JORDAN FISCAL REFORM II PROJECT

Quarterly Report
February – April 2012

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CONTENTS

ACRONYMS

ACED	Aqaba Community Development, a USAID project
ACH	Amman Customs House
ACD	Aqaba Customs Department
ACH	Amman Customs House
ADG	Assistant Director General
API	Autonomous Public Institution
ASYCUDA	Automated System for Customs Data
ASEZ	Aqaba Special Economic Zone
CAMA	Computer Assisted Mass Appraisal system
CBA	Cost Benefit Analysis
CBJ	Central Bank of Jordan
CCN	Cooperating Country National (i.e., Jordanian)
CIT	Corporate Income Tax
CITS	Comprehensive Integrated Tariff System
COA	Chart of Accounts
COP	Chief of Party
COTR	Contracting Officer's Technical Representative
CPU	Capital Projects Unit
DCOP	Deputy Chief of Party
DG	Director General
DLS	Department of Lands and Survey
DNG	DAI/Nathan Group
EDP	Economic Development Project, USAID
EOI	Expression of Interest
ERP	Enterprise Resource Planning
FIR	Functional and Institutional Review
FRP II	Fiscal Reform Project II
GATT	General Agreement on Tariffs and Trade
GBD	General Budget Department
GFMIS	Government Financial Management Information System
GL	Golden List
GOJ	Government of Jordan
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit

HE	His/Her Excellency
HPC	High Procurement Board
HR	Human Resources
IMF	International Monetary Fund
HCDM	Human Capital Development and Management
HJC	Higher Judicial Council
ICT	Information and Communication Technology
IEF	Innovation and Excellence Fund
ISTD	Income and Sales Tax Department
IT	Information Technology
ITIL	Information Technology Infrastructure Library
JC	Jordan Customs
JCA	Jordan Customs Academy
JFDA	Jordan Food and Drug Administration
JSMO	Jordan Institution for Standards and Metrology
KAA	King Abdullah II Award
KACE	King Abdullah II Center for Excellence
KPI	Key Performance Indicator
LOE	Level of Effort
LTTA	Long-term Technical Assistance
M&E	Monitoring and Evaluation
MOA	Ministry of Agriculture
MOE	Ministry of Education
MOF	Ministry of Finance
MOICT	Ministry of Information and Communication Technology
MOJ	Ministry of Justice
MOPSD	Ministry of Public Sector Development
MOPWH	Ministry of Public Works and Housing
MOU	Memorandum of Understanding
MOT	Ministry of Transportation
MPA	Mega Projects Administration
MTDS	Medium Term Debt Strategy
MTFF	Medium Term Fiscal Framework
MTO	Medium-size Taxpayer Office
NAF	National Aid Fund

NCC	National Contact Center
OAT	Operational Acceptance Testing
PCA	Post Clearance Audit
PDD	Public Debt Department
PEP	Public Expenditure Perspectives
PFM	Public Financial Management
PGA	Partner Government Agencies
PICARD	Partnership in Customs Research and Development
PIT	Personal Income Tax
PMEP	Performance Monitoring & Evaluation Plan
PMRS	Performance Monitoring and Review System
PPP	Public-Private Partnership
PSD	Public Sector Development
RFC	Regional Financial Center
RFP	Request for Proposal
ROB	Results-Oriented Budgeting
ROG	Results-Oriented Government
SAFE	WCO Framework of Standards to Secure and Facilitate Global Trade
SDI	Service Delivery Improvement
SEPD	Studies and Economic Policy Department
SG	Secretary General
SMART	Specific, Measurable, Achievable, Relevant, Time-bound
SOW	Scope of Work
STTA	Short-term Technical Assistance (Advisor)
SW	Single Window
TCN	Third Country National
TOT	Training of Trainers
UN/CEFACT	United Nations/Center for Trade Facilitation and Electronic Business
UNCTAD	United Nations Conference on Trade and Development
USAID	United States Agency for International Development
WCO	World Customs Organization
WTO	World Trade Organization
YEA	Young Entrepreneurs Association

INTRODUCTION AND SUMMARY

The USAID-funded Jordan Fiscal Reform Project II is pleased to present its Quarterly Performance Report for the tenth quarter covering the period February 1st through April 30th, 2012.

The Jordan Fiscal Reform II Project (FRP II) began on November 1, 2009, when USAID and DAI signed the task order contract under the GBTI II Indefinite Quantity Contract. The project is for four years, with one optional year. The entire five-year period concludes on October 31, 2014.

FRP II operates the following six components:

A. Tax Revenue Mobilization,
B. Public Financial Management,
C. Ministry of Finance Capacity and Organization,
D. Customs Administration and Trade Facilitation,
E. Results-Oriented Government, and
F. Government Financial Management Information System (GFMIS).

ORGANIZATION OF THIS REPORT

As with prior quarterly reports, this report is organized by the six project components. This report includes an annex on capacity building events held during the quarter. The introduction to this report includes project highlights and a summary of work accomplished by component compared to the original work plan.

The six component sections discuss significant achievements and activities carried out during the quarter, and detail on work accomplished as compared to the Third Year Work Plan. Additionally, this report includes a section at the beginning of each component reporting on progress towards Year Three Intermediate Results, which can be reasonably achieved in one year.

OVERALL PROJECT IMPLEMENTATION PROGRESS

We measure the amount of work carried out by the FRP II team in technical areas as compared to the total amount of work planned for the entire work year. The following chart shows that amount of project work performed in this latest quarter as percent of that planned for the year. On an overall basis, the project team has completed 43% of the overall annual workplan. Components C and D are lagging somewhat, while components A, E and F are operating in close proximity to schedule.

RATE OF PROJECT WORK IMPLEMENTATION

Percentage to Complete in Quarter Ten

Bar chart showing Q9 (blue) and Q10 (red) percentages:
- Overall project work: Q9 = 23, Q10 = 20
- Component A: Tax: Q9 = 29, Q10 = 19
- Component B: PFM: Q9 = 28, Q10 = 16
- Component C: MOF: Q9 = 15, Q10 = 18
- Component D: Customs: Q9 = 19, Q10 = 20
- Component E: ROG: Q9 = 18, Q10 = 28
- Component F: GFMIS: Q9 = 26, Q10 = 19
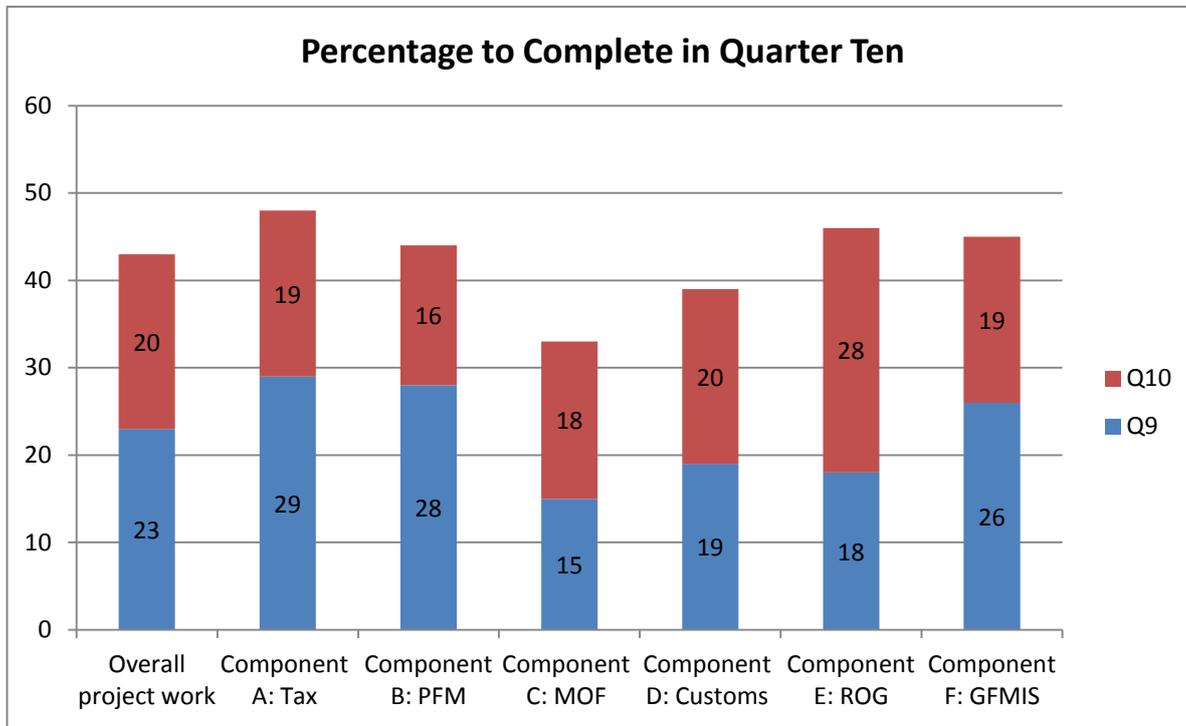
KEY PERSONNEL

Dr. Mark Gallagher, Chief of Party (COP) of FRP II since its inception, resigned from the project in late April. He will be missed! But he leaves a legacy of a great team, and a record of impressive achievement with our government counterparts. Starting in May, Deputy Chief of Party (DCOP) Christina Erickson will be acting as COP, while a new COP is recruited. Fadi Daoud will be acting as DCOP.

PROJECT HIGHLIGHTS FROM THIS QUARTER

This section presents just some of the highlights achieved during the tenth quarter.

Audit Bureau Transition and Accountability Enhancement Study Tour

FRP II has embarked on an ambitious initiative to transform the Audit Bureau from focusing

mainly on financial audits to being capable of conducting performance audits. Major steps have been taken since the beginning of this initiative last year when seven AB employees visited the US on a study tour to landmark performance audit institutions. Later FRP II provided further technical support to the AB through Performance Audit Expert Dr. Kirk Jonas, who provided intensive training and awareness campaigns to Audit Bureau employees on this important responsibility.

Mr. Al Azzam returned from AB Transition and Accountability Enhancement study tour to the US, with four AB senior members March 25th. The participants, three males and one female, engaged in several meetings over five days. The tour program included meetings with U.S. General Accountability Office (GAO), Joint Legislative Audit and Review Commission (JLARC), and PEW Research Center. Their purpose was to receive information from counterpart expert professionals on policies and processes for strengthening AB accountability and transition into performance auditing.

US officials expressed their positive feedback regarding the attentiveness and professionalism of the study tour members. A draft action plan on performance auditing strengthening, report development process improvement and AB accountability enhancement was prepared by the participants by the end of the study tour to facilitate the implementation of knowledge gained during the study tour. Following their return, participants prepared a summary report to AB explaining the experience gained from the trip.

Increased technical work with Minister of Finance
The subsidy removal campaign has been discussed extensively with the Minister of Finance. The aim of this campaign is to assure public concurrence with the necessity of fuel subsidy removal and smooth execution. The main message of the campaign is to clarify that by subsidy removal the GOJ has more available funds to alleviate poverty and address poverty pockets. Technical advice to the MOF team on this campaign was available through Component C Lead Dr. Khalid Al-Hmoud, Outreach & Campaign Advisor Ms. Tulin Bakeer, and Junior Economist Ms. Aida Murad.

In response to a request from the Minister of Finance, an IMF Tax Administration mission visited Jordan during the period March 13-26, to review the overall status of the tax administration and current reforms, and provide advice and recommendations to improve tax administration effectiveness and efficiency. Mr. Bob Wenzel, Component A Lead, and Dr. Al-Hmoud, shared with the mission all relevant documents published by FRP II and all reforms executed by FRP II over the life of the project. Furthermore, Mr. Wenzel and Dr. Al-Hmoud facilitated the mission's logistics before arrival and attended meetings with the Minister, SG, and ISTD DG.

Notably, Dr. Omar Al Zoubi, the former FRP II Economic Advisor to the Minister, was appointed as Secretary General at the Ministry of Finance in February 2012.

Risk Management
FRP II Component D expedited the procurement of eight laptops to support the Risk Management units at each of the following government agencies: Jordan Customs (JC), Jordan Standards and Metrology Organization (JSMO), Jordan Food and Drug Association (JFDA), and Ministry of Agriculture (MOA). The ability for these agencies to analyze information available in ASYCUDA promotes trade facilitation, reduces redundancies, and enhances trading across borders. The computers will give the Units access to the ASYCUDA System, allowing them to identify compliant traders, and harmonize risk criteria to reduce red lane processing and clearance times.

National Contact Center (NCC) Awareness Campaign
The NCC awareness campaign was officially concluded according to the Media Plan prepared by Prisma Marketing and Communications. However, MoPSD and MoICT will continue to use the material produced for the campaign in the future. Government organizations will also continue distributing leaflets to citizens benefiting from their services. FRP II is currently working with Prisma Marketing and Communications, MoPSD, and MoICT on assessing the impact of the campaign.

FRP II WEBSITE ANALYTICS
In this section of this report and subsequent quarterly reports, we present a summary of website traffic during the current and previous reporting period for the English and Arabic sites.

FRP II Website Statistics - English				
	7th Quarter	8th Quarter	9th Quarter	10th Quarter
Total visits	1,113	762	1,174	**1,902**
Page Views				
Total page views	5,896	3,635	6,056	**5,939**
Average page views per visit	5.3	4.8	5.16	**3.12**
Visitor Sessions				
Average time on site	5:58	5:45	07:15	**00:07:12**
Visitors				
Unique visitors	529	408	545	**757**
Visitors from Jordan	84 %	80%	74.36%	**26.10%**
Visitors from the US	7.1 %	6%	12.35%	**57.56%**
Other visitors	8.9 %	14%	13.29%	**16.34**

FRP II Website Statistics - Arabic			
	8th Quarter	9th Quarter	10th Quarter
Total visits	311	289	**419**
Page Views			
Total page views	1,317	1,086	**1,596**
Average page views per visit	4.23	3.76	**3.81**
Visitor Sessions			
Average time on site	6:12	07:01	**00:04:07**
Visitors			
Unique visitors	147	189	**265**
Visitors from Jordan	90%	68.51%	**45.27%**
Other visitors	10%	31.49%	**54.73%**

CROSSCUTTING SUPPORT

In addition to FRP II's six component teams, FRP II's core operations include specialists in outreach, training, event management, IT, and monitoring and evaluation to support the planning, implementation, and evaluation of project activities. This team undertakes a number of activities that directly support the components – these activities are discussed in detail in the relevant components' sections. Other activities are undertaken broadly in support the project as a whole. These include staff and counterpart development, assessments or surveys, outreach efforts and related activities. The major activities carried out in the tenth quarter are discussed below.

KEY ACCOMPLISHMENTS/HIGHLIGHTS FOR THE 10TH QUARTER

Governance, Risk Management and Control

To assist internal auditors within counterparts in implementing best practices in Governance and Internal Audit, especially after the new amendments in the KAA, and in response to concerns raised in areas of control, risk management, and internal audit, FRP II crosscutting KAA Advisor Mr. Mohammad Humash coordinated and organized a training program to address this need. Finance and Administration Director Mr. Fadi Daoud delivered a training in Governance, Risk and Control for 28 participants from GBD, ISTD, Customs and MOF. The content included practices and standards for the public sector in order to match the counterpart's needs. The training improved knowledge among participants and the overall evaluation was in the very good to excellent range. After the training, Jordan Customs reported that they will incorporate Governance, Risk Management and Control concepts using the knowledge acquired by customs trainees. As a matter of fact, 96% of participants recommended to deliver this training to their colleagues.

KAA- Continuous Support

Mr. Humash continued to provide support to FRP II components in areas related to KAA. He facilitated a workshop at MoF for developing a remedial action plan, reviewing approaches related to finance and process criteria, and recommending benchmarking partners for knowledge criterion. He also worked closely with counterparts to identify topics to be benchmarked, suggest benchmark partners, and identify their selection criteria. Mr. Humash was also involved in providing feedback on the Public Private Partnership ROG toolkit currently under development.

FRP II Website

FRP II Outreach team updated the website by uploading two new success stories titled "Study Sets Roadmap for Fiscal Turnaround" and "Government-wide Financial Management System Ensures Controls on Spending, Transparency". The team also uploaded the Arabic PEP presentations and media coverage, and added a policy briefs page which includes 21 documents covering six sectors. These sectors are Budget and Tax, Social Assistance, Education, Health, Water, and Trade and Investment

TOT

The crosscutting team helped organize and execute the third crosscutting Training of Trainers program for FRP II counterparts at the Ministry of Finance Training Center (MOFTC) facilities. The training was provided by FRP II trainers: Ms. Nour Moghrabi, Ms. Safa Jarrar, Mr. Tawfiq Zada and Ms. Tulin Bakeer. Sixteen participants completed the four-day training and received FRP II certificates signed by FRP II and the MOFTC. The program aims at building the capacity of internal trainers at government counterparts to deliver training programs within their areas of expertise, using modern tools and methods.

IT

IT Advisor Mr. Firas Al Sheikh helped the MoFTC in developing their database and migrating their data from MS Excel sheets to a MS Access database. This will improve data entry processes and reporting for the MoFTC management.

COMPONENT A: TAX REVENUE MOBILIZATION

FRP II aims to develop a stronger, more modern tax administration that enforces the law, treats taxpayers with dignity, and operates with lower compliance costs.

COMPONENT EXPECTED RESULTS
Specific long-term expected results under Component A include:
- Taxpayers understand their obligations under the new laws
- ISTD is staffed with well-trained, knowledgeable employees
- Improved taxpayer services
- Increased quality audits conducted
- Fewer Non-Filers and Stop-Filers
- Reduced tax arrears accounts
- Effective anti-fraud program
- Enhanced Information Technology

SMART INTERMEDIATE RESULTS
To achieve these long-term objectives, FRP II Component A established the following list of intermediate results, aiming to achieve them by the end of year three work. Here, we provide an update on Component A's progress following each intermediate result:
- Greater public awareness of the benefits of the new tax legislation; improved ISTD services; and benefits received from taxes
  Measurement: Prisma will provide data to track public awareness
  Tenth Quarter Update: Prisma completed design and production of e-services campaign and an additional media campaign entitled "Together, we build Jordan."
- Improved taxpayer services
  Measurement: ISTD taxpayer service surveys; taxpayer feedback sessions; KAA Mystery Shopper assessment
  Tenth Quarter Update: None
- Lower cost of taxpayer compliance by better and smarter audits
  Measurement: Various Audit KPIs (i.e. % of audits conducted with no tax due).
  Tenth Quarter Update: Latest audit selection percentage is 36% (2% lower). Percentage of VAT audits with no tax due is still a high 90%. Percentage of Income Tax audits with no tax due is 35%.
- Overall improved taxpayer compliance
  Measurement: Increased number of registered taxpayers; higher PIT and CIT productivity; high VAT gross compliance ratio.
  Tenth Quarter Update: Number of registered taxpayers increased by 30%. PIT productivity is 0.06, CIT productivity is 0.11, and VAT gross compliance ratio is 75%.
- Ease taxpayer burden
  Measurement: Timely implementation of cost of compliance recommendations and taxpayer workshop/focus groups recommendations.
  Tenth Quarter Update: Cost of compliance survey recommendations incorporated into ISTD's taxpayers' action plan.

KEY ACCOMPLISHMENTS/HIGHLIGHTS FOR THE 10TH QUARTER

Tax Policy

Component A Lead Mr. Robert Wenzel met with the Acting Director General Mr. Riad Shraideh to discuss the tax laws proposal, which COP Dr. Mark Gallagher has resubmitted to the former Director General Mr. Mousa Mawazreh. The proposal was well received and accepted by the ISTD committee. On the tax regulations, a review conducted by the Tax Administration Advisor Mr. Atef Al Momani revealed a missing section in the regulations, which then were sent back to ISTD for completion. Mr. Wenzel and tax team members met with the IMF Mission visiting ISTD on March 13-26, 2012 on a number of issues regarding tax administration and structure, as well as FRP II'S results in the last period. In the weekly meeting with the Acting Director-General in late March, His Excellency requested Mr. Al Momani to submit a proposal on Sales Tax Law amendments. Mr. Al Momani also assisted ISTD in developing a presentation for a Sudani delegation which visited the Kingdom on April 9 -13, 2012.

Taxpayer Media and Communication

Prisma delivered the final version of the e-services mini-campaign 30-second TV ad, radio, and newspaper ads. Ministry of Finance SG Dr. Omar Al Zoubi put the airing of the campaign on hold.

Prisma presented the second media campaign entitled "Together, we build Jordan", at a meeting with the SG, attended by FRP II Acting COP Ms. Christina Erickson, Ms. Bakeer, HE Mr. Shraideh, and ISTD Audit Supervisor Mr. Mosa Tarawneh. The SG expressed satisfaction with the TV and printed ads, asking for airing them as soon as the Minister gave approval.

In late April, ISTD formed a committee to prepare for the upcoming Islamic tax authorities (ATAIC) conference. FRP II is supporting the organization of this conference. The first meeting was held on April 26, attended by Mr. Al-Momani and Senior Training Advisor Ms. Hayat Al Bow, Chairperson Mr. Bashar Saber and members of the ISTD committee Dr. Wael Akashah, Mr. Hussein Al Momani, and Mr. Mosa Tarawneh. The conference is tentatively scheduled for Septemeber 29th - October 2nd, 2012.

Taxpayer Service

The ISTD formed an ad hoc committee, which includes Mr. Al Momani, KAA Advisor Mr. Khalil Dmour, and Ms. Al Bow, to coordinate with the Ministry of Education to develop a tax education curriculum.

Mr. Al Momani and Mr. Dmour assisted the Taxpayer Services Director in developing a single window action plan. Eight publications, developed with assistance from FRP II, were completed and ready for publishing by ISTD.

Reduce Non-filers, Stop-filers and Tax Arrears

STTA Mr. Arturo Jacobs conducted follow-up field reviews of the three tax compliance programs; non-filers, stop-filers and tax arrears, which have been steadily yielding improved tax compliance results. During his visit from January 19 through March 6, 2012, Mr. Jacobs, together with Mr. Al Momani, Comp. A Program Coordinator Mr. Ahmad Al Dib, Mr. Zaidan from ISTD Debt Management, and Mr. Mosa Daoud from Tax Compliance, visited 11 field offices. Dr. Nasser from the Planning Directorate participated in a number of visits as an observer to develop KPIs for performance management purposes. These joint visits are part of on the job training (OJT) methodology that enables the ISTD team to independently conduct such review visits in the future.

As part of continuously improving the tax compliance programs, FRP II and ISTD developed a joint final report with recommendations. The report was translated by Component A Coordinator Mr. Ahmed Al Dib and edited by Mr. Al Momani and submitted in late April to ISTD management for review, feedback and action. The report will serve as a reference for future

improvements in compliance management. Four additional training sessions on collection were conducted on March 24 and 31, 2012, April 7 and 14, respectively. The target group was ISTD's collection officers in the field. The training was well received and highly assessed.

Anti-fraud

ISTD anti-fraud staff members Mr. Ali Abu Rumman and Mr. Moh'd Batayneh developed fraud recognition material for a series of training sessions beginning in March and ending in May 2012. This comes after attending the presentation skills training held in January 2012 by Ms. Al Bow, which builds the capacities of internal ISTD trainers. The first of a series of anti-fraud recognition training sessions, scheduled between March and May, was conducted on March 10, 2012 for Amman South STO. It was followed by six sessions on March 17, 24, 31, 2012, April 7, 14, 21, targeting Amman North, Amman West, Amman East, Irbid STOs, and MTOs, respectively. The training was well received and highly assessed.

Information Technology (IT)

ISTD's property owner completed infrastructure enhancements necessary to finalize the data center project. ISTD and JDS installed and tested the new air conditioning (AC) system. JDS removed the old ACs, and installed the humidity and fire alarm systems. The remaining work, which includes fixing the cameras and security system, is expected to end in May. Mr. Firas Al Sheikh requested offers from local vendors for care pack maintenance. Mr. Al Sheikh and Mr. Al Momani resubmitted a disposition letter to ISTD to acknowledge receipt of the new hardware. Acknowledgement by ISTD is pending the settlement of the care pack issue.

Human Resources

Mr. Wenzel met with the Planning Director Mr. Surkhi and the head of the newly established Performance Management Unit Dr. Nasser to follow up with the performance management system proposed by FRP II. He also provided them with reference material for review and feedback prior to conducting a performance training session in May. During the latest visit by the IMF Mission to Jordan, ISTD was requested to provide information about the deployment of employees by directorate, position and title. The information was not properly available at ISTD. And so, Mr. Dmour started compiling the needed data and completed a draft report. A request was submitted to the DG's office to this effect and forwarded to the HR to coordinate with Mr. Dmour on finalizing this report. Mr. Dmour also submitted a draft succession plan for the HR department.

Based on the DG's request, Mr. Al Momani submitted a proposal on restructuring of the DG's office for review and feedback.

ISTD Crosscutting Training

ISTD obtained the West Amman STO property owner's approval for finalizing the renovation of the training hall which will be used for various ISTD training programs.

As a follow up to a previous ISTD request, the ISO Lead Auditor training was conducted April 1 through 5, 2012, targeting selected ISTD staff who will play a leading role in ISTD regarding ISO procedures. The trainers were KAA Advisor Ms. Safaa Jarrar and Performance Management Advisor Ms. Ola Zawati.

ISTD nominated five participants who attended the cross-cutting training session on April 10-12 on governance and risk management.

Strengthen Audit

Two ISTD committees completed the development of the bank audit training material on bank allowances and suspended interest. Auditors Mr. Wasfi Tarawneh and Mr. Mohammed Nawayseh were involved in this effort. In addition, with support from Ms. Al Bow, and following the success made in the income tax audit techniques training held last year, Mr. Aktham Batarseh and Mr. Omar Al Sheyyab developed Sales Tax Audit Techniques training material. Bank audit training was held in March 2012. The sales tax training sessions were rescheduled for May 6, 2012 for the ISTD instructors to prepare for the training.

KAA Activities

Mr. Dmour continued to assist ISTD in implementing the KAA remedial plan. With assistance from Mr. Wenzel and Mr. Surkhi, Mr. Dmour developed the training material for the Benchmarking training workshop, which was held on March 19, 2012 for a number of selected ISTD staff. He requested the KAA team members to make internal and external benchmarking studies. Mr. Al Momani asked the DG to form a standing committee for ISTD to update the first benchmarking study with support from FRP II.

Mr. Dmour also reviewed the new requirements for the next KAA round (2012/2013) with ISTD counterparts and urged them to start working on the KAA questions and answers, within a suggested timetable, taking into consideration the previous KACE assessment report. Mr. Dmour conducted a matching exercise of the contents of the paper and electronic versions of the KAA booklets and recommended corrections to the KAA website, which resulted in an appreciation letter from KACE.

Mr. Dmour also met with the Taxpayer Services Director to address the new KAA criteria for best customer service. He conducted a workshop on single-window concept on March 26, 2012 for the taxpayer services employees. In addition, Mr. Dmour held 25 meetings with the KAA criteria leads and developed material for the job description workshop held in April 9, 2012. He conducted two other workshops on job descriptions and mystery shopper on April 9 and 16, respectively.

COMPONENT B: PUBLIC FINANCIAL MANAGEMENT

This section reports on the activities of the Component B Public Financial Management (PFM) Team during the last quarter.

COMPONENT EXPECTED RESULTS

Expected results of the PFM Component include:

- ROB knowledge and application deepened throughout Government of Jordan
- Strategic planning and analysis better informs budget preparation
- Budget format and reporting refined
- Budget and performance data used to ensure accountability
- General Budget Department (GBD) scores more competitively in competition for King Abdullah Award II (KAA).

SMART INTERMEDIATE RESULTS

To achieve these long-term objectives, FRP II Component B established the following list of intermediate results, aiming to achieve them by the end of year three work. Here, we provide an update on Component B's progress following each intermediate result:

- 15 funding recommendations for the reallocation of budget resources to more efficient, effective and responsive activities in 2012 budget
  Tenth Quarter Update: None.

- 3 policy recommendations proposed in the Public Expenditure Perspectives book are adopted
  Tenth Quarter Update: Budget Calendar and forms are being reviewed and will be finalized for the 2013 budget process, after the approval of the 2012 budget, which is pending Parliament review.

- KPI results evaluated and analyzed by GBD as part of the budget preparation process for at least 5 line ministries.
  Tenth Quarter Update: A KPI training course has been designed in accordance with GBD priorities and was delivered to GBD staff and staff in the first two PEP ministries in support of the 2013 budget process. The remaining PEP ministries have all scheduled the KPI training course and it will be provided in the first month of the next quarter.

- 30% increase in the score resulting from KAA assessment of GBD.
  Tenth Quarter Update: None.

- Two performance audit reports are issued and submitted to the Parliament by AB
  Tenth Quarter Update: Three Performance Audit Reports are under review by the technical committee within AB.

- Six quality management procedures are approved and issued by AB
  Tenth Quarter Update: None.

- IFC training package is prepared and ready for use.
  Tenth Quarter Update: None.

KEY ACCOMPLISHMENTS / HIGHLIGHTS FOR THE 10TH QUARTER

During the tenth quarter, Component B achieved considerable progress, both in terms of addressing ways to increase the analytical capacity of the GBD, and in reaching out to new partners in the Audit Bureau. Some of the activities carried out during the quarter are discussed here, and the worktable below records all progress.

Budget Analysis Unit

FRP II hired two interns at the GBD Budget Analysis Unit, who have begun work on their initial assignments, regarding an analysis of preventive health care expenses. This study will examine spending on prevention and on acute health care in order to determine trends and potential areas for trade-offs, which may have budget implications.

Performance Evaluation Study Tour

FRP II, in close collaboration with GBD, identified GBD staff to participate in the upcoming Performance Evaluation Study Tour. Budget Reform and Capacity Building Advisor Mr. Steve Leeds also identified the US government agencies which are equivalent to the PEP ministries. Key staff in the US agencies (i.e., budget directors, program managers, and performance evaluation specialists) were all identified and contacted, and all agreed to provide seminars to the participants of the Tour. The National Academy of Public Administration (NAPA) agreed to provide a seminar regarding public policy issues involving performance evaluation, and the American Association for Budget and Program Analysis (AABPA, the nation-wide professional association for budget professionals in the US) invited the Tour members to make a formal presentation regarding Jordan's budget process at its semi-annual conference of 300 participants. The Tour members developed written summaries of activities in their sectors as well as specific technical questions to be discussed with US counterparts. However, as final logistical arrangements for the Tour were being made, and for reasons beyond the control of the GBD, the MOF cancelled it. An effort will be made to re-schedule it for the Autumn.

Performance Evaluation Working Group

FRP II is awaiting the final list of representatives from line ministries, who have attended the KPI training conducted by Mr. Leeds. Once the list is finalized, and after completing the KPI training, the group will begin its work on following up on performance evaluation in the coming quarters.

Legal Framework for Budgeting

Mr. Leeds is preparing a side-by-side comparison of the main features of three Organic Budget Laws (OBL)– a 2005 draft that was produced in consultation with MOF staff during the development of the FRP project design, the 2008 OBL currently in place, and a 2011 draft developed by FRP II staff. This side-by-side comparison will be completed in the coming quarter and will be provided to the GBD for review and discussion, and the results of that review can be used as the basis for revisions to the 2008 OBL, which preliminary reviews show that it does not address several key issues, or for the development of a new OBL.

KAA Support

According to the remedial plan, KAA advisor Ms. Safa Jarrar provided several KAA training sessions, such as Process Management and Mystery Shopper.

Ms Jarrar continued the advisory work in reviewing and modifying GBD methodologies in areas like strategic planning, process management, customer relationship management and others.

To learn good practices, visits were arranged to different governmental institutions and ministries. During the visits, GBD team members discussed KAA criteria, and difficulties faced and how to overcome them. Team leaders submitted reports to top management with recommendations based on the results of the visits.

Audit Bureau- Performance Audit Pilot Studies

The three performance audit reports led by Audit Bureau (AB) on vehicle fleet management, solid waste management, and government procurement of medicines were submitted to STTA Dr. Kirk Jonas for review and feedback. Dr. Jonas gave feedback to the performance audit teams as well as the AB technical committee responsible for the approval and issuance of reports.

Moreover, the integration between the materials from Dr. Jonas draft Project Team Performance Audit Manual into the Jordan AB draft performance audit manual is in progress. Performance management Advisor Ms. Ola Al-Zawati worked on the integration; six chapters of the manual are ready for review and feedback by the concerned parties at AB.

Performance Audit Pilot Studies Evaluation

As part of the efforts to strengthen performance audit at the AB, Dr. Jonas, PFM Component Lead Mr. Osama Al Azzam and Ms. Al Zawati provided more support to the performance audit working teams that are conducting the three pilot studies. This support includes evaluating the reports for future improvements. During his mission, which took place between the 3rd and 17th of February, Dr. Jonas followed up with the teams, reviewed their findings and reports, and evaluated the strength of evidence collected. The mission included a review of progress in the action plan and an assessment of the team project manual and lessons learned for future performance audits. Recommendations for the improvement and the sustainability of the system were submitted to the AB and FRP II management.

ISO 9001 Quality Management System at Audit Bureau

As agreed in the work plan, his Excellency Audit Bureau President Mr. Mustafa Al Barari formed process owners' team responsible for the review and improvement of current AB processes. Ms. Safa Jarrar, KAA advisor, trained twelve AB employees, including process owners, on process management and mapping. AB ISO 9001 steering committee and Ms. Al Zawati identified major and supporting AB processes as a starting step to map and develop them. Process owners started to build the as-is model for AB processes.

IPSAS Implementation

Mr. Qassem Bashabsheh, the General Account Director at the Ministry of Finance was invited to attend and present at the ICGFM Annual Conference in Miami the Jordanian experience in implementing cash IPSAS. Upon his return, Mr. Bashabsheh will provide results and outcomes of the conference in order to set plans for implementation.

Coordination between General Budget Department and Audit Bureau

A workshop was conducted on the March 14th, 2012 by Dr. Jonas and Budget Reform and Capacity Building Advisor Mr. Stephen Leeds on how performance monitoring by a budget department can be linked with performance auditing. Examples of effective systems that were discussed included Virginia Performs and Utah's Performance Elevated, with references to other state-wide systems of performance monitoring. The training workshop provided overviews of effective performance monitoring systems and the linkage between strategic planning, budgeting, and performance auditing.

Audit Bureau Transition and Accountability Enhancement Study Tour

Mr. Al Azzam returned from AB Transition and Accountability Enhancement study tour to the US, with four AB senior members March 25th. The participants, three males and one female, engaged in several meetings over five days. The tour program included meetings with U.S. General Accountability Office (GAO), Joint Legislative Audit and Review Commission (JLARC), and PEW Research Center. Their purpose was to receive information from counterpart expert professionals on policies and processes for strengthening AB accountability and transition into performance auditing.

US officials expressed their positive feedback regarding the attentiveness and professionalism of the study tour members. A draft action plan on performance auditing strengthening, report development process improvement and AB accountability enhancement was prepared by the participants by the end of the study tour to facilitate the implementation of knowledge gained during the study tour but is not presented yet. Following their return, participants prepared a summary report to AB explaining the experience gained from the trip.

COMPONENT C: MOF CAPACITY AND ORGANIZATION

This component combines strengthening the analytical capabilities of the MOF along with strengthening the overall organization and streamlining and improving its operations.

COMPONENT EXPECTED RESULTS

Long-term component C expected results include:
- Sustained savings in budget resources from improved policy analysis
- MOF producing in-house, polished policy analyses
- Improved management of public and external debt
- Improved government budget oversight and analysis
- Strengthen internal controls in the MOF, and
- Make overall improvements in MOF administration, among others.

SMART INTERMEDIATE RESULTS

- Minister avails himself of analytical and policy support from the project.

  Measurement: More analytical and policy reports produced by project for Minister of Finance.

  Tenth Quarter Update: Produced several analytical reports for the Minister of Finance during the tenth quarter: 1) Economic & Fiscal Monitoring Review for 2011, 2) January – February 2012 Fiscal Monitoring Report, and 3) State of the Economy in 2012

- Improved modeling capacity of Studies and Economic Policy Directorate (SEPD) and developing the directorate's human capital.

  Measurement: Fully operational and functional macro-fiscal model and training of SEPD staff on running and interpreting results of these models.

  Tenth Quarter Update: STTA Dr. Janusz Szyrmer carried out the final training for the core team of the Macro-Fiscal Model as well as having finalized all documentation for the model. The Studies & Economic Policies Directorate (SEPD) at MOF is now fully responsible for updating and running the model.

- Enhanced capabilities of pilot ministries to make decisions about capital expenditures by introducing cost/benefit analysis training programs.

  Measurement: Conduct trainings on Cost/Benefit Analysis (CBA) for pilot ministry staff.

  Tenth Quarter Update: Component Lead Dr. Khalid Al-Hmoud and Capital Projects Advisor Mr. Ammar Jarrar are working on developing the CBA course outline and objectives. Training is set to start soon with the General Budget Department (GBD).

- More targeted training programs geared towards career paths for MOF staff.

  Measurement: Linking training gaps with career paths.

  Tenth Quarter Update: The programming process of the HR database has been completed. The HR Directorate is now fully responsible to update and use the Job Gap Analysis Dataset for career path building and better informed training needs.

KEY ACCOMPLISHMENTS / HIGHLIGHTS FOR THE 10TH QUARTER

Increased technical work with Minister of Finance

Component C Lead Dr. Khalid Al-Hmoud, Ms. Outreach & Campaign Advisor Ms. Tulin Bakeer, and Junior Economist Ms. Aida Murad provided technical advice to the Minister of Finance and his team on the subsidy removal campaign. The aim of this campaign is to assure public concurrence for the necessity of fuel subsidy removal and smooth execution. The main message of the campaign is to solidify that by subsidy removal the GOJ has more available funds to alleviate poverty and spend more on poverty pockets.

Based on a request from the Minister of Finance, an IMF Tax Administration mission visited Jordan during the period March 13-26, to review the overall status of the tax administration and current reforms, and provide advice and recommendations to improve tax administration effectiveness and efficiency. Mr. Bob Wenzel, Component A Lead, and Dr. Al-Hmoud, shared with the mission all relevant documents published by FRP II and all reforms executed by FRP II over the life of the project. Furthermore, Mr. Wenzel and Dr. Al-Hmoud facilitated the mission's logistics before arrival and attended meetings with the Minister, SG, and ISTD DG.

Notably, Dr. Omar Al Zoubi, the former FRP II Economic Advisor to the Minister, was appointed as Secretary General at the Ministry of Finance in February 2012.

Studies & Economic Policies Directorate (SEPD)

FRP II STTA Dr. Janusz Szyrmer completed his mission by providing a final six day training to the core team at SEPD. This team in turn developed the other team members' technical skills in econometric modeling. The core team received the documentation of the final model and ran the Medium Term Fiscal Framework (MTFF) as a scenario in order to submit the output to the MOF staff and the Minister of Finance. This makes the SEPD staff fully equipped and responsible for updating the macro database and running the model. Dr. Szyrmer had his final trip to Jordan, delegating the responsibilities of maintaining the model to SEPD staff.

Former FRP II COP Dr. Mark Gallagher and Dr. Khalid Al-Hmoud led the development of a non-econometric Revenue Forecasting Model to aid SEPD in making more accurate tax and non-tax forecasts and projections. The team working on this, Mr. Amin Al Asoufi, Mr. Amer Ahmad and Ms. Murad, have completed the historical revenue database for the years 2005-2011 and documented the tax policy changes and structure for the past seven years.

FRP II Advisor, Dr. Abdelhakim Shibli, who is now assuming the role of Interim Director for SEPD, advised and presented to the Minister possible scenarios for reducing public debt burden and the associated fiscal risk. Also, Dr. Shibli drafted a study to the Minister on the Jordanian/Australian and Jordanian/Turkish economic ties. Furthermore, Dr. Shibli advised the Secretary General on the Development Policy Loan provided to the GOJ by the French Development Agency (AFD) and the PLL loan from the IMF. He also delivered studies to the Minister and SG on the civil retirement law, the property registration fee and on Euro-money. From his capacity as Acting Director, Dr. Shibli had several meetings relating to: Islamic Sukouk, Tax Exemptions, Household Electricity tariff structure, and many others.

Public-Private Partnership (PPP)

FRP II's Financial Advisor, Mr. Ammar Jarrar, assisted the Ministry of Transport in defining a number of scenarios to re-assess the capital structure of the vehicle that will be responsible for financing and building the National Railway network. Mr. Jarrar also assumed an active role in the mission that took place in Amman during April 2012 by a European-led financing consortium. The mission dealt with the short term options to maintain the phosphate rail transport as part of the first planned phase of the Project.

Mr. Jarrar was also heavily involved in the Light Rail System (LRS) Project by revising the latest set of screening requirements that would open the door for full-fledged negotiations with the investor currently applying for the construction and operation of a light rail system between Amman and Zarqa. This assignment underscores Mr. Jarrar's participation in the Government's technical committee for the LRS Project.

Human Resources (HR) and Training Center (TC) Directorates

IT Advisor Firas Al Sheikh completed the programming process of the MOF HR database. In meetings conducted by Dr. Khalid Al-Hmoud and Ms. Eman Balout with the HR Director, actions were taken to map the process for officially launching the Job Gap Analysis database and train the MOFTC on its use.

KAA Support

KAA and HR Advisor Ms. Eman Balout continued to support the KAA task forces by conducting weekly meetings KAA team members. She also held weekly meetings with KAA Manager at MOF, Mr. Lutfi Abo Hazim, to update him on the progress delivered in each criterion. Ms. Balout developed an action plan for reviewing all process manuals, and a list of required KPI's for KAA's fifth criteria (process, employee's satisfaction, budgeting control and procurement, knowledge management and social responsibilities).

Ministry of Industry and Trade

FRP II Advisor at Ministry of Industry and Trade Ms. Gina Farraj provided daily support to the Minister of Industry and Trade through handling administrative and analytical aspects. Ms. Farraj followed up on and provided feedback regarding the study requested by the Ministry of Industry and Trade on the new investment law, which entailed the framework and mandate of the investment committee. Also, Ms. Farraj continued following up and commenting on the Customs Tariff and Sales Tax Impact Model which measures the socioeconomic impact of tax and tariff exemptions.

Ms. Farraj also prepared a new model for the Bilateral and Regional Economic Integration for the Middle East /North Africa trade and Investment Partnership that was presented during the Deputy United States Trade Representative (USTR's), Ambassador Miriam Sapiro's, visit to Jordan. She also followed up and coordinated with the Economic Counsel in Washington DC on many investment and trade related issues and prepared briefings for the topics on the agenda of the Economic Development Committee for the Minister of Industry and Trade.

COMPONENT D: CUSTOMS AND TRADE FACILITATION

FRP II is working with Jordan Customs, and other Partner Government Agencies (PGAs) involved with border activities, as well as with brokers and the private sector, to modernize customs operations, strengthen staff capabilities, and improve trade across the country's borders.

COMPONENT EXPECTED RESULTS
Long-term expected Component D results include:
- Effective implementation of Single Window procedures
- Improved supply chain security
- Full compliance with international obligations
- Improved Customs client service

SMART INTERMEDIATE RESULTS
To achieve these long-term objectives, FRP II Component D established the following list of intermediate results, aiming to achieve them by the end of year three work. Here, we provide an update on Component D's progress following each intermediate result:
- Expansion of the Customs "Golden list"

    Measurement: Number of new applicants accepted to "Golden list"

    Tenth Quarter Update: Jordan Customs accepted one new company on the "Golden List" bringing the total to 36. JC identified additional compliant companies and marketed the program as an incentive for those companies.

- Development of "Golden List" programs in JFDA and JSMO

    Measurement: Pilot testing of new programs with selected JC Golden List companies

    Tenth Quarter Update: Jordan Customs has assumed responsibility for pilot testing the compliant trader programs in JFDA, JSMO and the MOA.

- Improved Customs client services

    Measurement: Feedback from Internal and External Communications Strategy, KAA

    Quarter Update: FRP II conducted meetings with Jordan Customs' Intelligence Department to document customer complaint processes. JC is preparing a gap analysis for the Distinguished Government Service Delivery Award

- New Customs legislation adopted

    Measurement: Compliance with international conventions, (RKC)

    Tenth Quarter Update: JC submitted final revisions to the proposed amendments to Customs Law to the Legislative Bureau at the Prime Ministry, which gave final approval. Next the draft law will be presented to the Council of Ministers before sending it Parliament.

- Increased risk management capacity

    Measurement: Expansion of Risk Units in PGAs, reduction in the percentage of red lane declarations for both JC and the PGA's

    Tenth Quarter Update: A training course for the PGAs on specialized customs was conducted.

- Expansion of the number of Partner Government agencies participating in the SW

Measurement: Number of agencies increased, number of procedures reduced

Tenth Quarter Update: Three MOU's were signed with JFDA, JSMO and NRC. Two SW locations will be added by Al Karama and King Hussein border centers. Total now is 13 border centers.

KEY ACCOMPLISHMENTS / HIGHLIGHTS FOR THE 10TH QUARTER

During the tenth quarter, Component D has continued to move forward on a number of issues that would enhance the trade environment in Jordan.

Single Window

STTA Mr. William Nolle completed a Mid-Term Assessment of Single Window in March, 2012. He provided a clear view of the current state of JSW and of the steps that must be taken if the long-term scope of full electronic processing is achieved. The assessment report suggests a Master Plan Outline which contains high-level business processes, data flow and user/functional requirements for the Jordan Single Window (JSW).

The Senior Level Single Window Steering Committee (SLSWSC), comprised of the highest level of management in the Tier 1 and Tier 2 PGAs and Jordan Customs, met on 2 April 2012. Action items included, signing the Memorandum of Understanding by the remaining PGAs, agreeing on the short and long term Scope of Single Window, and approving the sub-groups and the Risk Management Technical Committee.

In order to include the trade community in the discussion of the Single Window scope, Jordan Customs invited key members, representing a significant part of the trade community, to a workshop conducted by Mr. Nolle. Participants included the Jordan Chamber of Commerce, Jordan Chamber of Industry, Jordan Export Association, Jordanian Business Association, Jordan Logistics Association, and other clearance and logistics agencies representatives. A second workshop was conducted with the Single Window and Risk Management teams focusing on Single Window benefits to trade, share the progress, and to gain their insight and recommendations.

The JSW data set was mapped to the WCO data model. There were a number of Jordan-specific requirements, particularly in the area of export and transit, not present in the WCO data model. To correct this discrepancy Jordan prepared 146 Data Maintenance Requests (DMR) to modify WCO Data Model Version 3 to meet Jordan, and potentially the requirements of other nations. In March, Jordan Customs was informed that all Jordan DMR's were approved and incorporated into Version 3.1 of the WCO Data Model. This is a significant success to Jordan as it is the first time an Arab country has made a major contribution/impact to the international standards.

Risk Management

FRP II Component D expedited the procurement of eight laptops to support the Risk Management units at each of the following government agencies: Jordan Customs (JC),

Jordan Standards and Metrology Organization (JSMO), Jordan Food and Drug Association (JFDA), and Ministry of Agriculture (MOA). The ability for these agencies to analyze information available in ASYCUDA promotes trade facilitation, reduces redundancies, and enhances trading across borders. The computers will give the Units access to the ASYCUDA System, allowing them to identify compliant traders, and harmonize risk criteria to reduce red lane processing and clearance times.

Aqaba Seaport and Cargo Handling Arrangements
Aqaba is the only seaport in Jordan and the volume processed through Aqaba constitutes a major percentage of Jordan's total volume of imports and exports. In an effort to improve cargo-handling processes at the Aqaba seaport, Component D and Jordan Customs staff conducted an assessment. Jordan Customs has reacted favorably to the report and is developing an action plan to implement the recommendations.

Advance Rulings (AR)
Throughout the past decade, Jordan Customs, partnered with USAID and other donors, has demonstrated a sustained commitment to adopting modernization programs aligned with international principles. These programs include key areas relevant to the World Trade Organization (WTO) Trade Facilitation negotiations, in particular advance rulings (AR). Though Jordan Customs has the legal authority to implement AR, there is evidence that the promotion and implementation of this program could be improved. Component D held an AR assessment and the main conclusions of our assistance:

- Jordan's rulings program, which covers the origin and tariff classification of goods only, has a narrower scope than the proposed WTO agreement, which may cover valuation and other customs questions;

- Jordan's tariff classification rulings are advisory in nature, and are not legally binding as required by the proposed WTO agreement;

- Certain transparency and "due process" elements of the proposed WTO agreement (such as right of administrative appeal, right to be heard before ruling is issued) are not included in Jordan's legislation.

Through increased use of the AR program, Jordan Customs can help reduce administrative barriers, shorten processing times, and decrease red-channel interventions. Improvements to AR will also increase transparency and predictability, and expand public/private sector capacity. AR is a necessary component of trade facilitation to increase efficiency in trading across borders and binding AR can be offered as an incentive for Golden List companies.

Customs Brokers
Errors and delays caused by Customs Brokers have long been identified as the most time consuming impediment in the customs clearance process. Customs Broker Advisor Mr. Fred Levitan conducted a study in order to develop achievable recommendations to overcome broker related factors impeding the customs clearance process.

In his closing meeting with senior Jordan Customs officials and FRP II Component D Lead Ms. Linda Daugherty, Mr. Levitan shared information and suggested recommendations to strengthen JC's authority to regulate brokers.

World Bank Report – Doing Business / Trading Across Borders
Component D worked with a JC team of officials to coordinate gathering the information related to trading across borders for the World Bank Doing Business report for the year 2013. Consolidation of the information met the March 15th, 2012 deadline.

Time Release Study (TRS)
TRS is an important tool adopted by the WCO for measuring performance and identifying bottlenecks in cargo clearance processing at customs houses. FRP II customs advisor Mr. Al-Said provided technical support to the JC team to improve the TRS and continued to assist JC

to define measurement criteria and use the revised WCO TRS model in preparation for the 2012 TRS.

IT Support

To build Jordan Customs internal capacity to manage their Oracle-based ASYCUDA WEB electronic system for trade and data capture, eleven Jordan Customs officials underwent a 40-day/320-hour on-the-job training in Oracle. To eliminate using a third party back-up, Jordan Customs is currently performing planned maintenance in all 36 Customs locations in Jordan. Oracle training courses provided by contractor PALCO enabled the customs department to handle its database related issues internally.

In addition, Java expert Mr. Jalal Kiswani, continues to mentor the JC IT directorate in developing in-house IT systems, which will meet FRP II's objectives in the modernization of JC. Mr. Kiswani is an on-the-job trainer and Java expert following-up with the JC IT team on the daily progress of Jordan Customs Financial System. He is ensuring sound knowledge transfer during the systems development phase, participating with the JC IT team in resolving emerging issues that arise during systems development, and working alongside FRP II IT experts for the purpose of the integration of JC IT systems.

KAA Support

KAA Advisors Eng. Obeidat and Eng. Mohammad Humash prepared and conducted an extensive 1-day training for 21 participants from Jordan Customs on "Knowledge Audit and Knowledge Mapping."

FRP II's Component D with the efforts of KAA Advisors have conducted several meetings and training sessions with KAA criteria knowledge management, leadership, process, and other criterion teams on to enhance and further develop JC's capabilities in KAA. These included introducing and explaining the new amendments accrued to the criteria of KAA, conducting a workshop and a session about benchmarking methodology to all KAA criteria teams, and conducting in-country study tours to best practice and Award-Winner organizations to benchmark results and processes such as Central Bank of Jordan, Ministry of Planning and International Cooperation, and Greater Amman Municipality.

COMPONENT E: RESULTS-ORIENTED GOVERNMENT

The concepts of innovative, responsive and effective government, whether through the better provision of health care services, better designed capital investment projects, or a more taxpayer-friendly tax system, permeates FRP II's approach in all its technical and outreach work. Beyond this, however, FRP II, working closely with the Ministry of Public Sector Development (MOPSD) and the King Abdullah II Center of Excellence (KACE), has developed a specific program to address results-oriented government (ROG) and public sector reform.

COMPONENT EXPECTED RESULTS

Long-term expected results under the ROG Component include:

- Better defined and more effectively performed government role.
- Innovation introduced into government services, capital project design, and government financing
- Increased use of strategic planning, strategic outreach, performance measurements, and linking of planning with actions throughout government.

To achieve these long-term objectives, FRP II Component E established the following list of intermediate results, aiming to achieve them by the end of year three work. Here, we provide an update on Component E's progress following each intermediate result:

- Enhanced awareness about the National Contact Center (NCC) and increased citizens' use of the NCC.
  Measurements: Statistics from the NCC
  Tenth Quarter Update: The report will be finalized during the coming quarter.
- Government institutions become more aware of the need to innovate and encourage innovation.
  Measurements: KAA reports
  Tenth Quarter Update: Statistics should be finalized in the 12th quarter.
- Improved Service delivery in government agencies
  Measurements: Customer Satisfaction Surveys
  Tenth Quarter Update: Statistics should be finalized in the 12th quarter.

KEY ACCOMPLISHMENTS / HIGHLIGHTS FOR THE 10TH QUARTER

Service Delivery Improvement Toolkit marketing and implementation

During the tenth quarter, Component E organized the delivery of four workshops on the Service Delivery Improvement Toolkits. Workshops targeted Human Resources Development Managers and the Organizational Development Managers in 15 different Governmental Institutions and Ministries. Workshop topics covered the following:

- Balanced Scorecards Tool, delivered by Performance Management Advisor Mrs. Ola Zawati
- Benchmarking Tool, delivered by the Excellence Models Advisor Mr. Fares Dahabreh
- Customer Satisfaction Survey Tool, delivered by the Excellence Models Advisor Mr. Fares Dahabreh
- Mystery Shopper Tool, delivered by Institutional Development Advisor Mrs. Safaa Jarrar

National Contact Center (NCC) Awareness Campaign

The awareness campaign was officially concluded according to the Media Plan prepared by Prisma Marketing and Communications. However, MoPSD and MoICT will continue to use the material produced for the campaign in the future. Government organizations will also continue distributing leaflets to citizens benefiting from their services. FRP II is currently working with

Prisma Marketing and Communications, MoPSD, and MoICT on assessing the impact of the campaign.

ROG Toolkit

In this quarter, the ROG Toolkit Consultant, Ms. Martha Marshall, delivered the following draft documents:

- ROG Overview PowerPoint Presentation
- Leading Innovation Tool
- Aligning Results and Roles Tool
- The Program Logic Model and Developing a Chain of Success Tool
- Partnerships to Achieve Results Tool
- Results Oriented Budgeting Tool
- Monitoring, Evaluating, and Learning from Performance Tool
- Innovation Team Tool
- Continuous Improvement System for Results Oriented Government Tools
  ROG Component is currently working with the consultant on finalizing the above draft documents.

Innovation and Excellence Fund (IEF) Support/ Improve Customer Service Units in Social Security Corporation (SSC)

The consultant, Ms. Ahlam Shabaneh, finalized the "Data Collection" and the "Data Analysis" phases of the project. She also delivered the following draft documents:

- Manual for the Customer Service Units' Employees Competencies
- Code of Conduct for the Customer Service Units' Employees
- Performance Appraisal System for the Customer Service Units' Employees
  These documents are currently being reviewed by SSC.

Actuarial Assessment Study

During this quarter, the Actuarial Capacity Building Advisor Mr. Gary Hendricks concluded the actuarial capacity building and profession development assessment. With support from ROG Component Lead Ms. Widad Qutaishat and the SSC team, Mr. Hendricks delivered a report that includes a full assessment of the capacity of the financial sector in Jordan to carry out analytical studies of actuarial work, perform actuarial studies for Government programs, in particular, the Social Security Corporation (SSC) and to build capacity in Jordan to perform professional actuarial studies in the future.

Government Customer Service Excellence Award

During this quarter, the Excellence Models advisor Mr. Fares Dahabreh conducted a specialized training on King Abdullah II Award for customer service. The workshop was held to explain award criteria and the assessment methodology, in addition to explaining participation requirements and winning terms. The workshop was attended by around 41 participants from 13 public sector organizations.

KAA Administration

During this quarter, the Excellence Models advisor Mr. Fares Dahabreh supported KACE through:

- Specialized training on King Abdullah II Award for public sector

  7 training courses on weekly basis to explain each award criterion and the RADAR assessment methodology, participants were given exercises and case studies. These courses were attended by around 126 employees from around 32 organizations

- Specialized training on King Abdullah II Award for business associations (Mark of Best Practices)

1 workshop to explain award criteria and the RADAR assessment methodology, in addition to explaining how to conduct a self-assessment. The workshop was attended by around 23 participants from around 18 business associations

- Give support to customer satisfaction questionnaires team

  Follow up with customer satisfaction surveys company through updating the visits plans, and analyzing results for (43 organizations)

- Give support to Mystery Shopper survey team

  Follow up with Mystery Shopper company through analyzing results for 45 organizations

- NGO's Excellence award

  Assisted KACE in proposing award criteria for NGOs, and held a meeting with sample of targeted NGOs (4) to discuss the proposed criteria and assessment methodology

COMPONENT F: GOVERNMENT FINANCIAL MANAGEMENT INFORMATION SYSTEM (GFMIS)

This section reports on the activities of the Component F Team during the most recent quarter.

COMPONENT EXPECTED RESULTS

Expected results of the GFMIS Component include:

- The GFMIS enables consistent budget preparation and execution processes across all spending agencies
- Government of Jordan, MOF and spending agencies have real time access to financial data to make informed decisions.
- Government financial controls are strengthened
- The GFMIS is installed and utilized by all Government spending agencies.
- The GFMIS project is staffed with well-trained, knowledgeable employees.
- The GFMIS unit provides best practice support to all clients.
- The GFMIS unit undertakes activities that will enhance and extend the GFMIS.

FRP II supports the Ministry of Finance in its introduction of the GFMIS. In particular, FRP II provides the international and local technical assistance to support the proper implementation of the GFMIS and its nationwide deployment during the course of the project. The GFMIS computerizes the entire life-cycle of budget preparation, budget execution, and financial reporting. It also ensures that all state financial resources and transactions are properly accounted for, monitored, controlled, and managed in accordance with existing laws and regulations.

SMART INTERMEDIATE RESULTS

To achieve these long-term objectives, FRP II Component F established the following list of intermediate results, aiming to achieve them by the end of year three. Here, we provide an update on Component F's progress following each intermediate result:

- **GFMIS is operational in Government spending agencies**
  Measurement: GFMIS operational in 30 Ministries and 15 RFCs
  Tenth Quarter Update: GFMIS system is operational in 22 budget institutions (20 Ministry/Department and 2 regional financial centers). During the last quarter, the system was rolled out in batch 4, 5 and 6, which are as the following:

FIGURE 1 ROLLOUT SITES OF THE LAST QUARTER

Batch 4	Batch 5	Batch 6	Comments
Ministry of Interior	Ministry of Labor	Dept. of Antiquities	*Department of Antiquities Rollout is still pending because it is still not connected to the SGN
Ministry of Industry & Trade	Ministry of Culture	Civil Status& Passports Dep.	
Ministry of Social Development	ISTD	Ministry of Justice	

In order to have an idea about the activities done in the last quarter, the table below shows carried out duties:

FIGURE 2 ACTIVITIES DONE IN SITES DURING ROLLOUT

Batch No.	Site	Comm. Event	Fun. Analysis	Setup Analysis	BPR Analysis	Setup Data	App. Setup	Training	Fin. Data	Go Live	Supp & Comp.
B4	Ministry of Interior	Done	Done	Done	Done	Done	Done	Done	Done	Done	In progress
B4	Ministry of Industry & Trade	Done	Done	Done	Done	Done	Done	Done	Done	Done	In progress
B4	Ministry of Social development	Done	Done	Done	Done	Done	Done	Done	Done	Done	In progress
B5	Ministry of Labor	Done	Done	Done	Done	Done	Done	Done	Done	Done	In Progress
B5	Ministry of Culture	Done	Done	Done	Done	Done	Done	Done	Done	Done	In progress
B5	ISTD	Done	Done	Done	Done	Done	Done	Done	Done	Done	In progress
B6	Department of Antiquities	Done	Done	Done	Done	Done	Done	Done	In progress	On hold	-
B6	Civil Status& Passports Department	Done	Done	Done	Done	Done	Done	Done	Done	Done	In Progress
B6	Ministry of Justice	Done	Done	Done	Done	Done	Done	Done	Done	Done	In progress

- **GFMIS team provides system support to all clients**
  Measurement: Help desk software BMC is installed and operational. Support procedures are established based on ITIL and operational standards.
  Tenth Quarter Update: 75% of BMC now is operational externally in the sites that are already using the GFMIS system and internally between the functional and technical teams, while Business Intelligence and BPEL software will be installed in the GFMIS project.

- **GFMIS staff are knowledgeable and considered the "go-to group" for all GFMIS matters**
  Measurement: Skills assessment completed and capacity-building plan implemented.
  Tenth Quarter Update: 2 GFMIS employees attended FRP II TOT program

KEY ACCOMPLISHMENTS / HIGHLIGHTS FOR THE 10TH QUARTER

Functional Team Activities
The team members continued their support in the three batches including introductory sites visits, setup data sheets collection, data auditing, end user trainings, reconciliation of opening balances and site support for the sites that are already using the GFMIS system.

Technical Team Activities
During the last quarter, the technical team continued their work with rollout sites, including data sheet collection, data cleansing and system installation in the rollout sites.
Furthermore, Project Manager Mr. Nasser Khalaf worked on crystallizing the idea of creating reports for senior management and developing the system, in order to adopt the business

intelligence software in the project. Accordingly, the GFMIS technical team met with Intracom Company in order to incorporate these ideas within the Business Intelligence plan and to train the MOF technical team on using these reports later on.

The technical team met the Central Bank management in order to discuss the BPEL software that links and exchanges data between GFMIS and the systems of the Central Bank, ISTD, Customs, and other commercial banks.

In addition, the help desk office handled the issues and the service requests forwarded by the rollout sites users.

FIGURE 3 STATUS OF INCIDENTS OF THE LAST QUARTER
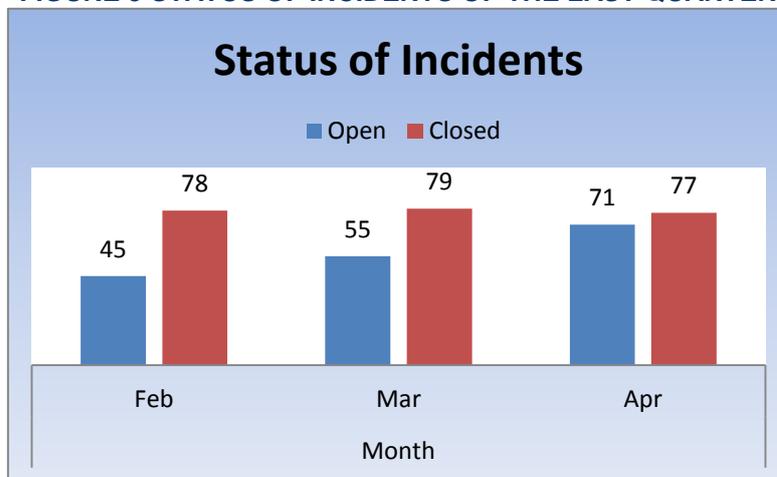
Change Management Team Activities

Reaching to the change management track, the duties related to the batches 5, 6 and 7 were distributed evenly between the related divisions (BPR, communication and training). The **BPR** team conducted introductory visits to the batches, prepared the roles & responsibilities of end user list, create the training needs matrix and finalized the end user completion files for the mentioned batches.

Training was delivered to the concerned batches of this quarter. The table in the next page shows the status of the training during the quarter.

Figure 4 Number of End users Trained During the LAst Quarter

Month	Site	Attendees		
		Total	Males	Females
Feb	Ministry of Interior Ministry of Industry & Trade Ministry of Social Development *Some sites from batch 3 were included in the training (Continuation)	107	-	-
March	Ministry of Labor Ministry of Culture ISTD *Some sites from batch 4 were included in the training (Continuation)	123	79	44
April	Ministry of Justice Department of Antiquities Civil Status & Passports Department *Some sites from batch 5 were included in the training(Continuation)	158	125	33

Regarding the communication track, the team members conducted workshops for the batches 5, 6 and 7. In addition, an important event of GFMIS system launch was done on February. Furthermore, the GFMIS website recorded a good number of visits and website browsing. The tables below give further details of the communications relative achievements:

FIGURE 5 COMMUNICATION EVENTS CONDUCTED OVER THE LAST QUARTER

Month	Site	Attendees		
		Male	Female	Total
February	GFMIS Launch Celebration Ministry of Interior Ministry of Industry & Trade Ministry of Social Developmen	263	73	336
March	Ministry of Labor Workshop Ministry of Culture Workshop ISTD Workshop	53	19	72
April	Ministry of Justice Workshop Department of Antiquities Workshop Civil Status & Passports Department Workshop	84	28	112

FIGURE 6 GFMIS WEBSITE RECORDINGS OVER THE LAST QUARTER

Visits	Unique Visitors	Page Views	Avg. Time on Site
3452	2777	10,486	00:3:17

ANNEX: OUTREACH AND CAPACITY-BUILDING EVENTS

The table below summarizes FRP II formal outreach and capacity-building events that have been delivered during the last project quarter, February 2012-April 2012.

CAPACITY BUILDING

No	Event Title	Venue	No of Participants	Female	Type of Event	Date	Component	Target Group
1	Review of Medicine procurement PA report	AB training room	4	1	Workshop/Seminar	6-Feb	B - PFM	AB staff
2	Meeting the fleet management performance audit team	AB training room	7	1	Workshop/Seminar	7-Feb	B - PFM	AB team
3	Balanced Scored Cards Toolkit Workshop - Service Delivery Improvement Toolkits Workshops	Abdoun Office	22	8	Workshop/Seminar	8-Feb	E - ROG	Human Resources Development Managers & the Organizational Development Managers
4	FRP II Team Building & Work planning	Landmark Hotel	0	0	Workshop/Seminar	9-Feb	Abdoun	FRP II Team
5	Review of Solid Waste Management Performance Audit Report	AB training room	5	0	Workshop/Seminar	12-Feb	B - PFM	AB staff
6	Macro Fiscal Model Training	Abdoun Office	3	2	Training Course	13-21 Feb	C - MoF	Studies and Economic Policies Directorate at Ministry of Finance
7	Performance Monitoring as a link between Results Oriented Budgeting and Performance Audit	AB training hall-4th floor	39	6	Workshop/Seminar	14-Feb	B - PFM	GBD analysts and AB performance auditors
8	Benchmarking Toolkit Workshop, Service Delivery Improvement Toolkits Workshop.	Abdoun Office	20	7	Workshop/Seminar	15-Feb	E - ROG	Human Resources Development Managers & the Organizational Development Managers
9	Driving Excellence in the 21st Century - The Role of Innovation	Four Season's Hotel	9	1	Other	23-Feb	D - Customs	Jordan Customs Heads of KAA Criteria Teams and KAA advisors

10	Partner Government Agencies Single Window Meeting	Iman Mismar Meeting Room	17	6	Other	23-Feb	D - Customs	Jordan Customs Partner Government Agencies : Ministry of Agriculture, Ministry of Environment, Jordan Nuclear and Radioactive Commission, Food and Drug, Standards and Metrology, and Telecommunications Regulatory Commission
11	Trade Community Single Window Meeting	Iman Mismar Meeting Room	15	2	Other	23-Feb	D - Customs	Trade Community of Jordan and Jordan Customs Officials
12	Customer Satisfaction Surveys Toolkit Workshop - Service Delivery Improvement Toolkits Workshops	Abdoun Office	15	10	Workshop/Seminar	29-Feb	E - ROG	Human Resources Development Managers & the Organizational Development Managers
13	Macro Fiscal Model	Abdoun Office	3	2	Training Course	4-Mar	C - MoF	SEPD at MOF
14	Process Management	Abdoun Office	15	6	Training Course	5-8 Mar	B - PFM	Process owners and KAA processes team
15	Anti-Fraud Awareness Training	ISTD Hashemite Hall	25	3	Training Course	10-Mar	A - ISTD	ISTD auditors
16	Auditing Techniques for the Banking Industry- Allocation & Suspended Interest	ISTD-Hashemite Hall	18	2	Training Course	12-14 Mar	A - ISTD	LTO auditors
17	Anti-Fraud Awareness Training	North Amman Training Hall-ISTD	18	2	Training Course	17-Mar	A - ISTD	ISTD North Amman STO
18	Audit Bureau Process Improvement and cooperation reinforcement	Washington DC	5	1	Study Tour	17-24 Mar	B - PFM	The President and other senior staff with job responsibilities related to quality management, strategic planning and reporting.
19	Benchmarking Toolkit Workshop, Service Delivery Improvement Toolkits Workshop-	ISTD- Petra Hall	12	4	Training Course	19-Mar	A - ISTD	Leadership & knowledge management KAA pillars
20	Collection: Tax Compliance- Notification	Hashmite Hall-Al Burj	19	5	Training Course	24-Mar	A - ISTD	ISTD staff from Tax Compliance & Collection

21	Anti-Fraud awareness training to ISTD auditors	Ahal Al Azam-North Amman STO	19	8	Training Course	24-Mar	A - ISTD	ISTD auditors
22	Single Window Toolkit Workshop, Service Delivery Improvement Toolkits Workshop	Petra ISTD	9	2	Training Course	26-Mar	A - ISTD	Taxpayer service Dir & Process KAA pillar
23	Process Management	AB Training Meeting	15	3	Training Course	29-Mar	B - PFM	AB process owners
24	Collection: Tax Compliance-Notification	Hashemite Hall-Al Burj	12	2	Training Course	31-Mar	A - ISTD	ISTD staff from Tax Compliance & Collection
25	Anti-Fraud awareness training to ISTD auditors	Al Hussein Hall-STO East & Center Dir.	21	6	Training Course	31-Mar	A - ISTD	ISTD auditors From East & west STO Dir.
26	Lead Assessor-ISO	ISTD training halls	19	3	Training Course	1-5 Apr	A - ISTD	ISTD employee from Planning Dir & the field officers
27	Collection: Tax Compliance-Notification	Hashemite Hall-Al Burj	16	5	Training Course	7-Apr	A - ISTD	ISTD staff
28	Anti-Fraud awareness training to ISTD auditors-Irbid Dir.	Trade & Industrial Champer-Irbid	40	7	Training Course	7-Apr	A - ISTD	ISTD auditors
29	Service Delivery Improvement Toolkits Workshop-Job Description	Petra Hall-ISTD	9	1	Training Course	9-Apr	A - ISTD	ISTD People & Leadership KAA committee member
30	Governance ,Risk management and Control , GRC	MOF TC (TBD) , Preferable a Hotel	20	6	Training Course	10-12 Apr	Abdoun	FRP II fiscal counterparts : Mainly GBD , and Customs KAA team members as described below, Financial managers , internal auditors and head of control section in GOJ.
31	Mystery Shopper Toolkit Workshop - Service Dilevery Impovement Toolkits Workshops	Abdoun Office	16	7	Workshop/Seminar	11-Apr	E - ROG	Human Resources Development Managers & the Organizational Development Managers

32	Collection: Tax Compliance-Notification	Ahal Al Azam - North Amman ISTD STO	19	3	Training Course	14-Apr	A - ISTD	ISTD staff
33	Anti-Fraud awareness training to ISTD auditors-MTO Service	ISTD Hashemite Hall	26	1	Training Course	14-Apr	A - ISTD	ISTD auditors from MTO Service
34	Mystery Shopper Toolkit Workshop - Service Delivery Improvement Toolkits Workshops	FRP II meeting room	13	3	Workshop/Seminar	15-Apr	B - PFM	KAA team leaders, administration representative, team of mysterious shopper from different KAA criteria teams (previously formed), directors, any other participants suggested by GBD management
35	Service Delivery Improvement Toolkits Workshop-Mystery shopper	Petra Hall-ISTD	10	3	Training Course	16-Apr	A - ISTD	2 members from ISTD KAA committee
36	Benchmarking Workshop	Iman Mismar Meeting Room	19	5	Workshop/Seminar	18-Apr	D - Customs	KAA TEAM Members
37	KPIs training course	Abdoun Office	16	1	Training Course	16-18 Apr	B - PFM	Budget and finance staff and senior management
38	ToT	MoF TC	17	7	Workshop/Seminar	16-19 Apr	Abdoun	15-20 potential trainers across government counterparts
39	KPIs training course	Abdoun Meeting Office	19	2	Training Course	17-19 Apr	B - PFM	Budget and finance staff and senior management
40	Anti-Fraud awareness training to ISTD auditors MTO Trade 1	Hashemite Hall-ISTD	14	0	Training Course	21-Apr	A - ISTD	ISTD auditors MTO Trade 1
41	KPIs training course	Abdoun Office	19	8	Training Course	22-24 Apr	B - PFM	Budget, finance, and planning staff and senior management
42	KPIs training course	Ministry of Health Meeting Room	18	8	Training Course	23-25 Apr	B - PFM	Budget, finance, and planning staff and senior management
	Total Trained		657	160				

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مشروع الإصلاح المالي ٢
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