooted in the objectives of Islamic law (maqāṣid al-sharīʿa), it offers a coherent normative framework emphasising justice, equity, risk-sharing, and communal welfare. Principles such as the prohibition of interest (riba), avoidance of excessive uncertainty (gharar), and emphasis on ethical investment resonate with many of the goals of impact finance.

Islamic Finance Principles

Rooted in the objectives of Islamic law (maqāṣid al-sharīʿa), it offers a coherent normative framework emphasising justice, equity, risk-sharing, and communal welfare.



Prohibition of interest (riba)



Avoidance of excessive uncertainty (gharar)



Emphasis on ethical investment

The Central Bank of Jordan regulates Islamic financial institutions, Sharia boards provide oversight and there is growing alignment between Islamic banking and sustainability principles. However, while the system is robust in compliance, its integration into broader impact frameworks - particularly those involving metrics and pluralistic engagement - remains underdeveloped.

Tribal Social Structures: Norms of Trust, Reciprocity, and Honor

Tribal affiliations continue to structure social and economic life in many parts of Jordan, especially outside major urban centers. These systems emphasise kinship, honor, mutual obligation, and informal arbitration. Financial interactions within tribes are often guided by trust, reputation, and collective responsibility, forming a parallel economy of relational accountability.

While these systems are resilient and deeply rooted, they remain largely undocumented and under-theorised in formal impact discourse. Tribal ethics have not been systematised into frameworks for measuring or scaling impact. Furthermore, these structures are heterogeneous, varying across geography and tribe, and may at times conflict with current local aspirations regarding women empowerment or other regulatory norms.

While tribal ethics encompass rich frameworks for mutuality, justice, and risk-sharing, efforts to embed these values into formal financial tools have been sporadic and largely driven by external institutions - often seeking cultural resonance without ceding design authority⁵.

⁵ Efforts to integrate tribal ethics into localised financial instruments have remained limited and externally led. While tribal norms emphasise reciprocity, communal responsibility, and informal trust-based lending, they have rarely been systematically translated into formal financial design. Donor-driven programs in contexts such as Yemen and Jordan have occasionally involved tribal leaders for outreach or legitimacy but stopped short of co-designing financial tools grounded in tribal epistemologies (Lackner, 2017; CGAP, 2020). Studies of pastoralist and tribal communities in Sudan and the Sahel further highlight the disconnect between indigenous financial practices and formal sector inclusion initiatives (Harragin, 2004; Barrett, 2009).

Relational Wellbeing and the Ethics of Care

Beyond formal Islamic or tribal systems, Jordanian society embeds a wide range of relational values in everyday life: family security, social dignity, communal generosity, and spiritual fulfillment. These values often defy conventional measurement. They are expressed through practices of hospitality, mutual aid, and informal social safety nets.

Such concepts could enrich impact finance by expanding the definition of value beyond income, jobs, or enterprise growth. However, these forms of ethical reasoning remain largely invisible to standard frameworks. Without translation into operational tools, they risk being overlooked.

The Limits of Existing Ethical Frameworks

While Islamic finance and tribal systems provide strong ethical anchors, both are constrained by institutional fragmentation and limited cross-sectoral uptake. The predominance of Islamic finance reflected both its internal strength and the epistemic vacuum left by underutilised universities and civic platforms.

Islamic finance emerged as a response to specific historical and moral conditions—particularly the need to align financial practice with Sharia principles in post-colonial Muslim societies seeking economic independence and ethical coherence. Rooted in values such as risk-sharing, prohibition of interest (riba), and asset-backed transactions, Islamic finance offered a powerful critique of speculative and extractive elements in conventional banking. It was also a vehicle for reasserting local moral agency in systems long shaped by external institutions. However, this framework largely evolved within industrial-era paradigms, where the ethical dilemmas centered around financial inclusion, debt avoidance, and equitable exchange—challenges still relevant today, but no longer exhaustive.

The 21st century has introduced new systemic challenges that exceed the traditional design scope of Islamic finance. Issues such as climate risk, ecological limits, gender justice, AI-driven inequality, and globalised data economies pose ethical questions that are less about contractual compliance and more about structural, intergenerational responsibility.

Ethical Challenges



Climate risk



Ecological Limits



Gender Justice



AI-driven inequality



Globalised data economies

Moreover, much of modern Islamic finance has become institutionally mimetic—replicating conventional financial structures with Sharia overlays, rather than innovating from first ethical principles⁶. As a result, while Islamic finance retains moral depth and cultural legitimacy, it often lacks the epistemic flexibility and pluralistic engagement needed to address today's multifaceted crises. In short, Sharia compliance is important but not sufficient. Bridging that gap may require both a return to foundational ethical inquiry and a new dialogue with other moral and philosophical systems.

Universities or think tanks have rarely led in theorising the intersection between ethics and finance. Few curricula exist that equip practitioners to navigate or combine these moral systems. As a result, Jordan's ethical economies remain rich but siloed, morally grounded but not methodologically integrated into impact strategy.

⁶ "Much of contemporary Islamic finance has been based on mimicry of conventional financial products, with superficial modifications to satisfy formalistic interpretations of Islamic legal requirements. This approach has often ignored the ethical underpinnings and socioeconomic objectives of Sharia." Mahmoud El-Gamal, *Islamic Finance: Law, Economics, and Practice* (Cambridge University Press, 2006, p. xi)

Moving Forward: Ethical Integration and Epistemic Revival

To localise impact finance in Jordan meaningfully, these indigenous ethical frameworks should be integrated, expanded, and made visible within formal systems. This requires investment in:



Civic scholarship that systematises tribal and relational ethics



Curriculum reform to equip future impact leaders with ethical reasoning tools



Co-design processes that include Islamic scholars, tribal leaders, and community-based actors in the development of impact strategies, concepts, variables and metrics

Localisation will only succeed if it draws not just from financial capital, but from cultural capital - anchored in the lived ethics of the communities it aims to serve. The next chapter turns to a concrete case: the emergence and evolution of Impact Jordan.

While Jordan's indigenous moral traditions - rooted in Islamic law (*maqāṣid al-sharī'a*), tribal legitimacy, and relational wellbeing - offer a powerful foundation for ethical localisation, the real test lies in how these values translate into institutional practice and how they manage to address the complexity of 21st century challenges.

The next chapter examines this translation into action through the case of Impact Jordan: a living experiment in rethinking metrics, narratives, and ecosystem design and a journey from contextualisation at least in the direction of localisation. It offers insight into how abstract ethical frames become operational in a specific context—and where gaps in infrastructure, legitimacy, and narrative alignment remain. It also demonstrates how value can be derived and realised from the application of global definitions of impact as a foundation for a deeper inquiry on the journey towards localisation.

IV. Impact Jordan – Building an Ethically Grounded Impact Ecosystem

This chapter traces the journey of Impact Jordan members and their efforts to support and strengthen an impact driven economy in Jordan. It explores how Impact Jordan has evolved – from adapting international models and practices (contextualisation) to the beginnings of anchoring its approach in local values, priorities, practices and institutions (localisation).

It is important to highlight that this is not an attempt to document impact in Jordan, but rather explore how the journey and evolution of “Impact Jordan” can offer insights and lessons in relation to localisation and impact. This chapter attempts to demonstrate how Impact Jordan has reached the point of exploring more indigenous conceptualisations of impact such as Islamic finance and Arabic language framing as a means to build a fully localised and integrated impact ecosystem that takes value from a wider range of impact concepts and tools.

As mentioned above, contrary to appearances, Jordan is not at the “noon” of its localisation journey—it is closer to dawn but is well positioned to continue and deepen its journey from contextualising to localising.

Starting the Journey

The beginning of the journey of Impact Jordan is difficult to pinpoint as there have been various, albeit disjointed, impact related initiatives for a considerable time predating the engagement of current Impact Jordan members. These include the launch of Silicon Badia’s Impact Fund or the Amman Stock Exchange joining the United Nations Sustainable Stock Exchanges initiative in 2016, both firsts in the region.

Initial efforts were largely motivated by seeking to establish a more sustainable approach to development financing through exploring ways to tap into new financing sources and developing new financing tools. With the adoption of the 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda many development actors called for a greater role of the private sector in meeting the ambitious goals. By leveraging public or philanthropic capital to de-risk investments and attract private sector participation, blended and innovative finance offered a way to scale up funding for critical infrastructure, social services, and economic recovery in emerging markets under stress, such as Jordan.

In the wake of the war in Syria, its repercussions on the region including the large influx of refugees, traditional support mechanisms, such as basic humanitarian assistance and traditional donor funded programmes, proved inadequate to meet the scale and urgency of the needs in Jordan and the region. This shortfall catalysed greater interest in and the emergence of blended finance as a strategic tool to bridge the financing gap.

In the context of establishing a national level body that could facilitate the emergence of an impact investment ecosystem and greater private sector interest in impact, there were two “tracks” of activity or centres of gravity that emerged out the framing above:



A private sector track. This was led in the early stages by Mary Nazzal under 17 Asset Management (17 AM) and 17 Ventures and later included Andrew Gharaibeh Collingwood and the team at Expectation State (ES) and John Kluge and the team at the Refugee Investment Network (RIN).



A United Nations track, championed by UNDP under the leadership of the then UNDP Country Director, Sara Ferrer Olivella and UN Resident Coordinator Anders Pedersen. Michaela Prokop, Senior Economic Advisor UNDP, Rasha Manna, Senior Impact Lead, Emile Cubeisy, co-founder and Managing Partner of Silicon Badia, a venture capital firm, and later Jean Mulot, Senior Advisor, provided strategic and technical advice.

Both of these tracks shared a number of characteristics, including:

- Both involved mapping different components of impact financing, mapping and assessing across buckets of supply, demand and needs.

- In different ways, both benefited from Government and donor buy-in and support, operating under frameworks such as SDG Impact, the Jordan Compact, the London Initiative and other initiatives and programmes.
- Each had a focus on exploring the application of blended and innovative financing tools as a means to attract greater levels of investment into Jordan.

While for the private sector track the focus was on attracting support from outside the country as opposed to looking at financing opportunities from within, the UN track sought to look at opportunities for greater alignment of existing domestic investments (both public and private) and capital to the SDGs as a first step and building block for establishing an impact ecosystem and for positioning Jordan as an impact investment destination. Yet both were applying impact frameworks developed by international institutions and investors, contextualising offers of support to fit within the specific needs and context of Jordan.

It is important to stress that while in retrospect it is possible to identify “tracks” or different centres of gravity, at the time, these were both elements of a set of activities being delivered by a wider set of actors. It’s also important to highlight that these tracks were often intertwined. As above, these tracks are being highlighted as they relate to the emergence of Impact Jordan as it is today.

A Private Sector track

In response to an increasing interest in private finance for sustainability, in early 2018, 17 Jordan – A Platform for Investing in Sustainable Development was launched by the United Nations Country team and the Good Capital Project (GCP), with partners across finance, private sector, development and senior government representatives. The UN team also explored options for setting up an ecosystem organisation but faced difficulties as the UN is not able to set up independent organisations.

As a result of initial discussions with the GCP, Canada, one of 17 Jordan’s early supporters, expressed strong interest in supporting the development of an SDG-aligned blended finance deal in Jordan. GCP subsequently shifted attention from supporting the establishment of the ecosystem to developing and mobilising partners and to establishing 17 Asset Management (17AM). The local 17AM team was led by Mary Nazzal.

The sector agnostic SDG Growth Fund intended to focus on SDG 5 Gender Equality and SDG 8 Decent Work and Economic Growth aligned investment opportunities with a first loss guarantee to be provided by a development partner.

The design of the fund, led by Mary Nazzal and the team at 17 AM was informed by design sessions with stakeholders from across different sectors in Jordan yet relied to a large extent on global impact frameworks and tools. It was through this process that Mary explored the value of networks such as the Global Impact Investing Network (GIIN) and GSG Impact as obvious impact organisations to benefit from in terms of network, tools and expertise. They were also presented as networks to establish Jordan in the global impact conversation.



Credit: Rich Taylor/DFID

In February 2019, the Governments of Jordan and the UK co-hosted Jordan: Growth and Opportunity, The London Initiative 2019, a major international conference to support investment, growth and jobs for Jordan, aimed at mobilising private sector investment⁷. 17AM organised a session following the conference to introduce the SDG Growth Fund and raise awareness of the opportunities of investing in impact in Jordan. In preparation the Reform Secretariat at the Ministry of Planning and International Cooperation (MoPIC) collaborated with Expectation State (ES) to produce a study to see how Jordan could attract global impact investors⁸. The study reviewed the main industry trends and opportunities with a view towards identifying practical steps Jordan could take. The report identified 50 investment managers with mandates relevant to Jordan drawing on existing networks, desk research and consultations with ecosystem players. The report also called for developing a 'why Jordan' narrative to help focus the offer for investors, impact or otherwise.

As part of Expectation State's study, the team was invited to participate in Beyond Capital's Ifada initiative and the Innovation Finance Fellows Program. The objective of the program is to help aspiring finance entrepreneurs in the design and launch of innovative financial products that help address the finance challenges faced by Jordan and the greater region. It was here that the ES team was connected with Mary Nazzal, one of the cohort of fellows.

The Reform Secretariat team behind the study became instrumental in connecting partners and in ensuring government engagement. As with elements of the UN track described below, there was initial interest in building an account management approach to the identified impact funds by the head of the Jordan Investment Commission (JIC) but after he left the JIC and other Ministers moved on, the initiative was lost and relationships were not maintained.

Building on the work in the lead up to the London initiative and the ambition captured in the Jordan Compact, in 2020 the Refugee Investment Network (RIN) identified Jordan as a priority market for exploring the potential of Refugee lens investment as part of a JICA funded project to conduct market assessments in Jordan and Uganda⁹. There has been a growing interest among governments and international organisations in the private sector potential as an alternative or at least complementary source of funding and delivery of the refugee response. To address the disconnect between what is the presumed experience and the actual experience of starting a business and participating in the economy, the study invested significant time to hear directly from refugee groups and to develop recommendations that reflect the priorities of local communities.

The study was led by John Kluge, co-founder of the RIN in partnership with Mary Nazzal and 17 Ventures and Andrew Gharaibeh Collingwood and ES. One of the key conclusions of the study was that there was a lack of coordination and coherence across the growing impact ecosystem in Jordan. Going further, there was a recommendation to work more formally across the ecosystem with the GSG to establish a National Advisory

⁷ <https://www.gov.uk/government/topical-events/jordan-growth-and-opportunity-the-london-initiative-2019/about>

⁸ The study was led by Expectation State, a founder and taskforce member of Impact Jordan and was funded through the DAJ implemented Jordan Competitiveness Programme.

⁹ The Refugee Investment Network (2022). Data Collection Survey on Refugee-Related Business and Social Investment. The study was funded by JICA.

Board (NAB) for Jordan as a means to promote Refugee Lens investing as a tool for inclusion and investment. This offered an opportunity to complement earlier conversations that Mary Nazzal had begun with the likes of GSG Impact and GIIN on Jordan's participation in international impact networks. The majority of the assessment was conducted during 2021 and published in February 2022, a few months ahead of the UNDP led Seeds of Impact Jordan report (see below).

In terms of practice, these efforts were largely rooted in contextualisation, taking tools and practices from outside of Jordan and the region and attempting to apply them to the challenges in Jordan. The process of design and development of these approaches and tools followed good impact practice, designing from the bottom up and investing resources in hearing directly from those who were expected to benefit from the development of funds and increase in impact investment. It was innovative, but essentially an extension of donor ideas and tools applied to the context of Jordan.

These efforts were also within a wider frame of impact related activity, both public and private, and largely relied on being able to leverage donor resources to fund activities.

A UN track

Momentum behind some of the earlier impact and development finance focused activities of the UN picked up when Jordan was selected as one of the first pilot countries for SDG Impact, a flagship initiative of UNDP designed to equip investors, enterprises, and businesses with tools and frameworks to align investment strategies with the SDGs. The core service lines for SDG Impact Jordan - impact intelligence, facilitation, and impact management and measurement - closely mirrored the global offering. However, recognising a widespread lack of familiarity with the SDGs and opportunities of aligning business and investment strategies to the SDGs among local stakeholders, an additional pillar focused on SDG awareness was incorporated. This component was shaped by extensive consultations and interviews with local businesses and investment funds, helping to contextualise the offering for the Jordanian market. Visuals used (see below) for advocacy focused on highlighting Jordan's progress using global SDG indicators.



With some seed funding from the global SDG Impact team and Global Affairs Canada and as the first pilot in the Arab region, UNDP Jordan developed an SDG Investor map identifying SDG-aligned investment opportunities. The mapping was based on extensive interviews with ecosystem players and investors and outlined policy priorities to enable an impact investment ecosystem to emerge. The mapping identified SDG-aligned investment opportunities areas that continue to be featured also on a global platform alongside results of other SDG investor mapping exercises across the globe. The launch of the SDG investor mapping was scheduled for April 2020 during a two day Prosper with Purpose conference bringing together investors and key private sector players. Sponsors for the conference had already been found but due to the outbreak of COVID-19, the launch was postponed.

With many businesses fighting for survival during COVID-19, a lot of the initial momentum and interest of government as well as the private sector was lost. In the context of the many challenges businesses faced, many questioned that a 'triple bottom line' is possible. Investment priorities and investor priorities had changed. UNDP conducted interviews with investors on how COVID-19 impacted their investment priorities, reviewed and updated the investment priority areas identified and revised the SDG investor map.

In lieu of the Prosper with Purpose conference mentioned above, UNDP organised a series of Prosper with Purpose Webinar Series with prominent speakers from Jordan and abroad. This was followed by a three-day virtual conversation series on Pension Funds – Investing in Resilience in September 2020 co-hosted by SDG Impact Jordan and the Social Security Investment Fund (SSIF), Jordan's pension fund and largest domestic investor. The webinar series brought together leaders in sustainable investment practices from pension funds in the world and provided an opportunity to learn about best practices, recent developments and trends in sustainable and responsible investment practices, hear about risk mitigation strategies and themes in investments in emerging and developing markets. It generated significant interest and inspired also the regional UNDP team to undertake an assessment of ESG and sustainability practices (or absence thereof) in the Arab Region.

In the initial momentum of 17 Jordan, the London Conference and SDG Impact Jordan government leadership was instrumental. The interest and leadership of former Prime Minister Omar Razzaz created greater demand and interest from the leadership of key institutions such as the SSIF, Jordan's largest investor in reviewing its investment strategy (PM Omar Razzaz gave opening remarks at the pension fund webinar series) and within MoPIC as evidenced in the preparations for the 2019 London conference mentioned above. Under his government, the Unit at the PMO reviewing investment priorities also showed strong interest in using the SDGs as a criteria for screening and prioritising investment proposals. Similarly, the former head of the JIC showed great interest in the SDG investor mapping exercise, even requesting some of his senior staff to participate in the development of the SDG investor mapping. With changes at the Prime Ministry level and within JIC as well as frequent changes at the MoPIC, a lot of the initial interest, investments in awareness raising and momentum generated was lost.

Throughout these activities, it was clear that establishing a national level organisation to build and strengthen the impact ecosystem would be required. Building on the relationship between the global SDG Impact team and GSG UNDP reached out to GSG to explore options for support.



In May 2022, Seeds of Impact Jordan—a joint initiative by UNDP Jordan and Beyond Capital—was launched. As the first report of its kind in Jordan, and possibly in the broader region, it explores how ecosystem players, investment funds, and the enterprises they support are beginning to define and integrate impact. The report highlighted that few funds or businesses measure their impact consistently or use metrics to inform strategic decisions or to market it to potential investors, an important opportunity to build on for Impact Jordan.

As with the private sector track, these are activities of contextualisation. There is clear value in the SDG Impact market study and associated initiatives and Seeds of Impact as attempts to capture the value and needs of the impact ecosystem. There was also an attempt to answer the question of impact definition as part of Seeds of Impact based on the views of the ecosystem outside of the SDG framing, but those asked were largely representative of the financing infrastructure rather than the lived ethics and priorities of communities.

Support to the broader financial ecosystem also contributed to this growing momentum.

The Amman Stock Exchange, an early advocate for sustainability, mandated sustainability reporting for ASE 20 companies and began working with the International Finance Corporation (IFC) to introduce climate disclosures. It is also planning to launch an ESG index. A series of webinars and training sessions on Impact Management and Measurement guided by the SDG Impact Practice Standards and the Women's Empowerment Principles were initiated and rolled out with the support of the UN Global Compact, UNDP and UN Women. The training material was developed by Social Value International. SVI also facilitated a training the trainer course with participation from senior staff of the ASE and the Social Security Investment Fund. Several local trainers were subsequently accredited by SVI to deliver SDG Impact Practice training. All training material, which includes a large section on the business case for investing in sustainability and impact was translated into Arabic to ensure greater reach and resonance. These were complemented by training sessions on blended finance in November 2019 in partnership

with Roots of Impact, Convergence and SVI, reaching a range of stakeholders, including Jordan's largest domestic investor, the Social Security Investment Fund, Jordan's pension fund.

Building on the pension fund webinar series organised in partnership with SSIF in September 2020 mentioned above, UNDP in partnership with UN Women and SVI organised a workshop for the CEO and senior management of SSIF on sustainability in December 2021. This was followed by a series of engagements with SSIF senior management and the preparation of a short paper to support SSIF's internal decision making and political buy-in on Making the case for integrating ESG practices and sustainability. The note summarises good practices on how pension funds have started to adopt ESG practices and are moving towards integrating impact and a gender lens into their investment strategies. The paper draws on the experiences shared during the pension fund webinar series, as well as on the joint Arab Monetary Fund and UNDP report Environment, Social, Governance and Sustainable Development Issues for the Arab Pension Funds of February 2022. The paper highlighted the growing global trend, including in the MENA region, of pension funds developing sustainable investment strategies in response to the demand of their members and to investment trends. The paper provided a quick overview of those global trends and of the growing literature on financial performance of sustainable investments. Drawing on the experiences of global stakeholders, it outlined some of the steps to consider for integrating ESG and impact into investment strategies. There was also interest in establishing a peer exchange facilitated through a partnership with the Arab Monetary Fund.

Perhaps the greatest value of the UN track was to put time, effort and resources behind the concept and application of impact across different components of the ecosystem. As the examples demonstrate, UNDP was able to leverage the convening power of the UN to bring together donors, government and private sector actors and point them all towards impact. This built a significant foundation for future efforts to build on. It was also built on an alignment between what the UN and broader development sector was attempting to achieve and the impact ecosystem was wanting to build, namely a diversification in development funding from grants based funding to development financing.

The lenses of impact and the growth of innovative financing tools

Seeds of Impact explored fundamental questions such as: "What does impact mean to you, your fund, or your business?" with ecosystem players, fund managers and businesses they invest in. A significant number of respondents equated impact with job creation, emphasising employment as a top development priority and a primary metric of impact. This underscores not only the centrality of unemployment in Jordan's development agenda but also the need for a more nuanced and comprehensive approach to defining and measuring impact across sectors.

Many funds and accelerators—particularly those receiving financing from donors or international financial institutions (IFIs)—tend to track basic metrics required by their funders, such as the number of jobs created or the number of women employed. While these indicators are important, they often provide a limited view of the broader social and environmental impact and reflect only efforts at contextualisation. However, a growing number of ecosystem organisations, funds, and businesses have begun to adopt more comprehensive and ambitious impact metrics. For example Beyond Capital, through its partnership with the Danish Refugee Council, started to ask different questions to its investee companies reflecting more on the impact they have on communities.

Similarly, with support from the Business Call to Action (BCtA), the National Microfinance Bank (NMB) expanded its impact measurement practices beyond traditional indicators like the number of loans disbursed. NMB began tracking additional metrics, such as changes in the well-being of beneficiaries and their access to educational services. This evolution in approach also spurred the development of new initiatives, including financial literacy programs for women, which not only enhanced the bank's social impact but also helped broaden its client base and expand its market reach.

The tracking of more ambitious impact metrics is still largely confined to social enterprises or philanthropic organisations. Tukiyet Um Ali for instance has recently introduced IRIS+.





The obvious conclusion from the development of the SDG investor maps was that there was a growing amount of impact activity in Jordan across different components of the ecosystem. It demonstrated the importance of building a more coherent, unified approach to impact and more specifically, measurement. It also led to a continuation of the conversation between the UNDP team and GSG Impact about the role that a Jordan NAB might play building that coherence and offer the opportunity to include Jordan in a growing global network of impact focused national level organisations.

It is important to highlight that as each of these two tracks were developing, several innovative financing tools were launched, building momentum within the impact financing ecosystem in Jordan in an attempt to leverage impact finance and innovative financing tools to address Jordan’s most pressing development priorities. Each of these, in different ways have been evolving to take account of more of a localised, rather than contextualised approach. The key lesson in identifying some of these examples is that evolution takes time, just as it has with the evolution of Impact Jordan.

Two examples of this are the Refugee Investment Facility by iGravity and the Danish Refugee Council¹⁰ and the Refugee Impact Bond by KOIS and the Near East Foundation¹¹. Based on local demand and priority given to Sharia compliant financing, the Refugee Investment Facility developed a Sharia compliant product after the initial launch in response to demand which is now being scaled as part of a new global fund that seeks to invest also in other countries in the region. Another key insight from the Refugee Investment Facility’s work is that the impact and cost-effectiveness of job-creation largely depend on the local policy context. In countries like Jordan, where regulations restrict refugees’ right to participate fully in all areas of the economy, it is far harder to identify businesses to invest in that already hire refugees—let alone those able to expand that employment—than in other settings. The Refugee Impact Bond, launched in 2021 is the first ever Development Impact Bond for refugees and is coming to the end of its first tranche of funding in Jordan, allowing for the sharing of outcomes and lessons in the coming months.

Amam Ventures, one of Impact Jordan’s current members, launched an impact fund with a strong gender len¹²s adopting the 2X challenge criteria. Companies should fulfill one or more of the following eligibility criteria: a woman as a co-owner or co-founder in the business (entrepreneurship), 20 to 30% women in senior management (leadership), 30 to 50% women in the workforce (employment) and products or services that specifically benefit women (consumption).

Amam Ventures 2X Challenge Criteria

ENTREPRENEURSHIP	LEADERSHIP	EMPLOYMENT	CONSUMPTION
			
A woman as a co-owner or co-founder in the business	20-30% women in senior management	30-50% women in the workforce	Products or services that specifically benefit women

Other financing innovations launched include a green bond by the Jordan Kuwait Bank followed by a sustainability bond by the Jordan Ahli Bank. Alfanar launched the Anara Impact Capital Fund in Q1 2025 to provide impact investments to high potential businesses with impact, operating in the MENA region with a focus on Egypt, Lebanon, Jordan and Palestine, among others alongside providing support to social entrepreneurs and regional ecosystems¹³.

As these examples demonstrate, alongside and at times intertwined with the two tracks of Impact Jordan origin, there have been and are a growing number of diverse, impact focussed products and initiatives in the market

10 <https://refugeeinvestmentfacility.net/>

11 <https://neareast.org/near-east-foundations-13-5m-development-impact-bond-exceeds-expectations/>

12 <https://www.amamventures.com/>

13 <https://www.alfanar.org/impact-fund>

that are increasingly adapting to the demand for them. This has begun to demonstrate the value of the products from the perspective of localisation, simply because there is an experience and value derived from them beyond theoretical contextualisation. They are being experienced and adapted based on need. This has played a role in Impact Jordan's positioning in the market today, based on what is working, what isn't and how to more effectively share that knowledge, data and insight.

Building Momentum under a single track

With the publication of the RIN's refugee lens market assessment in February 2022 and UNDP and Beyond Capital's Seeds of Impact Jordan in May 2022, both tracks had a natural point to align. Upon doing so, there was an immediate recognition that both groups understood the importance of coordination and coherence across the ecosystem and the opportunity to build towards the establishment of a National Advisory Board with GSG. Therefore UNDP, 17 Ventures, Expectation State, and the RIN began convening more formally to explore the process for a coordinated, ecosystem-level response. This collaboration led to the formation of a dedicated "taskforce" and laid the groundwork for what would become the Jordan Impact Investment Board (JIIB) and eventually, Impact Jordan.

Government leadership had been instrumental in the initial momentum of 17 Jordan and SDG Impact Jordan. However, with frequent changes in key positions a lot of the initial interest, investments in awareness raising and momentum generated was lost. As a result, the taskforce members began to adopt a different approach – engaging with the government on their own terms and focusing on building bottom-up engagement.

There was also a growing recognition of the unreliability of donor funding, again influenced by changes in teams and staffing. This was incrementally building a realisation that donors, who up until this point had supported and funded a number of impact initiatives and support to the ecosystem, did not see the value in financially supporting an ecosystem level organisation to better cohere and coordinate impact activity. Whilst there is no conclusive evidence as part of this research to categorically support this, there is a view that there was a reluctance on the part of donors to fund initiatives beyond their own individual projects and funding priorities and an assumption that the private sector should take ownership, lead and finance such an entity. After one such donor meeting regarding (non)funding for the taskforce, two taskforce members committed to finding alternative funding models outside of traditional donor support. This reality was shaping an internal discussion that wanted a greater degree of independence from donors and donor funding. At this stage, this wasn't an intellectual debate about contextualisation vs localisation but was rather a recognition that there was a growing incompatibility between the dynamism and reliability being called for in the impact ecosystem and the programmes and frameworks built to support it. There was a growing feeling that there was a danger that the impact ecosystem was acting as an extension of the development community rather than offering a point of difference.

In hindsight, it is possible to see the early signs of more localised ambition at the forming of the taskforce. This is best articulated as a growing need for independence. While initial efforts of building the ecosystem relied on donor financing even for the 'private sector' track, there was a growing recognition of not being able to rely on donors and others to prioritise beyond their own priorities and a growing sense amongst taskforce members that the joining of tracks offered an opportunity to work and act more independently. There was also a significant advantage of being able to build on the products and momentum generated under both tracks, particularly the wealth of data, mapping and analysis from the UN supported and led activities. However, the framework for turning the taskforce into a NAB was guided by GSG Impact and required a set of criteria to be met that were globally applied and contextualised, rather than born out of localised, indigenous practice.

Moving towards accreditation

To formalise the taskforce further, it took the name of the Jordan Impact Investment Board (JIIB) with the ambition of representing and advocating for Jordan as an impact investment destination, strengthening the impact ecosystem and drawing together a more coherent narrative for the growing number of initiatives

highlighted in the above section. Following more detailed, combined conversations with the GSG Impact team, initially the JIIB followed the framework and methodology applied by GSG Impact for establishing National Advisory Boards (NABs). There was also more of a focus on the supply of capital, bringing together funds and financing institutions to promote the idea of social outcomes beyond simply commercial returns.

In line with GSG Impact's methodology for setting up a NAB governance structure, the JIIB completed a comprehensive mapping and consultation across the ecosystem, including several focused events and dinners to generate interest, buy-in and local ownership. These engagements validated the need for setting up an ecosystem organisation and helped in identifying champions that could later be invited to join as members and contribute to the advocacy and activities of what would become Impact Jordan.

At this stage, it is important to note that consultations were focused on organisations that aligned with a more minority world / global north conceptualisation of impact, aligning with global frameworks such as the SDGs, impact lens taxonomy, GRI and other such frameworks. This reflected the fact that at this point, the majority of the impact ecosystem was donor or DFI funded and was therefore adapting impact definitions and criteria that aligned with global frameworks as opposed to local ones. It also reflected that there was a gap in any local definition of impact, which would need to be addressed.

The JIIB also reached out to other NABs and taskforces in the region (Turkiye, Egypt, UAE) and beyond (Colombia, Ghana, Nigeria, South Africa) to learn from their experience. These discussions highlighted interest in stronger collaboration of similar entities in the MENA region, in particular between the already established NAB in Turkiye, and players in UAE and Egypt as well as highlighting the emerging understanding of the importance of establishing more South-South collaboration on impact and ecosystem building. An example of this was the establishment of the Africa Impact Investing Group following GSG Impact's Leadership Meeting in Turin, Italy, bringing together African NABs and taskforces in 2022.

As part of the ecosystem consultation, members of the JIIB and wider ecosystem expressed strong concerns regarding the ties between the GSG Impact leadership team and Israel, particularly in light of the absence of a clear position from the Israeli NAB and GSG Impact on the Israeli occupation of Palestine. By following the GSG Impact methodology of building a national level body from the bottom up that is representative of the ecosystem and its needs, it became clear that the body would not be representative if it was accredited with GSG Impact.

In response, Impact Jordan made an intentional decision not to seek accreditation with GSG Impact. This was discussed in full transparency with the GSG Impact and remains an evolving conversation. Based on the experience of Impact Jordan and conversations across the region, it is understood that this decision has resonated with other impact focused organisations. This has influenced decisions of other NAB taskforces not to accredit, positioning Impact Jordan as a catalyst for a more locally grounded and localised approach to impact and consideration of justice as a critical lens. At the time of writing, there are no NABs formerly accredited with GSG that represent Arab countries. The ongoing genocide in Gaza, as discussed further below, has only deepened this awareness and reinforced the need for critical reflection on global partnerships and representation within the impact ecosystem.

This process demonstrates the tension that there can be between contextualisation and localisation. The GSG Impact process is a well-tested and applied process across approximately 70 countries, including many now in the majority world / global south. The accreditation process offers a valuable framework and roadmap for establishing NABs that are representative of the ecosystems they serve. However, if the organisation doing the framing is unable to adequately address the concerns of the countries it is seeking to include, the concept of representation is eroded.

In this instance, the JIIB was presented with a choice - accredit with an organisation and global movement that offers network, tools and credibility but is at odds with the values of the impact ecosystem in Jordan - contextualise, or go alone and build an organisation that is rooted in the values of the ecosystem it wants to represent - localisation.



CONTEXTUALISATION

Accredit with an organisation and global movement that offers network, tools and credibility but is at odds with the values of the impact ecosystem in Jordan

LOCALISATION

Go alone and build an organisation that is rooted in the values of the ecosystem it wants to represent - localisation

The beginning of localisation

As one taskforce member expressed, the decision not to accredit with GSG Impact was “liberating”. Up until this point, all activity, rightly or wrongly, had been focussed on achieving accreditation as the ultimate goal. This included an encouragement to incorporate as an organisation, build a membership model and establish a governance structure and path to sustainable funding. These are all important things for any organisation to do and based on lessons and experience that have been gathered and shared by GSG Impact. However, in prioritising these elements, the taskforce discovered that there were more important issues to consider that applied more directly to the specific elements and needs of Jordan. As an example, based on the business regulatory environment in Jordan, it was clear to the JIIB that formal incorporation would be more of a hindrance than an advantage. There was also a growing realisation that whilst there was a significant amount of impact activity taking place across a range of different products and initiatives, there was no real shared definition of impact. This question: how do we define impact in Jordan - became the root of a more intentional appreciation of the importance of adopting a localisation approach.

There was a localising effect associated with taking a stand on GSG Impact’s position on Israel. In informal conversations with others in the region, this issue was and is increasingly raised in relation to GSG Impact based on interviews as part of this research. There is a recognition on the one hand that GSG Impact does important work across the world, supporting the building of impact ecosystems and movements. However, there is also a recognition that despite significant efforts to adapt the conceptualisation of impact from one rooted in the minority world / global north to one that is more rooted in and relevant for the majority world / global south, the lens of justice and rights, particularly as it applies to Palestine, is not understood. Initially, this realisation began to shape the inclusion of justice as a key component of impact in JIIB conversations. This grew to a more formalised position of communicating the importance of justice within concepts of impact in the region. As this was communicated, it resonated and began to demonstrate the importance of prioritising issues and considerations around impact that resonate within the Arab world as a starting point rather than how to contextualise international frameworks. This caused the JIIB members to question what other issues might be more important within a Jordanian and Arab context in relation to impact and kickstarted a discussion about how to frame the JIIB moving forward.

Empowered to make progress and begin acting as a more formalised organisation with or without accreditation, the JIIB expanded to include a broader range and number of organisations. As of late 2023, JIIB members expanded to include 17 Ventures, Alfanar Venture Philanthropy, Amam Ventures (now Arcan Impact), Beyond Capital, Catalyst, Cewas, Expectation State, Jordan Capital Investment Fund (JCIF), Jordan Strategy Forum (JSF) and the Refugee Investment Network.

In line with the GSG methodology, members were selected based on their own impact activity, practice and credentials, their diversity of experience, but most importantly, their willingness to commit time, effort and resources on a voluntary basis to grow the organisation. While the taskforce was enlarged to more Jordanian organisations such as Beyond Capital, JSF and JCIF and regional players such as Alfanar, the world’s first venture philanthropy organisation, it did not encompass a broader base including Islamic finance providers, universities or think tanks. Most of the new members such as the Catalyst PE, Amam Ventures and CEWAS rely on funding and investments by development agencies and use global frameworks and metrics to track their social or environmental impact.

Incubating with an Existing Organisation

To reduce start-up costs and gain early credibility and scale (without GSG accreditation), it was agreed to incubate the JIIB within an existing organisation following examples like the NAB in Turkiye. After evaluating several options, including the Crown Prince Foundation (CPF), the Jordan Strategy Forum (JSF), and Beyond Capital, the Taskforce selected CPF based on key criteria: alignment with Impact Jordan's mission, governance flexibility, inclusivity, operational capacity, and ability to attract diverse funding. CPF's strong investment in impact-related initiatives such as the Social Impact Council, Naua, and HTU, along with its embedded commitment to social impact and ability to mobilise in-kind resources, positioned it as the ideal host. While not a state institution, CPF's connection to the Jordanian state through the patronage of the Crown Prince lends it important legitimacy in the local context. The CPF also has an established partnership with the JSF which can leverage its own network and resources. The collaboration was formalised through a Memorandum of Understanding signed in July 2024, outlining an incubation period during which CPF supports Impact Jordan's establishment.

Incubation with the CPF coincided with a decision by members to evolve from the JIIB to Impact Jordan. The decision was based on the discomfort with the word "Board" as it reflects a more formal, top down approach and after some debate, it was decided that the removal of "investment" offered an invitation to be more inclusive of a broader set of impact actors rather than ones simply focused on investment. Impact Jordan was born. The change has led to a gradual shift in how and who Impact Jordan engages with. There is a growing focus on engaging more organisations that are working at community level, such as Durrat Almanal for Development and Training and the Badia Fund for Development as well as universities, think tanks and other academic institutions such as the Institute for Critical Thought and the WANA institute that are exploring concepts of localisation in different sectors.

Impact Jordan began increasingly acting like a formalised organisation, representing and advocating on behalf of the impact ecosystem. However, no formal governance structure was developed or adopted. Activities continued to be led by various taskforce members.

Attention quickly turned to a discussion centred on the importance of "Arabising" impact language and concepts. It led to a series of conversations with Khulood Hindiye, a Jordanian impact evaluation expert about the importance of Arabic language in the presentation and understanding of impact. These efforts focused primarily on translating global concepts of sustainability or impact into Arabic not at developing indigenous understanding and metrics of impact as also Khulood's book shows (see Box below).

Box 2: Impact – the importance of Arabic content

There remains a significant gap in Arabic-language literature and contextually tailored tools and frameworks on sustainability and social impact. *What's Next? Measuring and Managing Social Impact*, published in 2024 by Khulood Hindiye, seeks to address this critical shortfall. The book includes an overview of the core concepts of sustainability and its importance for the Arab region. Khulood suggests that the gaps in the Arab region can be classified into gaps in awareness, strategic planning and implementation and gaps in understanding impact and measuring it. The book discusses the five dimensions of impact based on global definitions and standards in Arabic and contains a practical five-step process that explains how to measure and manage impact.

The motivation behind the book stems from Hindiye's observation that, despite substantial financial investments and well-meaning initiatives, tangible and lasting impact on communities and stakeholders remains limited. She critiques the prevalent approach among many companies in the region, where sustainability is often reduced to producing high-level qualitative reports—frequently focused on corporate social responsibility (CSR) activities—with little attention to measurable, long-term outcomes.

Furthermore, she argues that sustainability and sustainability reporting are too often used as branding tools, lacking genuine commitment to transformative change. Hindiye also highlights a critical oversight: the failure to account for unintended consequences, which undermines trust and transparency. With impact investing still in its early stages in the Arab world, many organisations remain unmotivated to adopt innovative, impact-driven business models. Her work aims to shift that narrative by providing both the tools and the language to foster a more impactful and accountable sustainability culture in the region.

The Impact of the Genocide in Gaza

The genocide triggered an unprecedented consumer boycott in Jordan. In the words of an Impact Jordan member 'for the first time the consumer feels they have an impact'. It is also having a profound impact on the meaning of impact and the importance of localising the meaning of impact in the region.

This shift in public behavior reflects more than consumer sentiment - it signals a redefinition of what constitutes legitimate impact in the eyes of the community. The boycott movement has reframed impact as an expression of justice, solidarity, and moral agency, rather than just economic efficiency or social return on investment. It offers a powerful example of how locally grounded metrics - centered on ethical alignment, dignity, and resistance to injustice - can emerge from lived experience rather than external frameworks. In this light, Gaza becomes not just a political rupture, but a catalyst for epistemic realignment: challenging actors across the ecosystem to redefine impact as relational legitimacy, not technocratic output.

Box 3: The Boycott, Divestment and Sanctions (BDS) Movement in Jordan

The BDS movement in Jordan has evolved as part of the broader regional response to the occupation of Palestine. Early support for boycott campaigns in Jordan can be traced back to pan-Arab solidarity movements and grassroots activism opposing normalisation with Israel following the 1994 Wadi Araba Peace Treaty. Civil society organisations, professional associations (notably the Jordanian Engineers and Teachers Syndicates), and student unions played key roles in organising public awareness campaigns and consumer boycotts of companies linked to Israel.

Momentum increased in the mid-2000s following the global launch of the BDS movement in 2005. Jordanian activists aligned more explicitly with the international BDS framework, emphasising calls for boycott, divestment, and sanctions as a form of nonviolent resistance in support of Palestinian rights. Campaigns in Jordan targeted multinational companies complicit in the occupation, protested cultural and academic normalisation, and lobbied against economic cooperation with Israel, especially in sectors like gas and agriculture.

Despite legal and political constraints, the movement has remained active, with periodic surges in support during periods of intensified violence in Palestine.

The genocide in Gaza significantly strengthened support of the BDS movement in Jordan and the region, particularly among youth and grassroots groups, reigniting public mobilisation and boycotts on a national scale. In this context, BDS in Jordan has also come to symbolise broader resistance to foreign economic and political influence, contributing to growing calls for decolonisation and regional self-determination.

In terms of impact finance and impact management and measurement, it also confirmed that justice needs to be an integral part of a localised impact framework in Jordan. It has caused Impact Jordan to consider how to shape and frame responses to boycott towards impact but also begin to ask questions of those businesses that have grown as a result of their competitors being boycotted by consumers and how they might improve their impact offering.

The two examples of exploring Arabic language in relation to impact and how impact relates to justice demonstrate the shift in approach of Impact Jordan. They are more reflective of the issues that the impact ecosystem is rooted in as opposed to issues that are being defined by frameworks and concepts from outside Jordan and the region.

Impact Jordan as a pioneer in the region

Since more formally establishing itself and beginning to internalise the need to localise, Impact Jordan has made solid headway. With support from Alfanar through Impact Europe, Impact Jordan developed and started implementing a strategy focusing on exploring options for and expanding its networks in Jordan and the region and on resource mobilisation. Regionally, Impact Jordan is increasingly regarded as a champion and recognised for starting to go beyond contextualising global frameworks and networks. This has started to result in more attention and collaboration with organisations such as Build Palestine in Palestine and Happy Smala in Morocco but also a growing number of Jordanian organisations that have not defined themselves as being social enterprises or impact driven but are in fact leading examples of those things.

For Jordan, a regional approach to impact investing is crucial due to its relatively small domestic market, limited natural resources and strategic geographic position. Pooling opportunities across the Levant and wider MENA creates the scale that global investors and DFIs look for, making it easier to attract their capital. It is also an opportunity to collectively mobilise sources of capital such as Islamic finance and to help co-create a localised impact framework that reflects Arab markets while still aligning with international standards.

As discussed above, in many respects Jordan has been a champion of sustainability and impact related initiatives. Impact Jordan is well positioned to lead a regional collaborative approach as proposed below. This could build on and amplify the recently established Arab Impact Network. In April 2025, Impact Jordan in partnership with Impact Europe, Happy Smala, a Moroccan impact lab and Alfanar, launched the Arab Impact Network. Although the region's emerging ecosystem conveners have been welcomed and sometimes supported by other regional impact investing networks such as Impact Europe, the Asian Venture Philanthropy Network (AVPN), and the African Venture Philanthropy Alliance (AVPA), the founders of the Arab Impact Network believe that the Arab region needs more targeted representation, stronger connectivity, and culturally tailored strategies and practices.

The Role of Islamic Finance in Localisation

As Impact Jordan increasingly turns toward localised impact practices, examining the role of Islamic finance in this space is a natural progression. This exploration is not new: one member recalls the former CEO of the GSG highlighting the vast potential of Islamic finance to expand the global impact market - if integrated within a broader definition of impact and its tools. UNDP's partnership with the Islamic Development Bank in support of the Global Islamic Finance and Impact Investing Platform further reflects growing interest in this synergy¹⁴.

The rationale is clear. Islamic finance is valued at an estimated \$2.7 trillion globally, compared to \$1.6 trillion for the impact investment market. While only 1–2% of global impact capital is allocated to MENA, the region accounts for 77% of global Islamic finance deployment—underscoring the relevance of this alignment.

\$2.7 TRILLION

Islamic Finance global value estimate

\$1.6 TRILLION

Impact Investment global value estimate

1-2%

Of global impact capital allocated to MENA

77%

MENA Islamic Finance deployment

Impact Jordan has therefore begun exploring how Islamic finance can be mobilised for impact from a starting point of localisation, seeking tools and mechanisms that resonate with community needs. In doing so, it is uncovering promising blended approaches that fuse Islamic financial principles with impact goals rooted in local priorities.

Becoming a Knowledge Hub

Research conducted by taskforce members such as the RIN's Data Collection Survey on Refugee-Related Business and Social Investment, Expectation State's Impact Investment in Jordan or Beyond Capital's and UNDP's Seeds of Impact initiative as well as the research conducted as part of this report have affirmed Impact

14 <https://gifip.org>

Jordan's emerging role as a hub for knowledge creation and dissemination. It has also demonstrated that Impact Jordan's value is defined by its ability to keep moving, evolving and iterating, focusing on issues that resonate regionally and offer a blueprint for others to discuss and follow.

Moving forward, Impact Jordan is keen to build a network of regional think tanks, universities and experts to explore the following issues further:

- Mapping of main Islamic Finance players and tools (zakat, waqf, suquq, etc.) in Jordan and the region with a view towards exploring opportunities for greater collaboration in support of a just and sustainable economy.
- What other sources of cultural norms/ethical frameworks are there? Who works on these?
- What are the concepts, variables, and metrics needed for a localised approach in support of a 'just and sustainable economy'?
- To what extent are these concepts, variables and metrics compatible with international standards, like GRI and IRIS+? What adaptation or adjustments might be needed? What approaches are possible for these systems to constructively interact?

V. Institutional Pathways: Roles of Government, Intermediaries, and Epistemic Institutions

Localisation is not a spontaneous phenomenon—it must be cultivated, supported, and protected through institutional architecture. This chapter identifies the key actors and governance mechanisms necessary to develop and sustain a localised impact finance ecosystem in Jordan. It focuses on three domains: government and regulatory leadership, intermediary and ecosystem coordination, and the revival of epistemic institutions. It offers a pathway for Impact Jordan to follow in terms of support, launching off from the place Impact Jordan currently resides, as documented in the previous chapter.

Box 4: Prototype Illustration: localised impact indicators in education (draft use case)

To translate ethical localisation into practice, this report proposes a prototype structure for sectoral impact indicators. The example below shows how education impact might be measured using values from Islamic finance (justice, stewardship), tribal norms (reciprocity, intergenerational duty), and relational ethics (dignity, care):

ETHICAL PRINCIPLE	SAMPLE INDICATOR	MEASUREMENT METHOD
Justice (‘adl)	% of scholarships allocated to underserved tribal or rural areas	Equity audit of education financing
Reciprocity (muruwwa)	Number of mentorship hours provided by alumni to local students	Community reporting & participatory logbooks
Dignity (karāma)	% of students reporting respectful treatment by teachers	Values-based student satisfaction surveys
Stewardship (amāna)	Proportion of education budgets aligned with SDGs and maqāṣid goals	Budget alignment analysis + qualitative review
Intergenerational equity	Share of curricular content on climate, ethics, and social duty	Curriculum content review

This example provides a preliminary template for sectoral localisation. Similar approaches could be adapted to finance, healthcare, or social protection, co-designed through participatory workshops with scholars, tribal leaders, and affected communities.

Government and Regulatory Leadership

The role of the Jordanian state—especially the Central Bank and affiliated ministries—is pivotal. Governmental bodies shape the rules, incentives, and legitimacy of financial innovation. While the Central Bank of Jordan has demonstrated progressive leadership in Islamic finance regulation, green finance policy and other innovative financing tools, its engagement with impact related initiatives remains limited¹⁵.

¹⁵ CBJ has been a pioneer in the region in promoting innovative financing options and financial inclusion with the goal of achieving significant economic impact. This includes the Financial Inclusion National Strategy, FinTech Vision, FinTech Regulatory Sandbox, and its collaboration with universities to improve financial literacy. These initiatives aim to support the development of financing tools and services that meet market needs, such as payment options, crowdfunding, supply chain finance, KYC systems, and credit scoring.

To foster ethical localisation, regulators must move beyond compliance and toward facilitation. This includes:

- Enabling Islamic and impact-aligned financial products
- Supporting experimentation with ethics-first metrics and community accountability frameworks
- Incentivising localised investment vehicles rooted in trust-based finance
- Endorsing new forms of due diligence and risk assessment that include social legitimacy, not just financial exposure

Regulatory clarity and narrative alignment from state actors will be essential for de-risking ethical innovation and anchoring it in public legitimacy.

Intermediaries as Ethical Brokers

Intermediaries—such as accelerators, fund managers, and advisory platforms—have played an outside role in Jordan’s impact ecosystem. Organisations like Beyond Capital, Amam Ventures, and Alfanar have convened stakeholders, piloted new metrics, and tested inclusive finance models.

To transition from contextualisation to localisation, intermediaries should act not only as technical brokers, but as ethical translators. This would involve:



Embedding local epistemologies into investment selection and advisory processes



Co-designing tools with community actors and Islamic scholars



Building participatory evaluation structures that affirm dignity, agency, and trust

Intermediaries can become the connective tissue between formal finance and informal ethics - provided they shift from performance optimisation to value articulation.

Epistemic Institutions: The Missing Pillar

Perhaps the most critical—and currently weakest—pillar of the localisation agenda is the epistemic infrastructure. Jordan’s universities and think tanks have not played a leading role in theorising impact finance, indigenous ethics, or development paradigms. Curricula remain technical, with limited engagement in ethical, narrative, or culturally situated inquiry.

This vacuum should be addressed through:

01

Establishing interdisciplinary centers focused on ethical finance, decolonial theory, and narrative development

02

Embedding localisation frameworks into public administration and business education

03

Creating research agendas that foreground maqāṣid al-sharī‘a, tribal legitimacy, and relational wellbeing as legitimate fields of study

04

Incentivising collaboration between academics, practitioners, and local leaders

In the absence of this knowledge infrastructure, localisation risks remaining rhetorical. With it, Jordan can become a global leader in defining a post-colonial, ethically anchored impact ecosystem.

The institutional reconfiguration needed to sustain ethical localisation within Jordan opens a broader horizon: how might these principles scale regionally? The next chapter explores how shared ethical traditions—rooted in Islamic, tribal, and postcolonial legacies—can provide the foundation for a regional compact on impact finance. This compact aims not only to align metrics, but to reclaim narrative authority across the Arab region.

VI. Toward a Regional Collaborative Initiative: How Jordan's Model Could Inform a Broader Arab Ethical Finance Movement

Impact Jordan and Jordan's experience more broadly, while specific to its context, holds a wider degree of relevance for the Arab region. Its emerging attempt to reconcile Islamic finance, tribal ethics, and localised metrics illustrates a possible blueprint for reimagining impact finance beyond donor-driven paradigms. As ethical realignments ripple across the Arab world - especially in response to shifting geopolitical narratives and post-crisis reorientations - there is an emerging opportunity to build a regional compact grounded in shared values, mutual legitimacy, and ethical autonomy. This also presents a chance to rebalance the impact movement—aligning donor support more equitably with the priorities of local organisations and actors.

Ethical autonomy does not imply isolated or incompatible models, but rather context-sensitive frameworks that remain interoperable through shared principles and coordination mechanisms. Coherence across the region could be achieved through a modular regional framework - one that anchors national definitions of impact in commonly held ethical foundations (e.g., *maqāṣid al-sharī'a*, communal stewardship, dignity) while allowing for adaptation based on local narratives, governance structures, and institutional capacity. Mechanisms such as regional working groups, mutual recognition of local standards, and a common values-based impact taxonomy could help ensure consistency without imposing uniformity. This would allow countries to retain narrative sovereignty while contributing to a shared regional ethical compact.

Why Regional Collaboration Matters

The region is grappling with converging crises - economic and environmental fragility, institutional mistrust, and deepening inequalities - yet also with rising demands for dignity, justice, and epistemic sovereignty. A regional collaborative initiative could:

- Assert moral agency in development financing, resisting extractive conditionalities
- Create interoperability among localised metrics rooted in shared traditions (e.g., *maqāṣid al-sharī'a*, communal legitimacy)¹⁶
- Attract diaspora capital and South-South partnerships aligned with justice-first investment
- Foster institutional collaboration across borders in ethical finance and knowledge production

Foundations for Regional Coherence

Despite differences in political and regulatory systems, many Arab countries share foundational moral vocabularies. These include:

- Islamic legal and spiritual frameworks
- Tribal governance traditions and communal norms of reciprocity
- Post-colonial critiques of Western development models

These commonalities can serve as scaffolding for a regionally grounded ethical compact—one that acknowledges cultural diversity while affirming shared priorities around trust, dignity, and stewardship.

¹⁶ This could be achieved through the co-development of shared ethical taxonomies, cross-border validation protocols, and benchmarking tools that translate indigenous values into measurable dimensions (e.g., trustworthiness, dignity, intergenerational equity). One possible model is the ASEAN Taxonomy for Sustainable Finance, which allows for national discretion while anchoring a shared regional framework. Similarly, a pan-Arab compact could build modular metrics anchored in ethical commonalities but adaptable to local narratives and legal systems.

Jordan's Role as Ethical Pathfinder

Impact Jordan is well-positioned to participate in and lead such a regional collaborative action. Its relatively agile institutions, early adoption of impact finance language, and moral authority in regional crises (e.g., Gaza) allow it to convene actors from across the Arab world. CPF, SSIF, and Jordan-based intermediaries can help prototype ethics-first frameworks and invite peer exchange with actors in Egypt, Lebanon, Morocco, and the Gulf.

This compact need not be formal or top-down. It could begin as a series of co-learning circles, knowledge exchanges, and mutual standard-setting efforts across civil society, public institutions, and faith-aligned financial actors.

Strategic Enablers

To make such a compact viable, several conditions must be cultivated:



Narrative convergence:
Build a shared discourse around localisation, decolonisation, and ethical sovereignty.¹⁷



Knowledge diplomacy:
Promote collaboration among universities and policy centers in the region.



Diaspora engagement:
Channel moral investment from Arab diasporas into regionally defined vehicles.



Global South alliances:
Align with ethical finance movements in Malaysia, Indonesia, and sub-Saharan Africa to amplify voice and legitimacy.

This regional turn is not about exceptionalism—it is about moral pluralism. A regional collaborative effort grounded in Arab ethical economies would not reject global impact logic, but enrich it. It would foreground dignity and relational ethics where others emphasise output. And it would reaffirm that development, to be just, must begin with those it claims to serve.

CONCEPTUAL COMPARISON: ETHICAL LOGICS IN FINANCE

DIMENSION	WESTERN LIBERAL (ESG/SDG)	ISLAMIC FINANCE (MAQĀSID AL-SHARĪ'A)	TRIBAL/COMMUNAL ETHICS
Source of Legitimacy	Universalism, market rationality	Divine law, spiritual accountability	Customary law, social cohesion
Core Moral Language	Sustainability, rights, equality	Justice, stewardship (amāna), dignity	Honor, obligation, mutual duty
Actor Relationship Model	Individualist, contractual	Collective, stewardship-based	Kinship-based, relational
Decision-making Authority	Technocratic, institutional	Religious scholars, community boards	Elders, consensus-based

¹⁷ For example, the emergence of the “Islamic economy” discourse—driven by Malaysia, the UAE, and Indonesia—successfully reframed ethical finance, halal industries, and sustainability under a unified values-based banner. Through regional conferences, standards bodies (e.g., IFSB), and state-supported media narratives, this framing enabled diverse actors to converge around shared moral and economic objectives without requiring identical institutional models. A similar effort, grounded in Arab ethical vocabularies, could help reorient regional impact finance toward indigenous legitimacy and justice-first logic.

Primary Accountability	Shareholders, regulators	God, Ummah (community)	Clan, tribe, extended community
Impact Metrics Emphasised	Carbon footprint, income, gender	Poverty alleviation, halal earnings, trust	Reputation, inclusion, stability
Strengths	Global benchmarks, scalability	Moral clarity, community trust	Deep legitimacy, embedded values
Limitations	Decontextualised, market-driven	Limited pluralism, legalistic tendencies, Lack of sustainability considerations, Limited consideration for environmental challenges, gender-related issues, technology issues ¹⁸	Informal, under-institutionalised

The vision of a regional collaborative initiative grounded in shared moral vocabularies underscores the urgency of institutionalising ethical localisation—not just in theory, but in practice. The final section distills the report’s findings and lays out a strategic path forward for advancing this agenda in Jordan and across the region.

¹⁸ While Islamic finance draws on a robust ethical tradition, it has faced criticism for insufficient engagement with contemporary social and environmental challenges. Scholars note a persistent gap between Islamic ecological ethics and actual green finance uptake (Kamla, 2009; El-Komi & Crook, 2020), as well as limited integration of gender equity in financial access and design (Moghul & Ahmed, 2002; UN Women, 2017). In terms of technology, Islamic finance lags behind conventional counterparts in digital innovation and fintech adoption, with few institutions advancing coherent strategies (IFSB, 2020; Deloitte, 2019).

VII. Conclusions and Recommendations: Synthesis of Findings and Future Directions

This report has examined the rise of impact finance and the journey of Impact Jordan through a broader lens: as a response to the centuries-old struggle to reconcile finance with ethics. From early religious restrictions on usury to the rise of Islamic finance and modern ethical investing, this tension has been addressed in varying ways across time and context. Today, impact finance represents a contemporary technocratic attempt to reintroduce purpose into finance—but often without addressing the deeper question of whose values define impact.

In Jordan, this enduring tension is visible in the reliance on externally driven frameworks—such as ESG and SDG metrics—despite a rich local landscape of Islamic, tribal, and relational ethics. For instance, many impact products launched in Jordan mirror donor priorities rather than local conceptions of justice or legitimacy. Islamic finance remains largely compliance-oriented, while tribal and communal ethics remain underrepresented in formal measurement tools. These gaps illustrate the very dilemma this report has sought to address: the urgent need for ethical localisation rooted in Jordan’s own moral vocabularies.

Through the case of Impact Jordan, we find that global frameworks, while well-intentioned, often falter due to epistemic misalignment. Impact finance, when applied through externally derived metrics, risks undermining incentives for adopting impact, may alienate communities, flatten moral complexity, and reinforce dependency on donor funding or co-financing. Localisation emerges as a necessary alternative—not just to improve technical performance, but to restore legitimacy, dignity, and cultural resonance to the field as well as to open up access to new financing streams.

Localisation is not a technical adjustment—it is a political and epistemic transformation. It asserts the right to define value through the ethical, historical, and cultural vocabularies of local communities. This report has shown that contextualisation—however well-intended—remains tethered to imported frameworks and donor logics. Localisation, by contrast, enables ethical co-creation, institutional legitimacy, and long-term moral sustainability.

At the same time, applying global frameworks can unlock valuable international resources. As Chapter IV shows, the UN’s prioritisation of Jordan’s impact ecosystem mobilised significant support, enabling progress in mapping, measurement, and foundational infrastructure. It also played a key convening role across donors, government, and the private sector. Yet, as one Impact Jordan member noted, a critical question remains: why hasn’t the private sector fully stepped up to finance and lead the development of the impact ecosystem? Based on this study, some reasons for this might include:



Incentives. The private sector still operates largely based on a commercial bottom line. Impact Jordan needs to work with the ecosystem to identify a greater range of incentives. There needs to be a robust answer to the question, from the perspective of the private sector, as to why impact should be invested in and incentives that reward that investment.



Localisation. While some donors are able to align their priorities with those of the private sector in Jordan and Impact Jordan as an organisation, there is still a misalignment in terms of priorities. Impact Jordan needs to work to bridge that gap through its activities and empower the private sector to grow in ownership. A particular contribution shall focus on addressing the questions raised by this report regarding Islamic Finance and tribal values and frameworks and their interactions with Western concept of Impact.



Education. As the report demonstrates, much of the impact education in Jordan has been framed around an external understanding and application of impact. As this localised understanding and practice grows, it needs to be communicated widely. This should enable a greater resonance between the conceptualisation of impact being proposed with a wider proportion of the private sector.

Jordan’s experience illustrates both the opportunities and the challenges of ethical localisation. Islamic finance offers a robust ethical grammar. Tribal values offer frameworks of reciprocity and trust. Crisis-induced narrative shifts (e.g., Gaza) have catalysed public moral realignment. Yet these energies remain constrained by weak epistemic infrastructure, fragmented institutions, and a reliance on external validation and finance.

To build a sustainable, ethics-first impact ecosystem, a coordinated institutional strategy is required. The following recommendations are offered to actors in Jordan and beyond:

For Government and Regulators

- Endorse and co-develop ethics-first financial products and metrics
- Create policy space for participatory evaluation and narrative legitimacy
- Incentivise localised capital vehicles and due diligence processes grounded in trust

For Intermediaries and Ecosystem Actors

- Serve as ethical translators, not just technical advisors
- Embed local moral frameworks (Islamic, tribal, communal) into investment criteria
- Expand training for participatory design, relational evaluation, and narrative framing

For Universities and Epistemic Institutions

- Establish centers of excellence for ethical finance, decolonial economics, and localisation theory
- Integrate indigenous ethical reasoning into economics, public policy, and finance curricula
- Support cross-sector research collaborations and regional academic diplomacy

For Regional and Global Partners

- Support Jordan as a testbed for ethics-first impact methodologies
- Enable South-South learning and funding partnerships
- Elevate Arab-localised standards as legitimate and co-equal to global benchmarks
- Build a voluntary regional compact on ethical impact anchored in Islamic, tribal, and communal frameworks
- Host South–South exchanges to co-develop localisation metrics and accreditation standards
- Position Arab institutions as narrative leaders in defining pluralistic impact logic

This report began with a question: Can finance serve meaning without mimicry? The answer lies not only in what is measured, but in who decides what matters. Jordan’s journey is not yet a model—but it is a mirror. The next step belongs to those willing to move from moral vocabulary to financial architecture. And the time to move is now.

Annex I. References

Chambers, R. (1997). *Whose Reality Counts?*

Chapra, M. U. (2000). *The future of economics: An Islamic perspective*. Islamic Foundation.

Donders, Y. (2015). *Cultural human rights: From conceptualization to implementation*. In A. Eide et al. (Eds.), *Economic, social and cultural rights* (2nd ed.). Martinus Nijhoff.

El-Gamal, M. A. (2006). *Islamic finance: Law, economics, and practice*. Cambridge University Press.

Erakat, N. (2019). *Justice for some: Law and the question of Palestine*. Stanford University Press.

Escobar, A. (2011). *Encountering development: The making and unmaking of the Third World* (2nd ed.). Princeton University Press.

Hindiye, K. (2022). *The ethics of endurance: Resilience, dignity, and everyday sovereignty in occupied spaces*. *Arab Studies Journal*, 30(2), 31–54.

Hindiye, K. (2024). *What's Next? Measuring and Managing Social Impact*

Kamali, M. H. (2008). *Shari'ah law: An introduction*. Oneworld Publications.

Kothari, A., Salleh, A., Escobar, A., Demaria, F., & Acosta, A. (2019). *Pluriverse: A post-development dictionary*. Tulika Books.

Mamdani, M. (1996). *Citizen and subject: Contemporary Africa and the legacy of late colonialism*. Princeton University Press.

Mahmood, S. (2005). *Politics of piety: The Islamic revival and the feminist subject*. Princeton University Press.

Mbembe, A. (2001). *On the postcolony*. University of California Press.

Sachs, W. (Ed.). (2010). *The development dictionary: A guide to knowledge as power* (2nd ed.). Zed Books.

Santos, B. de S. (2014). *Epistemologies of the South: Justice against epistemicide*. Routledge.

Annex II. Methodological Note, Interview Themes and Guiding Questions

This report is based on a qualitative, embedded case study approach combining five complementary methods:

1. Historical analysis of religious and philosophical responses to finance across civilisations
2. Narrative tracing of Jordan's impact ecosystem evolution (2016–2025)
3. Document review of SDG investor maps, national strategies, and regulatory materials
4. Key informant interviews with ecosystem builders, funders, and policymakers
5. A participatory validation workshop held in April 2025

The methodology is situated within critical policy analysis and constructivist narrative inquiry, emphasising how legitimacy, value, and meaning are constructed through discourse and institutional behavior.

The purpose of the interviews was to explore perceptions of ethical legitimacy, localisation, and institutional dynamics in the evolution of Jordan's impact ecosystem. The conversations also informed the development of the narrative and ethical framing used in the report.

Theme 1: Understanding of Impact

- How do you personally define “impact” in your work or sector?
- What impact metrics do you/ your business/ your fund/ your organisation currently use?
- To what extent do current impact frameworks (e.g., SDGs, ESG, IRIS+) align with local values or needs?
- What does a successful impact investment look like in the Jordanian context?

Theme 2: Localisation vs. Contextualisation

- How do you understand the distinction between contextualising and localising global frameworks?
- Are there examples where contextualisation has worked—or failed—in your field?
- What would it take to move toward a truly localised approach?

Theme 3: Ethical Anchors

- How do Islamic finance principles inform your decisions, if at all?
- Are tribal norms or informal ethics visible in economic or investment behavior?
- What kinds of ethical frameworks are most legitimate in your view?

Theme 4: Institutional Roles and Capacity

- What role should government play in supporting ethical or localised impact finance?
- Are intermediaries and accelerators equipped to translate ethics into practice?
- What is the role of universities in shaping the moral language of finance?

Theme 5: Crisis and Narrative Shifts

- How has the Gaza war or other regional crises shifted how people think about value and legitimacy?
- Has this had any tangible impact on investment strategies or project selection?

Theme 6: Metric Design and Accountability

- Are current metrics meaningful to the communities you serve?
- What alternative indicators might better reflect trust, dignity, or local legitimacy?
- Who should validate whether impact is achieved—donors, regulators, or communities?

Theme 7: Regional and Global Perspectives

- Do you see potential for regional cooperation on ethical finance?
- How do you view partnerships with actors in the Global South (e.g., Malaysia, Indonesia)?
- What risks do you see in depending too heavily on international frameworks?

Theme 8: Reflections and Future Directions

- What would a decolonised, ethically grounded impact ecosystem look like in Jordan?
- What's missing from the current discourse?
- What institutional shifts are most urgently needed?

Annex III. Glossary of Key Terms

TERM	DEFINITION
Impact Investing	A form of investment that seeks to generate both financial return and measurable social or environmental outcomes. In this report, impact investing is treated as a modern response to the longstanding ethical tension between capital accumulation and moral purpose.
Contextualisation	The adaptation of global tools (e.g., SDGs, ESG, IRIS+) to local settings without fundamentally altering their logic or value system. Often technical in nature and driven by external actors.
Localisation	A deeper reorientation that centers local ethical systems, indigenous knowledge, and moral legitimacy as the foundation for defining impact. It implies epistemic sovereignty and narrative ownership.
Epistemic Infrastructure	The institutional systems—such as universities, think tanks, and civic knowledge platforms—that produce, legitimise, and transmit frameworks of meaning, ethics, and value in a given society.
Maqāṣid al-Sharīʿa	The objectives or higher intents of Islamic law, which include justice, welfare, dignity, and communal wellbeing. These principles serve as a foundational framework for Islamic finance and ethical governance.
Narrative Legitimacy	The perceived moral coherence and cultural resonance of a framework or policy, judged by how well it aligns with the lived values and historical narratives of a community.
Ethics-First Framework	A localised approach to impact finance that places ethical purpose and legitimacy above technical metrics, often co-designed with communities and rooted in religious or indigenous moral orders.
Refugee Lens Investing	An approach to impact investing that focuses on refugee-led enterprises and integration into host economies, emphasising agency, resilience, and ethical partnership over vulnerability or charity.
Tribal Legitimacy	The social and moral authority derived from tribal customs, communal obligations, and relational norms of honor, trust, and dispute resolution—especially relevant in contexts like Jordan.
Epistemic Sovereignty	The right and capacity of a community or society to define what constitutes knowledge, value, and legitimacy within its own ethical and cultural traditions—often contrasted with external or donor-defined paradigms.
Constructivist Narrative Inquiry	A qualitative research approach that focuses on how individuals and communities construct meaning, legitimacy, and identity through stories and discourse. Used here to trace shifts in impact language and perception.

Annex IV. Localisation Readiness Framework

To facilitate an assessment of the stage of localisation readiness of an ecosystem, a simple tool was developed.

This tool provides a structured way to assess the institutional, epistemic, and narrative foundations necessary to support the transition from adapting global frameworks to defining impact in truly localised terms.

Each domain is scored on a qualitative 4-point scale:

SCORE	DESCRIPTION
1	Nascent / Absent
2	Emerging
3	Functional
4	Embedded/ Transformative

Below uses the tool as applied to Jordan for illustrative purposes.

Localisation Readiness Domains

DOMAIN	DIAGNOSTIC QUESTION	SCORE	COMMENTARY
Ethical Anchors	Are there strong local ethical frameworks (e.g. Islamic finance, tribal ethics) that can ground impact logic?	3	There are strong ethical frameworks but their readiness to co-design an ethical impact framework has not been explored.
Narrative Ownership	Are local actors visibly shaping the discourse on what impact means and why it matters?	3	Impact Jordan and other ecosystem players have initiated pilots such as Seeds of Impact as well as the ongoing IDRC-funded research to understand better what impact means.
Epistemic Infrastructure	Do universities, think tanks, and civic institutions actively produce localised theories of value and justice?	2	There are some think tanks that have initiated related research but epistemic infrastructure largely underdeveloped.
Participatory Evaluation Capacity	Are communities involved in defining, measuring, and validating what success looks like?	2	Some work including by Impact Jordan taskforce members are integrating community engagement in defining and monitoring impact metrics.

Governmental Enablement	Do regulators actively facilitate ethics-based financial innovation and localisation?	2	The Central Bank of Jordan has introduced some guidelines for climate finance.
Intermediary Translation	Are intermediaries capable of translating local ethics into investable practice?	2	Some incipient awareness and capacity but will need incentives and support.
Metric Pluralism	Are alternative indicators (e.g. dignity, trust, family security) being piloted or institutionalised?	1	So far most metrics used are based on global frameworks.
South-South Linkages	Are there partnerships with other regions (e.g. Malaysia, Indonesia) sharing ethical finance logics?	3	
Diaspora Alignment	Are diaspora investors being mobilised around shared cultural or ethical priorities?	1	

Interpretation Guide

TOTAL SCORE RANGE	INTERPRETATION
8-16	Pre-localisation stage – Ethical groundwork may exist but remains informal or disconnected.
17-24	Emerging localisation – Select actors are piloting ethical tools; institutional scaffolding is shallow.
25-32	Localising ecosystem – Infrastructure, legitimacy, and metrics are coalescing.
33+	Ethically grounded impact system – Local actors define and institutionalise impact on their own terms.

Recommended Use

- **Policy Ministries:** Assess readiness for ethical finance policy reform
- **Funders:** Evaluate local ownership before deploying technical assistance
- **Universities:** Identify gaps in research agendas or curricular development
- **Impact Funds:** Tailor due diligence and stakeholder engagement to context maturity

This report was written by Jean Mulot, founding member of Impact Jordan with inputs from Michaela Prokop, founding member of Impact Jordan. Andrew Gharaibeh Collingwood from Expectation State, founding member of Impact Jordan, provided guidance and inputs.

The Arabic translation was revised by Mohammad Ejil with support from Raya Rousan (Expectation State), Nesreen Barakat (Jordan Strategy Forum) and Khulood Hindiye.

Funded by the International Development Research Centre (IDRC), Canada