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Quarterly Report

JORDAN FISCAL REFORM II PROJECT

August – October 2012



QUARTERLY REPORT

JORDAN FISCAL REFORM II PROJECT

AUGUST - OCTOBER 2012

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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
CMU	Complaints Management Unit
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 II Project (FRP II) is pleased to present its Quarterly Performance Report for the twelfth quarter covering the period August 1 through October 31, 2012.

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.

During the first three years of the project, FRP II's focus was on the provision of technical assistance related to policy analysis and reform as well as on building our counterparts' human and institutional capacity. Moving forward, FRP II will place significant emphasis on assisting counterparts in implementing, achieving, measuring, and communicating the technical assistance received during the past three years in accordance with the economic reform agenda of the Government of Jordan and agreed upon objectives with the international donor's community. Although the project's approach will remain demand-driven and counterpart-centered, a determined and focused effort will be made to prioritize technical assistance where development impact can be measured and monitored, where verifiable counterpart buy-in exists, and where the ultimate aim is implementing and achieving reforms that are consistent with the economic reform agenda of the government.

During this quarter, the project has simplified its organizational structure to make it more flexible and adaptable to respond to the needs of counterparts and their changing priorities. For example, Results Oriented Government (ROG) remains as a project objective but not as a component. It is now part of a broader and more comprehensive and integrated performance enhancement approach that focuses on accountability, transparency, impact measurement and monitoring of government policies and actions. This new approach is represented by the new Government Performance Improvement (GPI) Team that has merged ROG, KAA and Audit Bureau activities.

Furthermore, two new project objectives have been added during this quarter; assisting the government in developing a PPP framework and institutional capacity to attract private sector investments and management in priority infrastructure sectors such as water and energy, and assisting the government in the formulation and implementation of a comprehensive national energy strategy that is fiscally sustainable.

With that said, FRP II is now carrying out its vision through seven objectives and seven teams. The objectives are:

- Objective 1: More efficient use of public resources through stronger public financial management, including the implementation of a Government Financial Management Information System (GFMIS) and Results Oriented Budgeting (ROB)
- Objective 2: Enhanced accountability, transparency, impact measurement and monitoring of government policies and activities
- Objective 3: Enhanced revenue mobilization through better revenue administration including tax administration reform
- Objective 4: Adoption of resource-saving reforms in selected government programs based on sound policy analysis
- Objective 5: Increased efficiency in trading across borders
- Objective 6: Promoting private sector investments through the development of an enabling PPP framework

Objective 7: Assistance in the preparation and implementation of a comprehensive national energy strategy that is fiscally sustainable

The seven teams are:

Team A: Income & Sales Tax Department

Team B: General Budget Department

Team C: Fiscal Policy and Ministry of Finance

Team D: Customs and Trade Facilitation

Team E: Government Performance Improvement (GPI)

Team F: Government Financial Management Information System (GFMIS)

Team G: Energy and Public Private Partnerships

ORGANIZATION OF THIS REPORT

This report is organized by the seven project Teams. It includes Annex I, which lists capacity building events held during the quarter. The introduction to this report includes project highlights and a summary of work accomplished by Team compared to the original work plan.

The seven Teams sections discuss significant achievements and activities carried out during the quarter, in addition to work accomplished as compared to the Third Year Work Plan. The percentage of completion of Teams' main projects can be found in Annex II of the report. Additionally, this report includes a section at the beginning of each Team reporting on progress towards Year Three Intermediate Results, which can be reasonably achieved in one year.

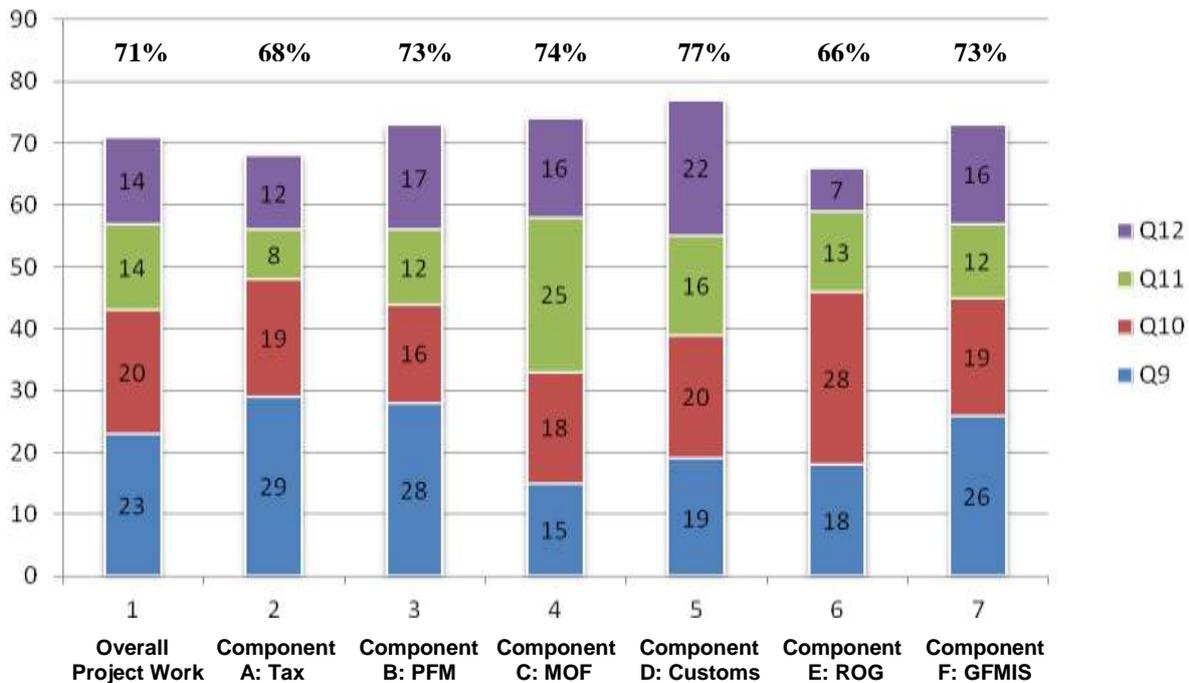
OVERALL PROJECT IMPLEMENTATION PROGRESS

We measure the amount of work carried out by FRP II Teams 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 a percentage of that planned for the year. On an overall basis, the project team has completed 71% of the overall annual work plan, which is considered a great achievement in a year with uncertain and limited budget, and a number of changes in the project management and organizational structure.

It is worth mentioning that FRP II has recently started providing advisory support to the Ministry of Energy and Mineral Resources (MEMR), which was not part of the original work plan and has resulted in the creation of Team G. FRP II has detailed this support and reflected it in the Fourth Year Work Plan in order to start monitoring it as of the next quarter. However, and for the purpose of this report, we will only mention what was achieved in this area in the narrative part of Team G's section, without being able to measure the percentage of completion of each of the activities under that team.

Finally, and to be able to compare the results of this quarter with the previous three, we will keep the old components' names in the following chart, neglecting the recent changes on FRP II organizational structure. This, of course, would not affect the overall percentage of completion of the project's Third Year Work Plan. This also applies to Annex II of the report.

Rate of Project Work Implementation



KEY PERSONNEL

Ms. Christina Erickson, Deputy Chief of Party (DCOP) of FRP II since its inception, resigned from the project in early August, and has left a legacy of a great team and a record of impressive achievements with our counterparts. Mr. Fadi Daoud has assumed his responsibilities as the new Operations and Finance DCOP, and Mr. Ammar Jarrar was appointed as the Technical DCOP for the project.

Furthermore, and after the latest changes that took place on the project's organizational structure during this quarter, following is a list of the Team Leads within the project:

- Team A Lead (Income & Sales Tax Department): Dr. Khalid Al-Hmoud,
- Team B Lead (General Budget Department): Dr. Khalid Al-Hmoud,
- Team C Lead (Fiscal Policy and Ministry of Finance): Dr. Abdelhakim Shibli,
- Team D Lead (Customs and Trade Facilitation): Ms. Linda Daugherty,
- Team E Lead (Government Performance Improvement): Mr. Osama Al-Azzam,
- Team F Lead (GFMS) Mr. Nasser Khalaf
- Team G Lead (Energy and Public Private Partnerships): Mr. Ammar Jarrar

PROJECT HIGHLIGHTS FROM THIS QUARTER

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

Child and Woman Budgeting

As per FRP II's advice and recommendations, the General Budget Department (GBD) embarked on child and woman budgeting as of 2012. GBD reviewed, analyzed, and adjusted the strategic plans, programs, projects, activities, and performance indicators of four pilot ministries; Ministry of Health, Ministry of Education, Ministry of Labor, and Ministry of Social Development, in order to assist them in presenting child appropriations in their budgets. GBD is also working on developing child budget forms, and conducting training courses to relevant GBD and line ministries staff to upgrade their capacities in this regard.

Technical Support to the Economic and Social Council (ESC)

Following approval from USAID and the official request for technical support from the ESC, FRP II COP Mr. Roberto Toso and Team B Lead Dr. Khaled Al-Hmoud met with ESC Chair Dr. Jawad Anani to discuss potential FRP II technical assistance to ESC. It was agreed to share the macro-fiscal model with ESC and train the staff to operate and update it. Accordingly, Dr. Al-Hmoud shared and presented the model, its specifications, and the database associated with it. Dr. Al-Hmoud, with the help of STTA Dr. Janusz Szyrmer, will support ESC to further develop the model and address policy-related inquiries. Agreement with the ESC was made to build an advisory committee for the model, which comprises of university professors, to strengthen the model and assure continuity after FRP II comes to an end.

World Bank Report – Doing Business/Trading Across Borders

The World Bank Doing Business Report for 2013 (based on 2012 results) was released on Tuesday the 23rd of October. Jordan improved six places in the “Trading across Borders” indicator, from a ranking of 58 in the 2012 report to 52 in 2013. This represents a significant endorsement of Jordan’s and FRP II’s Trade Facilitation efforts.

Jordan Single Window

On the 2nd of September 2012, the Ministry of Environment became the fifth partner government agency (PGA) to sign the Single Window MOU with Jordan Customs. In chronological order, MOUs are currently in effect with the Nuclear Regulatory Commission, Jordan Standards and Metrology Organization, Jordan Food and Drug Administration, Telecommunications Regulatory Commission, and the Ministry of Environment. In his statement to the press, the Director General of Jordan Customs Mr. Ghaleb Al-Sarayreh emphasized the important role of the Single Window, and addressed the challenges Jordan Customs faces in convincing other PGAs to sign the MOU as part of integrated border management.



Pre-arrival Processing (PAP)

Team D worked with Jordan Customs, through the TCBoost Partnership for Trade Facilitation Program, to provide technical assistance to expand the scope and impact of the PAP program, which will help reduce administrative barriers, shorten processing times, and decrease red-channel examinations. Improvements to PAP will also increase transparency and predictability, and expand public/private sector capacity. The PAP Working Group consisted of representatives from several Jordan Customs directorates and TCBOOST advisors. The working group developed improvements to the import process that will allow cargo to enter Jordan faster and more cheaply.

STTA Mr. Bill Vawter, Program Specialist Mr. Mazen Abualghanam, and five Jordan Customs officers traveled to Aqaba Port to discuss implementing PAP procedures with public and private sector stakeholders. The meetings were a great success and resulted in unanimous support for the new procedures from Jordan Customs, Aqaba Container Terminal (port operators), customs clearing agents, and shipping agents. The new PAP procedures will allow traders to file their customs declarations before arrival of the vessel at Aqaba Port. This will allow Jordan Customs and ACT to process documents, plan cargo movements, and coordinate inspections before the goods arrive in Jordan. All stakeholders anticipate that the new reforms will significantly reduce cargo-processing times at Aqaba Port, especially for transit goods.

Partnership for Trade Facilitation Media Campaign

Promotion and publication of services that Jordan Customs offers to the trade community to facilitate trade was initiated in early September. The featured programs are, Pre-Arrival Processing, Advance Ruling, Golden List, and Single Window. Jordan Customs Officials, STTAs Brian O'Shea and William Vawter, and FRP II Outreach and Team D staff, developed the concept and content of the media campaign to encourage increased utilization of trade facilitation programs. Brochures, posters, and roll-up banners were produced for display at the various customs centers, shipping, clearance, logistics and trade associations, chambers of industry and commerce, and industrial zones. Advertisements were posted in local Arabic and English newspapers, a web banner was posted on one of the most accessed local e-news websites (www.alrai.com) as well as the Jordan Customs website, and email shots were sent to 150,000 recipients. With the efforts of FRP II Outreach Advisor Ms. Tulin Bakeer, a press conference is being planned for November to continue the momentum of the USAID/Jordan Customs Partnership for Trade Facilitation media campaign to promote FRP II and Jordan Customs efforts to streamline processing and reduce delays.



Defining Fuel Supply Options for Jordan

Team G hired Cambridge Energy Research Associates (IHS CERA or CERA), the global energy research leaders, to assist the Ministry of Energy and Mineral Resources in defining fuel supply options in the medium term and long term. The CERA team has conducted a number of meetings with key stakeholders for the sector, and for the assignment at hand. They have also delivered their first interim executive report to the Minister of Energy and Mineral Resources and the said key stakeholders. The report included a SWOT analysis of Jordan's electricity sector fuel supply focus. It also presented the methodology applied for fuel optimization, and the key decisions to address for the long term. The next quarter will encompass the second and final stages of CERA's work, including their findings and recommendations for the medium- and long-term options to optimize fuel supplies for Jordan.

Association of Tax Authorities in the Islamic Countries Conference (ATAIC)

The Association of Tax Authorities in the Islamic Countries Conference (ATAIC) was held in Jordan from the 29th of September to the 3rd of October 2012. FRP II technically and logistically supported ISTD in organizing this conference through providing hotel capacity requirements, conducting event management workshop for the conference committee, drafting an event action plan, and providing some event management services. The Conference was a success and a very important event and experience for ISTD.



Launching Performance Indicators Auditing at the Audit Bureau

Team E Lead Mr. Osama Al-Azzam launched the new project at the Audit Bureau, Performance Indicators Auditing, through conducting training on accountability and performance indicators for 25 auditors. The new project aims at assessing the performance of governmental organizations through auditing their Performance Indicators annually for their relevance, accuracy, and progress on which performance is evaluated and monitored. Moreover, STTA Mr. Stephen Leeds conducted two training sessions on Key performance Indicators for 14 auditors of the Final Accounts Committee responsible for the implementation of this project.

Audit Bureau's Communication Strategy

FRP II Outreach Advisor Ms. Tulin Bakeer was heavily involved with the Audit Bureau's Communication Committee to transfer the knowledge of developing communication strategies utilizing the principles of social marketing. Furthermore, Ms. Bakeer led the development of AB Communication Strategy in which the target audience, objectives, goals, activities, and performance indicators were identified. The Communication Strategy is now ready to be submitted to AB President for final approval.



Subsidy Compensation Scheme

Team C Lead Dr. Abdelhakim Shibli was nominated to join the technical committee to analyze and study in depth the compensation scheme that parallels the fuel subsidy removal. This study is based upon the collection and analysis of data related to many factors, which includes family size, income, consumption of petroleum products, etc. A number of scenarios were tested and studied by the technical committee.

Eurobond Issuance

Jordan plans to raise between US\$750 million and US\$1.5 billion by issuing Eurobonds in international markets in order to finance the Kingdom's spending needs. The MOF has been overlooking this with the direct assistance of FRP II specifically through FRP II COP Mr. Roberto Toso and Junior Economist Ms. Aida Murad. FRP II has been involved in this process from day one by analyzing the proposals received from individual banks to the negotiations and to the current status of the issuance and upcoming roadshow. The technical committee holds weekly conference calls with the legal advisors and the banks to discuss the weekly agenda and expected achievements.

Key Performance Indicators (KPIs) Training

After completing the first round of the KPIs training courses, STTA Mr. Steve Leeds continued delivering introductory and specific KPI training courses to PEP ministries and FRP II counterparts. These included the Ministry of Education, Ministry of Higher Education, Ministry of Social Development, and Ministry of Health on their respective KPIs; developing three-column comparison tables of their current KPIs, alternative KPIs, and implementation issues, in addition to providing them with USA equivalent for benchmarking purposes. In 2012, FRP II trained 304 employees from different line ministries on KPIs Development and Use. Private training centers in Jordan offer similar, but not as comprehensive and detailed, KPIs training courses at a charge of JD450 per participant. Simple calculations suggest that FRP II saved JD136,800 on the Government of Jordan.

FRP II WEBSITE ANALYTICS

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

FRP II Website Statistics – English						
	7 th Quarter	8 th Quarter	9 th Quarter	10 th Quarter	11 th Quarter	12 th Quarter
Total visits	1,113	762	1,174	1,902	1,612	2,816
Page Views						
Total page views	5,896	3,635	6,056	5,939	4,416	8,960
Average page views per visit	5.3	4.8	5.16	3.12	2.74	3.18
Visitor Sessions						
Average time on site	00:05:58	00:05:45	00:07:15	00:07:12	00:04:20	00:05:19
Visitors						
Unique visitors	529	408	545	757	675	1,647
Visitors from Jordan	84%	80%	74.36%	26.10%	69.11%	79.55%
Visitors from the US	7.10%	6%	12.35%	57.56%	10.42%	5.82%
Other visitors	8.90%	14%	13.29%	16.34	20.47%	14.63%

FRP II Website Statistics – Arabic					
	8 th Quarter	9 th Quarter	10 th Quarter	11 th Quarter	12 th Quarter
Total visits	311	289	419	414	642
Page Views					
Total page views	1,317	1,086	1,596	1,673	2,461
Average page views per visit	4.23	3.76	3.81	4.04	3.83
Visitor Sessions					
Average time on site	00:06:12	00:07:01	00:04:07	00:03:31	00:04:30
Visitors					
Unique visitors	147	189	265	322	454
Visitors from Jordan	90%	68.51%	45.27%	72.95%	78.97%
Other visitors	10%	31.49%	54.73%	27.05%	21.03%

TEAM A: INCOME & SALES TAX DEPARTMENT

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.

TEAM EXPECTED RESULTS

Specific long-term expected results under Team 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's Team A established the following list of intermediate results with the intent of completion by the end of year three work. Here, we provide an update on Team 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: Level of public awareness

Twelfth Quarter Update: Prisma Marketing & Communications completed the design and production of the media campaign entitled "Together, We Build Jordan". The campaign had been aired in a number of media outlets including TV and radio spots in addition to newspaper ads. It is still being aired on the screens at ISTD Headquarters.

- Improved taxpayer services

Measurement: ISTD taxpayer service surveys; taxpayer feedback sessions; KAA Mystery Shopper assessment

Twelfth Quarter Update: Taxpayer Satisfaction Index jumped from 66% to 71%.

- Lower cost of taxpayer compliance by better and smarter audits

Measurement: Various Audit KPIs (i.e. % of audits conducted with no tax due)

Twelfth Quarter Update: Percentages of cases subject to audit and audits with no change are the same for 2012.

- Overall improved taxpayer compliance

Measurement: Increased number of registered taxpayers; higher PIT and CIT productivity; high VAT gross compliance ratio

Twelfth Quarter Update: VAT gross compliance ratio is stable at 75%. Number of registrations and tax productivity figures are calculated on a yearly basis. Updates are to be requested in the new year.

- Ease taxpayer burden

Measurement: Timely implementation of cost of compliance recommendations and taxpayer workshop/focus groups recommendations

Twelfth Quarter Update: None.

KEY ACCOMPLISHMENTS/HIGHLIGHTS FOR THE 12TH QUARTER

Tax Policy

Tax policy advisors to the Minister of Finance and ISTD, Team A Lead Dr. Khalid Al-Hmoud and Team A Acting Lead Mr. Atef Al-Momani, continued to provide tax policy advice during this quarter. They both participated in a meeting with MOF and ISTD counterparts to discuss the subsidy policy and alternative mechanisms of lifting and replacing government subsidies. Tax policy advice also included the tax arrears issue.

Taxpayer Media and Communications

The taxpayer media campaign entitled “Together, We Build Jordan”, which started on the 10th of June 2012 and included TV and radio spots in addition to newspaper ads, has been continually screened during this quarter on the plasma screens fixed inside ISTD premises.

On a different note, the Association of Tax Authorities in the Islamic Countries Conference (ATAIC) was held in Jordan from the 29th of September to the 3rd of October 2012. FRP II technically and logistically supported ISTD in organizing this conference through providing hotel capacity requirements, conducting event management workshop for the conference committee, drafting an event action plan, and providing some event management services. The Conference was a success and a very important event and experience for ISTD.



Taxpayer Services

Team A continued to support the newly established Taxpayer Services Management Directorate at ISTD Headquarters. The latest analysis showed an improvement in Customer Satisfaction Level, which jumped from 66% to 71%.

Reduce Non-filers, Stop-filers and Tax Arrears

Tax revenue in 2012 increased to date by nearly 5%. Year four work plan includes two items related to improving tax compliance and debt management; the first is to support ISTD in launching sales non-filer campaign, and the second is to conduct awareness sessions on ways to reduce tax arrears and work in conformity with international best practices towards better tax compliance.

Anti-Fraud

Team A conducted two meetings with ISTD’s anti-fraud officials and discussed future cooperation between ISTD, Jordan Customs, and the Audit Bureau in relation to fighting anti-tax fraud in Jordan. Year four work plan includes awareness sessions on this subject targeting the parties concerned.

Information Technology (IT)

The data center remodeling vendor (JDS) finalized the data center pending issues, namely: wall painting, access door maintenance, fire system operating and training, therewith fully executed ISTD data center remodeling process.

Human Resources

STTA Mr. Steve Leeds conducted a three-day KPIs workshop for 16 participants from ISTD who are responsible for planning, and monitoring and evaluation. This workshop will be used as an input for a hands-on training to build a pilot performance management program at ISTD.



As part of FRP II's support to human resources management capacity, KAA Advisor Mr. Khalil Dmour developed and submitted a draft succession plan for review by ISTD. This is also a requirement for the KAA People's Criterion. Furthermore, Team A and the Crosscutting Team developed a business case for three senior management training sessions to qualify ISTD second line managers in certain leadership skills. The training will take place late in 2012. Team A also met with ISTD Human Resources officials to discuss training activities and events to be supported by FRP II in 2013 and the rest of 2012. ISTD is keen to receive the senior management training as a requirement for King Abdullah II Award. However, it was made clear that ISTD can fulfill this requirement on its own, while FRP II will support the second line manager training to meet the capacity building requirements for the managers taking over new supervisory roles to help them perform well in their new leadership roles.

In relation to improving ISTD's organization, Mr. Al-Momani and Program Coordinator Mr. Ahmed Dib discussed with ISTD Director General Mr. Riad Shreideh the possibility of establishing a separate unit at the Headquarters to take care of the international cooperation activities due to the continual effort and need to assist foreign delegations and coordinate foreign assistance in this regard. His Excellency showed much interest in this suggestion and requested to have further discussion in the subject matter. In November, Team A will provide the DG with a written proposal on this issue.

Strengthen Audit

ISTD Director General Mr. Riad Shreideh formed a new committee to undertake the development of sales tax training manual and conduct training on sales tax audit techniques. Furthermore, FRP II Senior Training Advisor Ms. Hayat Al Bow met with Mr. Wasfi Tarawneh from the Large Taxpayer Office (LTO) and agreed on the steps to be taken to develop an insurance tax audit material. The training will take place early in 2013.

SCHEDULE OF WORK PROGRESS AGAINST PLANNED ACTIVITIES

The following table includes the scheduled activities' completion dates for all the assistance planned during the third year work period. In the comments section, tasks are listed as complete, in process, postponed, cancelled, or obviated. Obviated tasks were subsumed into other FRP II activities, or made unnecessary due to changing realities or approaches.

TEAM A: INCOME & SALES TAX DEPARTMENT TASKS AND ACHIEVEMENTS

Work Area	Planned Delivery Date	Comments
Reduce Cost of Compliance	Oct-12	
Participate in an ISTD committee to implement the survey recommendations	Mar-12	Complete
Assist the committee in developing an action plan to reduce cost of compliance	Apr-12	Complete
Submit action plan to ISTD Director General for approval	May-12	Complete
Assist ISTD in implementing the action plan	Oct-12	Cancelled
Assess action plan results and issue report to the ISTD Director General	Oct-12	Cancelled
Tax Policy	Oct-12	
Provide on-going tax policy assistance to ISTD	Oct-12	Complete
Assist the ISTD committee responsible for the development of tax law informational guidelines and publications	Oct-12	Cancelled
Taxpayer Media and Communication	Oct-12	
Assist ISTD in implementing the taxpayer awareness campaign	Oct-12	Complete
Monitor vendor's performance to ensure taxpayer awareness campaign deliverables are met	Oct-12	Complete
Assist in implementing an ISTD media center	May-12	Complete
Provide support to ISTD taxpayer educational sessions	Oct-12	Complete
Support the ISTD in hosting the Association of Tax Authorities of Islamic Countries Conference	Sep-12	Complete
Taxpayer Service	Oct-12	
Implement a pilot single-window service in an ISTD office	Jun-12	Postponed
Evaluate single-window pilot	Jul-12	Postponed
Develop a plan to roll out single-window service across ISTD	Aug-12	Postponed
Establish a pilot modernized taxpayer service walk-in area	Jun-12	Postponed
Obtain approval of telephone call center business case	Nov-11	Cancelled
Implement telephone call center business case requirements	Apr-12	Cancelled
Assist in developing a question and answer tax laws data base	Jan-12	Postponed
Assist in developing a tax guide for Parliament and government officials	Mar-12	Cancelled
Assist in developing a new business taxpayer education program	Jan-12	Cancelled

Work Area	Planned Delivery Date	Comments
Assist in developing a taxpayer services guide	Jul-12	Complete
Assist in developing taxpayer education material	Aug-12	Complete
Assist in developing an ISTD organization guide	Dec-11	Complete
Support implementation of e-services	May-12	Complete
Conduct two courses entitled Taxpayer Service Techniques	May-12	Complete
Conduct a course entitled "Effective Communication Techniques"	Jul-12	Cancelled
Assist in establishing the newly created Taxpayer Service Directorate	Oct-12	Complete
Reduce Non-Filers and Stop-Filers	Jun-12	
Provide on-going assistance and advice to complete ISTD-wide implementation	Mar-12	Complete
Conduct two courses entitled "Effective Communication Techniques for Collectors"	Jun-12	Cancelled
Reduce Tax Arrears	Oct-12	
Provide on-going assistance and advice to complete ISTD wide implementation	Oct-12	Complete
Conduct two courses entitled "Effective Communication Techniques for Collectors"	Sep-12	Cancelled
Develop PAYE control procedures	Mar-12	Complete
Conduct training for new PAYE procedures	Mar-12	Cancelled
Anti-Fraud	Oct-12	
Develop anti-tax fraud manual	Mar-12	Postponed
Provide anti-tax fraud awareness training for all ISTD auditors	May-12	Complete
Assist in establishing a forensic unit	Oct-12	Cancelled
Assist in developing criteria to select anti-fraud auditors	May-12	Cancelled
Information Technology	Oct-12	
Implement IT hardware, software and data center enhancements	May-12	Complete
Continue assistance in implementing the KPIs portal	Jan-12	Complete
Assist in implementing IT security policies and procedures	Sep-12	Cancelled
Human Resources	Oct-12	

Work Area	Planned Delivery Date	Comments
Assist in the development of a comprehensive performance management system	Oct-12	Cancelled
Support the ISTD in conducting a performance management program workshop	Oct-12	Complete
Assist in implementing a performance management program	Oct-12	Postponed
Provide ongoing assistance and advice to ISTD in implementing organizational changes	Oct-12	Complete
ISTD Cross Cutting Training	Oct-12	
Complete the West Amman training/conference center	Mar-12	Complete
Conduct four 1-day senior management training sessions	Oct-12	Postponed
Conduct three presentation skills training sessions	Oct-12	Complete
Strengthen Audit	Oct-12	
Provide support to the ISTD audit manual committee	Mar-12	Complete
Provide support to improve the Audit Tracking System (ATS)	Jan-12	Complete
Provide support to improve the audit case selection program	Mar-12	Complete
Conduct three courses entitled Communication Techniques for Auditors	Oct-12	Cancelled
Provide support to ISTD to develop sales tax audit technique	Oct-12	Complete
Conduct two pilots for sales tax audit technique	Mar-12	Complete
Conduct three Sales Tax audit techniques training classes for auditors	Oct-12	Postponed
Conduct tax law training for court judges	Jun-12	Postponed
Develop tax audit of insurance industry training material	Oct-12	Postponed
Conduct tax audit of insurance industry training	Oct-12	Postponed

CHALLENGES/SOLUTIONS

1. The most important challenge that faces Team A at this point is the lack of awareness by counterparts and stakeholders on the objectives and benefits of reforms proposed. Towards this, FRP II is initiating a new effort in year four work plan to execute more advocacy, outreach, and communication targeting counterparts and stakeholders to create more understanding, willingness, and tendencies to implement our proposals in very critical areas such as Tax Arrears and the Audit Case Selection program.

2. Will of implementers and championships-for-change are still obstacles facing FRP II and slowing down the reform process. Parties concerned with reform need to be more patient. Change does not come overnight but rather take a long time. This is a real big challenge ahead. The reform concepts being proposed need to be drummed into the decision makers. One way to speed up this process and achieve better results is to have more authority to rather impose change and minimize resistance. There should be some sort of conditionality agreements with, and thus accountability by, counterparts. Our reference for reform is the international performance common practices as opposed to the status at ISTD, which shows a big gap and great opportunities for improvements. The time line available in the current project to improve ISTD's performance will not be enough. However, there are potential future mid-term or long-term projects with tens of millions of dollars to improve the overall performance of ISTD in many ways, which is something lacking at the moment.

FRP II is supposed to be an opportunity for counterparts to take advantage of the best practices in the tax system, especially at this critical time where the government faces serious economic problems, something that does not seem to be visible to the government higher levels who should be more concerned with reform and change.

TEAM B: GENERAL BUDGET DEPARTMENT

This section reports on the activities of Team B during this quarter.

TEAM EXPECTED RESULTS

Expected results of Team B include:

- ROB knowledge and application deepened throughout the Government of Jordan
- Strategic planning and analysis better informs budget preparation
- Budget legal framework refined
- Budget format and reporting refined
- Budget and performance data used to ensure accountability
- Human and institutional capacities strengthened at the General Budget Department

SMART INTERMEDIATE RESULTS

To achieve these long-term objectives, Team 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 Team 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

Twelfth Quarter Update: As per FRP II's advice and recommendations, the General Budget Department embarked on child and woman budgeting as of 2012. The Department reviewed, analyzed, and adjusted the strategic plans, programs, projects, activities, and performance indicators of four pilot ministries; Ministry of Health, Ministry of Education, Ministry of Labor, and Ministry of Social Development, in order to assist them in presenting child appropriations in their budgets. GBD is also working on developing child budget forms, and conducting training courses to relevant GBD and line ministries staff to upgrade their capacities in this regard. Furthermore, and in cooperation with the UNICEF, GBD is evaluating the budget process and results achieved since incorporating child and woman appropriations in the 2012 budget cycle. In addition, GBD participated in a UNIFEM program to empower women and realize gender equality through maximizing the effective use of foreign assistance and domestic resources.

- 3 policy recommendations proposed in the Public Expenditure Perspectives book are adopted

Twelfth Quarter Update: Budget Calendar and forms are annually revisited for a better budget process.

- KPI results evaluated and analyzed by GBD as part of the budget preparation process for at least 5 line ministries

Twelfth Quarter Update: After completing the first round of the KPIs training courses, Budget Reform and Capacity Building Advisor Mr. Steve Leeds continued delivering introductory and specific KPI training courses to PEP ministries and FRP II counterparts. These included the Ministry of Education, Ministry of Higher Education, Ministry of Social Development, and Ministry of Health on their respective KPIs; developing three-column comparison tables of their current KPIs, alternative KPIs, and implementation issues, in addition to providing them with USA equivalent for benchmarking purposes. In 2012, FRP II trained 304 employees from different line ministries on Key Performance Indicators Development and Use. Private training centers in Jordan offer similar, but not as comprehensive and detailed, KPI training courses at a charge of JD 450 per participant. Simple calculations suggest that FRP II saved JD 136,800 on the Government of Jordan.

KEY ACCOMPLISHMENTS/HIGHLIGHTS FOR THE 12TH QUARTER

During the twelfth quarter, Team B achieved considerable progress in terms of addressing ways to increase the analytical capacity of GBD and PEP ministries as well as enhancing the budget legal framework. Some of the activities carried out during the quarter are discussed here, and the worktable below records all progress.

Organic Budget Law (OBL)

To strengthen GBD's leadership role in the budget process, Mr. Leeds reviewed Jordan's Organic Budget Law and developed the OBL comparison matrix, which compares the current 2008 OBL with two proposed OBL drafts developed by two experts for 2005 and 2011, based on general international budget concepts. Our team held several discussions with GBD's OBL review committee, conferring the matrix and necessary amendments to the OBL and relevant legislation. Upon the committee's request, Mr. Leeds affected necessary changes to the 2008 law and sent it to the committee for an article-by-article discussion. It was mutually agreed that the committee will make changes as deemed necessary and appropriate, seek legal consultation, and share the draft with our team in December 2012 at the latest.

Budget Analysis Unit (BAU)

The Head of the BAU, Dr. Jamal Al-Homsy, resigned from his post during the previous quarter, and Tax and Budget Team Lead, Dr. Khalid Al-Hmoud, is now assuming his role. It was agreed with GBD Director General that Dr. Al-Hmoud will fill this position on 50% of his time due to Dr. Al-Hmoud's other commitments.

Since his appointment, Dr. Al-Hmoud has been pushing for merging the BAU with the Studies and Information Directorate at GBD. The two entities have many overlaps in their mandate and responsibilities. In addition, the analytical capacity of the staff needs to be further developed, which can be best achieved by organizationally merging the unit with the Studies and Information Directorate.

On a different note, Dr. Al-Hmoud has prepared a lecture on "The General Budget: Challenges and Opportunities" to be delivered before the Economics Faculty at the Yarmouk University, Irbid. The lecture will be delivered on behalf of the DG of GBD on the 13th of November 2012.

Performance Evaluation Study Tour

Efforts are being made to reschedule the study tour for spring 2013 after going through uncontrolled circumstances that led to its cancellation earlier this year. FRP II, in close collaboration with GBD, have already identified GBD staff to participate in the tour. Mr. Leeds has 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 have developed written summaries of activities in their sectors as well as specific technical questions to be discussed with the US counterparts.

Economic and Social Council (ESC)

Following approval from USAID and the official request for technical support from the ESC, FRP II COP Mr. Roberto Toso and Dr. Al-Hmoud met with ESC Chair Dr. Jawad Anani to discuss potential FRP II technical assistance to ESC. It was agreed to share the macro-fiscal model with ESC and train the staff to operate and update the model. Accordingly, Dr. Al-Hmoud shared and presented the model, its specifications, and the database associated with it. Dr. Al-Hmoud, with the help of STTA Dr. Janusz Szyrmer, will support ESC to further develop the model and address policy-related inquiries.

Agreement with the ESC was made to build an advisory committee for the model, which comprises of university professors, to strengthen the model and assure continuity after FRP II comes to an end.

Miscellaneous Policy Advice

During this quarter, Dr. Al-Hmoud provided miscellaneous policy advice to MOF and USAID. He developed a corporate income tax (CIT) comparison between a progressive tax and sector-based tax systems, which included the best international tax practices. He emphasized that there is no economic justification for taxing corporations in different sectors with different rates and that the best practices favor a unified rate for CIT. Furthermore, Dr. Al-Hmoud shared with the MOF a long list of PIT and CIT amendments suggested earlier by FRP II on the temporary income tax law. Dr. Al-Hmoud also embarked on gathering and analyzing data for the development of monthly macro-economic briefs.

On a different note, Dr. Al-Hmoud joined FRP II's committee to prepare a presentation on subsidy removal and compensation schemes to be delivered to GOJ senior officials. Dr. Al-Hmoud also attended the ESC's monthly meeting, which had the Minister of Public Sector Development, Dr. Khlaif Khawaldeh, as a guest speaker. Dr. Khawaldeh covered sectoral accomplishments and the next steps in public sector development.

Finally, Dr. Al-Hmoud attended meetings with the WB DPL mission, which was in Amman during October. The main purpose of the mission was to discuss the PPP and Energy projects, and to coordinate efforts between the World Bank and USAID.

SCHEDULE OF WORK PROGRESS AGAINST PLANNED ACTIVITIES

The following table includes the scheduled activities' completion dates for all the assistance planned during the third year work period. In the comments section, tasks are listed as complete, in process, postponed, cancelled, or obviated. Obviated tasks were subsumed into other FRP II activities, or made unnecessary due to changing realities or approaches.

TEAM B: GENERAL BUDGET DEPARTMENT TASKS AND ACHIEVEMENTS

Work Area	Planned Delivery Date	Comments
Budget Reform Program	Oct-12	
Performance Targeting, Reporting and Evaluation	Oct-12	In Process
Request performance information early in budget cycle	Apr-12	In Process
Review budget request forms	Dec-11	Complete
Revise budget request forms	Dec-11	Complete
Get GBD approval for revised budget request forms	Feb-12	Complete
Pilot revised forms with select ministries	Feb-12	In Process
Revise forms/instructions based on pilot	Mar-12	In Process
Communicate changes	Apr-12	Postponed
Briefings to SGs/Ministers	Mar-12	Postponed
Briefings for budget teams at ministries and depts.	Apr-12	Postponed
Training in performance evaluation	Aug-12	Complete
Training for line ministries	Jul-12	Complete
Training for GBD analysts	Aug-12	Complete
Donor collaboration	Oct-12	In Process
Identify donor projects working in key ministries	Nov-11	Complete
Develop plans for coordination	Oct-12	Complete
Performance monitoring system	Oct-12	In Process

Work Area	Planned Delivery Date	Comments
Define needs	Aug-12	In Process
Research options	Sep-12	In Process
Implement or develop system	Oct-12	In Process
Improved integration of capital budgeting	May-12	Obviated
Define problems: meet w/MOPIC, GBD, MOF	Mar-12	In Process
Develop recommendations/criteria for capital budget planning/costing	May-12	Postponed
Capacity Development	Nov-12	
Budget Analysis Unit	Mar-12	Complete
Develop job descriptions - interns/fresh graduates + sr analyst	Nov-11	Complete
Recruit/interview	Nov-11	Complete
Hiring/approval process	Mar-12	Complete
Performance evaluation training (see also line 15)	Oct-12	Complete
Basic writing skills	May-12	Complete
Issue paper development/reporting	Jul-12	Complete
Advanced Excel training	Oct-12	Complete
Performance evaluation study tour	May-12	In Process
Draft agenda	Dec-11	Complete
Determine participants with GBD	Dec-11	Complete
Preparation/visas/logistics	Apr-12	Complete
Study Tour	May-12	Cancelled
Follow up seminar/presentation	May-12	Cancelled
Performance evaluation working group	Oct-12	In Process
Draft concept note	Nov-11	Complete
Identify participants	Dec-11	Complete
Convene meetings	Oct-12	In Process
Linking performance evaluation to performance audit	Nov-12	In Process
Confer with Kirk Jonas on links	Nov-11	Complete
Brief GBD DG	Nov-11	Complete
Brief budget departments/SGs of ministries and depts., as appropriate	Nov-11	Postponed
Train GBD and line ministry staff in performance audit	Nov-12	Complete
Budget Manual	May-12	
Translate and share with GBD	Dec-11	Complete
Training in budget manual	Jan-12	Postponed
Review budget guidance at large line ministries	Feb-12	Postponed
Develop budget handbook for ministries	May-12	Postponed
Job descriptions for budget analysts	Feb-12	Cancelled
Review existing job descriptions	Feb-12	Cancelled
Draft proposed changes	Feb-12	Cancelled
Share with GBD	Feb-12	Cancelled

Work Area	Planned Delivery Date	Comments
Legal Framework For Budgeting	Dec-11	In Process
Review proposed OBL with GBD	Nov-11	Complete
Review budget-related authorities in line ministry authorizing legislation	Dec-11	In Process
Public Expenditure Perspectives	Dec-11	
Formatting	Nov-11	Complete
Printing	Nov-11	Complete
PEP Videos	Dec-11	Complete
PEP Launch Event	Dec-11	Complete
PEP Policy Briefs	Nov-11	Complete

CHALLENGES/SOLUTIONS

The current 2008 Organic Budget Law and relevant legislation do not lay down due authority for the General Budget Department to assume its leadership role in the budget process. Having proper authority, GBD will be able to enhance the budget preparation and monitoring processes and eliminate potential overlap/duplication among governmental agencies. FRP II understands the need for an amended/new Organic Budget Law, and has been closely working with the especially-formed OBL review committee on amending the OBL and affecting necessary changes to relevant legislation, if any.

TEAM C: FISCAL POLICY AND MINISTRY OF FINANCE

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

TEAM EXPECTED RESULTS

Long-term Team 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

Twelfth Quarter Update: Team C developed several studies about NEPCO, Subsidy Compensation Scheme, 2012 Supplementary Budget, as well as other reports in direct collaboration with MOF.

- 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

Twelfth Quarter Update: Produced the MTFP with 2012 re-estimates and 2013 forecasts.

- 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

Twelfth Quarter Update: None.

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

Measurement: Linking training gaps with career paths

Twelfth Quarter Update: This was achieved through KAA support, which delivered linkages between the job description, employee performance appraisal, organizational performance, and employee empowerment.

KEY ACCOMPLISHMENTS/HIGHLIGHTS FOR THE 12TH QUARTER

IMF Stand-by Agreement

In support of the government's economic reform program, the Jordanian authorities and the staff of the International Monetary Fund (IMF) have reached an ad referendum, or staff-level, agreement on a request for a 36-month Stand-By Arrangement (SBA). Through this, Jordan will have access to a \$2 Billion loan. Team C has been assisting the Ministry of Finance by producing clear KPIs that the MOF should follow, as well as assisting in gathering essential data to be delivered through the monthly report by the MOF to the IMF. Team C was also involved in the meetings of the delegation and their follow-ups.

Subsidy Compensation Scheme

Team C Lead Dr. Abdelhakim Shibli was nominated to join the technical committee to analyze and study in depth the compensation scheme that parallels the fuel subsidy removal. This study is based upon the collection and analysis of data related to many factors, which includes family size, income, consumption of petroleum products, etc. A number of scenarios were tested and studied by the technical committee.

Eurobond Issuance

Jordan plans to raise between US\$750 million and US\$1.5 billion by issuing Eurobonds in international markets in order to finance the Kingdom's spending needs. The MOF has been overlooking this with the direct assistance of FRP II specifically through FRP II COP Mr. Roberto Toso and Junior Economist Ms. Aida Murad. FRP II has been involved in this process from day one by analyzing the proposals received from individual banks to the negotiations and to the current status of the issuance and upcoming roadshow. The technical committee holds weekly conference calls with the legal advisors and the banks to discuss the weekly agenda and expected achievements.

Medium Term Fiscal Framework (MTFF)

The Studies Economic and Policies Directorate (SEPD) with the assistance of Team C produced the MTFF that created the re-estimates for the 2012 numbers and forecasts for 2013. This was delivered to the Minister of Finance and the General Budget Department.

Water Sector Analysis

The MOF formed a technical committee, including Ms. Murad, to analyze and study the water sector in order to deliver to the Minister and Secretary General a document describing the current situation of the water sector and the relevant Jordanian companies. It also involved analysis and description of the trends in Jordan and a set of short and medium/long term recommendations that will help make this sector more economically and operationally efficient. Ms. Murad presented the Public Expenditures Perspective's chapter on Water and other USAID reports, which proved to be extremely insightful to the committee's analysis.

NEPCO

With the collaboration of Team G and Team C's efforts, an analysis was done of the financial position of NEPCO to calculate the performance criteria of NEPCO's borrowing in accordance with the IMF, as well as the tariff scheme. This also included an analytical comparison of the stock and flow of borrowing data produced by MOF and NEPCO. Team G and C are working on preparing the action plan for NEPCO's losses to break even in 2016 as a structural benchmark of the IMF SBA.

Supplementary Budget

The MOF with the assistance of Team C developed the supplementary budget for 2012 that took into consideration the latest economic impacts including the Syrian refugees in Jordan.

MOF Website

Ms. Murad assisted the MOF's initiative to renovate and upgrade MOF website. This initiative aims to upgrade both the Arabic and English website by improving the presentation and the core data in it to make it more user-friendly and informative.

CGE Training

Research Assistant Mr. Amin Al-Asoufi was nominated to be part of the National Team to build a CGE model, which involved attending a five-day training for the CGE Model that analyzes the impact of shocks onto the Jordanian economy. This was sponsored by the Ministry of Planning and International Cooperation and the Economic and Social Commission for Western Asia (ESCWA).

Presentation

Dr. Shibli prepared a presentation of the fiscal developments to the Royal Court that was delivered by the Minister of Finance. He also delivered a presentation on the current status of the fuel subsidies and the subsidy removal scheme effort by MOF.

Annual IMF/WB Meeting

Dr. Shibli attended the Annual IMF/World Bank meeting in Tokyo with the Jordanian delegation. In this trip, he met with the US Treasury Department, Mr. Andy Baukol and Mr. Charles Collins; IMF Deputy Managers, Mr. Ahmad and Ms. Shafiq; and with the EU delegation, Mr. Peter Bekx.

SCHEDULE OF WORK PROGRESS AGAINST PLANNED ACTIVITIES

The following table includes the scheduled activities' completion dates for all the assistance planned during the third year work period. In the comments section, tasks are listed as complete, in process, postponed, cancelled, or obviated. Obviated tasks were subsumed into other FRP II activities, or made unnecessary due to changing realities or approaches.

TEAM C: FISCAL POLICY AND MOF TASKS AND ACHIEVEMENTS

Work Area	Planned Delivery Date	Comments
Policy Advisory	Oct-12	
Economic and public policy advisory support	Oct-12	Complete
Budgetary impact of capital projects advisory support	Oct-12	Complete
PPP advisory support	Oct-12	Complete
Legal advisory support	Oct-12	Complete
Unanticipated policy advisory support to Minister/SG/USAID	Oct-12	Complete
Continue Capacity Building Efforts at SEPD	Oct-12	In Process
Provide ad hoc advice to build analytical capabilities	Oct-12	In Process
Respond to demand for SEPD analysis	Oct-12	Complete
Monthly reporting on macro-fiscal performance	Oct-12	Complete
Build capacities within SEPD to understand, analyze, and interpret tax expenditures	Sep-12	
Conduct study on tax incidence	Oct-12	
Continue model building efforts	Oct-12	
Macro-fiscal data set and model	Mar-12	In Process
Completion of Macro-Fiscal Model and data set	Dec-11	Complete
Continue training sessions with SEPD Staff	Mar-12	Complete
Visits to growth engine sectors	Feb-12	Postponed
Build non-econometric revenue model	Oct-12	In Process
Training sessions on non-econometric revenue models	Mar-12	Postponed
Gather required data for analysis	Apr-12	Complete
Build model and validate projections	Oct-12	
Build micro-simulation model	Oct-12	
Design and preparatory work	Jun-12	In Process
Data collection and building model	Oct-12	In Process
In-Country Training	Oct-12	
Government Financial Statistics	Sep-12	Complete
EvIEWS and Excel	Oct-12	Complete
Establish and Support the PPP Unit (PPPU) at the MOF	Oct-12	
Establishing mandate of PPPU at MOF, including institutional setup	Mar-12	Postponed
Establish the mandate, including objectives, workflow, tools, resources	Apr-12	Postponed

Work Area	Planned Delivery Date	Comments
Conduct due diligence to cover existing work & conceptual proposals made on PPPs	Nov-12	Postponed
Define the business cycle for a PPP project	Apr-12	Postponed
Develop set of tools needed to analyze, evaluate and screen PPP candidates	Aug-12	Postponed
Develop manuals to evaluate PPP candidates/potential PPPs	Mar-12	Postponed
Develop project appraisal training material	Feb-12	Postponed
Project appraisal training to 3 pilot ministries (group 1)	Jun-12	Postponed
Assessment of project appraisal training (group 1)	Jun-12	Postponed
Project appraisal training to 3 other ministries (group 2)	Aug-12	Postponed
Assessment of project appraisal training (group 2)	Aug-12	Postponed
Other objectives and activities	Oct-12	
Support MOF & PM finalizing the PPP law and by-laws	Oct-12	Complete
Support the GOJ in establishing a sovereign fund to support the financing needs of Mega Projects, if approved	Oct-12	In Process
Continue Capacity Building Efforts with the PDD	Jul-12	Postponed
Update Medium Term Debt Strategy	Apr-12	Postponed
Design and preparatory work	Mar-12	Postponed
Gather data for further analysis	Mar-12	Postponed
Review MTDS and update analysis	Apr-12	Postponed
Hands-on training on MTDS Tool	Apr-12	Postponed
Training in financial analysis and risk management	Apr-12	Postponed
Enhance the MOF Training Center Capabilities	Jul-12	
Building Capacity of MOFTC Staff	Jul-12	
Special events management training	Nov-11	Complete
Team building training	Dec-11	Complete
Managing training processes	Feb-12	
Monitoring and evaluation brain storming sessions	Jul-12	Cancelled
Upgrade professional programs delivered at MOFTC	Mar-12	Postponed
Validate content of PAP and syllabus	Dec-11	Postponed
Recommend changes and improvements	Dec-11	Postponed
Train-of-Trainers of the modified PAP	Feb-12	Postponed
Provide advise seeking PAP & IFC accreditation by regional institutions	Mar-12	Postponed
Coordinate with other donor agencies working with MOFTC	Nov-11	Complete
Attend the Advisory Council Meeting	Nov-11	Complete
Increasing the capabilities of the HR Directorate	Oct-12	
Linking Job Gap Analysis to Career Paths	Dec-11	Complete
Develop and design database	Nov-11	Complete
Link database findings to training needs	Dec-11	Complete
Build career path training schedule for MOF staff	Dec-11	Complete
Other Specialized Trainings	Oct-12	
Improve English Language Skills for MOF Staff	Oct-12	Postponed
HR development specialized trainings	Mar-12	Postponed

TEAM 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.

TEAM EXPECTED RESULTS

Long-term expected Team 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 Team 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 Team D's progress following each intermediate result:

- Expansion of the Customs "Golden list"

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

Twelfth Quarter Update: During this quarter, Jordan Customs announced the inclusion of two new Golden List companies, the Jordan British Construction Chemicals Company (Fosroc International) and Salbashian Trade Company. This brings the total of active Golden List companies to 39, surpassing the Year 5 target of 35.

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

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

Twelfth Quarter Update: Intermediate result was obviated at the request of Jordan Customs.

- Improved Customs client services

Measurement: Feedback from Internal and External Stakeholders

Twelfth Quarter Update: At the Partnership Council meeting in Aqaba, the Director General of Jordan Customs announced that FRP II Team D was a strategic member of the council; confirming positive feedback from our stakeholders.

- New Customs legislation adopted

Measurement: Compliance with international conventions, (RKC)

Twelfth Quarter Update: JC submitted the proposed amendments to Customs Law to the Legislative Bureau at the Prime Ministry, which gave final approval. However, and due to change of government, the draft law was not presented to the Council of Ministers and therefore it was not sent to Parliament for approval.

- Increased risk management capacity

Measurement: Increased utilization of Risk Management Units in PGAs, reduction in the percentage of red lane declarations for both JC and the PGAs

Twelfth Quarter Update: To reduce red channel interventions and harmonize risk management criteria, we conducted an advanced risk management workshop with JC and the Tier 1 and 2 PGAs plus a representative from the Ministry of Transport.

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

Measurement: Number of agencies increased, number of procedures reduced

Twelfth Quarter Update: In September, the Ministry of Environment signed the Single Window MOU with Jordan Customs. Five PGAs are now active partners in the JSW. Of the Tier 1 and 2 PGAs, only the Ministry of Agriculture has not signed the MOU.

KEY ACCOMPLISHMENTS/HIGHLIGHTS FOR THE 12TH QUARTER

During the twelfth quarter, Team D continued to move forward on a number of issues to enhance the trade environment in Jordan.

World Bank Report – Doing Business/Trading Across Borders

The World Bank Doing Business Report for 2013 (based on 2012 results) was released on Tuesday the 23rd of October. Jordan improved six places in the “Trading Across Borders” indicator, from a ranking of 58 in the 2012 report to 52 in 2013. This represents a significant endorsement of Jordan’s and FRP II’s Trade Facilitation efforts.

Jordan Single Window

On the 2nd of September 2012, the Ministry of Environment became the fifth partner government agency (PGA) to sign the Single Window MOU with Jordan Customs. In chronological order, MOUs are currently in effect with the Nuclear Regulatory Commission, Jordan Standards and Metrology Organization, Jordan Food and Drug Administration, Telecommunications Regulatory Commission, and the Ministry of Environment. The Ministry of Agriculture refuses to sign the MOU. In his statement to the press, the Director General of Jordan Customs Mr. Ghaleb Al-Sarayreh emphasized the important role of the Single Window, and addressed the challenges Jordan Customs faces in convincing other PGAs to sign the MOU as part of integrated border management.



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Pre-arrival Processing (PAP)

Team D worked with Jordan Customs, through the TCBoost Partnership for Trade Facilitation Program, to provide technical assistance to expand the scope and impact of the PAP program, which will help reduce administrative barriers, shorten processing times, and decrease red-channel examinations. Improvements to PAP will also increase transparency and predictability, and expand public/private sector capacity. The PAP Working Group consisted of representatives from several Jordan Customs directorates and TCBOOST advisors. The working group developed improvements to the import process that will allow cargo to enter Jordan faster and more cheaply.

STTA Mr. Bill Vawter, Program Specialist Mr. Mazen Abualghanam (TCBOOST/FRP II) and five Jordan Customs officers traveled to Aqaba Port to discuss implementing PAP procedures with public and private sector stakeholders. The meetings were a great success and resulted in unanimous support for the new procedures from Jordan Customs, Aqaba Container Terminal (port operators), customs clearing agents, and shipping agents. The new PAP procedures will allow traders to file their customs declarations before arrival of the vessel at Aqaba Port. This will allow Jordan Customs and ACT to process documents, plan cargo movements, and coordinate inspections before the goods arrive in Jordan. All stakeholders anticipate that the new reforms will significantly reduce cargo-processing times at Aqaba Port, especially for transit goods. Jordan Customs is being proactive by taking the lead to implement PAP and involving the stakeholders in the process. Once the various directorates approve the new procedures, Jordan Customs intends to launch a pilot program in Aqaba.

Aqaba Seaport and Cargo Handling Arrangements/Partnership Council Meeting in Aqaba

At the request of Jordan Customs, Ms. Daugherty and Mr. Abualghanam attended a Partnership Council meeting in Aqaba on the 19th of September. Topics of discussion included the pilot Pre-Arrival Processing program in Aqaba, delays at ACT, and the creation of a processing center for in-transit shipments. JC Director General announced that FRP II Team D was a strategic member on the Partnership Council and would be included at all future meetings.

Risk Management

Under the Partnership for Trade Facilitation, we procured six computers for the Tele-Communication Regulatory Commission, Ministry of Environment, and Jordan Nuclear Regulatory Commission. The computers allow the PGAs to access ASYCUDA World in order to do pre-arrival processing, move towards a paperless single window, and improve risk management cargo selectivity targeting.

Furthermore, and in coordination with the Risk Management Directorate and Jordan Customs Training Center, we provided Advanced Risk Management Training to the six PGAs plus a representative from the Ministry of Transport. The training, which was delivered jointly by Team D Lead Ms. Linda Daugherty and the JC Risk Management Directorate, provided tools to reduce red channel interventions and harmonize risk management criteria. The training took place between the 14th and 18th of October.



Partnership for Trade Facilitation Outreach Communication Plan

Promotion and publication of services that Jordan Customs offers to the trade community to facilitate trade was initiated in early September. The featured programs are, Pre-Arrival Processing, Advance Ruling, Golden List, and Single Window. Jordan Customs Officials, STTAs Brian O'Shea and William Vawter, and FRP II Outreach and Team D staff, developed the concept and content of the media campaign to encourage increased utilization of trade facilitation programs.

We produced brochures, posters, and roll-up banners for display at the various customs centers, shipping, clearance, logistics and trade associations, chambers of industry and commerce, and industrial zones. Eighteen quarter-page advertisements were posted in local Arabic and English newspapers, a web banner was posted on one of the most accessed local e-news websites (www.alrai.com) as well as the Jordan Customs website, and email shots were sent to 150,000 recipients. With the efforts of FRP II Outreach Advisor Ms. Tulin Bakeer, a press conference is being planned for November, to continue the momentum of the USAID/Jordan Customs Partnership for Trade Facilitation media campaign to promote FRP II and Jordan Customs efforts to streamline processing and reduce delays.



Roll-Ups, showing the main themes targeting Jordan Customs Trade Facilitation endeavors: Pre-Arrival Processing, Advance Ruling, Golden List, and Single Window along with other Jordan Customs Trade Facilitation services.

IT Support

Comprehensive Integrated Tariff System (CITS)

Jordan Customs received approval from the Council of Ministers to utilize funding (approximately US\$ 500,000) provided through the Local Currency Trust Fund to contract with UNCTAD for much needed improvements to the ASYCUDA World Customs declaration-processing platform. JC Director General was authorized to sign the contract agreement. We appreciate the efforts of USAID, Dr. Ruba Jaradat to champion Jordan Customs through this lengthy process. A more robust platform for ASYCUDA will allow implementation of critical Year 4 projects, including the Comprehensive Integrated Tariff (CITS) and Amman Customs House, Centralized Processing Center/E-Processing.

Jordan Customs Financial Systems – Phase 1

Java Expert Mr. Jalal Kiswani continues to mentor JC IT Directorate in developing in-house IT systems, which will meet FRP II's objectives in the modernization of JC. Mr. Kiswani provides excellent support to JC IT team and is responsible for the significant progress of Jordan Customs Financial Systems demonstrated by the completion of phase one. Mr. Kiswani has agreed to continue his work with JC during Year 4, to ensure sound knowledge transfer during the Financial Systems development phase two, and to continue successful integration with GFMS. To celebrate their accomplishments and recognize completion of JAVA and advanced training courses, the IT staff was presented with Certificates from Final Solutions and letters of appreciation from the FRP II Customs Administration and Trade Facilitation team.

Procurement

Business Cases for the procurement of ICT equipment critical to Amman Customs House project and to support CITS were approved.

SCHEDULE OF WORK PROGRESS AGAINST PLANNED ACTIVITIES

The following table includes the scheduled activities' completion dates for all the assistance planned during the third year work period. In the comments section, in the comments section, tasks are listed as complete, in process, postponed, cancelled, or obviated. Obviated tasks were subsumed into other FRP II activities, or made unnecessary due to changing realities or approaches.

TEAM D: CUSTOMS AND TRADE FACILITATION TASKS AND ACHIEVEMENTS

Work Area	Planned Delivery Date	Comments
Golden List (GL)	Oct-12	Obviated
JORDAN CUSTOMS (JC)		
Assist JC to promote new GL conditions and incentives	Mar-12	Complete
JORDAN FOOD & DRUG ADMINISTRATION (FDA)		
Develop technical manual for the new GL program	Mar-12	Cancelled
Perform pilot testing for the new GL program with selected JC GL companies, adjust manual as necessary and submit report	May-12	Obviated
Communication and Outreach Strategy for promoting new GL program	Oct-12	Obviated
Assist JFDA to develop internal Communication and Outreach Strategy	Sep-12	Obviated
Assist JFDA to Develop external Communication and Outreach Strategy	Sep-12	Obviated
Provide on-going TA to implement the outreach strategy	Oct-12	Obviated
JORDAN STANDARDS & METROLOGY ORGANIZATION (JSMO)		
Develop technical manual for GL program	Mar-12	Cancelled
Perform pilot testing for the new GL program with selected JC GL companies, adjust manual as necessary and submit report	May-12	Obviated
Communication and Outreach Strategy for promoting new GL program	Oct-12	Obviated
Assist JSMO to develop internal Communication and Outreach Strategy	Aug-12	Obviated
Assist JSMO to develop external Communication and Outreach Strategy	Aug-12	Obviated
Provide on-going TA to implement the outreach strategy	Oct-12	Obviated
Jordan Single Window (SW)		
Mid-Term Evaluation	Oct-12	Complete
Consultation with all 6 current SW participants	Dec-11	Complete
Consultation with the Trade	Dec-11	Complete
Identify outstanding issues, and develop recommendations	Dec-11	Complete
Convene discussion sessions with SW (JC and PGAs) to finalize issues and recommendations	Dec-11	Complete
Submit Report and Draft Implementation Plan	Jan-12	Complete
Provide on-going TA to implement the recommendations	Oct-12	Complete
JSW Master Work Plan	May-12	Complete
Review SW Master Plan and adjust based on the mid-term review	Jan-12	Complete

Work Area	Planned Delivery Date	Comments
Create an Electronic SW E-Library	Mar-12	Complete
Suggest a mechanism for coordinating the SW senior level steering committee (SLSC)	Mar-12	Complete
SW Communication and Outreach Strategy for JSW	Oct-12	Complete
Assist JC to develop internal Communication and Outreach Strategy with SW PGAs	Apr-12	Complete
Assist JC to develop external Communication and Outreach Strategy	Apr-12	Complete
Provide on-going TA to implement the outreach strategy	Oct-12	Complete
Provide technical support to SW MOUs between JC	Jun-12	Complete
MOA	Jun-12	Complete
MOE	Jun-12	Complete
TRC	Jun-12	Complete
Risk Management		
Support harmonization of JFDA and JSMO Risk Criteria with JC Criteria	Oct-12	Complete
Provide ongoing support to established risks units	Oct-12	Complete
Assist in development of Risk Criteria for Tier 2 PGAs and MOA	Oct-12	Complete
MOE	Oct-12	Complete
NRC	Oct-12	Complete
TRC	Oct-12	Complete
MOA	Oct-12	Complete
Work with JC to refine Risk Criteria to reduce the percentage of goods sent to the red lane	Jun-12	Complete
Study Tour For SW And Fully Functional Risk Management Units	May-12	Complete
Develop and agree on ToRs for the visit	Jan-12	Complete
Select location in agreement with counterpart	Mar-12	Complete
Identify participants (approximately 6-8)	Mar-12	Complete
Logistics	Apr-12	Complete
Conduct tour	Apr-12	Complete
Submit report	May-12	Complete
SOP Manual for Pilot Clearance Regime		
Form a JC working group	Apr-12	Cancelled

Work Area	Planned Delivery Date	Comments
Agree with JC on selecting a pilot regime to develop SOP (the proposed regime is international transit)	May-12	Cancelled
Survey of procedures at selected location	Jun-12	Cancelled
Assessment of Legal framework	Jun-12	Cancelled
Report of findings	Jul-12	Cancelled
Discuss amendments to operating procedures	Jul-12	Cancelled
Develop and present SOP manual	Sep-12	Cancelled
Develop and present a workshop on how to write SOPs	Sep-12	Postponed
Aqaba Seaport Operations and Cargo Handling	Apr-12	Complete
Assess current ACT operations	Mar-12	Complete
Develop recommendations for improving Aqaba Port operations	Mar-12	Complete
Deliver Report	Apr-12	Complete
Customs Broker licensing requirements	Apr-12	Complete
Document broker requirements as envisaged by JC	Mar-12	Complete
Identify legislative constraints against change	Mar-12	Complete
Review current incentives and penalties	Mar-12	Complete
Recommend revised broker licensing requirements to include legislative changes	Apr-12	Complete
Report of findings and recommendations	Apr-12	Complete
PCA		
Review of the current PCA functions at JC	Apr-12	Postponed
Assessment of PCA based controls capability in JC	Mar-12	Postponed
Report on findings and recommendations	Jun-12	Postponed
Conduct training	Jul-12	Postponed
IT Support		
Procurement	Jun-12	In process
Purchase of two servers for ASYCUDA / GPS tracking system in support of the Amman Customs House CPC project	Jun-12	In process
Purchase of 14 laptops computers for PGAs risk units	Jun-12	Complete
Provide support to JC IT directorate in JAVA	Oct-12	Complete

CHALLENGES/SOLUTIONS

Timely procurement of ICT equipment continues to be a challenge. The purchase of computer servers in support of the GPS tracking system was postponed from years one and two. We successfully bid the procurement, however we remain in the “preparation of the IRM” phase for over six months.

TEAM E: GOVERNMENT PERFORMANCE IMPROVEMENT (GPI)

To simplify FRP II organizational structure, make it more flexible, more effective and responsive to counterpart needs, it was decided to create a new team called Government Performance Improvement (GPI), which comprises three areas; Accountability, Result Oriented Government, and Institutional Development (KAA Support).

TEAM EXPECTED RESULTS

Long-term expected results under Team E include:

Accountability

- Better performance auditing on the government operations, programs and/or policies to determine whether funds are being spent efficiently, effectively, and economically
- Budget and performance data used to ensure accountability
- Improved reporting on how well government programs and policies are meeting their objectives
- Better and effectively performed processes

Results Oriented Government

- 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 the government

Institutional Development (KAA Support)

- Excellent governmental performance results
- Better defined and more effectively performed leadership role
- Motivated employees working to achieve their defined institutional objectives
- Enhanced development and implementation of plans for effective and efficient utilization of government resources
- Better management of knowledge available at every institution

SMART INTERMEDIATE RESULTS

To achieve these long-term objectives, Team 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 Team E's progress following each intermediate result:

Accountability

- Two performance audit reports are issued and submitted to the Parliament by AB

Measurement: Reports are published for Public

Twelfth Quarter Update: This result was achieved during the 11th quarter.

- Six quality management procedures are approved and issued by AB

Measurement: ISO 9001 team is trained on procedures writing to produce the quality management procedures

Twelfth Quarter Update: Nine employees from the ISO 9001 Team were trained on procedures writing. Seven process maps were documented, representing seven procedures, as part of AB quality management system.

- IFC training package is prepared and ready for use
Twelfth Quarter Update: Intermediate result is obviated.

Results Oriented Government

- Enhanced awareness about the National Contact Center (NCC) and increased citizens' use of the NCC

Measurement: Statistics from the NCC

Twelfth Quarter Update: This result was achieved during the 11th quarter.

- Government institutions become more aware of the need to innovate and encourage innovation

Measurement: KAA reports

Twelfth Quarter Update: Statistics could not be obtained on time since the cycles of the Government Customer Service Excellence Award, Innovation Award, and KAA are not finalized yet.

- Improved Service delivery in government agencies

Measurement: Customer Satisfaction Surveys

Twelfth Quarter Update: Statistics could not be obtained on time since the cycles of the Government Customer Service Excellence Award, Innovation Award, and KAA are not finalized yet.

Institutional Development (KAA Support)

- 30% increase in the score resulting from KAA assessment of GBD

Measurement: KAA reports

Twelfth Quarter Update: Statistics could not be obtained on time since the cycles of the Government Customer Service Excellence Award, Innovation Award, and KAA are not finalized yet.

KEY ACCOMPLISHMENTS/HIGHLIGHTS FOR THE 12TH QUARTER

Accountability

AB Communication Strategy

FRP II Outreach Advisor Ms. Tulin Bakeer conducted 16 sessions to AB Communication Committee to transfer the knowledge of developing communication strategies utilizing the principles of social marketing. Furthermore, Ms. Bakeer led the development of AB Communication Strategy in which the target audience, objectives, goals, activities, and performance indicators were identified. The Communication Strategy is now ready to be submitted to AB President for final approval.



Performance Auditing Sustainability at AB

FRP II Accountability Team focused during this quarter on performance auditing sustainability at AB. Fifteen new auditors participated in the new five pilot teams formed to carry out performance audits on major topics, side by side with the eleven auditors from the previous three pilot teams who were trained by FRP II experts. Three senior managers of AB, who were trained by FRP II experts and led the three pilot project team leaders, supervised the five teams. Knowledge transfer

and experience exchange were practiced during assessment implementation as well as reports review.

ISO 9001 Quality Management System

During this quarter, FRP II Performance Management Advisor Ms. Ola Al-Zawati and KAA Advisor Ms. Safa'a Jarrar worked closely with the new ISO 9001 specialized team formed recently. AB President formed the new team after a series of employees' rotation decisions taken, which affected the contribution of the old team. The new team was trained on the specific requirements of ISO 9001 standard, document and control procedures were discussed, a template for the development of procedures were agreed upon, and 17 process maps were developed, among which seven processes covering quality procedures' requirements of the standard were reviewed and finalized.



Furthermore, two awareness seminars were conducted to promote the quality management system for most of AB key staff members. The seminars took place in Aqaba on the 27th of September and Irbid on the 1st of October, and were attended by more than 70 staff members of AB.

Launching Performance Indicators Auditing

Team E Lead Mr. Osama Al-Azzam launched the new project at AB, Performance Indicators Auditing, through conducting training on accountability and performance indicators for 25 auditors. The new project aims at assessing the performance of governmental organizations through auditing their Performance Indicators annually for their relevance, accuracy, and progress on which performance is evaluated and monitored.

Moreover, STTA Mr. Stephen Leeds conducted two training sessions on Key performance Indicators for 14 auditors of the Final Accounts Committee responsible for the implementation of this project.

Results Oriented Government

Service Delivery Improvement Toolkit

ROG Advisor Ms. Khitam Farah, in coordination with MoPSD Service Delivery Development Directorate, finalized reviewing the final designs and contents of both the Arabic and English toolkits.

Support to the Department of Lands and Survey (DoLS) to Elevate Level of Performance of the Customer Services at the Southern Amman Directorate

Ms. Farah and ROG Coordinator Ms. Eman Al-Ajaleen finalized the design and analysis of the Employees and the Licensed Surveyors' Satisfaction Surveys related to the "Land Sorting" service. Furthermore, a detailed process review was completed for the technical section. This resulted in a number of valuable recommendations to improve the service, better utilize the resources, and minimize the number of forms used.

Finalizing the MOT project

The Final report was submitted by the system developer (01 Tracks) and reviewed by FRP II IT Advisor Mr. Firas Al-Sheikh. The system is being tested now by MOT, and follow-up is being carried out by MoPSD Innovation and Excellence Directorate.

The ROG Toolkit

The developed ROG toolkit was shared with Mr. Waleed Farhan, Government Performance Administration Director, and other MoPSD Directors. Preparations for the introductory training for

the ROG toolkit, which will be conducted during December 2012 by STTA Ms. Martha Marshall, were finalized. Furthermore, 70% of the ROG toolkit translation is complete.

Institutional Development (KAA Support)

During the twelfth quarter, KAA main support focused on helping FRP II counterparts in the application report writing process; all KAA Advisors and the Institutional Development Team Lead Ms. Widad Qutaishat guided counterparts' KAA teams in ISTD, GBD, and JC on how to write their KAA Application Reports, and then helped them with reviewing these reports. Furthermore, other major accomplishments have been achieved during this quarter as follows:

- At JC, KAA Advisor Mr. Weam Obeidat participated in reviewing, designing, and improving JC processes, reviewed and improved their external communication matrix, reviewed their final draft of the application reports of both the Innovation Award and the Outstanding Employee Award, and finalized their institutional KPIs and their compliance with RADAR.
- At GBD, KAA Advisor Ms. Safa'a Jarrar supported KAA teams to develop a group of KPIs to measure institutional results for all criteria. Ms. Jarrar and processes' owners reviewed and mapped the processes of the Studies and Information Directorate. In addition, she guided the writing process and then reviewed the reports of Employees' Satisfaction, Employees' Appraisal, and Clients' Satisfaction.
- At ISTD, KAA Advisor Mr. Khalil Al-Dmour along with ISTD Processes Team, reviewed the Suppliers Relations Management methodology. He also reviewed the Operational Plan for the Human Recourses (HR) Department.
- As for the Knowledge Management Criteria, KAA Advisor Mr. Mohammed Humash supported FRP II counterparts in reviewing the knowledge management strategies and associated action plans, the approach to measure the impact of Knowledge Management on organizational performance, the conversion of the implicit knowledge into an explicit one, the "Knowledge Mapping Matrix", and the "Tacit Knowledge Capture Database". In the results area, Mr. Humash recommended a number of commonly used KPIs related to the Knowledge Management criterion to enable benchmarking with other partners in GOJ. He also helped counterpart teams in designing the planning phase of the benchmarking process, selection of candidate partners, and designing the selection criteria.
- During this quarter, Ms. Qutaishat developed a new strategy for the continual support provided to FRP II counterparts with regard to KAA work. The strategy was focused on ensuring sustainability of the institutional development efforts through; institutionalization of the work by restructuring institutional development functions, building capacities of concerned employees, as well as building and implementing an organizational assessment model.

SCHEDULE OF WORK PROGRESS AGAINST PLANNED ACTIVITIES

The following table includes the scheduled activities' completion dates for all the assistance planned during the third year work period. In the comments section, tasks are listed as complete, in process, postponed, cancelled, or obviated. Obviated tasks were subsumed into other FRP II activities, or made unnecessary due to changing realities or approaches.

TEAM E: GOVERNMENT PERFORMANCE IMPROVEMENT TASKS AND ACHIEVMENTS

Work Area	Planned Delivery Date	Comments
Accountability		
Continuous Support to the Audit Bureau	Oct-12	Complete
Provide policy or technical advisory support	Oct-12	Complete
General training (6 sessions/ courses)	Oct-12	Complete
Internal Financial Control	Dec-11	

Work Area	Planned Delivery Date	Comments
Develop IFC training package	Nov-11	Obviated
Train the trainers	Nov-11	Obviated
Conduct training on IFC	Dec-11	Obviated
Final Accounts Audit and Analysis Report	May-12	
Conduct a gap analysis and benchmarking study	Feb-12	Complete
Prepare an action plan	Mar-12	Complete
Develop a final accounts audit & analysis manual	May-12	In Process
Conduct training on final accounts audit & analysis	May-12	In Process
Performance Audit	May-12	
Finalize and produce performance audit manual in Arabic	May-12	In Process
Review performance audit report before issuance	Nov-11	Complete
Evaluate pilot experience	Feb-12	Complete
Conduct 3 knowledge transfer sessions on PA experience to AB staff	Apr-12	Complete
Conduct team leaders training to new AB performance audit teams	Apr-12	Complete
Conduct interview skills training for new PA teams	May-12	Complete
ISO 9001 Quality Management System at the Audit Bureau	Oct-12	
Approve ISO 9001 action plan	Nov-11	Complete
Conduct 3 training sessions on ISO 9001	Dec-11	Complete
Conduct 11 specialized training sessions on ISO 9001 specific requirements	Sep-12	Complete
Audit Bureau Capacity Building Project	Jul-12	
Develop training strategy	Dec-11	Complete
Conduct a benchmarking & gap analysis study on training	Dec-11	Complete
Review current AB job descriptions	Mar-12	Obviated
Develop training methodology and training plan	May-12	In process
Conduct a benchmarking & gap analysis study on HR strategies	Jun-12	Obviated
Recommend improvements on AB recruitment procedure	Jun-12	In process
Recommend improvements on AB incentive procedure	Jul-12	In process
IPSAS Implementation	Oct-12	
Conduct a gap analysis study	Feb-12	Obviated
Prepare an action plan	Mar-12	Obviated
Implement the action plan	Oct-12	Obviated
Conduct 2 training sessions on IPSAS	Oct-12	Obviated
Audit Bureau Communication Strategy	Nov-12	
Formation of a focus group and conducting discussion sessions	Feb-12	Complete
Develop AB communication strategy	Feb-12	Complete
Implement AB communication plan	Nov-12	Obviated
Monitoring and evaluation	Nov-12	Obviated
Improve Audit Reporting	Oct-12	
Conduct study tour to GAO to sign MOU	Jan-12	Complete
Conduct a benchmarking study	Feb-12	Complete
Develop AB style guide	Apr-12	In process
Develop AB standard for preparing, issuing and distributing reports	May-12	In process
Conduct a workshop for AB employees on the reporting system	Jun-12	In Process
Conduct a workshop with the parliament members	Oct-12	Obviated

Work Area	Planned Delivery Date	Comments
Results Oriented Government		
Provide technical and policy assistance to counterparts.	Oct-12	Complete
Innovation Forum	Oct-12	
Conducting the Forum	May-12	Cancelled
Reconfirm Selected Speakers and Moderators Interest	Dec-12	Cancelled
Contact new potential speakers, moderators, subjects as needed.	Jan-12	Cancelled
Evaluate submitted abstracts and bios	Feb-12	Cancelled
Update and finalize Innovation Forum Program (Arabic and English)	Feb-12	Cancelled
Patronage preparations and follow up	Mar-12	Cancelled
Contact Selected Speakers to submit/ update presentations	Mar-12	Cancelled
Finalize participants/ invitees lists (public, private, NGOs), honored guests	Jan-12	Cancelled
Review and finalize Forum website	Mar-12	Cancelled
Review and finalize Forum material	Feb-12	Cancelled
Production of Forum material (brochures, flyers, banners, Invitations...etc.)	Apr-12	Cancelled
Define and update sponsors and media partners' packages	Nov-11	Cancelled
Define Sponsors and Media Partners	Jan-12	Cancelled
Confirm, Re- define, and contact potential exhibitors	Dec-11	Cancelled
Logistics (Venue, Accommodation, Dinner, Local Trips, flights, ushers)	Apr-12	Cancelled
Hold Innovation Forum	Apr-12	Cancelled
Hold Innovation Forum	Apr-12	Cancelled
Innovation Forum Follow up activities (website updates, feedback analysis, reporting)	May-12	Cancelled
Adopting Innovation Forum Outcomes Initiatives	Oct-12	Cancelled
Define and Prioritize Innovation Forum Outcomes Initiatives	Jun-12	Cancelled
Define Potential Champions to Implement Selected Initiatives (2 Champions at least)	Jul-12	Cancelled
Preparation for Implementation (SOW, Define resources Internal or external experts, etc.)	Oct-12	Cancelled
Service Delivery Toolkit Marketing and Implementation	Oct-12	
Toolkit distribution	Feb-12	
Distribution Plan	Dec-11	Complete
Toolkit distribution to public institutions and websites upload	Feb-12	In Process Website upload completed
SDI tools Summaries' marketing	Mar-12	In process
Preparations	Jan-12	Complete
Printing	Feb-12	In process
Distribution, websites upload	Mar-12	In process Website upload completed

Work Area	Planned Delivery Date	Comments
Distributing SDI tools summaries	Mar-12	In Process
Training Workshops on SDI Tools	Oct-12	In Process
Preparations	Oct-12	In Process
Conduct the training	Oct-12	In Process
Implementation pilot projects	Oct-12	In Process
Defining Potential implementation Champions	May-12	Complete
Preparation for Implementation (SOW, Define resources internal or external experts, etc.)	Oct-12	In Process
Implementation of Selected Tools and Provide Feedback for Continuous Improvement	Oct-12	In Process
Alleviating of Customer Service at the Department of Lands and Survey (implementation phase)	Oct-12	
Preparation	Jan-12	Complete
Mentorship and training of action plan implementation	Mar-12	In Process
Capacity Building of Customer Service Employees at DoLS	Oct-12	Obviated
National Call Center Promotional Campaign	Jul-12	
Conducting the Campaign	Jun-12	Complete
Campaign conducted	Jun-12	Complete
Preparing and Submitting the Final Report	Jul-12	Complete
Code of Ethics Promotional Campaign	Oct-12	Cancelled
Project Preparations	Mar-12	Cancelled
Conducting the campaign	Oct-12	Cancelled
campaign conducted	Oct-12	Cancelled
Preparing and Submitting the Final Report	Oct-12	Cancelled
Actuarial Study- Social Security Corporation	Feb-12	
Preparations	Dec-11	Complete
Project work plan development	Jan-11	Complete
Diagnosis and benchmark review	Dec-11	Complete
Recommendation development	Jan-12	Complete
Draft report submission	Jan-12	Complete
Draft report review	Jan-12	Complete
Presenting findings workshop	Jan-12	Complete
Work plan for implementing recommendation	Feb-12	Complete
Finalize report	Feb-12	Complete
Submit final Report	Feb-12	Complete
ROG toolkit	Jul-12	
Preparations	Nov-11	Complete
Work plan Development and Material Review	Dec-11	Complete
Draft Toolkit Development	Feb-12	Complete
Draft Toolkit Review	Mar-12	Complete
Final Toolkit Development	Mar-12	Complete

Work Area	Planned Delivery Date	Comments
Final Toolkit Submission	Mar-12	Complete
Marketing Plan Development	Mar-12	Complete
Training KAA Advisors and counterparts on Toolkit Implementation	Jun-12	In Process
Preparing and Submitting the Final Report	Jun-12	
Printing the Toolkit	Jul-12	
IEF/ Ministry of Transport- Customers' feedback management and tracking system.	Oct-12	
Project Preparations	Aug-12	Complete
System Development	Jan-11	Complete
System Delivery	Mar-12	Complete
Staff Training and Coaching	Mar-12	Complete
Preparing and Submitting the Final Report	Aug-12	Complete
IEF/ Food and Drug Administration- Management Information System for Food Laboratory Testing Results	Aug-12	
Project Preparations	Oct-12	Cancelled
System Development	Mar-12	Cancelled
System Delivery	Sep-12	Cancelled
Staff Training and Coaching	Sep-12	Cancelled
Preparing and Submitting the Final Report	Oct-12	Cancelled
IEF/ Social Security Corporation- Improve Customers' service Units performance	Aug-12	
Project Preparations	Dec-11	Complete
System Development	Jun-11	Complete
System Delivery	Jun-12	Complete
Staff Training and Coaching	Jul-12	Complete
Preparing and Submitting the Final Report	Aug-12	Complete
Public Sector Customers' Focus Groups Campaign	Oct-12	
Project Preparations	Jun-12	Cancelled
Conducting the Focus Groups	Sep-12	Cancelled
Preparing and Submitting the Final Report	Oct-12	Cancelled
KACE/ Government Customer Service Excellence Award (GCSEA)	Oct-12	
Final development of model	Dec-11	Complete
Finalize framework - criteria - guidelines	Dec-12	Complete
Development of model	Dec-11	Complete
GCSEA Awareness	Jun-12	Complete
Prepare Awareness plan	Jan-12	Complete
Conduct Sessions	Jun-12	Complete
GCSEA Training for participating organizations	Jun-12	Complete
Prepare Training plan	Jan-12	Complete
Conduct Sessions	Jun-12	Complete
Assessors Training	Mar-12	Complete

Work Area	Planned Delivery Date	Comments
Prepare training material	Jan-12	Complete
Conduct Sessions	Jun-12	Complete
Assessors Selection	May-12	Complete
Prepare Selection criteria	Dec-11	Complete
Interview candidates	Apr-12	Complete
Select Assessors	May-12	Complete
KAA Administration	Jun-12	
Select Assessors for new Cycle	Feb-12	Cancelled
Review and update Assessors Selection Criteria	Nov-11	Cancelled
Train Potential Assessors	Feb-12	Cancelled
Select Assessors	Feb-12	Cancelled
Participating organizations awareness and Training	Jun-12	Complete
Conduct training workshops for public sector participating organizations	Jun-12	Complete
Conduct training workshops for private sector participating organizations	Jun-12	Complete
Assist KACE in becoming Recognized for Excellence	Oct-12	
Conduct self-assessment	Dec-11	Complete
Prepare Action Plan	Dec-11	Complete
Develop Approaches and systems	Oct-12	Cancelled
Training Support	Jul-12	
Assist KACE in developing its Training plan for year 2012	Nov-11	Complete
Develop Benchmarking training material course	Mar-12	Complete
Develop Customer Satisfaction Surveys training material course	Mar-12	Complete
Develop Key Performance Indicators (KPIs) training material	Mar-12	Cancelled
Conduct Benchmarking Training courses	Jun-12	Complete
Conduct Customer Satisfaction Surveys Training courses	Jun-12	Complete
Conduct Key Performance Indicators (KPIs) Training courses	Jul-12	Cancelled
Benchmark Visit	Feb-12	
Preparations	Feb-12	Cancelled
Conduct the visit	Feb-12	Cancelled
KAA Impact Assessment Study	Mar-12	
Prepare assessment criteria and surveys	Nov-11	Complete
Prepare surveys and visits plan	Dec-11	Complete
Conduct surveys and visits	Jan-12	Cancelled

Work Area	Planned Delivery Date	Comments
Analyze results	Feb-12	Cancelled
Prepare report	Mar-12	Cancelled
Report Submission	Mar-12	Cancelled
Institutional Development (KAA Support)		
KAA ACTIVITY - ISTD		
Assist ISTD in developing a remedial KAA action plan for the KACE evaluation report	Nov-11	Complete
Assist ISTD in meeting KAA criteria for outstanding employees	Oct-12	In Process
Assist ISTD in meeting mystery shopper requirements	Oct-12	Complete
Conduct mystery shopper training	Dec-11	Complete
Assist ISTD in developing KAA submission report	Oct-12	In Process
Conduct KAA orientation sessions to familiarize ISTD with any new KAA amendments	Jun-12	Complete
Support assessor/auditor training for KAA	Jul-12	Cancelled
Conduct KAA assessor workshop	Sep-12	Postponed
Conduct training needs assessment workshop	Jan-12	Complete
Conduct SWOT analysis training	Jan-12	Complete
Conduct two sessions to review ISTD vision & mission	Nov-11	Complete
KAA Activity - GBD	Oct-12	
Remedial action plan	Dec-11	Complete
Workshops/OJT	Oct-12	Complete
KAA Activity - MOF		
Develop corrective action plan on KACE recent reports	Dec-12	Complete
Implementation of KAA corrective action plan	Apr-12	In Process
Assist MOF in meeting KAA criteria for outstanding employees	Dec-12	Cancelled
Conduct mystery shopper training	Feb-12	Complete
Conduct KAA assessor workshop	Mar-12	Cancelled
Conduct SWOT analysis training	Apr-12	Cancelled
Conduct two sessions to review MOF vision & mission	Apr-12	Cancelled
Assist MOF in developing KAA submission report	Jul-12	In process
KAA Specialized Training	Feb-12	Complete
KAA Activity - Customs		
Provide technical support and advisory to JC on KAA criteria	Oct-12	Complete
Training	Oct-12	
KAA Criteria and Requirements and RADAR Methodology	Dec-11	Complete
Awareness on KAA requirements	Apr-12	Complete
Preparation of Annual Action Plans	Feb-12	Complete
Key Performance Indicators (KPI's)	Apr-12	Complete
Certified KAA assessor	Apr-12	Postponed

Work Area	Planned Delivery Date	Comments
Process Management and streamlining	May-12	Complete
Balanced Scorecards Training	May-12	Complete
Purchasing and Stock Management Training (financial criteria)	Jun-12	Complete
Control and Internal Auditing Training (financial criteria)	Jul-12	Complete
Creativity and innovation Training	Sep-12	Complete
Linking individual performance to organizational performance	Aug-12	Complete
Assessment of the return compared with the cost of the training	Oct-12	Complete
Knowledge Management (Knowledge Audit and K-maps)	Jan-12	Complete
Linking Knowledge Management to other organization managements	Mar-12	Complete

CHALLENGES/SOLUTIONS

1. FRP II combined Accountability, Result Oriented Government, and Institutional Development under one team. Although FRP II made this change to simplify the organizational structure and make it more responsive to counterpart needs, it is a change that needs to be dealt with carefully. After reviewing the progress and the overall expected results, it has been decided that there is a need to change the team's structure to achieve its expected results and objectives. Subsequently, three components have been created as follows: Accountability, led by Ms. Ola Al-Zawati, Result Oriented Government, led by Ms. Khitam Farah, and Institutional Development, led by Ms. Widad Qutaishat under the leadership of Mr. Osama Al-Azzam.
2. In AB, involvement of teams in several projects with different donors, as well as their usual daily work, might affect the progress on our plan. As a solution, we work with teams, rather than individuals, so the absence of a team member would not affect the progress of the work. In addition, we have ongoing training sessions where well-trained employees train their new colleagues.
3. The main challenge that faced the ROG component is the restructuring of the team that resulted in the reallocation of two major resources to other components of the project. It has been decided that an additional technical resource will be assigned.

TEAM F: GOVERNMENT FINANCIAL MANAGEMENT INFORMATION SYSTEM (GFMIS)

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

TEAM EXPECTED RESULTS

Expected results of the GFMIS Team 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, Team F established the following list of intermediate results, aiming to achieve them by the end of year three. Here, we provide an update on Team F's progress following each intermediate result:

- GFMIS is operational in Government spending agencies

Measurement: GFMIS operational in 30 Ministries and 15 RFCs

Twelfth Quarter Update: GFMIS system is operational in 35 budget institutions (6 pilot sites and 29 rollout sites). During this quarter, the system was rolled out in batch 10; Ministry of Agriculture, Jordan Valley Authority, and Ministry of Public Works & Housing. For the other two batches (11 and 12) and as shown in Figure 1 below, there were some delays in the system implementation due to the non-readiness of the financial data in these sites. However, Team F will double the efforts to launch the remaining batches in a way that keeps everything in line with the timelines specified in the project plan.

In addition to rolling out the GFMIS system in the concerned sites, the GFMIS team in its different tracks achieved various tasks that reflected positively on the project. Starting with the **Project Management Office (PMO)**, the track members worked closely with the project teams on two different tasks; the first was related to knowledge transfer, which required obtaining the full requirements from the MOF teams. These requirements need to be fulfilled by Intracom in order to enhance and strengthen the ability of the GFMIS government team in managing the GFMIS solely in the future. The second task was related to knowledge management, which was done successfully through obtaining the electronic documents needed from Intracom, and uploading and organizing them in different categories on the project portal.

Moreover, and through the coordination of FRP II management, the GFMS technical team members took the AIX training course. The purpose of the training was to introduce participants to the basics of system administration such as users and groups management, basic system problems determination, system backup and restoration, system startup/shutdown, and other related topics. The training was concluded by distributing certificates of attendance to the participants.

Back to the system rollout, the tables below show the status of the sites that were included in the rollout phase:

Figure 1: Rollout Sites of the Last Quarter

Batch 10	Batch 11	Batch 12
Jordan Valley Authority	Ministry of Foreign Affairs	Mafraq
Ministry of Agriculture	Ministry of Tourism	Ramtha
Ministry of Public Works & Housing	Ministry of Municipalities	Northern Shouneh
Complete 		

Figure 2: Activities carried out on site for Batches 1-12 during rollout

Batch No.	Site	Comm. Event	Fun. Analysis	Setup Analysis	BPR Analysis	Setup Data	App. Setup	Training	Fin. Data	Go Live	Supp & Comp.
B1	Audit Bureau	Done	Done	Done	Done	Done	Done	Done	Done	Done	Done
B1	Ministry of Higher Education	Done	Done	Done	Done	Done	Done	Done	Done	Done	Done
B1	Statistics Dept.	Done	Done	Done	Done	Done	Done	Done	Done	Done	Done
B2	RFC Salt / On Hold	Done	Done	Done	Done	Done	Done	Done	-	-	-
B2	RFC Jarash	Done	Done	Done	Done	Done	Done	Done	Done	Done	Done
B2	RFC Ajloun / On Hold	Done	Done	Done	Done	Done	Done	Done	-	-	-
B3	Ministry of Interior	Done	Done	Done	Done	Done	Done	Done	Done	Done	Done
B3	Ministry of Social Development	Done	Done	Done	Done	Done	Done	Done	Done	Done	Done
B3	Ministry of Industry and Trade	Done	Done	Done	Done	Done	Done	Done	Done	Done	Done
B4	Ministry of Interior	Done	Done	Done	Done	Done	Done	Done	Done	Done	Done
B4	Ministry of Industry and	Done	Done	Done	Done	Done	Done	Done	Done	Done	Done

	Trade										
B4	Ministry of Social Development	Done	Done	Done	Done						
B5	Ministry of Labor	Done	Done	Done	Done						
B5	Ministry of Culture	Done	Done	Done	Done						
B5	ISTD	Done	Done	Done	Done						
B6	Department of Antiquities	Done	Done	Done	Done						
B6	Civil Status and Passports Department	Done	Done	Done	Done						
B6	Ministry of Justice	Done	Done	Done	Done						
B7	Customs Department	Done	Done	Done	Done						
B7	Lands and Survey Department	Done	Done	Done	Done						
B7	Madaba RFC	Done	Done	Done	Done						
B8	Karak	Done	Done	Done	Done						
B8	Aqaba	Done	Done	Done	Done						
B8	Ma'an	Done	Done	Done	Done						
B8	Tafila	Done	Done	Done	Done						
B9	Parliament	Done	Done	Done	Done						
B9	Supreme Judge Department	Done	Done	Done	Done						
B9	South Amman RFC	Done	Done	Done	Done						
B10	Ministry of Agriculture	Done	Done	Done	In Progress						
B10	Jordan Valley Authority	Done	Done	Done	In Progress						
B10	Ministry of Public Works and Housing	Done	Done	Done	In Progress						
B11	Ministry of Foreign Affairs	Done	Done	Done	Done	Done	Done	In progress	-	-	-

B11	Ministry of Tourism	Done	Done	Done	Done	Done	Done	In Progress	-	-	-
B11	Ministry of Municipal Affairs	Done	Done	Done	Done	Done	Done	In Progress	-	-	-
B12	Irbid	Done	Done	Done	Done	Done	Done	In Progress	-	-	-
B12	Mafraq	Done	Done	Done	Done	Done	Done	In Progress	-	-	-
B12	Ramtha	Done	Done	Done	Done	Done	Done	In Progress	-	-	-

- GFMS 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

Twelfth Quarter Update: BMC is now operational externally in the sites that are already using the GFMS system, and internally between the functional and technical teams. The BPEL system is currently operational between the GFMS and the Central Bank of Jordan. Furthermore, Business Intelligence and Customized Setup training will be delivered soon to the GFMS team.

- Implement Oracle Project Costing to support adequate project accounting needs

Measurement: Project expenditure properly tracked. Government of Jordan have a clear picture of the costs of projects that are being undertaken

Twelfth Quarter Update: The Government is not ready to activate such a program. Thus, it will not be implemented.

- GFMS staff are knowledgeable and considered the “go-to group” for all GFMS matters

Measurement: Skills assessment completed and capacity-building plan implemented.

Twelfth Quarter Update: GFMS technical team members attended AIX training.

KEY ACCOMPLISHMENTS/HIGHLIGHTS FOR THE 12TH QUARTER

Functional Team Activities

The team members continued their support in the three batches (10, 11, and 12) including introductory site visits, setup data sheets collection, data auditing, end user onsite trainings, reconciliation of opening balances and site support for the sites that are already using the GFMS system.

Figure 3 below shows the functional team activities for the last three batches:

Figure 3: Functional Team Rollout Activities over the Last Quarter

Batch	Transactional Data	Data Auditing	Opening Balances Reconciliation	Onsite Training	Go live support
Batch 10	Complete	Complete	Complete	Complete	Ongoing
Batch 11	Ongoing	-	-	Ongoing	-
Batch 12	-	-	-	Ongoing	-

Technical Team Activities

During this quarter, the technical team continued their work in the rollout sites, including data sheet collection, data cleansing, hardware readiness checking, and system installation, in addition to the daily operations including producing and modifying reports.

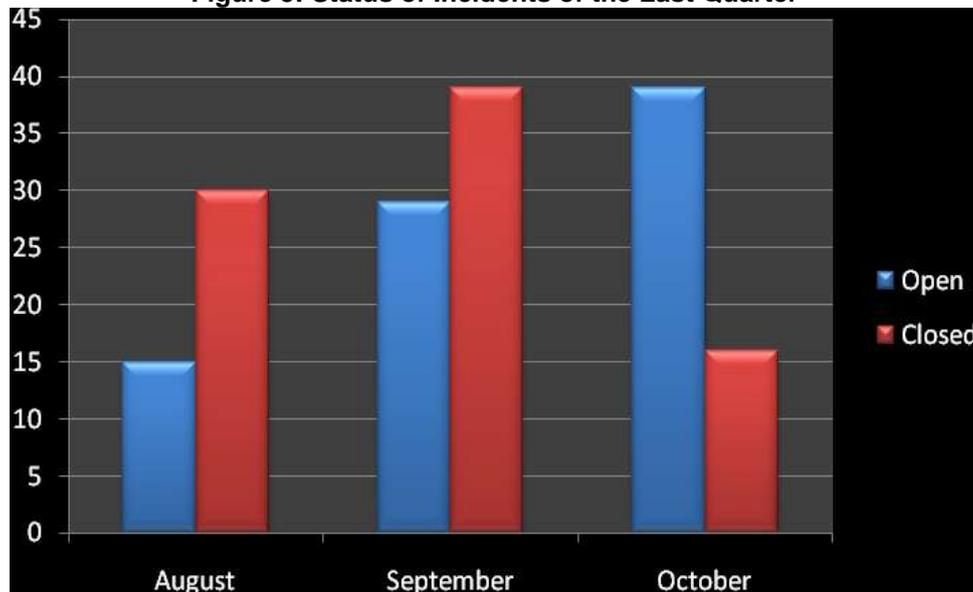
Figure 4: Technical Team Rollout Activities over the Last Quarter

Batch	Data sheet Collection	Data Cleansing	Hardware Readiness
Batch 10	Complete	Complete	Complete
Batch 11	Ongoing	-	Complete
Batch 12	Ongoing	-	Complete

As for BPEL, the meetings between MOF and the Central Bank achieved effective results in linking the GFMIS with the BPEL system.

In addition, the help desk office handled the issues and service requests forwarded by the rollout sites as shown in Figure 5 below:

Figure 5: Status of Incidents of the Last Quarter



Change Management Team Activities

Reaching to the change management track, the duties related to batches 10, 11, and 12 were distributed evenly between the related divisions; BPR, communication, and training.

The **BPR** team prepared roles and responsibilities documents for each site, developed people transition models, developed the training needs matrix, created the HR cards for each role, unified financial process manuals, and finalized the end user completion files for batch 10.

In relation to **Training**, the required training sessions for batches 10, 11, and 12 were put on hold due to rollout schedule delays.

As for **Communication**, the team members prepared a pamphlet design for the GFMIS including four versions, conducted introductory workshops for batches 10, 11 and 12, and updated the GFMIS website by publishing new issues of the electronic newsletter. Furthermore, the GFMIS website recorded a good number of visits and website browsing. The following tables provide further details of the communication track related achievements:

Figure 6: Communication Events Conducted over the Last Quarter

Month	Conducted Workshops	Attendees		
		Total	Males	Females
August	Ministry of Tourism	23	15	8
	Ministry of Foreign Affairs	44	32	12
	Ministry of Municipal Affairs	27	14	13
September	Irbid Ramtha Mafraq	32	23	9

Figure 7: GFMIS Website Hits over the last Quarter

Visits	Unique Visitors	Page Views	Average Time on Site
1,458	1,219	4,512	00:02:22

SCHEDULE OF WORK PROGRESS AGAINST PLANNED ACTIVITIES

The following table includes the scheduled activities' completion dates for all the assistance planned during the third year work period. In the comments section, tasks are listed as complete, in process, postponed, cancelled, or obviated. Obviated tasks were subsumed into other FRP II activities, or made unnecessary due to changing realities or approaches.

TEAM F: GFMIS TASKS AND ACHIEVEMENTS

Work Area	Planned Delivery Date	Comments
Project Management	Oct-12	In Process
Refine Project Plan	Oct-12	Complete
Monitor project plan	Oct-12	Complete
Monitor all deliverables, milestones and timelines	Oct-12	Complete
Project reporting	Oct-12	Complete
Monitor risk register	Oct-12	Complete
Manage Intracom invoices	Oct-12	In Process
GFMIS Rollout	Oct-12	In Process
"Rollout Group One (2 Ministries, 1 RFC TBD)"	Dec-11	Complete
Implementation Review/lessons learned	Dec-11	Complete
"Rollout Group Two (2 Ministries, 1 RFC TBD)"	Jan-12	Complete
Implementation Review/lessons learned	Jan-12	Complete
"Rollout Group Three (2 Ministries, 1 RFC TBD)"	Feb-12	Complete
Implementation Review/lessons learned	Feb-12	Complete
"Rollout Group Four (2 Ministries, 1 RFC TBD)"	Mar-12	Complete
Implementation Review/lessons learned	Mar-12	Complete
"Rollout Group Five (Two Ministries, One Department)"	Apr-12	Complete
Implementation Review/lessons learned	Apr-12	Complete
"Rollout Group Six (1 Ministry, 2 Departments)"	May-12	Complete

Work Area	Planned Delivery Date	Comments
Implementation Review/lessons learned	May-12	Complete
"Rollout Group Seven (2 Ministries, 1 RFC TBD)"	Jun-12	Complete
Implementation Review/lessons learned	Jun-12	Complete
"Rollout Group Eight (2 Ministries, 1 RFC TBD)"	Jul-12	Complete
Implementation Review/lessons learned	Jul-12	Complete
"Rollout Group Nine (2 Ministries, 1 RFC TBD)"	Aug-12	Complete
Implementation Review/lessons learned	Aug-12	Complete
"Rollout Group Ten (2 Ministries, 1 RFC TBD)"	Sep-12	In Process
Implementation Review/lessons learned	Sep-12	In Process
"Rollout Group Eleven (2 Ministries, 1 RFC TBD)"	Oct-12	In Process
Implementation Review/lessons learned	Oct-12	In Process
"Rollout Group Twelve (2 Ministries, 1 RFC TBD)"	Nov-12	In Process
Implementation Review/lessons learned	Nov-12	In Process
Capacity Building	Oct-12	In Process
Conduct skills assessment of all GFMS Staff	Jan-12	Complete
Develop a capacity building plan	Jan-12	Complete
Implement capacity building plan	Oct-12	In Process
Management skills training	Feb-12	
Other training to be determined	Feb-11	In Process
Sturdy Tour		In Process
Determine requirement	Aug-12	In Process
Establish business case	Aug-12	In Process
Establish plan	Sep-12	In Process
Undertake tour	Oct-12	
GFMS Extension	Oct-12	In Process
Establish a working committee to link GFMS with HRMS and Payroll projects	Oct-12	In Process
Meet monthly	Oct-12	In Process
Establish GFMS EFT	Jun-12	In Process
Undertake requirements review	Jun-12	In Process
Establish central bank GFMS working party	Jun-12	In Process
Develop technical requirements	Jun-12	Complete
Implement EFT	May-12	In Process
GOJ Fiscal Reporting	Oct-12	In Process
As rollout is undertaken determine reporting requirements for each agency	Oct-12	Complete
Establish data warehouse	Jul-12	In Process
Develop reports for each agency	Oct-12	In Process
Develop GOJ fiscal reports	Oct-12	In Process

TEAM G: ENERGY AND PUBLIC PRIVATE PARTNERSHIPS

Team G was created mainly to support the Ministry of Energy and Mineral Resources (MEMR) in achieving its long-term, strategic optimization of fuel supplies for electric power generation. Team G also provides technical and legal assistance for the operations and development of the oil & gas sector as well as the renewable sector.

Furthermore, Team G will assist the Government in establishing a PPP framework in line with international norms and practices. The objective is to support a setup that would attract investments to finance infrastructure-based capital projects, while keeping in check the public's best interest.

KEY ACCOMPLISHMENTS/HIGHLIGHTS FOR THE 12TH QUARTER

Aqaba Oil Terminal Project

During this quarter, Team G revised the RFP documents as part of the bidding process for the Aqaba Oil Terminal Project, a lump sum turnkey project for engineering, material procurement, construction, and commissioning of a crude oil and oil products terminal with 100,000 cubic meter storage capacity. Team G's legal and technical screening ensured the said documents would be in line with industry best practices. The revised set of documents was forwarded in September by MEMR to the final list of pre-qualified companies.

National Electric Power Company (NEPCO)

In October, Team G hired STTA Mr. Carlos Yermoli, an Electric Power Transmission Advisor, to assess the operational and financial status of the National Electric Power Company (NEPCO). The assessment represents a crucial support to both the Ministry of Finance, and the Ministry of Energy and Mineral Resources, as it evaluates NEPCO's cost recovery plan advocated for by the International Monetary Fund's stand-by arrangement concluded with the Jordanian Government by the end of the last quarter. During this, Mr. Yermoli performed an audit of NEPCO's business operations and financial control, underscoring its operational efficiencies and financial and economic risks. Furthermore, Mr. Yermoli has reviewed NEPCO's tariff structure, including the bulk tariff applied to the electricity distribution companies and the customers with high-consumption brackets. The next quarter will witness the final phase of Yermoli's assignment, which will also include inputs from Team G's Lead Mr. Ammar Jarrar, and Team G's energy STTA Mr. Michael Biddison.

Defining Fuel Supply Options for Jordan

Team G hired in October Cambridge Energy Research Associates (IHS CERA or CERA), the global energy research leaders, to assist MEMR in defining fuel supply options in the medium term and long term. The CERA team has conducted a number of meetings with key stakeholders for the sector, and for the assignment at hand. They have also delivered their first interim executive report to the Minister of Energy and Mineral Resources and the said key stakeholders. The report included a SWOT analysis of Jordan's electricity sector fuel supply focus. It also presented the methodology applied for fuel optimization, and the key decisions to address for the long term. The next quarter will encompass the second and final stages of CERA's work, including their findings and recommendations for the medium- and long-term options to optimize fuel supplies for Jordan.

ANNEX I: OUTREACH AND CAPACITY-BUILDING EVENTS

The table below summarizes FRP II formal outreach and capacity-building events that have been delivered during this quarter, August - October 2012.

Capacity Building

No.	Event Title	Venue	No. of Participants	Females	Type of Event	Date	Team	Target Group
1	Final Accounts, Auditing, and Performance Indicators	Audit Bureau	28	8	Workshop / Seminar	17-19 Sep	E	Final Accounts team, and auditors in different onsite centers
2	Introduction to ISO 9001	Movenpick Resort and Spa, Tala Bay - Aqaba	33	7	Workshop / Seminar	27 Sep	E	Audit Bureau staff from the southern branches in Jordan
3	Introduction to ISO 9001	Irbid	54	9	Workshop / Seminar	1 Oct	E	Audit Bureau employees
4	Performance Management - Performance Indicators PIs	Abdoun Office	14	6	Training Course	7 and 9 Oct	E	Audit Bureau Final Accounts Committee and related auditors
5	Performance Management - KPIs	Abdoun Office	17	3	Training Course	8 and 10 Oct	A	ISTD staff from the following directorates: Planning, HR, Taxpayer Service, Tax Compliance, and Debt Management
6	Reviewing and Finalizing Audit Bureau's Communication Strategy	Abdoun Office	5	1	Training Course	11 Oct	E	Communication Strategy Focus Group
7	Oracle and IBM Advanced Interactive Executive (AIX) Trainings for GFMIS	GFMIS Computer Lab	6	3	Training Course	9 Sep - 11 Oct	F	GFMIS Infrastructure Team
8	Risk Management and Risk Analysis Refresher Training	Jordan Customs Training Center	18	7	Training Course	14-18 Oct	D	Staff of the Risk Management Units in the PGAs

No.	Event Title	Venue	No. of Participants	Females	Type of Event	Date	Team	Target Group
9	KPIs Training Course (Ministry of Education)	Abdoun Office	18	5	Training Course	15 Oct	B	Budget and finance staff, and senior management
10	KPIs Training Course	Ministry of Higher Education	21	12	Training Course	14, 16, and 17 Oct	B	Budget and finance staff, and senior management
11	Performance Indicators (PI) Audit at AB-II	Audit Bureau	14	7	Workshop / Seminar	17 Oct	E	Final Accounts team
12	Document and Record Control	Audit Bureau	7	4	Training Course	21 Oct	E	AB tem of ISO 9001
13	KPIs Training Course (Ministry of Social Development)	Abdoun Office	9	7	Training Course	21 Oct	B	Budget and finance staff, and senior management
14	KPIs Training Course (Ministry of Health)	Ministry of Health	15	2	Training Course	22 Oct	B	Budget and finance staff, and senior management
	Total Trained		259	81				

ANNEX II: PERCENTAGE OF COMPLETION OF COMPONENTS' MAIN PROJECTS AS COMPARED TO THE THIRD YEAR WORK PLAN

Component	Completion %
Component A: Tax Revenue Mobilization	68%
1. Reduce cost of compliance	38%
2. Tax policy	75%
3. Taxpayer media and communication	100%
4. Taxpayer service	56%
5. Reduce non-filers and stop-filers	27%
6. Reduce tax arrears	43%
7. Anti-fraud	26%
8. Information technology	83%
9. Human resources	79%
10. ISTD cross-cutting training	65%
11. Strengthen audit	53%
12. KAA activity	89%
Component B: Public Financial Management	68%
Subcomponent 1: ROB	74%
1. Budget reform program	77%
1.1. Performance Targeting, Reporting, and Evaluation	62%
1.1.1. Request performance information early in budget cycle	84%
1.1.2. Communicate changes	0%
1.2. Training in performance evaluation	100%
1.3. Donor collaboration	100%
1.4. Performance monitoring system	63%
1.5. Improved integration of capital budgeting	25%
2. Capacity Development	73%
2.1. Budget Analysis Unit	100%
2.2. Performance evaluation training	100%
2.3. Performance evaluation study tour	90%

Component	Completion %
2.4. Performance evaluation working group	61%
2.5. Linking performance evaluation to performance audit	2%
2.6. Budget Manual	1%
2.7. Job descriptions for budget analysts	0%
2.8. KAA activity	100%
2.9. Legal framework for budgeting	46%
2.10. Public Expenditure Perspectives	100%
Subcomponent 2: Audit Bureau and PFM	60%
3. Continuous support to the Audit Bureau	100%
4. Internal financial control	0%
5. Final accounts audit and analysis report	49%
6. Performance audit	93%
7. ISO 9001 Quality Management System at the Audit Bureau	100%
8. Audit Bureau capacity building project	51%
9. IPSAS implementation	0%
10. Audit Bureau communication strategy	27%
11. Improve audit reporting	78%
Component C: MOF Capacity and Organization	74%
1. Policy advisory	100%
2. Continue capacity building efforts at SEPD	78%
2.1. Provide ad hoc advice to build analytical capabilities	90%
2.2. Continue model building efforts	37%
2.2.1. Macro-fiscal data set and model	87%
2.2.2. Build non-econometric revenue model	9%
2.2.3. Build micro-simulation model	50%
2.3. In-Country Training	100%
3. Establish and support the PPP Unit (PPPU) at the MOF	40%
3.1. Establish mandate of PPPU at MOF, including institutional setup	0%
3.2. Develop set of tools needed to analyze, evaluate, and screen PPP candidates	4%
3.3. Other objectives and activities	70%
3.4. Continue capacity building efforts with the PDD	0%
3.4.1. Update Medium Term Debt Strategy	0%
3.5. Enhance the MOF Training Center capabilities	18%
3.5.1. Building capacity of MOFTC staff	53%
3.5.2. Upgrade professional programs delivered at MOFTC	4%

Component	Completion %
3.5.3. Coordinate with other donor agencies working with MOFTC	100%
3.6. Increase the capabilities of the HR Directorate - Phase 3	32%
3.6.1 Linking job gap analysis to career paths	100%
3.6.2. Other specialized trainings	24%
3.7. KAA advisory support	62%
Component D: Customs and Trade Facilitation	77%
1. Golden List (GL)	11%
1.1. Jordan Customs (JC)	100%
1.2. Jordan Food and Drug Administration (JFDA)	6%
1.3. Jordan Standards and Metrology Organization (JSMO)	6%
2. Jordan Single Window (SW)	100%
2.1. Mid-Term Evaluation	100%
2.2. JSW Master Work Plan	100%
2.3. SW Communication and Outreach Strategy for JSW	100%
2.4. Provide technical support to SW MOUs between JC	100%
2.5. Risk Management	100%
2.6. Study Tour for SW and Fully Functional Risk Management Units	100%
3. SOP manual for pilot clearance regime	0%
4. Aqaba seaport operations and cargo handling arrangements	100%
5. Customs Broker licensing requirements	100%
6. PCA	16%
7. IT support	99%
8. KAA	97%
9. Provide technical policy and advisory support	99%
Component E: ROG	66%
1. Provide technical and policy assistance to counterparts	100%
2. Innovation Forum	25%
2.1. Conducting the Forum	32%
2.2. Adopting Innovation Forum Outcomes Initiatives	0%
3. Service Delivery Toolkit Marketing and Implementation	78%
3.1. Toolkit distribution	65%
3.2. SDI tools summaries' marketing	85%
3.3. Training Workshops on SDI Tools	79%
3.4. Implementation pilot projects	75%
4. Alleviating of Customer Service at the Department of Lands and Survey (implementation phase)	77%

Component	Completion %
5. National Call Center promotional campaign	100%
6. Code of Ethics promotional campaign	0%
7. Actuarial Study - Social Security Corporation	100%
8. ROG toolkit	60%
9. Innovation and Excellence (IEF)Support	64%
9.1. Ministry of Transport - Customers' feedback management and tracking system	100%
9.2. Food and Drug Administration - Management Information System for Food Laboratory Testing Results	5%
9.3. Social Security Corporation - Improve Customers' Service Units performance	100%
10. Public Sector customers' focus groups campaign	0%
11. Provide Technical Assistance to KACE	69%
11.1. Provide support to Government Customer Service Excellence Award Administration	100%
11.1.1. Final development of model	100%
11.1.2. GCSEA Awareness	100%
11.1.3. GCSEA Training for participating organizations	100%
11.1.4. Assessors Training	100%
11.1.5. Assessors Selection	100%
11.2. KAA Administration	81%
11.2.1. Select assessors for new Cycle	0%
11.2.2. Participating organizations awareness and training	100%
11.3. Assist KACE in becoming Recognized for Excellence (R4E)	10%
11.4. Training Support	79%
11.5. Benchmark Visit	27%
11.6. KAA Impact Assessment Study	36%
Component F: GFMIS	73%
1. Project Management	98%
2. GFMIS Implementation	95%
3. Capacity building	55%
4. GFMIS extension	60%
5. Establish GFMIS EFT	91%
6. GOJ fiscal reporting	84%

Fiscal Reform II Project (FRP II)

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مشروع الإصلاح المالي ٢
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