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JORDAN FISCAL REFORM BRIDGE ACTIVITY

QUARTERLY REPORT: APRIL – JUNE 2016

JULY 2016

This publication was produced for review by the United States Agency for International Development. It was prepared by DAI.

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Program Title: Jordan Fiscal Reform Bridge Activity (JFRBA)
Sponsoring USAID Office: USAID/Jordan Economic Growth Office
Contract Number: AID-278-C-14-00006
Contractor: DAI
Date of Publication: July 2016
Author: JFRBA

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GLOSSARY OF ACRONYMS

AB	Audit Bureau
AH	Ad Hoc (programmatic support)
AMEP	Activity Monitoring and Evaluation Report
AMS	Audit Management System
ASYCUDA	Automated System for Customs Data
BI	Business Intelligence
CCO	Customer Care Officers
CSU	Customer Service Unit
DAI	Development Alternatives, Inc.
DG	Director General
DO	Development Objectives
DR	Disaster Recovery
GBD	General Budget Department
GRB	Gender Responsive Budgeting
GDP	Gross Domestic Product
GFMS	Government Financial Management Information System
GOJ	Government of Jordan
GRB	Gender Responsive Budgeting
ICT	Information and Communication Technology
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
IR	Intermediate Result
ISMS	Information Security Management System
ISTD	Income and Sales Tax Department
IT	Information Technology
JC	Jordan Customs
JFRBA	Jordan Fiscal Reform Bridge Activity
KPI	Key Performance Indicator
LTO	Large Taxpayer Office
LTTA	Long-Term Technical Assistance
M&E	Monitoring and Evaluation

MFU	Macro Fiscal Unit
MIS	Management Information System
MOE	Ministry of Education
MOF	Ministry of Finance
MOPIC	Ministry of Planning and International Cooperation
MOPSD	Ministry of Public Sector Development
MRE	Monitoring, Review, and Evaluation
MTDS	Medium Term Debt Strategy
MTFF	Medium Term Fiscal Framework
MTO	Medium Taxpayer Office
NITC	National Information Technology Center
PA	Priority Area (of programmatic support)
PAP	Pre-Arrival Processing
PFM	Public Financial Management
PGA	Partner Government Agency
PPD	Public Private Dialogue
PPP	Public-Private Partnership
RMTC	Risk Management Technical Committee
ROB	Results-Oriented Budgeting
SBA	Stand-By Arrangement
SEPD	Studies & Economic Policies Directorate
SMART	Specific, Measurable, Achievable, Relevant, Time Related
STO	Small Taxpayer Office
STTA	Short-Term Technical Assistance (Advisor)
SW	Single Window
TADAT	Tax Administration Diagnostic Assessment Tool
TAMIS	Technical and Administrative Management Information System
ToT	Training of Trainers
TPS	Taxpayer Service
TRS	Time Release Study
USAID	United States Agency for International Development
WCO	World Customs Organization

CHAPTER I: INTRODUCTION

PROJECT DESCRIPTION

The Jordan Fiscal Reform Project Bridge Activity (JFRBA or Bridge) is a 22-month contract signed between USAID and DAI that allows for continued support to the Government of Jordan to improve public financial management and increase the Kingdom's fiscal stability. JFRBA will consolidate and build upon Jordan's critical macroeconomic reform gains made over the last decade with a view to achieving robust and inclusive growth in Jordan. During the period of October 1, 2014 through July 31, 2016 (broken into the initial period of October 1, 2014-July 31, 2015—referred to hereafter as the “Bridge” and the “Extension” period of August 1, 2015-July 31, 2016), JFRBA has focused on three Priority Areas (PAs), namely: enhancing policy advice and macroeconomic analysis (MOF); promoting public financial management by fully rolling-out and institutionalizing the Government Financial Management Information System (GFMIS); and building capacity to structure and vet public-private partnerships (PPP) by working with the PPP Unit established within the Ministry of Finance.

PROJECT OBJECTIVES

JFRBA has a broad mandate to work with a wide range of institutions in support of fiscal and financial stability of the Kingdom. Within that, the project has minimum requirements that it must deliver by July 31, 2016. They are:

- (1) Build capacity within MOF for research, economic policy, macro and fiscal forecasting techniques, medium term debt strategy, and results oriented budgeting.**
- (2) Operationalize the PPP Unit. JFRBA will continue supporting the newly established PPP unit within MOF to start its operations, specifically screening and structuring PPP transactions in accordance with the PPP Law.**
- (3) Roll out GFMIS to 100 percent of the central government budget and to pilot independent institutions.**

In addition to these essential requirements, the project also has six objectives, around which we organize the staffing structure of our project. They are:

- (1) Improving effective policy analysis and execution
- (2) Improving efficiency of public resources through stronger Public Financial Management (PFM)
- (3) Implementing Monitoring and Evaluation methodologies within the GOJ
- (4) Enhancing revenue mobilization through improved revenue administration
- (5) Building Public Private Partnership capacity
- (6) Strengthening efficiency in trading across borders

The six JFRBA teams are the following:

- **Team A:** Tax Revenue Mobilization
- **Team B:** Public Financial Management
- **Team C:** Fiscal Policy and Ministry of Finance
- **Team D:** Customs Administration and Trade Facilitation

- **Team E:** General Financial Management Information System
- **Team F:** Public Private Partnerships

ORGANIZATION OF THIS REPORT

This report is organized into five chapters and includes five appendices. Chapter II, following the project overview and synopsis on the report's organization in this Chapter, presents details on each of the six teams. The six team sections discuss significant achievements and activities carried out during the quarter, in addition to work accomplished as compared to the JFRBA Work Plan. Chapter III provides a breakdown of each team, their respective annual indicators, and a status update on how far along each team is in achieving these indicators. Technical information about the project, namely use of funds during the quarter, and contract deliverables can be found in Chapters IV and V respectively.

In addition, although the third Quarterly Report for the 2016 fiscal year normally covers April through June 2016, the project is closing on July 31st, 2016 and this is the final Quarterly Report that will be produced. Therefore the report encompasses technical activities that were completed in the month of July, although all financial and indicator data are presented as of June 30th, 2016.

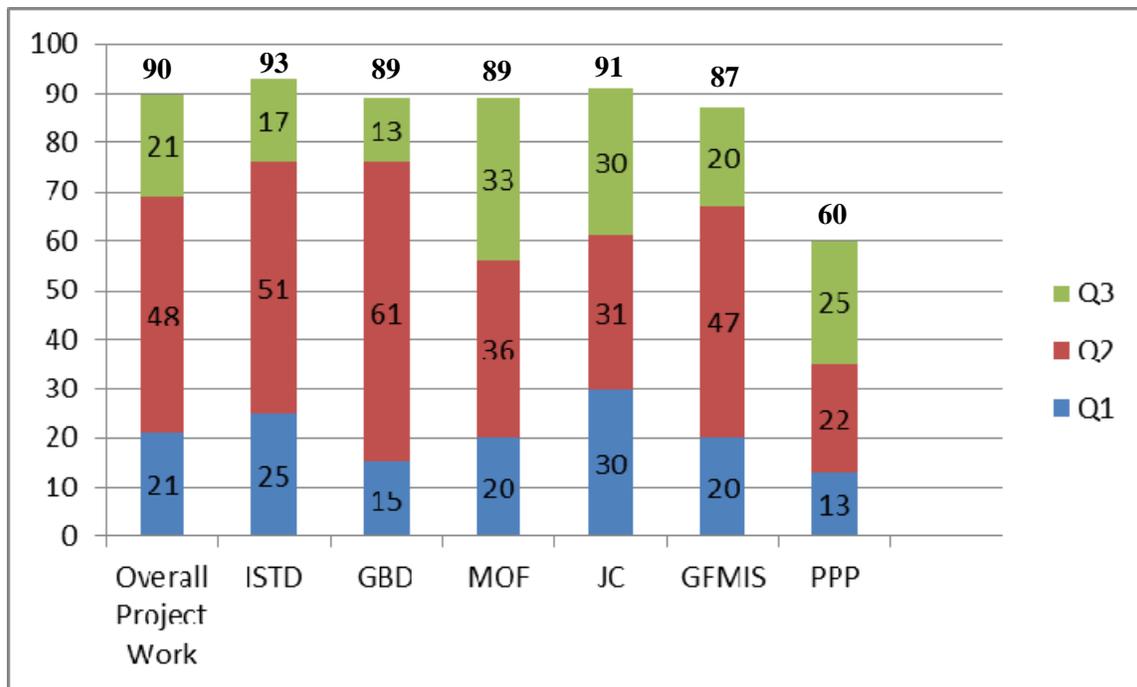
Finally, although this quarterly report indicates that the project has achieved an approximate 90% completion rate of the Work Plan, JFRBA in fact completed almost 100% of the final revised plan. This variance is simply because the indicators in the 2016 Q3 Quarterly Report only include data through June 2016, although July activities are mentioned. Furthermore, the measurements are based on a math algorithm constructed on the basis of certain key measurements which do not result in a perfect 100 percent match and do not incorporate final adjustments made to the Work Plan based on modifications requested by and agreed upon with counterparts. In fact, JFRBA completed some additional, opportunistic deliverables which were above and beyond the activities incorporated in the Work Plan, such as the Tax Incidence Report and the Tax Expenditure Study.

CHAPTER II: SUMMARY OF PROJECT OBJECTIVES AND RESULTS

OVERALL PROJECT IMPLEMENTATION PROGRESS

Project progress continued to be affected by the request to remove embedded staff from ministries. The overall impact was the project’s inability to liaise with counterpart staff, time and material cost to relocate the previously embedded staff, and the resulting downsizing of project activities or procurements. These challenges also had time efficiency implications due to the time it takes to organize logistics and having to go back and forth. Overall, project progress was on track and the project was completed with a 90% progress rate; however, PPPs are the only exception having only completed 60% of their initial work plan due to an overall lack of capacity to move ahead with transactional designs.

FIGURE 1: RATE OF PROJECT WORK IMPLEMENTATION



TEAM A: TAX REVENUE MOBILIZATION (AH)

TEAM INTERMEDIATE RESULTS ASSIGNMENT

IR #4: Efficiency of Government of Jordan budgetary resources improved

- Sub-IR #1: Revenue performance improved

SMART ANNUAL RESULTS

To achieve the long-term objectives below, the Income and Sales Tax Department (ISTD) team established the following list of annual result goals for the JFRBA project year. Here, we provide an update on the team's progress following each annual result measurement goal.

- Improved quality of tax audits in compliance with Audit Manual.

Measurement: Percentage of taxpayers audited, percentage of audits with no change, percentage of assessments with disapproval, percentage of assessments collected, automation of audit manual and accompanied change management, increased tax revenue from audits from 2015.

Third Quarter Update: Following the testing of the Audit Management System (AMS) and corresponding adjustments, JFRBA supported the training of 29 LTO auditors on the AMS along with the tax compliance directorate. As of May 2, 2016, the DG officially issued a mandate for all Large Taxpayer Office (LTO) auditors to use the AMS in the production environment. JFRBA garnered positive feedback after following up with auditors and is expected to increase audit effectiveness resulting in improved audit yields and greater tax revenue collections. The tax compliance directorate will consequently lead six month reviews of the performance of the AMS gathering feedback from auditors and decisions on any improvements to the system. The ISTD will also implement a management information reporting module as part of the AMS which collects performance indicators that will support any further improvements to tax audit procedures.

- Improved taxpayer service for promotion of voluntary compliance.

Measurement: Increased customer satisfaction with ISTD call center and single window service centers.

Third Quarter Update: During this quarter, JFRBA followed up on recommendations for the Taxpayer Service (TPS) function at the ISTD that were agreed upon in November 2015, among which are the reorganization of the taxpayer service function, the implementation of the single window service centers, taxpayer service education, E-services, and the taxpayer service call center. The reorganization of the TPS function moved forward and the ISTD submitted a reorganization proposal to the MOPSD and MOF and upon approval, the ISTD would officially transfer the e-services unit to the TPS directorate. It would also create a unit to focus on tax form development and it will assign embedded taxpayer service and education specialists in large, medium and small taxpayer offices (LTO, MTO, STOs). Furthermore, the ISTD will continue the development of a database of tax topics to ensure consistency in information provided to tax payers to support voluntary compliance. The call center and single window service centers will be piloting a management information reporting system that will aid in gathering key information about tax payers issues and challenges with tax compliance.

With regards to the single window, the ISTD created a committee to follow up on JFRBA recommendations for streamlining procedures and these were successfully implemented. The LTO office, based on JFRBA recommendations, also opened a single window service center in the ISTD headquarters and is currently fully functional. The ISTD should follow up on tax payer service satisfaction survey after full roll-out of streamlined procedures.

- Create a performance management framework driven by results.

Measurement: Number of ISTD assessors Tax Administration Diagnostic Assessment Tool (TADAT)-trained, promoting the adoption of IMF’s TADAT methodology, integration of monthly “Tax performance at a glance” reports.

Third Quarter Update: TADAT training was completed; a foundational step in training ISTD staff on a methodology which supports the implementation of a performance driven approach to planning and operations in terms of performance outcomes in tax administration. The planning directorate is leading tasks related to the ISTD becoming a model pilot ministry for Results Oriented Budgeting (ROB). They also led the external assessment by the TADAT secretariat jointly with USAID and IMF which helped to identify weaknesses and strengths of the ISTD through Key Performance Indicators (KPIs) in nine outcome areas for sound tax administration.

Following the TADAT assessment, the ISTD formed a follow-up committee which prioritized follow-up actions that would help improve weaknesses found through the assessment. One major weakness is the mitigation of risks through a compliance improvement plan. In response, the JRBA supported the development of a draft compliance risk plan, which was ultimately finalized by a special cross-functional committee formed for this purpose with input from the TADAT committee. The ISTD’s final compliance risk plan was pending approval at the time of writing.

Integration of performance reports at the ISTD supported by JFRBA include templates for management information reports for taxpayer service (call center, single window service centers), tax audit (templates on quality review reports and KPI report), and a tax compliance risk plan (which includes KPIs for filing, registration, tax payment, and declaration risks). The ISTD should proceed with the implementation of such templates where KPIs should be linked to each unit/directorates’ operational plan. Findings should also inform future activities for improving operations.

- Clearly defined internal Strategic Planning function.

Measurement: Integration of TADAT findings in the strategic plan.

Third Quarter Update: JFRBA provided the ISTD with tools to update their strategic plan in line with national objectives laid out in Vision 2025, findings from the TADAT assessment, as well as a tax compliance risk plan in support of revenue mobilization. Some of these tools include frameworks for strategic plans, annual performance plans, KPIs, and revised budget programs. We anticipate that the ISTD will continue their integration efforts aided by these frameworks and the guidance delivered (including the training provided to the ISTD’s planning directorate and other officers that form the cross-functional committee tasked with leading this effort), as well as through continued support from the follow-on project, to achieve the revision of their strategic plan, the development of an annual performance plan and the revision of budget programs and KPIs. Similarly, the Budget Department, with support from the USAID Fiscal Reform and Public Financial Management (FRPFM) project, will also play a collaborative and guiding role to the ISTD and other pilot ministries in achieving improved performance reporting in the 2017 budget cycle.

Key Highlights for the 3rd Quarter

The Audit Management System (AMS) was rolled out to large and medium taxpayer offices. Additionally, procedures described in the audit manual were integrated and automated into the AMS which further institutionalizes the manual’s recommended best practices. JFRBA further supported training programs for LTO (Large Taxpayer Office) auditors during the roll out of the AMS, and trained the future trainers of the new tax audit procedures and AMS tool. As of May 2, 2016, the AMS had been rolled out to LTO auditors and as of July 3, ISTD had rolled out to MTO (Medium Taxpayer Office) auditors. Feedback from auditors on the use of the AMS has been extremely positive. The initial feedback documents collected during system testing prior to production were summarized in the AMS User’s Acceptance Report which indicates the following: “During the initial testing process, the overall system was well received by the auditors who indicated it would serve as a useful tool in assisting them in conducting their audits more effectively.” Feedback on the AMS after production was received from the LTO, Director, Tax Compliance Director and the AMU Chief during the larger senior management meeting where the DG was present. The AMS helps to streamline audit procedures, make audits more effective and ultimately contribute to increasing revenue generation. The

ISTD is now gradually reducing the number of cases selected for audit, only focusing on those with higher risk, while also reducing the no change rate resulting from tax audits.

Challenges

This was a time in which the ISTD fully embraced JFRBA activities and recommendations. However, that also posed somewhat of a challenge as resources had to be fully extended to ensure full compliance. The ISTD proceeded with conforming cross functional technical committees to follow up on reform activities and to ensure that these were fully inclusive of relevant ISTD directorates and their functions. This contributed to successful sequencing of reform during JFRBA.

TEAM B: PUBLIC FINANCIAL MANAGEMENT (AH)

TEAM INTERMEDIATE RESULTS ASSIGNMENT

IR #4: Efficiency of Government of Jordan budgetary resources improved

- Sub-IR #2: Budget execution improved, including a focus on promoting gender-responsive budgeting

SMART ANNUAL RESULTS

To achieve the long-term objectives below, the GBD team established the following list of annual result goals for the JFRBA project year. Here we provide an update on the team's progress following each annual result measurement goal:

- Enforced transparency, effectiveness, and efficiency in Budget preparation and implementation.

Measurement: Monitoring and Evaluation (M&E) system is developed.

Third Quarter Update: JFRBA produced a framework for quarterly review reports which is the foundational methodology for budget analysts, sector leads, and the GBD as a whole to produce a report that captures and analyzes budget performance results providing information that would allow the GBD to make recommendations for improved budget allocations.

- Strengthened capability to implement a fully operational M&E System.

Measurement: Prepare a plan to automate M&E processes to specifications developed with the GBD, and map out the requirements and associated timeline.

Third Quarter Update: Automation of M&E was omitted from the work plan as it can only be implemented once the M&E has been installed, tested and proven fully operational. More importantly, planning for automation requires mapping the needed resources and timeline, including the appropriate software platform and data migration needs. Again, all of this preparatory work is not feasible when the M&E framework was still being structured.

- Reinforced Gender responsive budgeting concepts and techniques.

Measurement: One training course conducted to GBD staff and one training course conducted to a line ministry on GRB manual, including proposal to adopt 2-3 Gender Responsive Budgeting (GRB) key performance indicators.

Third Quarter Update: A collaborative effort by TAKAMOL, MOPSD, GBD and led by JFRBA delivered gender responsive budgeting training to six pilot ministries on April 11, 2016.

Key Highlights for the 3rd Quarter

JFRBA supported the five pilot ministries participating in the general KPI Review by proposing gender-specific KPIs, as well as providing capacity building and training to pilot line ministries (Ministries of Health, Education, Public Works, Labor, Energy and Natural Resources and Department of Statistics) on how to incorporate these KPIs in the budget law. Furthermore, JFRBA included capacity building on data for deeper and richer analysis of the variable

impact of government spending on men and women. The project used the GRB manual to work with the selected five ministries above to enhance this capacity, supported by both international and local experts who provided advice and best practice experience from neighboring countries through a literature review along with consulting expertise from recognized experts.

The General Budget Department held a three-day workshop for government agency staff to launch its new Gender Responsive Budgeting (GRB) Manual. The manual is the first of its kind in introducing gender-specific guidelines and criteria into the budget preparation and allocation process. The primary goal of the workshop was to assist and guide the General Budget Department and line agencies in implementing the GRB Manual as well as to enhance staff capabilities with gender responsive budgeting best practices. Naturally, this is a long term process and assessing the capacity developed will only be validated in the future when the GBD and line ministries start applying GRB concepts in tandem and when the Budget Law has incorporated the relevant parameters and/or KPIs.

Challenges

Costing for gender specific activities within budget programs require more technical know-how than current GBD staff has. JFRBA's recommendation has been to gradually implement GRB in the budget law; the law already includes some gender disaggregated indicators for the administrative and support services programs of line ministries which are very broad and do not extend beyond the very basics. For example, one KPI is "number of women employed", which is very general and is limited to highly aggregated figures. Over time, templates need to include greater detail on how men and women benefit from promotions, salary increases, etc. In terms of GRB related to budget programs our recommendation has focused on line ministries to report on gender disaggregated KPI values whenever possible for the 2017 budget.

Line ministries do not currently have the right incentives to pull resources to do an overhaul of performance information and reporting. This includes updating their strategic plans to align with national objectives, develop annual performance plans which layout quarterly targets for every KPI included in the budget law, and to revise their KPIs ensuring that these are linked to program objectives. In some instances budget programs have not been reviewed and updated since the implementation of ROB in Jordan. In order to tackle this challenge JFRBA advised GBD to issue a budget circular preferably signed by the Prime Ministry which calls on line ministries to produce the aforementioned performance information and reporting including their roles and responsibilities in supporting and M&E system at the GBD.

TEAM C: FISCAL POLICY AND MINISTRY OF FINANCE (PA)

TEAM INTERMEDIATE RESULTS ASSIGNMENT

IR #4: Efficiency of Government of Jordan budgetary resources improved

- Sub-IR #2: Budget execution improved, including a focus on promoting gender-responsive budgeting.

SMART ANNUAL RESULTS

To achieve the long-term objectives below, the MOF team established the following list of annual result goals for the JFRBA project year. Below please find an update on the team's progress following each annual result measurement goal:

- Delivery of fiscal policy analysis on request by the Ministry's senior management.

Measurement: Five analytical and policy reports produced.

Third Quarter Update: MOF's Studies and Economic Policies Directorate (SEPD) staff prepared a number of internal reports which analyzed quarterly fiscal and macroeconomic data. The analysis contained in these reports constitutes a first step for SEPD's pioneering efforts in highlighting crucial developments in fiscal indicators that MOF presents in its

publications, including ones produced for internal circulation. JFRBA supported the MOF in establishing a broader, consolidated outlook on the Kingdom's chronic debt and deficit issues by ensuring that all the key parameters are properly addressed in MOF's quarterly reports.

- Support planning for implementation of the JFRBA International Public Sector Accounting Standards (IPSAS) Project plan.

Measurement: mapping of IPSAS implementation requirements developed and delivered to the Ministry's senior management, number of MOF staff trained.

Third Quarter Update: Assessed the standing of the roadmap and future steps and provided necessary recommendations to the MOF in order to ensure that the implementation process is on track. No training sessions took place in the third quarter.

- Support compliance with IMF conditionality in terms of economic modeling and reporting.

Measurement: Variance between Studies & Economic Policies Department (SEPD) economic models and IMF models minimal.

Third Quarter Update: JFRBA took steps to ensure models are consistent with IMF models. Work is ongoing to close the gap as much as possible. JFRBA supported SEPD in updating the macro fiscal database up to the third quarter of 2015 (latest data available as of that time). The SEPD was trained during the second quarter on models so that they can update, run models and produce forecasts which should be led by the Macro Fiscal Unit (MFU) at SEPD. In support of sustainable economic modeling at SEPD, JFRBA provided an action plan which includes critical areas to be addressed such as staffing, operational planning, the MTFF (medium term fiscal framework) process, capacity building, training and purchase of E-Views. JFRBA's efforts are in line with the IMF views on improving the SEPD's analytical capacity, which were included in the 2012-2015 Stand-by Arrangement's objectives, and are also being discussed as part of the upcoming Extended Fund Facility program.

- Solidify and strengthen sustainable modeling capacity at the SEPD;

Measurement: Two quarterly policy briefs produced by SEPD analysts as a proof they can both use models and manipulate assumptions on their own.

Third Quarter Update: No policy briefs produced.

Key Highlights for the 3rd Quarter

Following up on previous support to the ISTD, the JFRBA provided overall guidance and advisory support on macro-fiscal modeling and analysis to the ministry's Studies and Economic Policy Directorate. JFRBA supported the revision of the macro-fiscal model in tandem with the SEPD's available resources and skills. The macro-fiscal model was re-estimated, keeping the broad structure of the previous model—which consists of a set of variables and a system of equations that relate these variables to each other—but including only few well-justified equations explaining key variables .

The macro-fiscal model and analysis provides an important basis for medium term fiscal framework and planning by providing realistic resource envelope (as a key element of the framework for multi-year budgeting); coherent set of assumptions for costing future outlays on existing and new programs; as well as debt sustainability analysis. The JFRBA also developed a detailed sustainability plan for the SEPD to improve their capacity to use the models, to analyze data and to provide policy recommendations into the multi-year budgeting process in Jordan.

Challenges

MOF's SEPD staff was unable to produce policy briefs due to the lack of adequate analytical and economic forecasting capacity. Preparing policy briefs requires the full understanding of running a SEPD-hosted macroeconomic model, as

well as the skills to link its outputs with policy-related fiscal and economic aggregates. Without such know-how, the preparation of policy briefs would be rendered ineffective, resulting in an absence of proper guidance to MOF's senior management on drafting policies let alone outlining key measures. JFRBA upgraded the model and provided the complementary training. However, running the model and, more importantly, a meaningful implementation of its outputs will require time to materialize. Equally important, the application of modeling techniques requires a dedicated team within the SEPD focused on leading modeling efforts, and since the SEPD currently does not have adequate staff, any progress would be limited.

TEAM D: CUSTOMS ADMINISTRATION AND TRADE FACILITATION (AH)

TEAM INTERMEDIATE RESULTS ASSIGNMENT

IR #1: Private sector competitiveness increased

- Sub-IR #3: Environment of doing business improved

SMART ANNUAL RESULTS

To achieve the long-term objectives below, the Jordan Customs (JC) team established the following list of annual result goals for the JFRBA project year. Below please find an update on the team's progress following each annual result measurement goal:

- Promote and Expand the National "Golden List."

Measurement: Number of new national "Golden List" members.

Third Quarter Update: The Risk Management Technical Committee (RMTC) worked in coordination with JFRBA to establish the National Golden List program for all partner government agencies (PGAs) under the Single Window. JC announced the addition of two Golden List members: Medmac for Manufacturing Veterinary and Agricultural Products and Ibrahim & Khalid Abu Shaqra & Partners Company, increasing the total number of members to 59 companies.

- Facilitate Trade by consolidating risk management of Customs and all PGAs.

Measurement: reduced processing time, and reduced number of procedures.

Third Quarter Update: According to the Time Release Study (TRS), Customs processing time has been reduced to 7 days, resulting in higher levels of import and export processing efficiency at the borders, and enhanced transit movement and trade facilitation.

- Improve Risk Management Capacity.

Measurement: Increased utilization of Risk Management in PGAs, increased efficiency of red lane declarations for both Jordan Customs and PGAs.

Third Quarter Update: Percentage of identified non-compliance cases is now 38%.

Key Highlights for the 3rd Quarter

The Customer Service Unit (CSU) project is considered as one of the leading automation projects of customs procedures within the Customs Department, which contributed to facilitate customs procedures on auditors and contributed to accelerating the customs process through linking with all customs centers in Jordan; and in order to complete the development of this system to serve all institutions dealing with customs Department, we have developed the system so that it is linked with these institutions and we have given them the possibility to take advantage of some of the procedures applied in the JC department.

Challenges

Mr. Peter Stokes, the JC Single Window advisor, had to reschedule his trip to Jordan due to the delay in obtaining the budget approval. The trip was therefore scheduled during Ramadan, which provided some obstacles in terms of scheduling meetings with several PGAs due to the reduced working hours during the month. Mr. Stokes therefore had to cancel several meetings since he was not able to get in touch with more than one party on the same day.

CSU Approval

After negotiating the new Component D work plan, Jordan Customs requested JFRBA to go through with the Customer Service Unit (CSU) Phase II, which represented an advanced stage of the project. As a result, JFRBA moved forward with the CSU project implementation and had to fund the task by partially reducing the Aqaba Customs Passenger Terminal procurement in order to accommodate both the late request and the budget setback. Although this meant half the amount of IT equipment was purchased for Single Window (SW) and Pre-Arrival Processing (PAP) systems, the Aqaba Customs Station still received an introductory quantity of PCs, printers, barcode readers and other equipment necessary for fully functioning SW and PAP systems. The impact of this reduced procurement will be a slower transition to full utilization of these systems at full capacity. The downsized Aqaba procurement was closely coordinated with JC.

TEAM F: GOVERNMENT FINANCIAL MANAGEMENT INFORMATION SYSTEM (PA)

SMART ANNUAL RESULTS

To achieve the long-term objectives below, the GFMIS team established the following list of annual result goals for the JFRBA project year. Below please find an update on the team's progress following each annual result measurement goal.

- Upgrading and implementing GFMIS in 100% of central budget institutions.

Measurement: Percentage of budget institutions using GFMIS and the percentage of budget reported through the GFMIS.

Third Quarter Update: GFMIS was rolled out and implemented in eight new sites. This brings the percentage of central budget institutions with GFMIS up to 93%. This figure represents the fact that JFRBA completed rollout of all centralized government entities with the exception of Jordan's four military institutions, since their accounts are classified and need to be handled by the Ministry of Finance staff only. Notwithstanding, JFRBA staff provided overall guidance and technical support. Therefore, JFRBA support was extended to all institutions within the central budget, and, accordingly, the GFMIS was implemented in 100% of centralized institutions.

- Building a Capable Ministry of Finance Team that can run the GFMIS effectively.

Measurement: Number of technical trainings given with evaluated competencies.

Third Quarter Update: Budget Preparation Training was held in May for 45 institutions, in batches of 15, on how to prepare a budget according to the new GFMIS.

- Providing ongoing support to the institutions that are using the GFMIS.

Measurement: Number of budget institutions that have been evaluated and upgrade the help desk system.

Third Quarter Update: The help desk system has been canceled due to time and budgetary constraints.

- Start implementing GFMIS in independent institutions.

Measurement: Implementing the GFMIS in one independent institution, and taking steps to convert from cash to accrual basis accounting.

Third Quarter Update: The JFRBA team prepared a prototype model to showcase the requirements and steps needed to roll out to independent entities. The prototype is established in the GFMIS headquarters and includes only basic GFMIS modules as future independent entities' rollout will require case-by-case customization.

Key Highlights for the 3rd Quarter

JFRBA completed the installation and configuration of a disaster recovery (DR) solution, a much needed system to promote the dependability and integrity of the GFMIS by serving as a backup in case of down-time or temporary system failures. The DR is vital for keeping critical business running smoothly while maintaining continuity of service. Prior to JFRBA's upgrade, the Ministry of Finance implemented a DR solution in 2008 which was a replica of no more than 70% of the production site. The JFRBA-introduced DR system has enhanced and replaced the old hardware with a new powerful and more reliable backup solution that better caters to the needs of the upgraded GFMIS. The DR site is hosted at the National Information and Technology Center (NITC).

Challenges

Apart from the accounting specifications that need to be accounted for while adjusting the GFMIS for efficient and effective functioning, the Health Insurance Fund as a pilot independent entity faced a number of chronic problems that further complicated the roll-out plan. These included, among others, the poor registry conditions of accounting records, coupled with the lack of an IT-based accounting or financial management platform. The Fund's reliance on basic Excel file documentation meant that detailed treatment of some accounting processes may have been overlooked or simply unaccounted for. In addition, the limited capacity across the finance team was another weakness that would slow down the transition of the current set-up to one that fully implements the GFMIS.

TEAM G: PUBLIC PRIVATE PARTNERSHIPS (PA)

TEAM INTERMEDIATE RESULTS ASSIGNMENT

IR #3: Efficiency of GOJ budgetary resources improved

- Sub-IR # 3: Public-private partnerships developed

SMART ANNUAL RESULTS

To achieve the long-term objectives below, the PPP team established the following list of annual result goals for the JFRBA project year. Here, we provide an update on the team's progress following each annual result measurement goal.

- Develop a PPP unit website and a PPP database;

Measurement: A website is developed with a database of potentially viable projects.

Third Quarter Update: Website development and content complete.

- Build capacity of the PPP unit to support Contracting Authorities;

Measurement: Provide a program of technical training, and oversee two contracting authorities' work to structure 1-2 PPP transactions using the PPP Guidebook.

Third Quarter Update: A "project proposal form" was developed to initiate project registration with the PPP Unit and Council. This tool will be used to identify the need for further studies and analysis before starting the procurement process for any suggested project. PPP council approval was obtained to move forward with two projects in the environmental sector. Terms of Reference for retaining transaction advisors were developed by the Ministry of Environment and reviewed by the Unit with our assistance. An orientation work shop was held to educate contracting

authorities on the legal framework of PPPs including procurement and contractual procedures underlined in the PPP regulation.

Key Highlights for the 3rd Quarter

JFRBA assisted the PPP Unit to create a website in order to allow investors, prospective project developers, and the Jordanian public to access to PPP project information, past and present. The PPP website adds transparency and credibility to PPPs as a viable tool in funding capital projects, in addition to providing open source information on proposed projects to potential investors.

Challenges

Achieving the tasks laid out in the PPP plan was and continues to be contingent on the ability of the PPP unit within the government to hire staff whose capacity would be built, through project support, to conduct screening and analysis of potential PPP transactions. With the inability of the government to hire qualified PPP staff, the completion of the PPP transaction related tasks in a sustainable fashion were not possible.

CHAPTER III: PROGRESS TO DATE BASED ON RESULTS INDICATORS

Working with a host of government institutions (MOF, GBD, JC, line ministries, tax and customs administrations, among others), JFRBA applies a “whole-of-government” approach to foster innovative, responsive, and efficient government, whether through better provision of health care services, better targeted cash assistance to the poor, or simply smarter spending. Collectively, these improvements enhance government effectiveness, improve the business environment, and create the conditions necessary to attract new investments, create jobs, spur economic growth, and improve Jordanians’ standard of living.

MONITORING AND EVALUATION (M&E)

The JFRBA Performance Management Plan and related Activity Monitoring and Evaluation Plan (AMEP) are integral parts of the full Performance Management Cycle that ensures that project objectives are consistently being met in an effective and efficient manner. Together they guide JFRBA activity design with consideration for the following components:

- USAID F-Indicators which are outlined in the Mission Performance Management Plan.
- JFRBA project management indicators; used to internally manage different project activities.
- All JFRBA indicators as requested by the contract’s Scope of Work.

JFRBA’s AMEP reports are shared with the teams and discussed with counterparts to enhance decision making and to ensure activities are implemented as closely in accordance to the proposed work plan as possible. They are also used as internal tools to learn about the progress of certain activities and aid in future organizational decisions. Additional gender sensitive indicators may be added after the completion of a gender analysis. All relevant data will be disaggregated by sex.

JFRBA PERFORMANCE INDICATOR TARGETS

OBJECTIVE 1: IMPROVING EFFECTIVE POLICY ANALYSIS AND EXECUTION

Ref	Performance Indicator	Measurement Frequency	Data Source	Baseline	JFRBA Y1 Target	JFRBA Q3 Actual	Comments
C2.B	Number of MTDS recommendations implemented within MOF	Annually	MoF	0	4	0	Waiting for ministerial committee approval on the new MTDS. It's worth mentioning that the previous strategy recommendations are not far away from the new one, meaning that the MOF is still working in line with our recommendations namely diversifying debt tools like Sukuk issuance and extended debt

Ref	Performance Indicator	Measurement Frequency	Data Source	Baseline	JFRBA Y1 Target	JFRBA Q3 Actual	Comments
							maturity
C3.B	Number of staff trained in international accounting standards	Annually	MoF	0	30	35	
C4.a.B	Number of analytical reports and policy papers issued	Quarterly	MoF	0	2	2	
C4.b.B	Number of analytical reports produced solely by MOF staff	Quarterly	MoF	0	3	2	
C5.B	Number of users with dashboard installed	Quarterly	MoF	0	15	0	Finalized the BI, but dissemination is delayed due to the cancelation of the dashboard procurement, for budgetary reasons.
C6.B	Percentage of women participants in training	Quarterly	MoF	39%	45%	-	No training sessions held in the third quarter
C7.B	Percentage difference between GOJ 2015 actual and forecasted revenues	Annually	MoF	5%	3%	4.79%	MTFF not yet implemented which would officially project and track performance quarterly. Preliminary actuals are short of projections for all taxes, but particularly taxes of goods & services which are lower than 2014 due to lower oil prices and increasing tax expenditures.

OBJECTIVE 2: IMPROVING EFFICIENCY OF PUBLIC RESOURCES THROUGH STRONG PUBLIC FINANCIAL MANAGEMENT

Ref	Performance Indicator	Measurement Frequency	Data Source	Baseline	JFRBA Y1 Target	JFRBA Q3 Actual	Comments
F1.B	Percentage of budget institutions in which GFMS has been implemented	Quarterly	MOF	75.7%	100%	93%	Only military institutions remaining which are being handled by MOF staff remaining
F2.B	Percentage of the central government's budget reporting through GFMS.	Quarterly	MOF	83.8%	100%	95%	
F5.B	Number of reports issued by MOF staff using Business	Quarterly	MOF	0	1	1	

Ref	Performance Indicator	Measurement Frequency	Data Source	Baseline	JFRBA Y1 Target	JFRBA Q3 Actual	Comments
	Intelligence (BI)						
F6.B	Implement GFMS at an independent institution	Quarterly	MOF	0	1	0	A prototype is established instead to showcase the independent entity rollout steps and procedures
F8.B	Percentage of women participants in training	Quarterly	MOF	28%	35%	43%	
F9.B	Number of video tutorials	Quarterly	MOF	0	7	0	Canceled due to budgetary constraints
F10.B	Operational plan to transition GOJ from cash to accrual basis accounting	Annually	MOF	No	Yes	No	Roadmap completed and pending approval from steering committee
F11.B	Upgrade software	Annually	MOF	No	Yes	Yes	

OBJECTIVE 3: IMPLEMENTING MONITORING AND EVALUATION METHODOLOGIES

Ref	Performance Indicator	Measurement Frequency	Data Source	Baseline	JFRBA Y1 Target	JFRBA Q3 Actual	Comments
B1.a.B	M&E framework is developed	Quarterly	GBD	No	Yes	Yes	The framework for quarterly review reports lays out the methodology (templates, roles and responsibilities, approach, schedule and time frames, reporting guidelines) in order for GBD to produce M&E reports
B2.B	Include standardized M&E forms in Budget Circular	Quarterly	GBD	No	Yes	No	The GBD throughout the development of M&E rolled out templates that support system including an improved template for KPI results reporting. Provided recs for budget circular guidelines which will be rolled out by GBD. Pending DG approval
B3.B	Budget KPIs for pilot ministries assessed and revised	Annually	GBD	No	Yes	Yes	Completed
B5.B	Gender responsive budgeting piloted in target line ministry	Annually	GBD	No	Yes	No	Pilot ministries were provided with revised KPIs with specific guidelines on how to improve the KPIs including gender. Line ministries are challenged by the fact that they have to pull resources to incorporate this upgraded information and reporting which will

Ref	Performance Indicator	Measurement Frequency	Data Source	Baseline	JFRBA Y1 Target	JFRBA Q3 Actual	Comments
							have to be done gradually with significant support from GBD and the donor community.
B7.B	Percentage of women participants in training	Quarterly	GBD	22%	30%	47%	

OBJECTIVE 4: ENHANCING REVENUE MOBILIZATION THROUGH IMPROVED REVENUE ADMINISTRATION

Ref	Performance Indicator	Measurement Frequency	Data Source	Baseline	JFRBA Y1 Target	JFRBA Q3 Actual	Comments
A1.B	Incorporate 2015 TADAT methodology into strategic planning	Annually	ISTD	No	Yes	No	The TADAT assessment report has been delivered to ISTD. A compliance risk plan has been proposed by the Project. ISTD has been selected as a model department for ROB. A workshop in this respect has been conducted.
A2.B	Number of directorates that adopted performance management reports	Quarterly	ISTD	0	3	0	Now that the TADAT external assessment has been complete, training will commence. Performance management reports will be completed after training has been delivered.
A3.B	Degree to which new tax audit procedures are implemented	Quarterly	ISTD	0	1	1	Large Taxpayer Office have adopted the new audit manual
A5.B	Conduct public private dialogue forums	Quarterly	ISTD	0	2	1	One has been conducted with the Jordan Strategic Forum.
*A6.B	Taxpayers audited	Quarterly	ISTD	33%	15%	15%	Maintained
*A7.B	Audits with no change in tax liability	Quarterly	ISTD	70%	50%	40%	Lower percentage in the LTO, around 30%
*A8.B	Assessments of audits with disapproval	Quarterly	ISTD	TBD	TBD	N/A	Traditionally, both ISTD management and staff view audit performance in terms of quantity (how many cases closed) rather than quality (no change rate and disapproval rate). The new AMS system will provide ISTD audit management with MIS reports that focus on the quality of audits
*A10.a.B	Tax revenue	Quarterly	ISTD	3.3 billion JOD	3.88 billion JOD	4.096 billion JOD	Increased in 2015, exceeded the target

*A10 .b.B	Income tax revenue as a percentage of GDP	Quarterly	ISTD	3%	3.3%	3.3%	The latest MOF Fiscal Bulletin does not include GDP for the full year of 2015. So this percentage cannot be accurately calculated now
*A11 .B	Overall debt ratio	Quarterly	ISTD	60%	55%	54%	According to the TADAT assessment
A12. B	Percentage of women participants in training	Quarterly	ISTD	25%	30%	23%	
A13. B	Number of TADAT certified ISTD ad MOF officials	Annually	ISTD	0	10	23	No change
A14. B	ISTD IT Strategy Review completed	Annually	ISTD	No	Yes	Yes	Complete
A16. B	Revised business process and taxpayer services operational plans	Annually	ISTD	No	Yes	Yes	Complete
A17. B	New audit manual integrated into the automated audit management system AMS		ISTD	No	Yes	Yes	Complete
A18. B	Revised tax arrears collection procedures		ISTD	No	Yes	Yes	

* As of April 2016

OBJECTIVE 6: BUILDING PUBLIC PRIVATE PARTNERSHIP CAPACITY

Ref	Performance Indicator	Measurement Frequency	Data Source	Baseline	JFRBA Y1 Target	JFRBA Q3 Actual	Comments
G2.B	Establish PPP Guidebook	Annually	PPP Unit	No	Yes	No	The guidebook was delayed due to the lack of capacity at the unit to work on the guidebook in coordination with the two key TA stakeholders, JFRBA and the World Bank team which also opted to freeze their support due to delays in hiring government staff to provide the needed skills.
G3.B	PPP Outreach Strategy	Annually	PPP Unit	No	Yes	Yes	
G4.B	A PPP Website is developed	Annually	PPP Unit	No	Yes	Yes	

OBJECTIVE 7: STRENGTHENING EFFICIENCY IN TRADING ACROSS BORDERS

Ref	Performance Indicator	Measurement Frequency	Data Source	Baseline	JFRBA Y1 Target	JFRBA Q23Actual	Comments
D1.B	Number of new national Golden List participants/ Number of Jordan Customs Golden List Participants	Quarterly	JC	0/54	10/59	10/59	Medmac for Manufacturing Veterinary and Agricultural Products, Ibrahim & Khalid Abu Shaqra & Partners Company, and ARAL are the new GL additional joining on May 10, June 13, and June 23, 2016 respectively
D2.B	Conduct public private dialogue forums	Quarterly	JC	0	3	1	
D3.B	Customs processing time	Annually	JC	9.5	8.5	7	
D5.B	Percentage of red-laned declarations where infractions or non-compliance is discovered	Quarterly	JC	35%	38%	38%	
D7.B	Percentage of women participants in training	Quarterly	JC	16%	25%	23%	
D8.B	Complete technical work for ISO 27001 certification	Annually	JC	No	Yes	Yes	
D9.B	PAP & SW implementation at Aqaba Passengers Station Customs Center	Annually	JC	No	Yes	Yes	Delivered to Aqaba Customs House July 3, 2016

USAID FOREIGN ASSISTANCE INDICATORS

Ref	Performance Indicator	Measurement Frequency	Data Source	JFRBA Y1 Target	JFRBA Q1 Actual	JFRBA Q2 Actual	JFRBA Q3 Actual	Cumulative
1.4.1.c	Person hours of training completed in fiscal policy and fiscal administration supported by USG assistance	Quarterly	Project Records	6,525	1,989	878	1,410	4,277 (Note: - Training has gone down overall as a natural result of the downsizing of some of the technical activities which, by default, have a training component. - Some of the training has shifted to on-the-job training, which provides more hands-on experience and bigger impact, such as the case with GBD. - PPPs were supposed to substantially contribute to this metric through different training modules, but that component was completely removed due to the unit's staffing issue
1.4.1.c.1	Number of men	Quarterly	Project Records	4,894	1,605	650	810	3,067
1.4.1.c.2	Number of women	Quarterly	Project Records	1,631	384	228	600	1,212

CHAPTER V: CONTRACTUAL UPDATES

CONTRACT MODIFICATIONS

A contract modification was awarded to obligate the remaining funds to the contract ceiling, increasing it from a previous obligation of \$7,246,039.80 to \$9,692,076.61.

DELIVERABLES COMPLETED THIS QUARTER

The following deliverables were submitted to USAID during the reporting period by the stipulated due date:

Deliverable	Date Submitted	Date Approved
Quarter 2 Financial and Technical Report	4/27/2016	Pending

PROJECTED USAID APPROVALS, WAIVERS OR DEVIATION REQUESTS ANTICIPATED DURING THE NEXT QUARTER

The project currently has the following approvals, waivers or deviation requests **outstanding** as of 31 July, 2016:

Deliverables
Extension Work Plan (Final Revision Submitted 9/16/2015)
Other
Unused Leave Monetization for CCNs (submitted 7/28/2016)
Waiver for Branding Exception (submitted 5/10/2016)

The project is expecting to submit the following approvals, waivers or deviation requests:

Deliverables
JFRBA Final Report

APPENDIX A: JFRBA PERFORMANCE INDICATORS TRACKING TABLE

Ref	Indicator	Objective	Component	Frequency	Unit of Measure	Data Source	Type	Definition	Justification/Management Utility	Baseline	JFRBA-PY2016 (*: results made available in July 2016)	
											Y1 Target	Y1 Actual
A1.B	Incorporate 2015 TADAT methodology into strategic planning	4	ISTD	Annually	Yes/No	ISTD	Outcome	The externally led IMF TADAT assessment to be performed in early 2016 will serve as input for updating the ISTD strategic plan	Enables ISTD to measure institutional performance and to easily identify areas for improvement	No	Yes	No
A2.B	Number of directorates that adopted performance management reports	4	ISTD	Quarterly	Number	ISTD	Outcome	Using TADAT reports as basis, identify KPIs that can be incorporated into the performance framework of ISTD.	Enables ISTD to monitor and evaluate auditors performance regarding audit productivity; therefore increasing productivity	0	3	0
A3.B	Degree to which new tax audit procedures are implemented	4	ISTD	Quarterly	Number	ISTD	Outcome	Number of offices using the new audit manual adopted by unit.	Audit manual enables field officers improve audit productivity by following intl. best practices to enhance transparency and facilitate audit procedures	0	10	0
A5.B	Conduct public private dialogue forums	4	ISTD	Quarterly	Number	ISTD	Output	Number of awareness forums conducted amongst key stakeholders and the relevant target audience	PPD forums will raise awareness on tax policy best practices and tax reform efforts taking place in Jordan	0	2	1

Ref	Indicator	Objective	Component	Frequency	Unit of Measure	Data Source	Type	Definition	Justification/Management Utility	Baseline	JFRBA-PY2016 (*: results made available in July 2016)	
											Y1 Target	Y1 Actual
*A6. B	Taxpayers audited	4	ISTD	Quarterly	Percentage	ISTD	Outcome	Percentage of tax payers assigned for audit every year as compared to the number of tax payers who filed their tax returns in the same year	Helps improve audit risk management	33%	15%	15%
*A7. B	Audits with no change in tax liability	4	ISTD	Quarterly	Percentage	ISTD	Outcome	Percentage of tax audits that resulted in no change in tax liability out of the total number of audits conducted	Lower figures indicate better audit productivity and more efficient use of time and resources	70%	50%	40%
*A8. B	Assessments of audits with disapproval	4	ISTD	Quarterly	Percentage	ISTD	Outcome	Percentage of audits subject to tax appeals out of the audits that resulted in raising tax assessments	Measures affectivity, professionalism, and technical capabilities of the audit	TBD	TBD	N/A
*A9. B	Audit assessments collected	4	ISTD	Quarterly	Percentage	ISTD	Outcome	Percentage of audit assessments actually paid out of the audit demands notified to the tax payers	Indicates ISTD's efficiency in collecting tax assessments	TBD	TBD	N/A
*A10 .a.B	Tax revenue	4	ISTD	Quarterly	Number	ISTD	Outcome	Income tax, general sales tax, and special sales tax revenue generated by taxpayers voluntary compliance	Measures efficiency of tax administration and the level of voluntary compliance of tax payers	3.3 billion JOD	3.88 billion JOD	4.096 billion JOD
*A10 .b.B	Income tax revenue as a percentage of GDP	4	ISTD	Quarterly	Percentage	ISTD	Outcome	Income tax generated by tax payers voluntary compliance as a percent of GDP	Measured efficiency of tax administration and the level of voluntary compliance of tax payers	3%	3.3%	3.3%

Ref	Indicator	Objective	Component	Frequency	Unit of Measure	Data Source	Type	Definition	Justification/Management Utility	Baseline	JFRBA-PY2016 (*: results made available in July 2016)	
											Y1 Target	Y1 Actual
*A11 .B	Overall debt ratio	4	ISTD	Quarterly	Ratio	ISTD	Outcome	In a given year, percentage of the total tax arrears (collectible and non-collectible) over the total tax revenue of the same year	Measures efficiency of tax administration and the audit, collection, and enforcement functions	60%	55%	54%
A12. B	Percentage of women participants in training	4	ISTD	Quarterly	Percentag	ISTD	Outcome	Number of women participants out of total participants in any given training	Building capacity in ISTD and allowing women to share equitably in economic benefits and capacity development.	25%	30%	23%
A13. B	Number of TADAT certified ISTD ad MOF officials	4	ISTD	Annually	Number	ISTD	Outcome	Certified TADAT trainees or certified TADAT assessors	TADAT certified officials will help ISTD comply with the external TADAT assessment requirements, incorporate TADAT KPIs into ISTD strategy, and qualify ISTD possible future assessors	0	10	23
A14. B	ISTD IT Strategy Review completed	4	ISTD	Annually	Yes/No	ISTD	Output	Comprehensive assessment of the current ICT situation for improvement	Upgrade the capacity of ISTD software and hardware to improve overall ISTD operations.	No	Yes	Yes
A16. B	Revised business process and taxpayer services operational plans	4	ISTD	Annually	Yes/No	ISTD	Output	Restructuring ISTD taxpayer service function to be in line with international best practices.	Taxpayer satisfaction will be increased, which in turn will have a positive effect on the voluntary tax compliance	No	Yes	Yes
A17. B	New audit manual integrated into the automated audit management system AMS			Annually				Having streamlined and consistent automated audit procedures in all ISTD offices	To improve audit quality and monitor auditor performance	No	Yes	Yes

Ref	Indicator	Objective	Component	Frequency	Unit of Measure	Data Source	Type	Definition	Justification/Management Utility	Baseline	JFRBA-PY2016 (*: results made available in July 2016)	
											Y1 Target	Y1 Actual
A18.B	Revised tax arrears collection procedures			Quarterly				Assess the current collection procedures for improvement	To improve collection procedures to reduce tax arrears	No	Yes	Yes
B1.a.B	M&E framework is developed	3	GBD	Quarterly	Yes/No	GBD	Outcome	Explains the Monitoring, Review, and Evaluation (MRE) System	To provide detailed roles and responsibilities in MRE for GBD and government departments and units, in support of results-based budgeting	No	Yes	Yes
B2.B	Include standardized M&E forms in Budget Circular	3	GBD	Quarterly	Yes/No	GBD	Output	Monitoring & Evaluation forms are included within the Budget Circular.	Ensures cooperation of line ministries in providing GBD with data required for the system.	No	Yes	No
B3.B	Budget KPIs for pilot ministries assessed and revised	3	GBD	Annually	Yes/No	GBD	Outcome	Review, assess and revise KPIs of the selected pilot ministries to determine whether they meet good practice criteria. Pilot ministries are to adopt the revised KPIs.	KPIs should be accurate, comprehensive, appropriate and relevant to stated government's strategy, objectives, and programs. Also they are essential tools for monitoring and evaluating the performance of the government departments and units.	No	Yes	Yes
B5.B	Gender responsive budgeting piloted in target line ministry	3	GBD	Annually	Yes/No	GBD	Outcome	Promote gender equality and ensure transparency and accountability of government spending	Understanding gender responsive budgeting will lead to a better more effective future planning and program delivery.	No	Yes	No

Ref	Indicator	Objective	Component	Frequency	Unit of Measure	Data Source	Type	Definition	Justification/Management Utility	Baseline	JFRBA-PY2016 (*: results made available in July 2016)	
											Y1 Target	Y1 Actual
B7.B	Percentage of women participants in training	3	GBD	Quarterly	Percentage	GBD	Outcome	Number of women participants out of total participants in any given training	Building capacity in GBD and allowing women to share equitably in economic benefits and capacity development.	22%	30%	47%
C2.B	Number of MTDS recommendations implemented within MOF	1	MOF	Annually	Number	MOF	Outcome	MOF adopts and implements recommendations from the Medium Term Debt Strategy	Implementing the recommendations made in the MTDS will work to reduce the public debt ratio as a percentage of GDP in the medium term	0	4	0
C3.B	Number of staff trained in international accounting standards	1	MOF	Annually	Yes/No	MOF	Output	Train professional accountants how to apply transformation from cash to accrual basis	IPSAS, when properly implemented will improve the quality of financial reporting by the public sector, increase transparency and accountability of public financial management, and enable the public sector to improve decision making by providing reliable financial data and enhanced assessments of resource allocations.	0	30	35
C4.a. B	Number of analytical reports and policy papers issued	1	MOF	Quarterly	Number	MOF	Output	Number of reports and policy papers issued	Provides analytical insight to senior MOF staff	0	2	2

Ref	Indicator	Objective	Component	Frequency	Unit of Measure	Data Source	Type	Definition	Justification/Management Utility	Baseline	JFRBA-PY2016 (*: results made available in July 2016)	
											Y1 Target	Y1 Actual
C4.b. B	Number of analytical reports produced solely by MOF staff	1	MOF	Quarterly	Number	MOF	Outcome	Number of reports and policy papers produced by MOF staff without JFRBA support	Improves in-house analytical capabilities of MOF staff and increasing senior-level demand for analysis from SEPD. Showing sustainability and ability of MOF staff to function independently as a result of capacity built	0	3	2
C5.B	Number of users with dashboard installed	1	MOF	Quarterly	Number	MOF	Outcome	Number of high level MOF staff with Business Intelligence dashboard installed	Provides access to real time data for economic indicators and relevant statistics that will aid in preparing reports	0	15	0
C6.B	Percentage of women participants in training	1	MOF	Quarterly	Percentage	MOF	Outcome	Number of women participants out of total participants in any given training	Building capacity in MOF and allowing women to share equitably in economic benefits and capacity development	39%	45%	-
C7.B	Percentage difference between GOJ 2014 actual and forecasted revenues	1	MOF	Quarterly	Percentage	MOF	Outcome	The difference between the forecasted revenues reported by the model and the actual revenues of GOJ divided by the actual revenues of GOJ	Measures the quality of the macro and revenue models and reflects the capacity building of SEPD staff on running and interpreting results of these models	5%	3%	N/A
D1.B	Number of new national Golden List participants/ Number of Jordan Customs Golden List Participants	7	JC	Quarterly	Number	JC	Outcome	Number of businesses participating in the Golden List program	Measures an increase in participation, which indicates voluntary compliance with trade requirements, stronger relationships with the private sector and ultimately trade facilitation	0/54	10/59	10/59

Ref	Indicator	Objective	Component	Frequency	Unit of Measure	Data Source	Type	Definition	Justification/Management Utility	Baseline	JFRBA-PY2016 (*: results made available in July 2016)	
											Y1 Target	Y1 Actual
D2.B	Conduct public private dialogue forums	7	JC	Quarterly	Number	JC	Output	Number of awareness forums conducted amongst key stakeholders and the relevant target audience	Raise awareness amongst the private sector and Jordan's business leaders on the various trade facilitation programs that JC is implementing including the GL, PAP, and the centralized processing center.	0	3	1
D3.B	Customs processing time	7	JC	Annually	Number	JC	Outcome	Time needed for customs to finalize and complete customs declaration processing and formalities within JC	Reduced customs processing time will in turn lead to reduced processing time at the border, reduction in time to import/export, and enhance trade facilitation	9.5	8.5	7
D5.B	Percentage of red-laned declarations where infractions or non-compliance is discovered	7	JC	Quarterly	Percentage	JC	Outcome	Measured change in the cases of non-compliance identified, as a percentage of total red-laned declarations.	Increase in percentage indicates better risk management and more efficient selectivity for red-laning shipments.	35%	38%	38%
D7.B	Percentage of women participants in training	7	JC	Quarterly	Percentage	JC	Outcome	Number of women participants out of total participants in any given training	Building capacity in JC and allowing women to share equitably in economic benefits and capacity development.	16%	25%	0%
D8.B	Complete technical work for ISO 27001 certification	7	JC	Annually	Yes/No	JC	Outcome	Certified in ISO 27001 information security	The improved information security regime will prevent illegal conduct and establish a solid base for the safety and security of systems and information	No	Yes	Yes

Ref	Indicator	Objective	Component	Frequency	Unit of Measure	Data Source	Type	Definition	Justification/Management Utility	Baseline	JFRBA-PY2016 (*: results made available in July 2016)	
											Y1 Target	Y1 Actual
D9.B	PAP & SW implementation at Aqaba Passengers Station Customs Center	7	JC	Annually	Yes/No	JC	Outcome	Implementing Pre-Arrival Processing (PAP) and Single Window (SW) in Aqaba Passengers Station Customs Center	Increasing trade facilitation and reducing processing time and cost by introducing SW and PAP procedures at the Fairy Station (goods and passengers) between Aqaba and Egypt.	No	Yes	Yes
F1.B	Percentage of budget institutions in which GFMS has been implemented	2	GFMS	Quarterly	Number	MOF	Outcome	Number of budget institutions using GFMS, as a percentage of 74 total planned government entities (ministries/departments and large regional financial centers).	Tracks the use of GFMS throughout the Government of Jordan for efficient use of public resources and management of public expenditure	75.7%	100%	93%
F2.B	Percentage of the central government's budget reporting through GFMS.	2	GFMS	Quarterly	Percentage	MOF	Outcome	Percentage of budget institutions using GFMS according to the weight each institution holds in the GOJ budget	Tracks the use of GFMS throughout the Government of Jordan for efficient use of public resources and management of public expenditure. Using each institutions weight in the budget allows for a more accurate depiction of the degree of GFMS implementation	83.8%	100%	95%
F5.B	Number of reports issued by MOF staff using Business Intelligence (BI)	2	GFMS	Quarterly	Number	MOF	Outcome	For MOF staff to solely produce BI reports which include statistical data and charts	Utilize the information that is entered on GFMS and gives decision makers real-time data.	0	1	1
F6.B	Implement GFMS in an independent institution	2	GFMS	Quarterly	Number	MOF	Outcome	Piloting GFMS in one independent institution	Implementing GFMS in an independent institution is a step towards integrating the financial control and reporting for centralized budget and independent institutions	0	1	0

Ref	Indicator	Objective	Component	Frequency	Unit of Measure	Data Source	Type	Definition	Justification/Management Utility	Baseline	JFRBA-PY2016 (*: results made available in July 2016)	
											Y1 Target	Y1 Actual
F8.B	Percentage of women participants in training	2	GFMIS	Quarterly	Percentage	MOF	Outcome	Number of women participants out of total participants in any given training	Building capacity in GFMIS and allowing women to share equitably in economic benefits and capacity development.	28%	35%	43%
F9.B	Number of video tutorials	2	GFMIS	Quarterly	Number	MOF	Output	Brief video presentations on how to use GFMIS; covering all seven components to be disseminated among target users	Supporting knowledge and training tool for all GFMIS users across the GOJ to facilitate the training process	0	7	0
F10.B	Operational plan to transition GOJ from cash to accrual basis accounting	2	GFMIS	Annually	Yes/No	MOF	Output	The plan will present the guidelines and the requirements for GoJ to move from the cash based accounting to the accrual based accounting	Adopting accrual based accounting will put the GOJ in line with international accounting standards	No	Yes	No
F11.B	Upgrade software	2	GFMIS	Annually	Yes/No	MOF	Outcome	Installation of the new GFMIS hardware and upgrading the GFMIS software	Upgrading the GFMIS will improve system performance, resolve fundamental issues and allow the system to be rolled out to cover all the budget institutions	No	Yes	Yes
G2.B	Establish PPP Guidebook	6	PPP	Annually	Yes/No	PPP Unit	Output	Manual of PPP requirements and guidelines	Following guidebook will create capacity, accountability, and transparency within GOJ stakeholders	No	Yes	No

Ref	Indicator	Objective	Component	Frequency	Unit of Measure	Data Source	Type	Definition	Justification/Management Utility	Baseline	JFRBA-PY2016 (*: results made available in July 2016)	
											Y1 Target	Y1 Actual
G3.B	PPP Outreach Strategy	6	PPP	Annually	Yes/No	PPP Unit	Output	Summarizes the objectives, target audience, and outreach tools needed to raise awareness on PPPs	Strategy will raise awareness amongst key stakeholders in the public and private sectors about the PPP program	No	Yes	Yes
G4.B	A PPP Website is developed	6	PPP	Annually	Yes/No	PPP Unit	Output	An online platform that includes all relevant PPP documents, background information.	Ensuring transparency, and making PPP information widely available to the public	No	Yes	Yes

*As of April 2016

APPENDIX B: USAID FOREIGN ASSISTANCE AND CUSTOM INDICATORS

Ref	Indicator	Objective	Component	Frequency	Unit of Measure	Data Source	Type	Definition	Justification/Management Utility	Baseline	JFRBA-PY2015 (*: results made available in July 2016)	
											Target	Actual
1.1.1.d	Number of days of technical assistance trade and investment environment provided to counterparts or stakeholders	DO#1 Economic Development	Cross cutting	Annually	Days	TAMIS	output	Number of days of LOE of expat and CCN, STTA and LTTA supporting Team D and G activities	This is an output measure of trade and investment related technical assistance used to address trade and investment capacity building issues with the goal of generating results such as reforms to the trade and investment regime/capacity building that lead to impacts in attracting investment and generating growth	0		797.6
1.1.1.e	Person hours of training completed in trade and investment capacity building supported by USG assistance	DO#1 Economic Development	Cross cutting	Quarterly	Hours	TAMIS	output	Number of USG-supported training hours that were completed by training participants relating to topics of investment capacity building and trade.	This is an output measure of training in trade and investment capacity building area. This is a primary means of delivering technical assistance	0	3,253	2,640
1.4.1.a	Primary fiscal deficit relative to GDP	DO#1 Economic Development	MOF	Annually	Percent	IMF	Outcome	Represents fiscal deficit as a percentage of GDP. (Domestic Revenues-Total Expenditure (excluding interest payment))	Decrease in fiscal deficits promotes economic growth, reducing government spending and increasing revenues which will improve business confidence, and prompt improved economic conditions.	-3.5%	-3%	.4%
1.4.1.c	Person hours of training completed in fiscal policy and fiscal administration supported by USG assistance	DO#1 Economic Development	Cross Cutting	Quarterly	Number	TAMIS	Output	Number of hours of training per person in fiscal policy and fiscal administration provided	Training is a key input to efforts to build capacity in fiscal policy and fiscal administration, towards improving the macroeconomic foundation for growth.	0	6,525	4,277

Ref	Indicator	Objective	Component	Frequency	Unit of Measure	Data Source	Type	Definition	Justification/Management Utility	Baseline	JFRBA-PY2015 (*: results made available in July 2016)	
											Target	Actual
1.4.3.b	Ratio of private sector to public sector funds in public private partnerships	DO#1 Economic Development	PPP	Annually	Ratio	MOF	Outcome	Represents ratio private sector to public sector funds in public private partnerships.	The ratio will provide insight regarding the interest in partnering with the government. The higher the ratio, the better private sector interest and reduction in government resources required to compete a task, thus improving the fiscal situation	0	2:1	0
C.1.4.a	Level of Government Debt as a Percent of GDP	DO#1 Economic Development	MOF	Annually	Percentage	MOF	Outcome	The level of Government debt (both domestic and external debts) and its ratio to Jordan's GDP. Calculated by dividing Net Outstanding Public Debt by Jordan's GDP. Net Outstanding Public Debt is equal to the sum of External Debt (Budget and Guarantees) and Net Domestic Debt. Net Domestic Debt is equal to "gross domestic debt" minus deposits with the banking system	The debt to GDP ratio reflects available fiscal space based on the threshold defined in Jordan's public debt law. Also, it is a good indication of Jordan's capacity to pay back debt, including principal and debt service. Finally, the ratio is a good barometer of the country's ability to borrow domestically and externally.	82.9%	85.5%	86.3%

APPENDIX C: FRP II SUSTAINABILITY INDICATORS

Ref	Indicator	Objective	Component	Frequency	Unit of Measure	Data Source	Type	Definition	Justification/Management Utility	Baseline	Year 1 – PY 2010 (*: results made available in spring 2011)		Year 2 - PY 2011 (*: results made available in spring 2012)		Year 3 - PY 2012 (results made available in spring 2013)		Year 4 - PY 2013 (*: results made available in spring 2013)		Year 5 - PY 2014 (*: results not available in August 2014)		JFRBA-PY2015 (*: results made available in July 2015)	
										(Y1)	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
A1	Ratio of taxpayers to tax administration staff*	4	ISTD	Annually	Percent	ISTD	outcome	Number of active taxpayers (corporate and individual) per tax administration employee.	Measures tax administration efficiency. This ratio improves when number of taxpayers increases, or when tax administration growth is rationalized.	53:1	75:1	60:1	85:1	82:1	100:1	96:1	125:1	110:1	150:1	114:1	125:1	103:1
A3	Number of delinquent taxpayers	4	ISTD	Annually	Number	ISTD	Outcome	Number of taxpayers that should pay, but have not, or taxpayers in arrears.	Tracks ISTD performance in reducing number of delinquent taxpayers.	119,000	113,050	101,330	95,200	123,000	83,300	126,605	71,400	480,389	59,500	18,433	15,000	N/A
A5	ISTD cost of collecting taxes as percentage of tax revenues*	4	ISTD	Annually	Percent	ISTD	Outcome	Cost of collecting taxes measured by ISTD annual budget, as a percentage of total revenue collected by the department.	Connects the cost of administering the tax system to the total revenues collected by the tax administration.	0.53%	0.53%	0.59%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.6%	0.67%	0.70%	.57%
B3	Percentage increase in budget entities publicizing key performance indicators	3	GBD	Annually	Percent	GBD	Output	Number of budget entities publicizing KPIs on their websites in a certain year, as a percentage of total budget entities.	Tracks GOJ advances in engaging public to oversee government financial performance.	0	7%	7%	12.5%	12.5%	0.25	10.7%	35%	30%	20%	15%	20%	N/A
C5	Number of GOJ programs that undergo budgetary impact analysis	1	MOF	Annually	Number	MOF	Outcome	Number of GOJ programs or policies that undergo medium to long-term budgetary impact analysis.	More efficient and cost effective use of public resources by assessing feasibility and influencing design of programs to most efficiently use of resources.	0	2	0	2	6	2	2	2	4	2	2	2	2
D1	Number of Partner Government Agencies included in Single Window, and number of Single Window border locations	7	JC	Annually	Number	Jordan Customs	Outcome	Number of PGAs that are included in Single Window and have signed MOUs with JC, and number of border locations that operate Single Window procedures.	More participating PGAs in Single Window, and increased number of Single Windows, reduces burden of compliance on traders. Results are represented as #PGAs/#SWs.	3 PGAs/ 5 SWs	3/7	3/8	3/8	4/8	5/8	5/8	6/8	6/11	6/12	6/11	6/14	6/17

APPENDIX D: CAPACITY BUILDING & OUTREACH EVENTS

The tables below summarize JFRBA's formal outreach and capacity building events that were delivered throughout the quarter.

Capacity Building

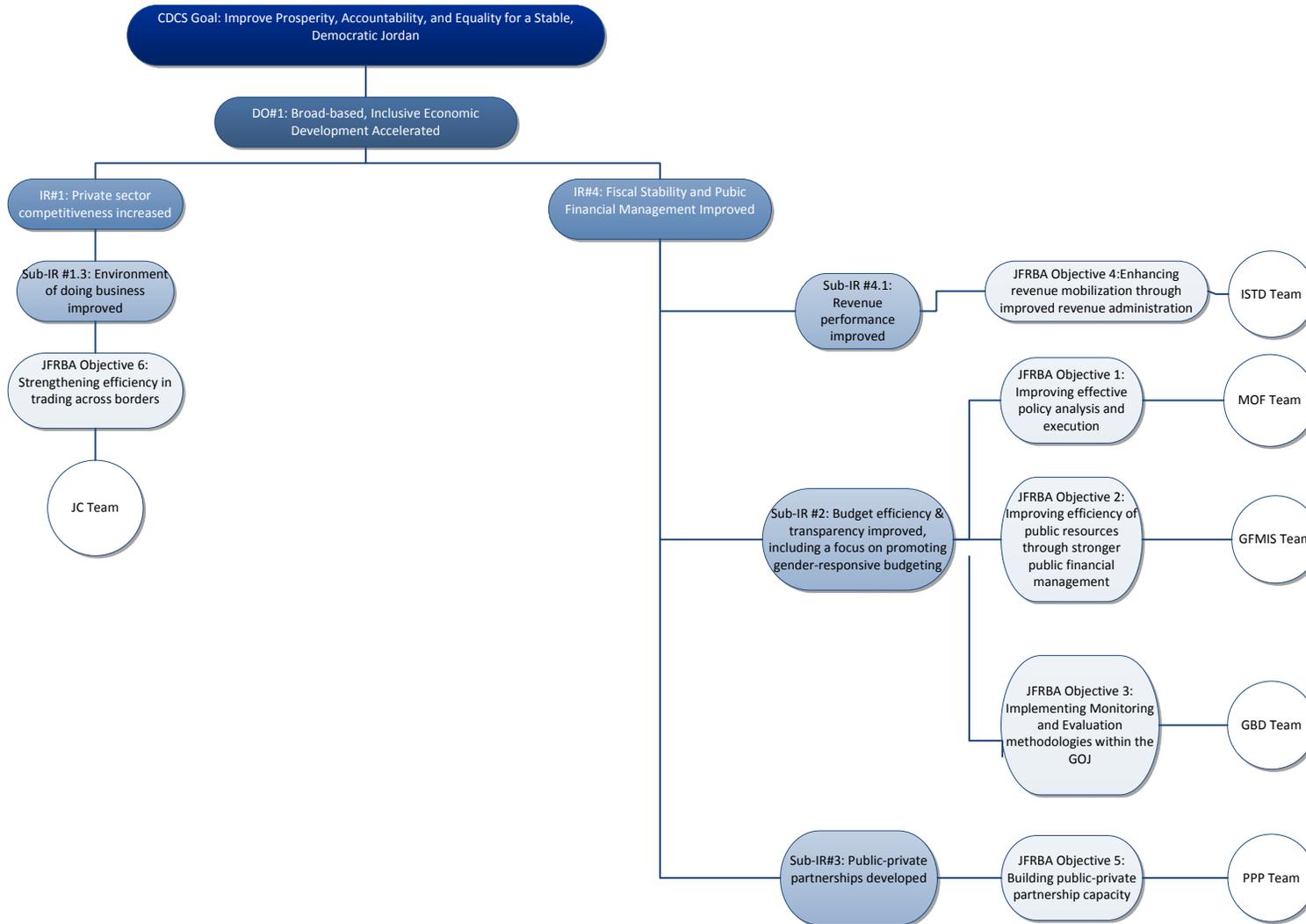
No.	Event Title	Venue	No. of Participants	Females	Type of Event	Date	Team	Target Group
1	Gender Responsive Budgeting	Century Park Hotel	51	29	Workshop/Seminar	11 April, 2016	Component B (GBD)	General Budget Department, Key Ministries, and NGO's, Donors
2	Budget Preparation through GFMIS Workshop	GFMIS Meeting Room	47	20	Training Course	17 April – 8 May, 2016	Component F (GFMIS)	The workshop will be for around 50 participants including (MoF SG, Budget Department General manager, GFMIS project manager, GFMIS project management lead, GFMIS budget preparation team, Budget Analysts and the budget preparation responsible members from the government institutions).
3	AMS mobilization in LTO	ISTD Meeting Room	29	1	Workshop/Seminar	24 -27 April, 2016	Component A (ISTD)	LTO Audit Staff and Trainers
4	Performance Budget Reporting Workshop	Century Park Hotel	35	11	Workshop/Seminar	25 April, 2016	Component B (GBD)	Pilot ministries(MoH, MoE, and ISTD
5	ISO 27001 Training	Embedded Staff Office- Conference Room	12	0	Training Course	18 -19 May, 2016	Component D (Customs)	Jordan Customs IT staff

	Total		174	61				
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Outreach Events

No.	Event Title	Venue	No. of Participants	Females	Type of Event	Date	Team	Target Group
1	PPP Orientation	Le Méridien Hotel	69	22	Workshop/Seminar	28 April, 2016	Component G (PPP)	Government of Jordan Ministries, USAID, EBRD, World Bank, French Embassy
	Total		69	22				

APPENDIX E: JFRBA RESULTS FRAMEWORK



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