JORDAN FISCAL REFORM PROJECT II

OUTLINES OF THE IMPLEMENTATION PLAN FOR THE PUBLIC SECTOR DEVELOPMENT STRATEGY

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Outlines of the implementation plan for the public sector development strategy

Program Title:	**Jordan Fiscal Reform II Project**
Sponsoring USAID Office:	**USAID/Jordan Economic Growth Office**
Contract Number:	**EEM-I-00-07-00009-00** **Order No. EEM-I-08-07-00009-00**
Contractor:	**DAI**
Date of Publication:	**July, 2010**

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ACKNOWLEDGEMENTS

INTRODUCTION

1.   **The Development Strategy Comprises 33 Interventions of varying size and complexity, organized under the "Seven Pillar Framework". The purpose of this final section of the Strategy is to set out the Implementation Plan and timings for each of the Interventions, as well as the related budgets.**

2.   **The Implementation Plan is set out under the following headings**

- Implementation Structure and Mandate for Execution
- Capacity of MOPSD to manage the execution of the Strategy
- Explanations regarding the preparation of the Model
- The Implementation Excel Costing Model, which sets out the activities to be completed in each Intervention and provides budget estimates of each
- Next Steps

3.   **The Departmental Directors of MOPSD, and the DAI ROG Component Leader were consulted fairly extensively in developing this implementation plan, and the inputs and assumptions were discussed and agreed prior to preparing this report.**

IMPLEMENTATION STRUCTURE AND MANDATE FOR EXECUTION

4.   There are three alternative Institutional Models for implementing this Public Sector Development Strategy as follows

- Alternative 1 – The „Complete Mainstreaming"of the Program into the existing organizational structures of the Public Sector Development Sector . This involves each executing agency being responsible for their own interventions, reporting through their own governance arrangements up to the PSD Committee.

- Alternative 2 – Setting up a separate Program Management Unit, reporting to the Public Sector Coordinating Committee , housed within the MOPSD. This is the at the opposite end of the spectrum from Alternative 1

- Alternative 3 – Appointing the MOPSD as the „lead executing agency"for the program, and setting up a Task Force within the Ministry, which has representation from subsidiary agencies also involved program execution. The task force would be chaired by SG of MOPSD, reporting to the Minister who reports to PSDC.

Comments on each alternative are as follows.

Alternative 1 – The Complete Mainstreaming of the Program

5.   The advantage is that there are no extraordinary arrangements, and all interventions are merely integrated into the work plans of existing Institutions, and monitored accordingly. The disadvantage is that this reform program is complex, it needs close coordination, it may require donor funding (and donors are likely to require appropriate coordinated management and reporting). This alternative does not satisfy those requirements.

Alternative 2 – Setting up a separate Program Management Unit.

6.   The advantage of having a separate PMU is that it is a fully accountable unit, easily monitored and evaluated by Government and Donors. While this may be an appropriate arrangement where a Government does not have the required capacity and institutions, this is not the case in Jordan – see comments under Alternative 3 below. The disadvantages are that

- The PMU creates a dynamic of „being separate"from mainstream Government , and reforms can encounter higher resistance because of this.

- It may also result in higher costs, as there inevitably will be some duplication of functions and capacity that exist inside existing institutions,

- The skills and experiences gained disappear when the PMU is eventually disbanded.

- It duplicates the role and mandate of the MOPSD.

Alternative 3 – Appointing the MOPSD as the 'lead executing agency' for the program.

7.   The MOPSD was set up with a mandate to do , or coordinate, precisely the interventions proposed in this strategy. The Ministry therefore has the institutional structure and management to fulfill completely the role of lead Executing Agency and Program Coordinator. However the capacity of the various departments will need to be built up (including additional staff and training) to handle the intense level of activity emanating from the strategy and interventions. It is possible that the execution of the program could comprise approximately 75%[1] of all activities of the Ministry. The case for Alternative 3 is the most compelling and therefore is the recommended model. The program coordination arrangements, together with MOPSD capacity to handle the program are discussed below.

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[1] Consultant's estimate

8. **The coordination and monitoring of program execution should be the responsibility of an Implementation Task Force (ITF). The Task Force and its Committee should be chaired by the Secretary General of MOPSD. The members are as follows:**

    - **The four MOPSD Departmental Directors**
    - **Equivalent level representation from the CSB, and the e-Government Program.**
    - **The MOF, and the GBD have „intermittent" representation, when business at hand involves budgets, salaries and finance**
    - **The Secretariat to the Committee should be the M&E division**

9. **The operating arrangements and mandate of the Committee are as follows**

    - **The Committee derives its authority from the status and line authority of its members and the Institutions they represent**
    - **The Committee meets weekly at first, then bi weekly, and eventually monthly - as the program becomes progressively stable. Extraordinary meetings can be called if and when needed.**
    - **The main purpose of the monthly meeting is to review activity execution progress, and deal with any schedule slippage and any „blocking" issues that may be delaying progress. Program expenditure is also reviewed (facilitated by the IWOM system - see comments paragraph 10 below)**
    - **The ITF Committee minutes are sent to the Minister MOPSD , and the Chairperson briefs the Minister on an „as required" basis. The Minister has a standing invitation to attend any meeting at will.**
    - **The ITF Committee reports monthly to the Public Sector Development Committee.**

10. **The Program"s Operational Procedures, it"s Monitoring, Evaluation and Reporting should take place by implementing the "Integrated Work Management System (IWOMS) "being proposed in the reform program. This program is an ideal „pilot" for testing the IWOM system to ensure it is totally "fit for purpose", for eventual implementation across the entire Government. The IWOMS program will address all key „operational requirements" of managing a program. However an explicit and separate "Operations Procedure Manual" can be easily be derived from the system if required.**

CAPACITY OF MOPSD TO MANAGE THE EXECUTION OF THE STRATEGY

11. **The Implementation arrangements and activity schedule place an extraordinary level of demand for coordination, supervision and management of inputs, and for support to the plethora of consultancy projects that will be taking place. The intensity is especially heavy in the first two years of the program. This section looks at the current staffing levels within MOPSD operating departments, and assesses the additional capacity that will be required to support the execution program.**

Streamlining Pillar and the Streamlining Department

The work in the Streamlining Pillar is based on the assumption that approximately 16 Sectors[2] will emerge from the study. The detailed work is set out in Intervention 1. Its nature and scope is intensive – from reviewing mandates etc of 145 Entities, right down to setting (and implementing) the „staffing

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[2] This is based on the extensive work already undertaken by GPA and MOPSD, and the approval of the

14+2 Sector Coordinating Committees.

standards", for each MDA. Even though all the detailed work will be done by contractors, the work is highly sensitive, requiring a lot of coordination, support, review and approval of consultants" work. The recommendation is that the Department needs to have one senior officer to each coordinate and support two Sectors, requiring therefore a senior officer complement of eight (plus the Director). The current allocation is four, so an additional four officers are required for approximately one year.[3]

HRD Pillar and the HRD Department

12.   **The rationale for staffing requirement of the HRD department comprises three considerations:**

- **The work load assessment is also based around approximately 16 Sectors. The first „heavy work" is set out in Intervention 9, involving Job Evaluation across the entire Government, and the related Salary Structuring . Its nature and scope is intensive and highly sensitive, needing much coordination, support , review and approval of work done by consultants. As with Streamlining, the recommendation is to have one senior officer for two Sectors , a total of eight, with the workload arriving in mid 2011 until end 2014.**

- **In addition there are six other Interventions under the jurisdiction of the HRD department, requiring an additional two senior officers, but only for approximately two years.**

- **From mid 2011 to mid / end of 2012 , the HRD department then takes over the major task (under Intervention 1) of Departmental Restructuring and setting staffing standards. This highly intensive, sensitive exercise will require taking on another four senior officers for 18 Months. If timings can be coordinated, these four staff can be released from the Streamlining department and transferred into HRD Department.**

13.   **The staffing requirement is therefore approximately as follows (based on the existing proposed time lines – if they change, this requirement could change)**

	2010 Q4	2011	2012	2013	2014
Pay Reform		8	8	8	8
6 other Interventions	2	2			
Depart. Restructuring		4	4		
Existing Senior Staff		(5)	(5)	(5)	(5)
Shortfall	2*	2*	7	7	3	3
* Arrangements are already in hand to recruit these staff. The numbers are therefore *not* included in the program budget.					

SDI Pillar and the SDI Department

14.   **The work of the SDI Pillar will revolve around coordinating a plethora of interventions in approximately 60 MDA"s which serve the Public. The Interventions include:**

- **The implementation of SDI Desks and associated training,**

- **Customer Complaints Handling Procedures, Customer Service Desks, Customer Charters,**

- **The reengineering of Services Delivery.**

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[3] Support required is for one year, even though the timeline of Intervention 1 shows two years. This is because the second year comprises Departmental Restructuring and setting Staffing Standards, which is the responsibility of the HRD Department.

15.	This will require a cadre of senior officers to coordinate and monitor the consultancy support being provided, with each officer having a portfolio of approximately seven „clients". This gives rise to the need for eight senior staff, compared to the five in place, an additional requirement of three for the full program period

The M&E Department

16.	The inclusion of these 33 Interventions should not add a substantially higher volume of work to the M&E Department, especially as this program will constitute the majority of MOPSD"s future workload. Its duties as Secretariat to the Task Force may likewise be accommodated without additional Staff.

The Secretary General's Office

17.	The size, complexity, and intensity of activity arising out of the program"s execution, together with the position of chairing the task force, will place an extra - ordinary level of demand on the Office of the Secretary General. It is proposed that a high level Technical Assistant / Public Sector Reform Advisor is put in place for the first two intensive years of the program, after which the situation can be reviewed.

18.	All the varying requirements noted in the paragraphs above are included and budgeted in the last intervention – Intervention 34.

EXPLANATIONS REGARDING PREPARATION OF THE MODEL

19.   **The Excel Model comprises :**

- A Budget Summary which shows the total line budget for each of the 34 Interventions, spread over four years to 2014.
- An overall time line summary , reflecting the expenditure pattern / timing contained in the Budget model. This timeline summary also indicates the Institution that should have primary responsibility for the execution of the intervention.
- A detailed page (in Excel) for every Intervention – 34 in all.

20.   **This detailed excel page contains four segments of information as follows:**

- A brief explanation of the intervention
- The inputs required, their costs, and the resulting budgets needed
- A table spreading the expenditure over the four years
- A „commentary „box, which provides explanations, details and assumptions as required.

21.   **The following paragraphs provide additional pertinent „crosscutting" information that needs to be borne in mind.**

22.   **The rates used to budget for consultancy services have been based on averages that currently apply to various categories as follows :**

- Jordanian Consultants – JD 600 per day
- International Consultants - JD 1200 per day
- „Mixed" teams of Jordanians and International - JD 900 per day.
- Jordanian technical assistance / contract staff have been budgeted generally at JD 2000 per month :– in unusual circumstances at JD 3000 per month

23.   **All the input budgets are "indicative" at this stage, and are frequently based on assumptions. Where this is the case, details of assumptions are provided in the text boxes. The Intervention that is most vulnerable to substantial change is No.4 Implementation of the Integrated Work Management System. This is because a Service Provider did not provide the information requested in time. (Modify if data comes in)**

24.   **Because the Plan is built in Excel, it can be easily updated once it is reviewed in detail by stakeholders, and as more accurate information comes to light. The DAI ROG Consultant is fully familiar with the model and its operation.**

25.   **In doing the detailed conceptualization of each intervention, it became apparent that some interventions could be merged, and such merging was done. However there may well be scope for further merging once the plan is reviewed in detail by stakeholders.**

THE EXCEL IMPLEMENTATION COSTING MODEL

26.   The Excel model is attached.

NEXT STEPS

27.   These Next Steps follow a process well understood by Government Officials. Nevertheless they are recorded for the sake of completeness.

28.   This draft implementation plan needs to be reviewed in detail by the Departmental Directors and other key Stakeholders, particularly the CSB, NTI, and e Government Program. In addition to reviewing the inputs and costs, the Directors (and Stakeholders) need to particularly review the „capacity requirements" of their respective departments, and thereafter the intensity of the implementation schedule (which assumes that the additional staff are „on board"). This review will undoubtedly give rise to modifications of costs and time lines, which the DAI ROG Component Leader should process, and then issue a Second Draft Implementation Plan.

29.   This Second Draft Plan Implementation Plan , plus the Draft Strategy report should be reviewed by the SG and the Minister of MOPSD, and modified to reflect their comments / concerns. This will result in a set of Draft Final Documents which then go through the established review processes of the PSD Coordinating Committee.

30.   One of the major issues will be the funding of the program. It is likely that the Development Partner Community may be required to assist in the funding, and they should be approached at the appropriate time[4].

31.   Thereafter the normal review and decision making processes of Government ensue, to approve or modify the Strategy and its Budget through MOF and Cabinet

32.   At that point the proposed MOPSD led Task Force Committee should be set up, and commence operations. The first task will be to take all the approved interventions and their budgets and integrate them into the various work plans and budgets of the respective departments of MOPSD, and the other „jurisdictional" Partners. This will then place the execution of the program squarely into the management and monitoring processes of MOPSD and will initiate the other various wider M&E processes of Government.

33.   Recruiting of additional approved capacity can then be actively pursued to accelerate execution in line with the established time schedules.

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[4] If the Development Partners are to play a key role in providing the funding for the Strategy Implementation, it is possible that they may wish to see the funds placed into a separate bank account, with specific accounting, reporting and auditing requirements.

Sector Coordinating Committees

34. **The final „next steps‟ issue concerns the finalization of the role and mandate of the 14 (+2) Sector Coordinating Committees (SCC) that are currently being set up. Considerations are as follows.**

35. **The intention of Intervention 1 Streamlining is to rationalize the number of MDAs and organize them into a series of Sectors. The final number and classification of Sectors will be confirmed (or fine tuned) by the related study. This will open the way for GOJ to start planning on a „Sectoral Basis, and should logically lead to the next step of preparing a series of medium term and longer term Sector Investment Plans (SIPs).**

36. **The key role and mandate of the SCC should therefore be to**

- **Oversee production of, and then formally approve, the Sector Investment Plans, including the M&E framework and related Outcome & Impact Indicators**
- **Oversee production of, and then formally approve the Sector MTFF**
- **Oversee production of, and then formally approve the Annual ROG Budget and Annual Work plan. This task is particularly crucial – see footnote[5] for important elaboration**

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[5] The Sector Investment Plans (SIP) will set out the Strategic Plan for the Sector, identify the broad nature of programmes and interventions, provide the related budget / investment estimates , and record desired Outcomes and Impacts.

The critical next step lies in the preparation of the Annual Workplan and its related ROG budget, where key *choices* are made about final resource allocation within the Sector, and the selection and costing of the next year's detailed activities*.*

There is usually interagency rivalry involved at this level, as agencies compete for funding for 'their' activities (some of which may be 'pet projects' which have limited impact). A key role of the SCC is to orchestrate this process, set firm criteria for – and then arbitrate – the selection of activities. *To do its work thoroughly there is a need to have 'independent sector specialist(s)/technical advisor(s)' on the SCC.*

The Annual Workplan that emerges must be officially endorsed / approved by the SCC. This endorsement is in effect *a confirmation that the SCC is satisfied* that the activities selected, and resources allocated, should lead to the achievement of the Strategic Objectives and Outcome / Impact indicators in the SIP. The Annual Work Plan is then handed over to the respective MDAs for execution. This in due course gives rise to the production of all the specified outputs, which of course is monitored monthly or quarterly by the SCC.

The important shift that occurs is that *MDAs becomes primarily responsible for execution of Annual Workplans / Budgets.* A conundrum arises if the MDA performs well and delivers the required 'fit for purpose' outputs on time, but the overall Outcome and Impact indicators are not met. Only two things can have happened (1) The selection of Indicators in the

- Monitor **ROG** Budget and Annual Workplan Execution, and resolve any „stubborn" intra sector and inter sector issues.

CONCLUSION

37. In conclusion it is useful to refocus attention on why such an ambitious Strategy is important. The Executive Summary contained the following motivation.

- "Jordan has very few natural resource endowments to provide wealth, high GDP growth and taxes. It has to maintain its growth and development in an increasingly challenging, competitive, and globalizing world through sheer hard work, with few comparative advantages. However the one key „contingent" asset over which it has full control, is the effectiveness, efficiency and value generated by its Government, to provide enabling environments and spur growth and development. And thus the underlying objective of this strategy is to provide the roadmap for the Government of Jordan to become recognized as one of the World"s most organized, respected and efficient Governments."

38. Finally it is worth reflecting that the main „comparative advantage" of this plan, which sets it apart from others, is the inclusion of the Integrated Work Management System across the whole of Government. This will be the vital "backbone" intervention which, together with Performance Pay, has all the potential to accelerate "Results Oriented Government" to new heights, and provide the conditions for the Jordanian Government to indeed "become recognized as one of the World"s most organized, respected and efficient Governments."

SIP was misguided (2) The selection and design of Activities in the Annual Workplan was problematic. However ***these are the two vital roles that now fall within the mandate of the SCC.*** These are key responsibilities, and it is why ***great diligence and competence must be exercised by the SCC,*** and appropriate technical resources made available to SCCs.