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PROJECT II
SOCIAL PROTECTION PUBLIC EXPENDITURES
PERSPECTIVES WORKING PAPER
AUGUST 2011**

**Social Protection Public Expenditures Perspectives
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Expenditure Overview

This public expenditure perspective examines spending programs that are within the social assistance sector. International organizations define social assistance with various terminologies, but in the context of this paper, social assistance is cash benefits and service programs designed to assist the most vulnerable individuals and families meet a certain level of subsistence (generally the absolute poverty level) and to improve their living standards.¹ These are tax-financed (for the most part) transfers to those with very low or no income.² The majority of these programs are administered by the Ministry of Social Development (MOSD), the National Aid Fund (NAF) and the Zakat Fund.

Other programs which are not as large but still share the objective of helping to alleviate poverty are part of the Royal Court or within the Prime Minister's office.³

Social Benefits in the National Budget. Looking at several line items in the National Budget, expenditures in the category of social benefits (pensions and compensation plus social assistance benefits)⁴ as a share of total Government spending have remained relatively constant over the last ten years.

Table 1 shows National Budget entries for expenditures on pensions/compensation, broad social assistance and total Government spending.

Table 1 - Social Benefit and Government Spending

National Budget Expenditures (JD, Million)	2001	2002	2003	2004	2005	2006	2007	2008	2009
Pensions & Compensation Exp	290.9	320.2	345.7	377.4	416.7	490.6	516.6	654.7	708
Social Assistance Exp	45.8	49.4	33.2	74.1	131	242.2	210.9	205.3	250.9
Total Government Exp	2123.5	2221.9	2442.4	3112.6	3478	3860.4	4540	5431.9	6030.6

Source: National Budget Income and Expenditure Tables, 2010

Overall spending on social benefits as a percentage of total Government spending has averaged about 16.1 percent per year. If pensions and other compensation are removed, then social assistance alone has averaged about 3.4 percent of Government spending annually.

Annual growth rates in social assistance spending as compared to growth in overall Government spending and pension program spending, however, have been somewhat uneven. This reflects discretionary spending on social assistance programs versus obligated funds for pension benefits. Increases and decreases in social program expenditures are made when necessary to adjust to economic circumstances, as discussed below. Social assistance spending, therefore, has been erratic, experiencing large swings from one year to the next, as shown in

Figure 1. Year on year growth in social assistance spending from 2004 through 2006 averaged close to 100 percent (it more than doubled in 2004), while in other years either did not grow at all or even declined. Pensions/compensation and Government spending, however, have steadily increased

¹ The "absolute poverty level" is defined by the Department of Statistics, based on data collected in the 2008 Household Expenditure and Income Survey, as the minimum requirements (food and non-food) needed by a person to guarantee a decent life. Household expenditure or income levels needed to meet these requirements were determined to be 56 JD/person/month or 323 JD/family (of 5.7 persons)/month throughout Jordan.

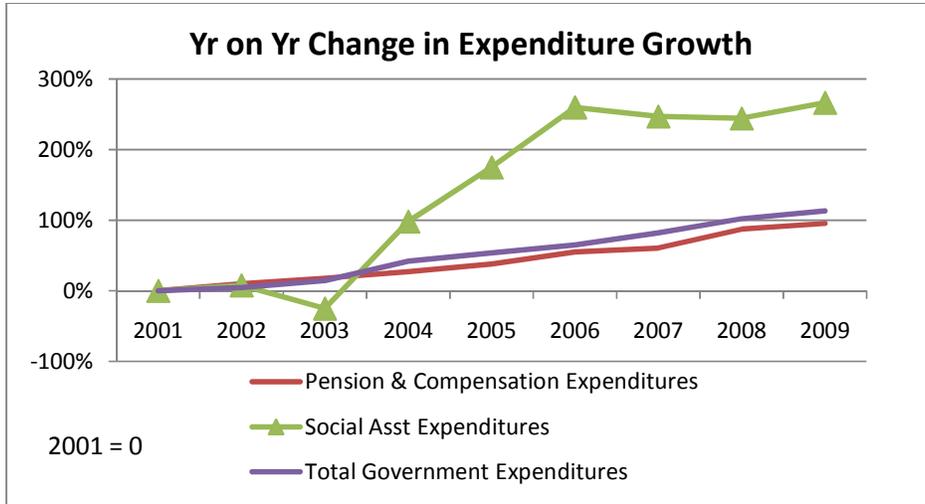
² The Zakat Fund and MOSD programs do accept donations. All contributions to the Zakat Fund are considered donations and are deductible from income taxes.

³ This includes programs under the Royal Court, Development and Employment Fund and Development of Orphans Fund Foundation.

⁴ "Social assistance" as used National Budget line item encompasses programs under the MOSD and the NAF as well as expenditures on certain programs of health and medical care for the poor.

during the 2002 to 2009 period, with average annual increases of 12 percent and 14 percent, respectively.

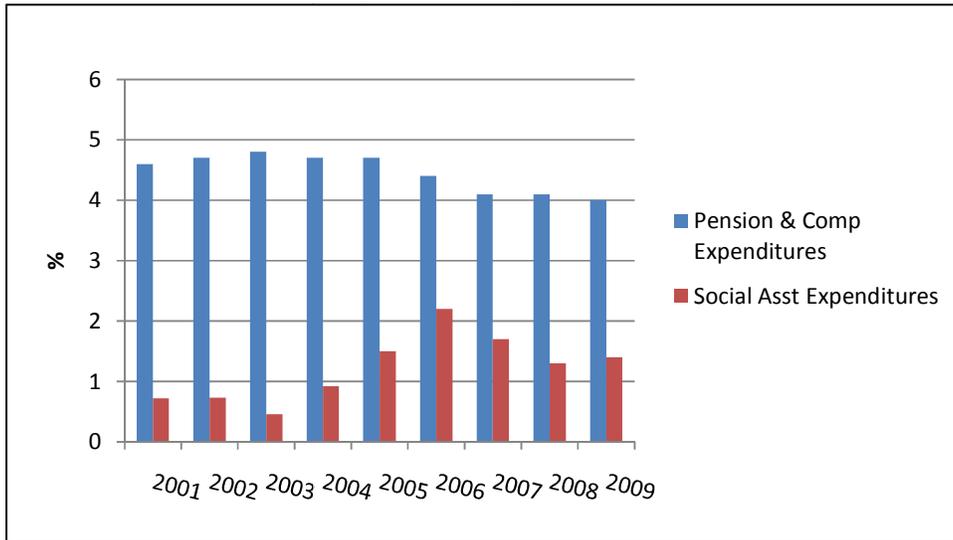
Figure 1- Growth in Program Expenditures



Social assistance expenditures have averaged about 1.2 percent of GDP over the last nine years while pensions/compensation expenditures have been close to 4.5 percent as seen in

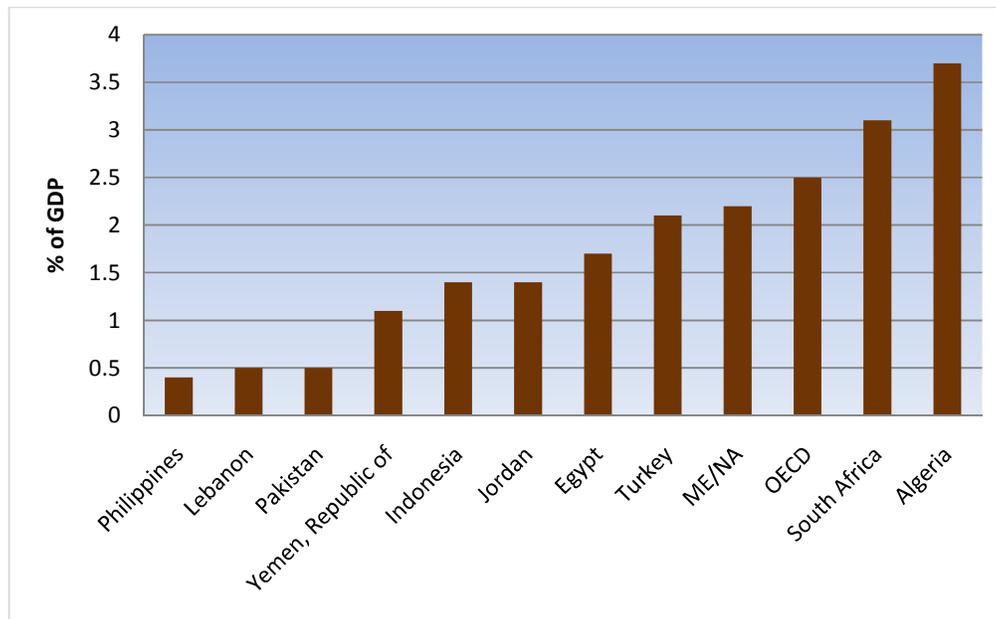
Figure 2. In 2009, social assistance spending increased significantly to 1.4 percent of GDP, reflecting slower economic growth and greater spending on programs to help the poor. This can also be seen clearly in individual program, growth and greater spending on programs to help the poor. This can also be seen clearly in individual program, growth of the MOSD and NAF in Figure 4. The changes in specific program expenditures will be discussed in sections below under MOSD and NAF.

Figure 2 - Social protection spending as percent GDP



Social Assistance in the International Context. Using an international measure of social safety net spending as a share of GDP (purchasing power parity) in Figure 3, Jordan, at about 1.4 percent of GDP, ranks somewhere close to the middle of 73 countries surveyed.⁵ In the region, Jordan ranks lower on spending than the Middle East/North African regional average (about 2.2 percent of GDP) which ranks third highest as a region in social safety net spending in the world and just slightly lower than OECD countries (about 2.5 percent). Jordan spends a greater share of GDP than Yemen (about 1.1 percent) and less than Egypt (about 1.7 percent). While this indicator provides a useful relative comparison, it is always difficult to define adequately all the programs in a country’s social safety net and taking a snapshot of expenditures in an earlier period of time (before 2008) does not take into consideration new programs, the current economic environment and other factors that affect decisions on social safety net spending.

Figure 3 - Social safety net spending around the world



Social Assistance Analyzed in this Report. For the purposes of this report, analysis of social assistance expenditures focuses only on the programs under NAF, MOSD and the Zakat Fund.⁶ The level of spending on these three programs is less than half the spending on the line item in the National Budget called “social assistance”. As shown in

Table 2 total expenditures for all of these programs equal approximately 118 million JD in 2010. If total expenditures by Zakat local committees were added to National Zakat spending (JD 21 million), then total social assistance spending for 2009 would increase to JD 139 million.

⁵ p. 64, Grosh, et. al., “For Protection and Promotion: The Design and Implementation of Effective Safety Nets,” The World Bank, 2008. Social safety net programs in this context refer to a range of non-contributory transfer programs that might include, in addition to the social assistance programs covered in this paper, school feeding programs or categorical child allowance programs. In the broader social protection meaning, social safety net programs could include social insurance programs such as pension, health and unemployment insurance programs.

⁶ Zakat Fund expenditures include only spending at the national level, the National Zakat Fund (NZF), and not spending at the level of the 210 Zakat local committees, except where noted. Data for total committee expenditures was available only for 4 years (2006 – 2009) and will be included where appropriate.

Table 2: Social spending from 2001 to 2010 (JD Million)

Actual Total Expenditures	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
MOSD Total Spending	10.2	9	8.2	9	8.6	10.9	13	23	28.8	23.2
NAF Total Spending	34.4	43.9	54.3	60.8	59.7	57.8	57.2	79.0	87.2	81.1
NZF Total Spending*	-	.62	.9	1	1	1.1	1.8	2.6	2.4	5.6
Total Spending	44.6	53.5	63.4	70.8	69.3	69.8	72	104.6	118.4	110

Source: Data on actual expenditures provided by MOSD, NAF and NZF.

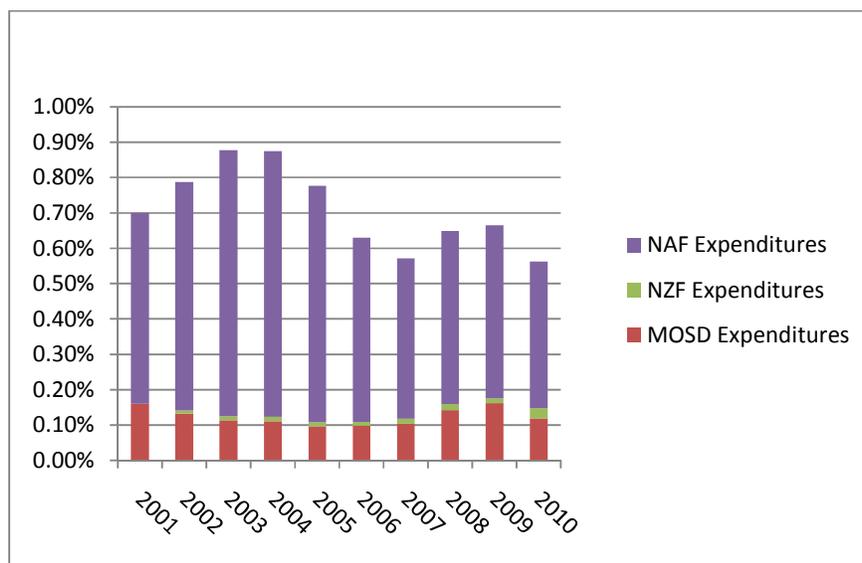
*National Zakat Fund expenditures are for national spending only and do not include spending by local committees. Data for 2001 was not available at the time of this report.

Total actual spending levels for all three programs increased sharply in 2008, and remained at higher levels in 2009 and 2010 as the world-wide economic crisis began and economic growth began to slow in Jordan. The period from 2008 saw increasing fuel costs and some subsidies, such as bread and fuel, were lifted. Part of the Government’s response was to increase spending in social assistance programs. In 2010, the National Zakat Fund received a very large single donation and was able to increase expenditures dramatically on in-kind assistance for foodstuffs.

It is useful to note that spending levels for social assistance programs did not keep up with economic growth from 2004 through 2007, as measured as a percentage of GDP.

Figure 4 shows that since 2007, program, spending levels grew slightly until 2009 and then declined again in 2010 relative to GDP. Looking at total program spending under each organization (examined under each section below), it appears that actual spending levels also peaked in 2009 and were down slightly in 2010⁷. Overall, total social assistance spending for these programs remains substantially under 1 percent of GDP.

Figure 4 - Social spending as percent of GDP: 2001 to 2010



⁷ Data on the Zakat Fund local committees spending level for 2010 was not available at the time of this writing (May 2011), so this could be the exception

Performance Indicators. The Government has established a plan of action to improve public service, improve the quality of life for Jordanians and help to develop the economy. The process by which they would like to achieve these goals is through establishing performance indicators for sectors of the Government.

The National Agenda has a section, referred to as the Social Welfare Theme, with a subsection on Poverty Alleviation, that discuss the social assistance sector's contribution to achieving the National Agenda, but the performance indicators are broad and not specific. For example, several initiatives could fall under the MOSD, such as strengthen capacities of human resources to implement poverty alleviation programs, develop a clear understanding of the poverty root causes and characteristics, provide assistance to the unemployed poor to integrate in the workforce, and upgrade social work skills of welfare workers.

Following on the National Agenda, two National Executive Programs (NEP) for 2007-2009 and 2009-2011 provide performance indicators and measurements. The indicators are very specific and track MOSD (4 broad and 55 specific indicators), NAF (1 indicator for recurring cash assistance program) and the Zakat Fund (10 indicators) performance.⁸ Under each section below, the indicators and measurements are discussed and overall achievements mentioned. Annex 2 provides a list of specific indicators for each organization.

⁸ As of this writing, we found only 1 measureable NEP 2009-2011 performance indicator for the National Aid Fund, but indicators for the previous NEP 2007-2009 program are provided under the NAF section. Several of the indicators for Zakat Fund were combined for purposes of writing this report which shows only 7 indicators, as discussed below under the Zakat Fund.

Programs and Expenditure Policies

1. Ministry of Social Development

The Ministry of Social Development (MOSD) administers a range of social assistance services and benefits to poor disabled, unemployed, elderly, battered women and children, orphans and children of broken families, babies in nursery care and juvenile offenders. The Ministry manages four major programs and additional directorates that are part of a fourth program which coordinates the work of most program directorates. The managing directorates are discussed below along with performance indicators and expenditure levels by year.

The National Executive Program 2007-2009 listed a few broad performance indicators for MOSD to help fulfill the goals of the National Agenda:

1. Establishing the Social Security Commission – This has been achieved with the establishment of the Social Security Corporation that administers all social insurance programs of Jordan;
2. Establishing an observatory to combat, analyze and measure the impact of poverty on targeted groups including poor women through, a. developing a comprehensive data base; and b. Completing field surveys and studies on poverty groups. This goal was taken over by the CCSS and has already been achieved. The CCSS established an observatory, developed and implemented a comprehensive data base and is coordinating field surveys and poverty studies. However, the data base is not accessible to all at the applicant evaluation level and CCSS admits that security of data is an issue for them. The issue is discussed in greater detail below in the issues section.

Specific performance indicators and measurements for the NEP 2009-2011 are provided in Annex 2A. This is a representative list of 18 indicators out of the over 55 indicators that are tracked in the NEP 2009-2011. Overall, it appears that MOSD is achieving the majority of the 18 performance indicators listed, but only half of the year has past at the time of this writing so it may be that all of the indicators will be achieved.

The four principle programs within MOSD are Handicapped Affairs Program, Community Development and Combating Poverty, Family and Childhood Protection, and Social Defense. Three of the four programs are managed by a specific administrative directorate, but the Community Development and Combating Poverty program encompasses the efforts of all directorates, including several (described below) that exist under this program. Coordination of the programs under this large umbrella program is provided through a weekly meeting of the Minister of MOSD, program managers, and field representatives.

Table 3: MOSD programs data

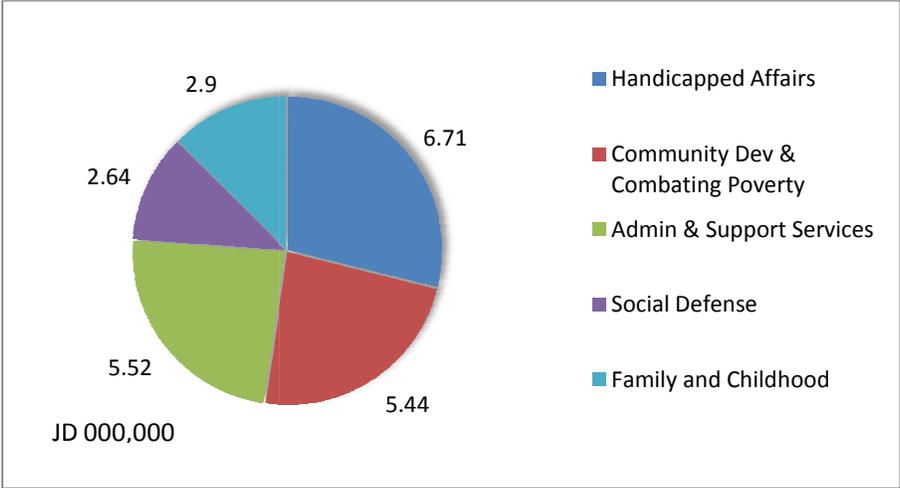
Program	Data (2010)
Handicapped Affairs – Provides and supervises care, rehabilitation, and diagnostic centers and shelters to disabled youth as well as adults. Operating a total of 27 centers and affiliated with over 100 centers in the private sector	- 1,800 persons - JD 6,710,000
Community Development & Combating Poverty – Works with local charities, societies and individual families to provide micro to medium-size loans, help with housing and income-generating projects.	- JD 5,440,000
Family & Childhood – Provides and supervises care facilities for orphans and children from broken homes or abuse. Also licenses and supervises nurseries for children and newborns. Operates care centers and supervises nurseries.	- 1,400 children - JD 2,900,000
Social Defense – Provides care and protection facilities and services to abused children, battered women or from broken homes, and juvenile offenders in reform and rehabilitation centers. Provides assistance through its 56 centers and offices.	- 18,000 persons - JD 2,640,000

Specific actual program expenditures and a comparison of relative expenditures by program from 2010 are shown in Figure 1. Table 6 in Annex 1 shows MOSD total actual and capital expenditures from 2001 to 2010 as well as indicative spending from 2011 to 2016.

Total expenditures for 2010 came to 23.21 million JD, with current expenditures equal to 12.31 million JD and capital expenditures equal to 10.91 million JD. All programs have large shares of the MOSD budget, but the two largest programs are Handicapped Affairs and Community Development and Combating Poverty. The second program has expenditures related to other departments as well, so it could be that the budget reflects these expenditures.

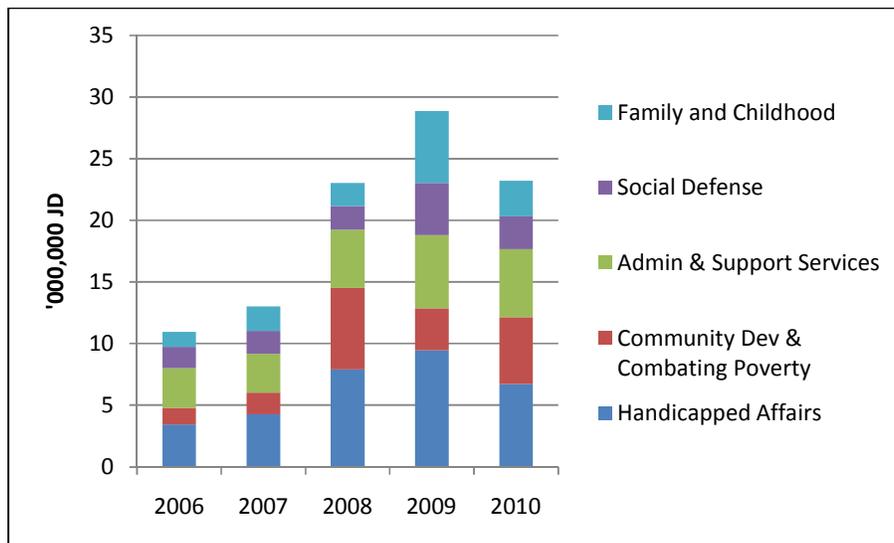
Administrative and Support Services consume a large proportion of the budget, at about 24 percent of expenditures. This is a relatively high percentage for administrative services of a program and should be under 10 percent, according to international standards and closer to 2-3 percent. We are told that a great deal of these expenses are for projects in other departments or even subsidies for such institutions as the Jordan River Foundation, which makes accounting for these expenses rather complex and difficult.

Figure 5 - Structure of Ministry of Social Development expenditures in 2010



MOSD program growth over the years from 2006 to 2010 is provided in Figure 6. It should be noted that Community Development and Combating Poverty were two separate programs prior to 2009 and have been combined in this diagram during the early years for the purposes of illustrating total expenditures in the program over the last 5 years.

Figure 6 - Structure of MOSD spending from 2006 to 2010



Handicapped Affairs Program. Provides and supervises day care facilities (centers or schools) to help educate, rehabilitate, and train disabled youth from 4 to 18 years of age, vocational rehabilitation centers for disabled of 14 years of age and older, additional physical care and community support in diagnosis centers and shelters and day care facilities for disabled in need of food and shelter. Some 27 centers are under the operation of MOSD, while 48 centers are licensed and supervised by the program in the private sector, 81 centers are working with local and international organizations and NGOs providing care and training for the disabled.

Under the Handicapped Program, projections for expenditure targets are made from a baseline year (current year) with 5 to 10 percent added depending on how many new beneficiaries and centers are possible. Operating costs of the centers and agreements in place with private vendors/providers, plus staffing costs, determine a large portion of the expenditures. Economic conditions, from year to year, also are evaluated, such as with the recent economic crisis and downturn. As part of its 2011 National Budget submission each department also has updated its performance indicators.

Community Development and Combating Poverty. This umbrella program acts as a coordinating organization for several directorates at MOSD including Handicapped Affairs, Family and Childhood Protection, Social Defense, Production Enhancement and Associations and Buildings and Housing Directorate. Every week, the Minister of MOSD holds a coordinating meeting with directorate managers and field representatives to discuss program issues and ensure that programs provide poverty alleviation support to achieve results without duplicating efforts. The main thrust of this program is to organize and work with the private sector associations and local societies to combat poverty and insure income-generating projects and an adequate supply of homes is available.

The Production Enhancement and Associations directorate implements its program through grants to societies for lending to individuals with project plans, loans to associations for commercial, industry, utility or agricultural use and loans to families to make them more productive. Grants are given to local societies for lending out approximately 5,000 to 10,000 JD to individuals. Some 32 association projects in 2010 received one-time lending to establish businesses in the amounts of 10,000 to 20,000 JD. Under the productive families program, small loans in the amount to 1,000 to 4,000 are

provided for agricultural usage. Collection success is about 80 percent overall. For the Productive Families program, if the lendee dies during the first year, the repayment may be forgiven.

In terms of overall expenditures for the directorate, during the period of 2005 to 2010, about 702,000 JD were lent to 418 projects. Allocations for 2010 were 500,000 JD and for 2011, 550,000 JD. The Building and Housing Directorate has the largest share of total Community Development and Combating Poverty programs, but no information was available at this writing.

Family and Childhood Protection. This program provides and supervises care facilities for orphans and children who are abused or come from broken families, oversees the adoption of abandoned children according to Islamic tenets (Kafaleh), licenses and supervises elderly homes and clubs (the Royal Court covers the cost of Long-term health insurance for the elderly, but MOH covers the operating and administrative costs of the homes, licenses and supervises nurseries for children, from newborns up to 5 years of age, and evaluates the need to grant health insurance cards to the poor and their heirs who are receiving cash assistance and other services from MOSD and NAF. About 1,400 children are part of the program over the past year. The program provides services through 32 centers for children and 11 centers for the elderly that are affiliated with the program.

The Family and Childhood Protection Program formulates expenditure targets based on the past 3 years. This year's increase (2011) will be the same as last year's increase. No new projects have been started in at least 3 years and most projects are being completed this year as a result of the economic crisis. Performance indicators have been updated and are provided in Annex 2.

Social Defense Program. One of the largest programs in scope, but not in expenditures, at MOSD, is the Social Defense program. It provides facilities and services to abused children and battered women and those from broken families, including juvenile offenders. The programs range from care and protection centers for abused children and women and orphans (4 centers), to assistance for juvenile offenders (5 centers), to social services in Reform and Rehabilitation Centers and assistance to families of residents of the centers to combating begging by both children and adults (1 center). Through its centers and services, the MOSD program assists some 18,000 beneficiaries throughout the country in a total of 10 centers and 13 offices in facilities.

2. National Aid Fund

The National Aid Fund (NAF), which was established in 1986 under Law no. 36, administers a recurring cash assistance program, along with other programs that provide services and emergency aid to the poor, including disabled and unemployed. The NAF manages six major programs, as indicated in Table 4 in the text box. In addition to cash assistance benefits, they provide support for increasing employment opportunities through vocational training and physical rehabilitation at institutions or with relevant authorities, and paying for health insurance for fund beneficiaries in cooperation with the Ministry of Health.

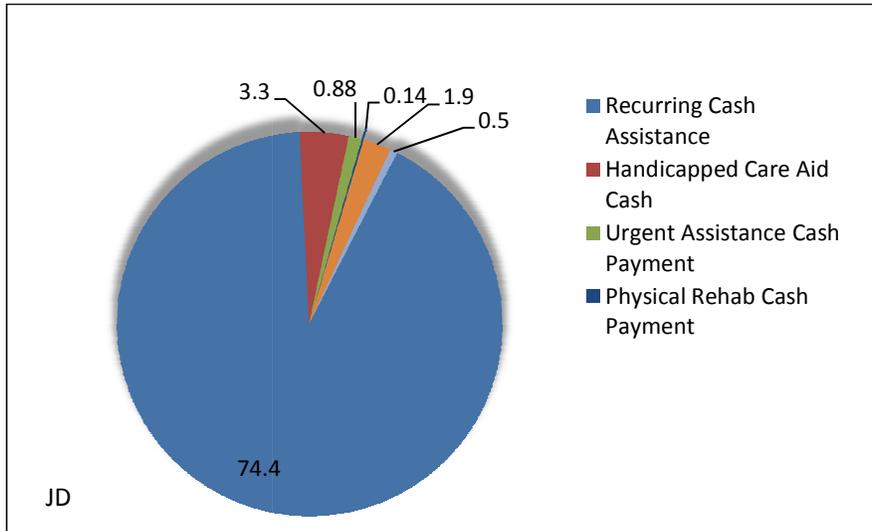
As a percentage of total expenditures for the NAF program, recurring cash assistance is by far the largest program at about 92 percent to total NAF expenditures and it also is the most costly program in the social welfare sector.

Figure 7 provides a breakdown of individual actual program expenditures in NAF for 2010. Total administrative costs for the NAF programs, at 2.3 percent, is well within the international norm as a percentage of expenditures. This is primarily due to the fact that the NAF administer mostly cash assistance programs and some staff are on loan from MOSD (which is next door to NAF). The NAF administrative costs also compare favorably with the National Zakat Fund as discussed below.

Table 4: NAF programs data

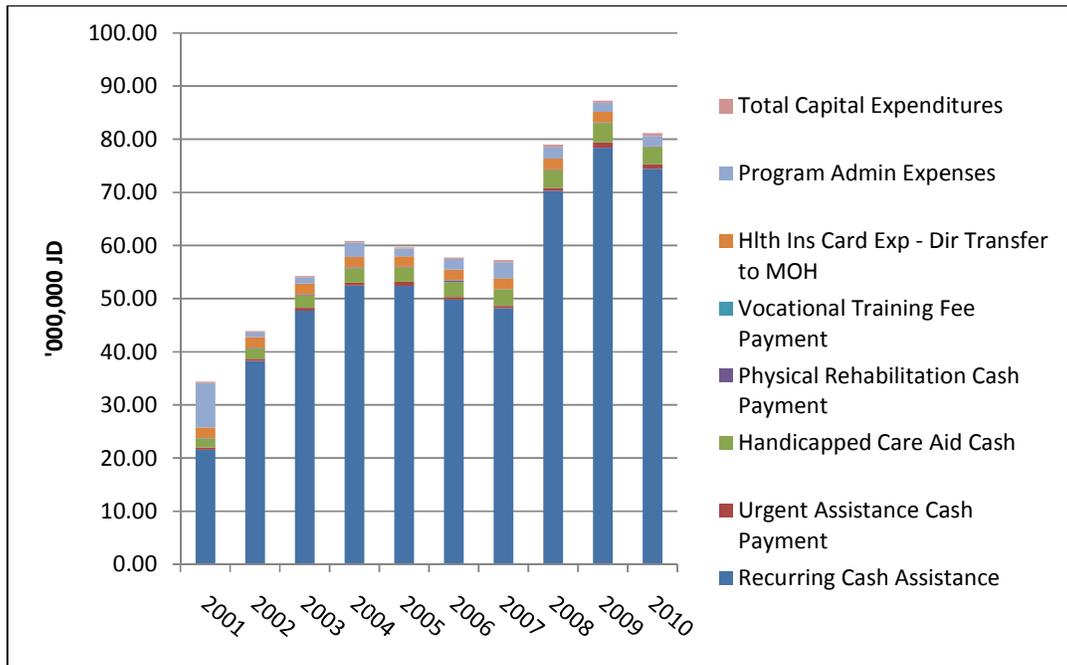
Program	Data (2010)
Recurring Cash Assistance - Persons or families with income below the abject poverty line and no or few assets, widows, orphans, families with disabled (16 categories). Monthly payments of 40 to 180 JD.	- 74,300 families - 194,900 persons - 74,400,000 JD
Handicapped Care Aid Cash – Poor families who provide constant care to disabled children. Monthly payments of 20 to 80 JD.	- 7,100 families - 8,000 persons - 3,300,000 JD
Health Insurance Card Fees – For health insurance cards to beneficiaries of the cash assistance programs.	- 2,000,000 JD - Direct transfer to MOH
Urgent Assistance Cash Payment – Poor families in need of help as a result of home fire, head imprisonment or acute illness. One-time payment up to 1,200 JD.	- 1,500 – 2,000 families - 880,000 JD
Physical Rehabilitation Cash Payment – Poor families with disabled to cover costs of medical devices. One-time cash payment up to 600 JD.	- 500 families - 140,000 JD
Vocational Training Fee Program – NAF covers the fees for vocational training of children of NAF beneficiaries. The program was suspended from 2007 to 2010, but is due to restart in late 2011.	- 300-400 ben/year (2000-06) - 10,000 – 13,000 JD/year from 2000-06)

Figure 7: Structure of NAF outlays in 2010



Year-by-year program expenditures from 2001 to 2010 with indicative numbers from 2011 to 2016 are provided in Table 6 in Annex 2. Figure 8 shows the proportion of expenditures per program from 2001 to 2010.

Figure 8: NAF outlays, 2001 to 2010



Recurrent Cash Assistance Program. The NAF provides monthly cash benefits to poor elderly, divorced, disabled, those in prison and families with children.⁹ The monthly payments range in amounts from 40JD up to 180JD, depending on income, assets and family circumstances. Individuals are eligible if income falls below the national abject poverty line (24JD/person/month or 139JD/family/month, 2008). However, it should be noted that generally, only persons without current income will qualify for the program. The exception may be an elderly breadwinner with many children and low income of just over the family abject poverty line. Also, such family assets as a car (except if used by a disabled person or for transporting a family member with a chronic illness), arable land and income-producing property may disqualify a family for cash assistance. Income received by any family member will decrease the cash benefit by 25 percent of the income amount up to the elimination of the benefit. As of 2011, some 74,000 families are receiving the cash assistance benefit at an annual cost of approximately 74,400,000 JD.

Urgent Assistance Cash Payment. Cash assistance is provided to poor families suddenly in need of help as the result of, for example, a fire in a dwelling, imprisonment of the head of a household, or acute disease of a family member. Eligibility is based on a maximum level of income of 250 JD per month and their circumstances of need. Amounts from 100 to 1,200JD may be provided as a one-time payment on case by case evaluation, but no more than a one payment for the incident is allowed in the year. Some 1,500 to 2,000 families, on average, receive these payments per year at an annual cost to NAF of about 880,000 JD.

Handicapped Care Aid Cash Benefit. A regular cash payment may be made to poor families who must provide constant care to disabled children suffering from a chronic mental condition, such as mental retardation or palsy. Family income levels cannot exceed 450 JD per month. A monthly benefit from 20 JD up to a maximum of 80 JD may be paid, according to specific bands of income. Some 7,100 beneficiary families receive this benefit annually, costing approximately 3,300,000 JD per year.

Physical Rehabilitation Cash Payment. A one-time cash payment is made to poor families with disabled household heads or disabled children to cover the cost of physical rehabilitation equipment, such as artificial limbs, hearing aids, dentures among others. The family may not have more than 250 JD in income per month and beneficiaries are not receiving other services or assistance. An evaluation of need is made by a committee of the Ministry of Health and a recommendation is made for what type of medical device assistance should be provided. The maximum cash payment is 600 JD. Some 500 families receive this aid annually at a cost to NAF of approximately 140,000 JD.

⁹ The regulations list 16 categories of eligible beneficiaries: Families with orphans who are less than 28 years of age, widows with orphans, families with disabled persons, families of detained or prisoners, elderly individuals, foster families, young women (above 18 years of age), divorced women, Jordanian women who are married to non-Jordanians, humanitarian cases, deserted women, persons receiving both assistance and rehabilitation loans, families of workers on an irregular basis, families of missing and absent fathers, those receiving Handicapped Care Aid, and any other category that is approved by the Board.

Vocational Training Program. This program was suspended at NAF from 2007 to the present, but NAF has said that it continues in some form and the payment of fees will be reinstated toward the end of 2011. The program covers fees for vocational training institutions to provide access to job opportunities. Some 300-400 beneficiaries graduate and find jobs each year. Percentage of successful job placement by the program is very low, due in some instances to the “culture of shame” or unwillingness of trainee to accept low-paying or perceived low-esteem jobs (according to NAF officials). Other reasons cited for low job placement include job offers are outside of the home area or the jobs are for females. Incentives are being provided in the form of continuing cash assistance benefits for the first six months that the trainee is receiving wages.

Health Insurance Cards. The NAF program helps to provide health insurance cards to beneficiaries of its programs. The program is implemented in coordination with the Ministry of Health. NAF pays about 1,000,000 JD annually to MOH have health insurance cards issued to qualifying families.

3. The Zakat Fund

The Zakat Fund is one of the oldest funds in the region. It is said that the Jordanian Fund has been used as a model to set up other funds in the region and through-out the world. The Zakat Fund is organizationally under the Ministry of Waqf and consists of a National Zakat Fund (NZF) with headquarters operation in Amman and 210 Voluntary Zakat Committees throughout Jordan. According to the tenets of Islam, each member has a duty to tith 2.5 percent of income to the poor. One way of doing this is through the Zakat Fund, either the National Fund or to each local voluntary committee. The donations provided to the committees must be used in that community to help the poor, disabled, widows and orphans.

The headquarters of the NZF consists of 9 directorates that include an internal control directorate, administrative support office and managers to run 7 major programs. The programs are

aimed at helping those in need through recurring cash assistance, for incidental needs from a loaf of bread to vouchers for food and clothing, cash for emergency situations, for orphans and students and to assist with medical care and medicine expenses. The programs are summarized in the text box on the right and described in more detail below.

One of the most important functions of the NZF is to ensure that auditing and accounting practices are in place to maintain the trust of donors in the NZF's fiduciary responsibilities. Audits are performed by the Audit Bureau and the Ministry of Waqf, while the Ministry of Finance has a financial controller working in the Fund.

Administrative costs of the NZF are covered through transfers from the Ministry of Waqf because the fund administrators believe that no donations should be used to cover the costs of staff salaries, benefits, building infrastructure and rent, and utilities (as discussed below under Issues, Findings and Recommendations, this is another subsidy that should be transferred directly from the Treasury, rather than the Ministry of Waqf, as discussed below in Issues, Findings and Recommendations). The 210 committees are voluntary and receive support for their activities from local government, so there are no administrative costs of the committees to be paid from the NZF.

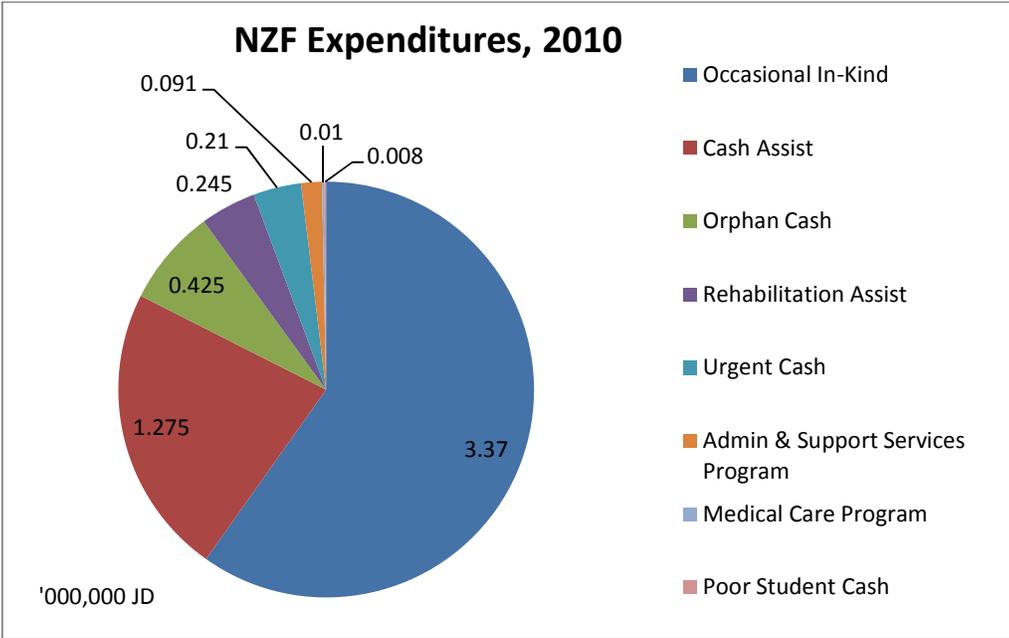
Set by the 1944 Law on Financial and Administrative Costs, administrative costs for the NZF cannot exceed more than 10 percent of expenditures (which is rather generous by international standards). Administrative costs in 2010, as seen in Figure 9, stayed well within that level at 91,000 JD or 1.6 percent of total expenditures as a result of a rather large donation (3 million JD to NZF to be used solely in the Occasional In-Kind Benefits program). Administrative costs in 2009 also were well

Table 5: National Zakat Fund programs data

Program (NZF)	Data (2010)
Cash Assistance - Persons or families, of any nationality, with income near the abject poverty line and no or few assets, widows, orphans, families with disabled (in accordance to categories of religious law).	- 1,275,000 JD
Occasional In-Kind Assistance – Poor families or persons provided with loaf of bread, school bags (with books & stationary) or tokens for clothing or food.	- 3,370,000 JD
Orphan Cash Assistance – Orphans who are adopted by the Fund (Kafaleh) which opens a bank account on his or her behalf to provide for needs.	- 425,000 JD
Rehabilitation Assistance Projects – Poor persons with some experience or skill in need of assistance to become more productive or re-locate to other areas.	- 245,000 JD
Urgent Cash Assistance – Poor persons or families, of any nationality, who need urgent cash as a result of home fire, disaster, divorce or other sudden need or can come to the fund for a small request.	- 210,000 JD
Medical Care Programs – Poor persons in need of assistance with cost of medicines or in care from mobile medical units visiting rural areas or through charitable deeds hospital (Amman) or medical centers (four).	- 10,000 JD

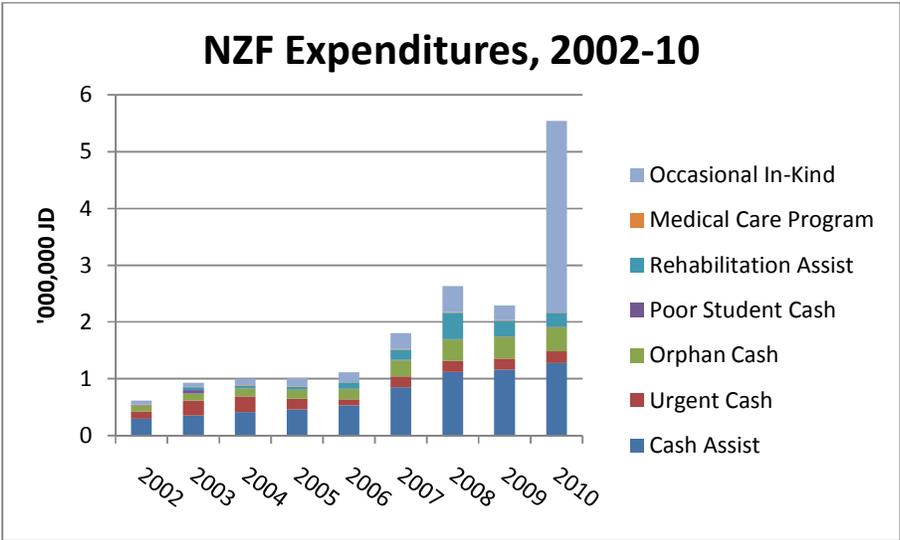
within the spending limit at 56,000 JD or 2.4 percent of total expenditures. Administrative costs of the NZF were about the same as the NAF for 2010 and 2009 at 2.3 percent and 2 percent of expenditures, respectively. Year-by-year program expenditures from 2002 to 2010 with indicative numbers from 2011 to 2016 is provided in Table 9.

Figure 9 - Structure of NZFoutlays, 2010



Error! Reference source not found. shows the proportion of expenditures per program from 2001 to 2010. The largest programs of the NZF continue to be Cash Assistance, Orphan Cash Assistance, Occasional In-Kind benefits, and Rehabilitation Assistance. The one-time donation to the NZF of 3 million JD for the In-Kind assistance program made it the largest program at NZF in 2010.

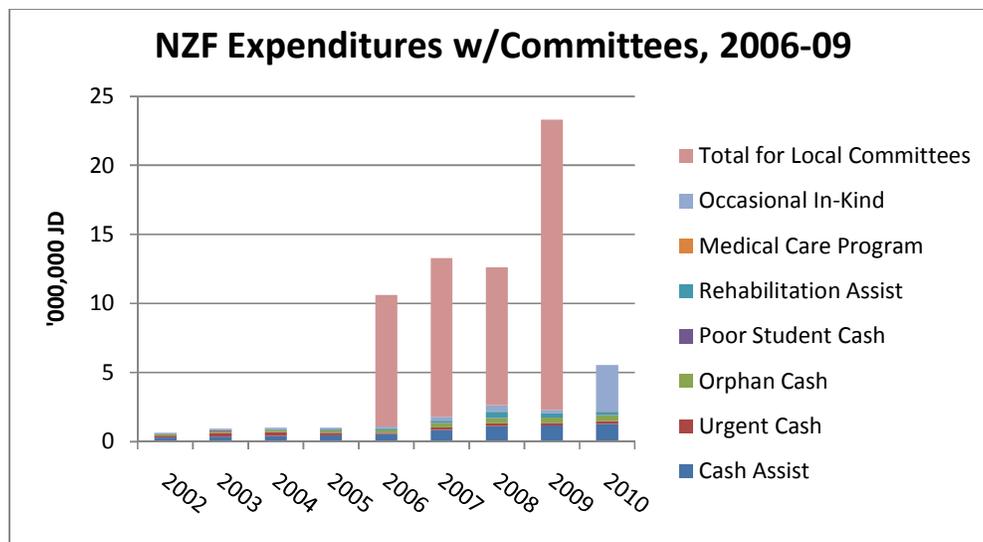
Figure 10 - NZF outlays, 2002 to 2010



Only total expenditure figures for 4 years, 2006-09, for the 210 voluntary committees were available, but it is clear that spending by total committees on Zakat is much greater than the National Zakat Fund.

Figure 11 shows that by far, expenditures of the voluntary committees are more than 5 times the level of NZF. The size of total expenditures of the Zakat Fund, including local committees, is about the same as total expenditures for the MOSD over the past several years. It is not clear, however, how they relate to the national program because they establish their priorities according to the community environment and must use their donations locally.

Figure 11 - NZF outlays with Local Committees, 2002 to 2010



The NEP, 2009-2011, assigned the Zakat Fund with monitoring and evaluating several performance indicators under their program. Table 12 in Annex 2 lists the performance indicators and the Zakat Fund's estimated performance for 2011. Since 2011 has not yet been completed, the data is preliminary and could change somewhat to alter the outcome. Two of the performance indicators, Emergency Cash Aid and Rehabilitation projects, the NZF has met or surpassed. In-Kind Support (Charity Bread, Tokens and School Bags) is close and could be surpassed (the previous year saw a donor of 3,000,000 JD which achieved the total for the entire review period, and then some). Recurrent Cash Aid, Support to Poor Students, Medical Days, and Orphans Support fall considerably short of the performance marks, so they may not be achieved during this reporting year.

Seven major programs of the NZF cover the following areas:

Cash Assistance. Recurring monthly cash benefits are paid to very poor people who are not receiving any assistance and have no visible means of support or income. The program is open to all poor people, either Jordanian or foreigners. Generally, if a poor person receives NAF recurring cash assistance, the person would not be able to receive Zakat assistance. The amounts are very low, from 30 JD to 50 JD, and are meant only for the severely poor persons. If a poor person is receiving Zakat, they may still be able to qualify for the NAF cash assistance benefit. The Zakat cash assistance is paid on a monthly basis through the Islamic Bank.

This program is the largest program that the NZF administers with current total expenditures at 1.3 million JD. From 2005 to 2010, the program helped 2,411 families at a total cost of 6.9 million JD.

Occasional In-Kind Assistance. This is the second largest program that the NZF administers and provides in-kind assistance in several different areas. It provides a coupon book for bread which the family can redeem at stores, 30-100 JD worth of tokens for food and clothing regularly, school bags filled stationary, books, pencils one month before the school year starts (11,000 families received school bags last year). Last year, 3.4 million JD were spent on the program, due to a generous donation of 3 million JD. Over the 5-year period, about 5 million JD were spent.

Orphan Cash Assistance. Another major program of the NZF is helping orphans with the cost of daily living by opening bank accounts and paying for expenses anywhere from 3 months to the full year. Orphans are adopted by the Fund under the Islamic program (Kafaleh) to help with their costs while they remain in the orphanage. 2010 expenditures on the program were 425,000 JD, while for the previous 5-year period, the Fund spent 1.9 million JD helping 1,300 orphans.

Rehabilitation Assistance Project. The Fund helps persons who have lost jobs, but have a craft for which they can demonstrate experience and a will to succeed in their craft or another area that is feasible. The NZF conducts a feasibility study to determine the chances of success and provides financial support to help the craftsman get started. This could be in any area from fish farming to embroidery. The Fund spent 245,000 JD last year and 1.5 million JD helping over 1,700 families start businesses.

Urgent Cash Assistance. For person or families who need urgent help because of a sudden tragedy or urgent need, such as a home fire, divorce or death in the family, the Fund will provide small amounts of one-time cash payments. The NZF will examine the need and make a decision whether the request is reasonable. The program is open to poor people, including foreigners. Last year the NZF spent 210,000 JD and for the 5-year period some 925,000 JD helping 60,000 families and individuals.

Medical Care Programs. The Fund provides several forms of medical care, from a Charity Deeds hospital in Amman to several medical centers, to mobile medical days for routine care and assistance to four rehabilitation centers for disabled men, women and children who will received education, food and treatment. On mobile health days, medicines can be provided in addition to routine medical assistance to poor communities that don't receive much medical attention. The NZF spends about 10,000 JD per year for this program, but also has built medical facilities and a hospital which we understand cost about 8 million JD. Total expenditures for the last 5 years amount to 1.4 million JD helping some 12,000 beneficiaries.

Student Cash Assistance. For students who come from poor families, the NZF will provide assistance with the costs of tuition or rehabilitation and remedial education. Expenditures in the last few years are very low, at about 7-8,000 JD per year.

Current Services Budget

Annual actual expenditures for the past 10 years (2011 is estimated) and projections for current services spending over the next 5 years are provided in Annex 1 for NAF. As noted earlier in this report, actual expenditures by program for MOSD were available only for 2006 to 2010 and these numbers combine both current and capital expenditures. NZF also provided combined current and capital expenditures, but for programs from 2002 to 2010 along with estimated and indicative expenditures from 2011 to 2013.

In order to make reasonable projections for social assistance program expenditures over the next 5 years, it is necessary to evaluate current growth trends in the economy and possible changes in poverty numbers, especially if recommendations in this report are implemented. In addition, and perhaps more importantly for discretionary spending such as social assistance, several constraints, including ongoing fiscal deficits and higher commodity prices, must be taken into consideration. As noted earlier in this study, social assistance spending has not always kept up with economic growth, but responded to recent downturns in the economy for the two-year period of 2008-2009.

The IMF predicts increasing real GDP growth for 2010 of 3.5 percent and for 2011 of 4.25 percent.¹⁰ The overall fiscal deficit is predicted to decline by 3 percentage points to about 5.75 percent of GDP for 2010. The IMF reports that the Government would like to reduce the overall deficit by one-half to 1 percent per year, starting in 2011, with the aim of achieving a medium-term annual deficit of around 3 percent. The overall public debt to GDP ratio will stay below the mandated 60 percent line for 2010. External current account deficits, however, will widen to 6.25 percent in 2011, reflecting higher import commodity spending.

The economic picture should improve somewhat over the next year or two and perhaps there will be some fiscal room to increase coverage of the vulnerable, as described in this report. If the fiscal picture continues to improve from 2012-2016, we believe that budgetary changes can be made if our recommendations are implemented based on the following:

- About 11,000 non-qualifying families should not be receiving benefits and should be removed from the roles under the recurring cash assistance program of the NAF for the period of 2014 – 2016. They are upper income beneficiaries (top two income quintiles);
- There could be a gross increase of approximately 10,000 to 15,000 qualifying poor families or net increase of approximately 5,000 families, if the 11,000 family beneficiaries are removed;
- The gross increase would be partially offset by the savings incurred as a result of the removal from the beneficiary roles of some 11,000;
- Further savings could be realized in the NAF program if our report recommendations are followed concerning changing from cash benefit deliver by the Post Office to either the Islamic Bank or to other private banking systems. An initial saving of JD 540,000 could be realized by 2014.

¹⁰ IMF Jordan - Aide Memoire for the 2010 Staff Visit Discussions, December 20, 2010.

Actual and indicative expenditures for MOSD, NAF and NZF are provided in Annex 1. The following also explains the increases and assumptions that have been used for estimates for 2011 and indicative expenditures for MOSD, NAF and NZF for the period of 2012 – 2016:

- **MOSD**. This table shows actual expenditures as reported by the MOSD (current and capital expenditures could not be separated for individual programs from the data provided by MOSD) for Years 2001 through 2010. We used the rate of economic growth for 2010 to estimate increased expenditures in 2011 (3.5 percent increase in real GDP) and the economic growth rate for 2011 to increase indicative expenditures for 2012 (4.25 percent increase in real GDP). The rate of increase for expenditures in the indicative years of 2013 to 2016 is 2.2 percent (slower than economic growth predicted for 2012, but necessary under the fiscal constraints);
- **NAF**. Years 2001 through 2010 are actual current and capital expenditures, disaggregated according to program, as reported by the NAF. Table 7 and Table 8 in Annex 1 use the same actual current and capital expenditures, estimated expenditures for 2011, and indicative expenditures for 2012 and 2013, provided by the NAF. Table 7 shows an indicative budget for the years of 2014 to 2016 with flat-rate growth of 2.2 percent as projected by the NAF for the year 2013. Table 8 shows a different indicative budget for 2014 to 2016 taking into consideration proposed recommendations;
- **NZF**. Years 2002 through 2010 are actual current expenditures as reported by the NZF. The table shows estimated expenditures for 2011 and indicative expenditures for 2012 and 2013, provided by the NZF. The rate of increase for expenditures in the indicative years of 2014 to 2016 is the same as that used for MOSD and NAF program expenditures (2.2 percent).

Issues, Findings and Recommendations

After reviewing the social assistance program expenditures, several issues are highlighted along with findings and recommendations to address these areas. The issues and recommendations are prioritized and listed in two groups, Budget Process and Program Administration and Program Policy Issues. The recommendations are designed to address concerns as soon as possible in the next budget cycle. The next section will discuss a Plan of Action for implementing the recommendations during the 2012-2014 MTEF Budget.

Budget Process and Program Administration

Priority B1: Reconciling data between line ministries and the government Budget Department

Data for the National Budget is submitted by the Ministry of Social Development to the Government Budget Department (GBD) at the time of requests for supplemental allocations in September every year. This is preliminary data which will change several times as estimates and re-estimates are made on allocations, transfers and expenditures.

For the 2011 proposed budget, for example, MOSD provides data on actual 2009 expenditures, estimates and re-estimates of 2010 expenditures, estimates of 2011 expenditures and indicative estimates for 2012 and 2013 expenditures. In examining proposed budgets for 2010 and 2011, inconsistencies arise when looking at actual expenditure numbers of MOSD and the numbers in the National Budget. The National Budget actual expenditure number for 2008 (listed in the 2010 proposed budget) is 13 percent higher than the MOSD actual expenditure number and for 2009 (listed in the 2011 proposed budget) the National Budget actual expenditure number is 4 percent higher than the MOSD number. This difference in data also arises with other line ministries and the GBD, according to anecdotal stories about comparison of budget actual expenditure numbers.

In discussing this with MOSD, we have received various explanations about the discrepancies in actual expenditure numbers. For example, budget data are provided early in the year, spring and fall (September) and would not be final until the end of the year. Also, the World Bank provided grant money in one year and it continues to be spent over a period of time, not all in one year. These explanations are true with the current year's estimate of expenditures, since they are ongoing and not closed, but the previous year's actual expenditure figure should be very close, if not the same, as the expenditure number carried in the National Budget data.

Finding – The MOSD actual expenditure numbers for 2008 and 2009 are different from the actual expenditure numbers carried in the National budget for the 2010 proposed budget and the 2011 proposed budget, respectively. Various explanations have been provided for these discrepancies, but the reasons seem to be relevant only for current years, rather than past years which should be more closely reconciled, if not exact.

Recommendation – MOSD and GBD should meet on an ongoing basis to reconcile past actual expenditures that appear in the National Budget to ensure that their data agree and there is consistency throughout the Government budgeting system. These meetings also will provide an opportunity to explain MOSD program activities, goals and objectives to ensure that GBD understands the line ministry's budget requests and can provide greater support for their funding needs.

Priority B2: Eliminating pass-thru's that serve no useful purpose

The NAF currently receives allocations for the recurring cash assistance program from the national Treasury, through the MOSD. Every month a check is written by the MOSD to cover expenditures to the cash benefits program. Several years ago, the NAF received these payments directly from the Treasury. MOSD also writes checks for funding that goes to the CCSS, to the Safety Fund and to the Jordan River Foundation which MOSD licenses (one of several institutions that MOSD licenses).

The merits of this process are questionable, at the least, in that the MOSD is hard pressed to monitor the spending of these institutions (which is a separate issue from allocating funding), is a burden on their administrative capacity and is unnecessary in that it's an extra step that should be eliminated. Monitoring of a program, especially ones that MOSD licenses, should be accomplished outside of the need to pass funds to the institution that implements the program. The Treasury's job is to pay out funds, so it seems redundant to pay out funds to one institution that then pays those funds out to another institution.

When questioned about this process in a recent meeting, the GBD indicated that this is the way it has been done in the past and continues to be done in other parts of the Government. We have discussed this with both NAF and MOSD officials and have received no explanation that would support good international practice for Government budget procedures. These officials suggest that it is not necessary and creates an additional burden on their administration of programs.

Finding – The MOSD has been tasked with paying funds from the Treasury to other institutions, some of which it licenses. The NAF, for example, is one institution that the MOSD does not license or is hard pressed to even monitor. A monthly check is written by the MOSD to give to the NAF to cover the recurring cash assistance program. Several years ago, the NAF received its funding directly from the Treasury. There seems to be no supporting argument to continue the practice of funding from the Treasury through the MOSD to other institutions and it creates an additional burden on the administration of the MOSD programs.

Recommendation – The pass through of funding from the Treasury through the MOSD to other institutions should be eliminated and funds should go directly to those institutions. If program monitoring is a concern, then this should be addressed separately by putting in place proper monitoring and evaluation systems that will review program financing and effectiveness on a regular basis. Although funding may go through other line ministries for use by institutions, these procedures also should be reviewed with the purpose of finding out if these practices could be made more efficient and cost-effective.

Priority B3: Use of banking system vs Post Office for cash benefit delivery

Throughout the world, cash benefits are delivered through different systems, including receiving a benefit at a social assistance local office, or through the postal service (either visiting the nearest postal branch or home delivery) or the banking system or automated cash transactions that use communications devices (such as smart cards, point of sale machines or mobile phones). Decisions on what benefit delivery approach to use depend on available technological infrastructure in the country, costs per transaction of the delivery system as well as accessibility of the benefit delivery system to the poor in rural areas.

The trend in benefit delivery throughout the world is toward greater use of technology-based systems such as communication devices as well as automated teller machines (ATMs) and branchless banking systems. In fact, transaction costs have come down so much that some services are free just to expand coverage and bring in new customers.

In Jordan, the NAF uses the post office to provide cash benefits and the Zakat Fund uses the Islamic Bank system. The NAF uses the postal service at a cost of 45,000 JD/month to provide cash benefits to approximately 195,000 recipients as of 2010. The Zakat Fund provides their cash assistance

benefits through the Islamic Bank system at no charge, either to the Zakat Fund or to beneficiaries who open accounts in the banks. While the Zakat Fund is restricted in what type of banking system they must use, because of religious tenets, the NAF could have use of both the Islamic Banks and other private banks. The Islamic Bank also serves rural communities in Mafraq, Umal-walid, Disi, and Ma'an as well as other villages and poverty pockets.

We understand that the NAF considered using banks in 1999, but found no interest on the part of banks to be involved in providing this service. With the developments and improvements in technology and banking services, establishment of branches in more areas and desire of banks to provide services to as many clients as possible, it would seem that

the time is here to approach both the Islamic Bank and other banks to negotiate good terms and provide the service to NAF beneficiaries. The NAF should be able to receive similar terms, especially with such a large client base that would represent new customers to the banks. It also is important to introduce the poor to banking services and eliminate any stigma that may be attached to receiving poverty assistance benefits in other settings, such as the post office.

Consideration must be given to availability of the banking system or use of innovative approaches, such as smart cards (which are being considered for use by the Government for subsidies) or mobile phones. Developing countries such as Bangladesh, Brazil, India and Kenya are using these devices

"To reach the rural masses, banks are going all out in providing a user-friendly banking experience. To boost micro financing initiatives, banks are deploying biometric solutions with ATMs.



Establishing the identity of a rural depositor through biometrics makes it possible for illiterate or barely literate folks to become part of the banking user community. In recent years the importance of biometrics has grown tremendously with an increasing demand of security in accordance of unique identification of individuals... In the retail payments arena, developments in biometric technology have made their presence felt in the pervasiveness of self service devices including Automated Teller Machines (ATMs) and Point of Service (POS) machines. Some of the new generation POS terminals are biometric enabled with smart card readers, allowing thumb-print based authentication... With ATMs supported by biometric solutions, banks having a presence across the country are leveraging on this technology. The ATMs are networked and connected to a centralised computer (Switch), which controls the ATMs. The use of biometrics identification is possible at an ATM.

*The information can be stored at a bank branch." **Biometric ATMs for rural India****

to provide financial services to all of their people and expand benefit delivery options to their beneficiaries.¹¹

Finding – The NAF provides cash benefits to program beneficiaries through the National Post Office at a cost of 45,000 JD per month. The National Zakat Fund provides cash benefits through the Islamic Bank at no cost to the National Fund and no cost to the beneficiaries to open an account and receive cash payments. The National Zakat Fund is able to reach beneficiaries both in urban areas and rural areas with this system and they have had no problems or concerns with using the bank system.

Recommendation – The NAF should work with the Islamic Bank and private banks to negotiate favorable terms (which should be without cost to the NAF) for paying beneficiaries through the banking system. If some beneficiaries live in areas distant from bank branches, consideration should be given by both NAF and the banks on how branchless banking could be used or, alternatively, how new technology could be used to allow beneficiaries to access accounts and receive cash payments through smart cards, mobile banking or other innovative programs being used in many developing countries.

Program Policy

Priority P1: Use of databases and analysis

Data sets that are accurately constructed to reflect poverty and can be consistently applied to understand targeting accuracy for social assistance benefits in Jordan are being developed and refined. The NAF and MOSD are collecting data on beneficiary populations. Also, the Coordinating Commission on Social Solidarity (CCSS) collects data on the beneficiary population and, along with the DOS, collects data on the incidence and location of poverty among the population. This work will take ongoing coordination and close cooperation in order to be effective in effective targeting.

Data that is stored in a NAF database is not complete and may not have all of the information on other sources of income and property. NAF and the Government are working to solve these problems. Over the past three years, NAF developed a data base that provides information on who is working, what acquisitions were made, what level of income, all according to an NAF ID number. This, however, does not provide information on what benefits/services are being provided and MOSD feels that it is very important to show. MOSD has access to the NAF database and it is available in 48 directorates in the regions, but they feel it is inadequate.

Finding – Data sets in NAF, for a variety of reasons, are not always accurate in reflecting poverty and consistently applied in reviewing applications for benefit eligibility. The NAF data base does not provide information on all benefits/services being provided and MOSD feels that it is very important to be comprehensive, especially for benefit qualification purposes. Other data sets that are being developed and being used by Government organizations, such as the data base under the CCSS, collect a wider range of data on beneficiary income and status.

Recommendation – The NAF should work with both the MOSD and the CCSS to determine whether the CCSS data base serves its needs and how it can be expanded to include any missing relevant data and how it can be accessed by those in the field reviewing applicant eligibility for all assistance programs. A coordinated data base accessing data from Government organizations that collect relevant data used in making eligibility determinations will be of great use to NAF in targeting benefits to only those who are eligible.

¹¹ p. 2, "Safety Nets How To, Key Program Processes: Making Payments," The World Bank, worldbank.org/safetynets/howto.

Priority P2: Coordination and use of research studies and data gathering

A number of organizations involved with Government efforts to alleviate poverty collect data, sponsor and/or undertake research and analysis in Jordan. This includes the Ministry of Planning and International Cooperation (MOPIC), the Department of Statistics (DOS), the Coordination Commission for Social Solidarity (CCSS), the National Aid Fund (NAF), the Ministry for Social Development (MOSD), as well as Non-Governmental Organizations (NGOs) and universities. In addition to national organizations, the international donor community both sponsors and conducts research on poverty alleviation and prevention throughout the world and in Jordan, including, for example, the United Nations Development Program (UNDP), the World Bank, the International Monetary Fund (IMF), and USAID, to name only a few.

Organizations both implementing programs and developing policy proposals can learn a tremendous amount from the research and analysis and data collection that is being carried out. The CCSS is acting as a coordinating body for data and information as well as sponsor of research and analysis on poverty. The CCSS holds press briefings and sends out copies of newly released studies. Annex 3 provides a list of documents on poverty research and analysis that the CCSS has released over the last several years.

In discussing the issues with officials at the CCSS and various Government organizations, we have learned that either the data, information and findings are not widely disseminated or accessible so that more officials can benefit from these analyzes or the information is not consulted or seen as relevant. The CCSS has indicated that few officials have asked to have access to data and not everyone is willing to use the data as it is intended. Also, problems arise when organizations act competitively and refuse to cooperate in coordinating data and refuse to share information.

Finding – A large volume of information and data gathering, research and analysis on poverty programs and poverty alleviation is being conducted in Jordan and internationally. While many organizations are involved in these activities, there seems to be a lack of commitment to share information and data and, as a result, few policy makers and program implementers are benefiting.

Recommendation – The Government, working with all organizations that collect relevant data on poverty alleviation programs or for use in poverty studies, should formulate a usage and dissemination policy that will benefit policy makers and program implementers in improving poverty alleviation program efficiency and effectiveness. The data must be stripped of identifiers and confidentiality agreements must be developed to ensure the confidentiality of program beneficiaries. The CCSS would seem to be the logical body to coordinate a usage and dissemination policy, develop confidentiality provisions for data usage and help to ensure greater coordination and use of research data, information and findings.

Priority P3: Targeting benefits & effective expenditures

One of the major issues that arises in programs providing social benefits is whether the benefits, especially cash assistance, are going to the eligible population or are not reaching those intended to receive the benefit. Several issues must be addressed, separately and together with coordinated action.

Part of the difficulty with getting benefits to the right people, or accurate targeting, in Jordan, and many countries throughout the world, is that the majority of the population is either just below or just over the absolute poverty line.¹² This creates a shallow level of poverty in which many people are vulnerable to falling into poverty and it's hard to identify just how to target benefits accurately and just what benefits are the most effective for these persons going into and out of poverty.

¹² p. 5, Badran, et. al., "The Hashemite Kingdom of Jordan Poverty Update," vol I, Main Report, The World Bank, November 2009.

The factors that determine good targeting and effective cash transfer assistance are many and cannot always be controlled, but most important are whether the beneficiary universe has been identified accurately, whether beneficiary eligibility criteria are clear, consistently applied and can be reviewed on a regular basis and whether benefit levels are cost-effective in helping those that really need the help (the poorest of the poor) and not those who do not need the help. Effective cash assistance levels generally are set at only a low proportion of the poverty line to help those most in need (such as the current level of abject poverty), but ensuring that those who need them receive them is costly, administratively intensive, and must rely on good data systems. Good research and analysis must be undertaken and comprehensive data bases must be in place for record-keeping and reporting. Data on each beneficiary must be up-to-date, accessible to those doing the initial evaluation of eligibility and those following up for ongoing qualifications. (Data bases and accurate, comprehensive data on applicants and beneficiaries is discussed below.)

There is some indication already, though, that targeting of cash social assistance benefits could be improved. This is an ongoing issue with the cash assistance in Jordan as mentioned in the World Bank report on poverty in 2004. The report found that, based on data from the 2002 Household Income and Expenditure Survey, about one-third of NAF cash transfers went to the poor while two-thirds went to the non-poor.

Recent information and data seem to indicate that there has been an improvement in the amount of cash assistance going to the poor since 2002. Anecdotal estimates of the numbers of beneficiaries that should receive benefits indicate that anywhere from 50 percent to 75-80 percent of those who are eligible for cash assistance receive the benefit. Perhaps 25 percent of those receiving benefits are not eligible which is consistent with the recent World Bank poverty update in 2009. The study found that about half of NAF beneficiaries are in the lowest income quintile (average annual per capita income of 503 JD), about 20 percent are near-poor (the next income quintile with annual per capita income of 745 JD) and the remainder better off.¹³ This is, in fact, better than the targeting of the Zakat Fund which, the study found, had less than 30 percent of the recipients in the poorest quintile, 20 percent near-poor, but close to half middle income and above.

Finding – Data from the 2009 World Bank poverty update, indicates that about half of the cash benefits go to the poor, about 20 percent are near-poor and the rest are better off. This is an improvement over the situation in 2004 and should improve in the future. At the same time, qualifying conditions are not always clear and strictly enforced. Targeting benefits just to the poor continues to be a problem and, if left unresolved, will undermine confidence in the program.

Recommendation – The NAF should review qualifying conditions and make appropriate changes where necessary to ensure consistent application and results. The NAF also should review carefully a representative sample of benefit awards to determine for enforcement of qualifying conditions for cash assistance benefits and determine exactly what percentage of the cases have accurate decisions. This accuracy measure should be used as a benchmark to judge effectiveness of targeting and eligibility criteria. At the same time, the NAF should work closely with the World Bank Social Protection Enhancement Project (SPEP—discussed below under “Identifying the Poor”), MOSD and the CCSS in identifying its needs in a proxy means test to ensure that the test will approximate, as closely as possible, the location and other characteristics of the poor.

¹³ p. 28, Badran, et. al., “The Hashemite Kingdom of Jordan Poverty Update,” vol I, Main Report, The World Bank, November 2009.

Priority P4: Identifying the poor & using proxy means tests for programs

According to the latest poverty study by the Department of Statistics (DOS), which examines data from the 2008 Household Expenditure and Income Survey, the number of poor households throughout the Kingdom in 2008 stood at 99,121 and the number of poor individuals was 781,403.¹⁴ Poor families in this context are defined as falling below the absolute poverty line (food and non-food): 1) households with income or expenditures at or below 3,876 JD/year or 323 JD/month, and; 2) individuals having income of 680 JD/year or 57 JD/month. Another measurement that DOS uses for the poor in extreme poverty is the abject poverty line (food only): 1) households with income or expenditures at or below 1,664 JD/year or 139 JD/month, and; 2) individuals having income of 292 JD/year or 24 JD/month.¹⁵ About 15,000 poor persons or less than one percent of the population of Jordan fall into abject poverty status each year.

The latest coverage numbers of the NAF indicates that there are 74,000 families or about 195,000 persons receiving the recurring cash assistance benefit. In order to qualify for NAF cash benefit the poor person or family must have income below the abject poverty line. Officials of the NAF have indicated that they apply both an income and means test in determining eligibility. In so far as income and any assets such as a car, income-producing land or dwelling, is taken into consideration, beneficiaries may or may not be eligible. However, this would not be considered a strict means test per se since income may be easy to hide and certain assets may not be obvious. Moreover, we are told that some beneficiaries may qualify for cash benefits even though they are working, while others, for example, a single-headed household with no children or family to support, would not qualify if the person is working.

It's important to keep in mind that poverty is multi-dimensional and not just reflected in one or two indicators such as income, food, shelter or clothing or even assets, such as a home or car. Poverty also is relative in terms of vulnerability or the degree to which it effects already marginalized groups in society. The Coordination Commission for Social Solidarity (CCSS) together with the UNDP, with the support of the World Bank's SPEP grant administered by MOSD, is looking into the dimensions of poverty and developing a multi-variable measurement of poverty called a proxy means test for use in targeting social assistance benefits. They are considering a large range of indicators—some 63 currently—to apply to a proxy means test evaluation and scoring of applicants. However, it's not clear when this work will be completed and the proxy means test piloted or implemented.

Finding – The statistical measurements used by both the DOS and NAF for defining who is poor and who should receive cash assistance benefits are wide apart and difficult to judge who is being helped by the Government's efforts to alleviate poverty. It's understandable that the measurements are not the same because each organization has different purposes in identifying poverty. A strict means test is notoriously hard to implement, costly (if precise and well-monitored) and may not be helping the people it should help while helping others who do not qualify.

Recommendation – The proxy means test under development with the support of the World Bank's Social Protection and Enhancement Project (SPEP) will be a better indicator of who and where are the poor for receiving cash assistance benefits. We encourage the Government to refine the measurement under development and implement this test as soon as possible because we believe it will better target expenditures and ensure that the cash assistance benefit is more effective in reducing poverty and more efficient in spending limited resources over the long term period.

¹⁴ P.34, "Report of Poverty Status in Jordan:Based on the Household Expenditures & Income Survey data 2008", Department of Statistics, Government of Jordan, July 2010 (Unofficial English Translation).

¹⁵ Ibid, pp. 25-26.

Priority P5: Expanding coverage through Conditional Cash Transfers

The current NAF recurring cash payment benefit provides assistance to 74,000 families or about 195,000 persons. The number of poor estimated by the Department of Statistics (DOS) using the absolute poverty line is about 780,000. International studies show that it is virtually impossible to provide assistance to all of those in poverty and it would be very costly to attempt to do this. However, over the last 15 to 20 years, many countries around the world have developed programs that help expand coverage to the poor, deal with the multi-dimensional aspects of poverty and invest in the human capital to help to pull the poor out of poverty.

Currently, there are no specific programs in Jordan aimed at linking cash assistance with education

Conditional Cash Transfer (CCT) programs are an innovative approach to providing cash benefits for the needy to assist in such ways as keeping children in primary and secondary school and providing nutrition to young children and prenatal care to women. CCT programs have experienced successes in increased rates of targeting, take-up, and compliance, particularly in a number of Latin American and African countries. They also have been used effectively in Turkey and Yemen and such Asian countries as Bangladesh, Cambodia, India and Indonesia.

Well-planned and implemented CCT programs can lead to successful assistance not just to the poor but also to vulnerable groups through education, health, nutrition, or help to the elderly and disabled. The conditions that are required for continued payment of benefits provide positive incentives for building human capital and lifting the needy and vulnerable out of the cycle of poverty. Experiences of CCT programs show that programs that are carefully designed, well implemented, closely monitored, and regularly evaluated have the highest rates of success in helping those in need.

and nutrition or health conditionalities that provide strict criteria, close monitoring and evaluation of compliance to the eligibility criteria. Access to good health, education and nutrition programs are not only good incentives, but also help to expand coverage of programs. However, several officials have pointed out that there are some requirements of school attendance for cash assistance payments, but that the review period is six months to a year and is not consistently enforced. A good CCT program will put in place a strict monitoring program and tight eligibility guidelines that ensure regular compliance with swift withdrawal of benefit.

Since pilot programs have been established in such countries in the region as Turkey and Yemen, it would be useful to review these experiences with the objective of designing other pilot CCT programs in Jordan and using the successes.

Finding – The NAF has improved coverage of its recurring cash assistance benefit and more persons hear about the program every year. Some conditions are placed on receipt of the cash assistance benefit to encourage families to keep children in school, but the monitoring is occasional and it is difficult to show compliance because proper data bases are not yet in place to provide timely data on participation in the program and success in education efforts. A well-designed CCT program would have strict criteria, close monitoring and disqualification of benefits if there is non-compliance at any time.

Recommendation – The Government should review the experiences of countries in the region, such as Yemen and Turkey, to develop well-designed pilot CCT programs that would be directly applicable to the situation in Jordan. If the education programs are successful among the poor, then emphasis could be placed on helping mothers and children with nutrition, pre-natal care, vaccinations, and good health and wellness care programs. Well-designed programs will help to expand coverage of the poor in cash assistance programs and provide the opportunity to build human capital and lift persons out of poverty.

Priority P6: Improving services through the savings on better targeting and paying benefits to the poor

In examining the program operations of the social assistance programs in this study, we believe there are savings that could be realized by making several program changes recommended in this report. For example, NAF may gain savings with a combination of the following:

- Applying better targeting techniques (implementing a refined proxy means test);
- Re-examining and revising program qualifying conditions to be more effective and consistently applied;
- Quality assurance review of a representative sampling of case files for accuracy of benefit awards with the possibility of a total case file review;
- Using comprehensive and up-to-date data bases for eligibility review (perhaps the CCSS database if it is up-to-date, comprehensive and accessible by NAF field staff);
- Eliminating those persons, especially those who have hidden income and assets, from program roles.

We believe that if these recommendations are followed, savings will be realized in ensuring those who should receive cash benefits do and those who do not qualify, because either they have additional income from other benefits or un-reported employment or assets that do not meet the criteria, will not receive benefits.

In the World Bank Poverty Update of 2009, mentioned earlier in this report, the authors found that about half of NAF recipients were in the lowest income quintile, 20 percent more were in the near poor or next income quintile and about 30 percent in the middle to upper income quintiles. If only half of the upper income recipients (15 percent of total beneficiaries or 11,000 families) could be eliminated from the roles over a three-year period (from 2014 to 2016) when better targeting is in place and proxy means testing is used, we believe there would be a savings of approximately 15,840,000 JD or 5,280,000 JD/year for the three-year period. This savings could then be used to expand coverage through Conditional Cash Transfer programs with good comprehensive monitoring and evaluation systems in place. The recommended changes also may expand coverage to other poor people.

Finding – Savings from recommended changes in NAF (or other assistance programs) may be realized by ensuring those who should receive social assistance cash benefits do receive the benefits and those who should not receive benefits, especially those in upper income quintiles, do not. The World Bank Poverty Update for 2009 indicates that as many as 30 percent of the NAF recipients are in the middle to upper income groups.

Recommendation – The savings that could be realized by making changes recommended in this report, should be used to expand coverage through CCT programs that have comprehensive monitoring and evaluation systems. The recommended changes also may, in themselves, help to expand coverage to other poor people who would be eligible to receive the cash assistance benefits.

Priority P7: Social transfers vs. subsidies

As part of the social protection system, cash assistance programs, known as social transfers, are designed to protect the most vulnerable in society, especially during periods of economic crisis which trigger rising food and fuel prices. Social Safety Net programs come to the aid of persons

“Moving From Subsidizing Products to Protecting People:

Because universal price subsidies are typically poorly targeted, their cost-effectiveness as a social protection instrument is highly questionable. For example, the poorest 40 percent of the population in Jordan receives less than a quarter of total spending on fuel subsidies. Food subsidies generally do better in terms of targeting performance, but even for them leakages to the better-off are still quite large.

The longer-term objective for MENAP countries should be to design and introduce more cost effective social safety nets and replace price subsidies.”

who may not have the means to compensate for rising prices. These cash assistance benefit programs are designed to be flexible, have the greatest distributional impact for lower income groups, and provide the needed assistance quickly to the most vulnerable.

A contrast should be drawn with less distributional programs that subsidize commodity prices for everyone, are not targeted to the vulnerable and use scarce resources supporting prices that cause dislocations in various sectors of the economy. Commodity subsidies are a regressive form of assistance that do not help those most in need as much as cash transfer programs help.

Looking at current service expenditure levels in MOSD, NAF and NZF programs, it seems clear that because they increased their budget expenditures from 2008, they responded in a timely way to sharply rising food and fuel prices that started to

occur from 2007 to 2008. Whether the amounts and programs were sufficient to protect the most vulnerable should be studied to determine how to improve the programs, but it is important to note that this type of social transfer is flexible and direct to those in need.

Finding - The Government’s response to rising food and fuel prices starting in 2007-2008 included increasing expenditures in the cash transfer programs of the MOSD, NAF and the NZF. This was effective in providing resources to a program that is better targeted and provides greater distributional impact than regressive, price commodity subsidy programs.

Recommendation - Government policies should focus on making the social assistance programs more effective and efficient (as recommended in other recommendations for this sector). The focus of budgetary scarce resources should not be on regressive commodity subsidy programs. Programs designed to support the vulnerable and have the greatest distributional impact—the social transfer programs—should be a priority. Over the medium to long-term, greater social assistance program efficiency and effectiveness will provide better targeting, greater coverage and more efficient use of resources to help the vulnerable in society than commodity price subsidies.

“Social protection programs play a triple role in the response to raising food and fuel prices:

- *They forestall to a degree the increases in poverty and inequality that the change would bring.*
- *In so doing, they help households maintain their access to food, energy and essential services for health and education essential to the wellbeing and human capital of their children.*
- *When they are perceived as fair and compensatory, Social protection programs can be important in Maintaining social equilibrium and in avoiding less*

Findings and Recommendations Summary

Budget process and program administration

Priority B1: Reconciling data between line ministries and the Government Budget Department

Finding – The MOSD actual expenditure numbers for 2008 and 2009 are different from the actual expenditure numbers carried in the National budget for the 2010 proposed budget and the 2011 proposed budget, respectively. Various explanations have been provided for these discrepancies, but the reasons seem to be relevant only for current years, rather than past years which should be more closely reconciled, if not exact.

Recommendation – MOSD and GBD should meet on an ongoing basis to reconcile past actual expenditures that appear in the National Budget to ensure that their data agree and there is consistency throughout the Government budgeting system. These meetings also will provide an opportunity to explain MOSD program activities, goals and objectives to ensure that GBD understands the line ministry's budget requests and can provide greater support for their funding needs.

Priority B2: Eliminating pass-thru's that serve no useful purpose

Finding – The MOSD has been tasked with paying funds from the Treasury to other institutions, some of which it licenses. The NAF, for example, is one institution that the MOSD does not license or is hard pressed to even monitor. A monthly check is written by the MOSD to give to the NAF to cover the recurring cash assistance program. Several years ago, the NAF received its funding directly from the Treasury. There seems to be no supporting argument to continue the practice of funding from the Treasury through the MOSD to other institutions and it creates an additional burden on the administration of the MOSD programs.

Recommendation – The pass through of funding from the Treasury through the MOSD to other institutions should be eliminated and funds should go directly to those institutions. If program monitoring is a concern, then this should be addressed separately by putting in place proper monitoring and evaluation systems that will review program financing and effectiveness on a regular basis. Although funding may go through other line ministries for use by institutions, these procedures also should be reviewed with the purpose of finding out if these practices could be made more efficient and cost-effective.

Priority B3: Use of banking system vs Post Office for NAF benefit delivery

Finding – The NAF provides cash benefits to program beneficiaries through the National Post Office at a cost of 45,000 JD per month. The National Zakat Fund provides cash benefits through the Islamic Bank at no cost to the National Fund and no cost to the beneficiaries to open an account and receive the cash payments. The National Zakat Fund is able to reach beneficiaries both in urban areas and rural areas with this system and they have had no problems or concerns with using the bank system.

Recommendation – The NAF should work with the Islamic Bank and private banks to negotiate a favorable terms (which should be without cost to the NAF) for paying beneficiaries through the banking system. If some beneficiaries live in areas distant from bank branches, consideration should be given by both NAF and the banks on how branchless banking could be used or alternatively, using new technology to allow beneficiaries to access accounts and receive cash payments such as smart cards, mobile banking or other innovative programs being used in other developing countries.

Program policy changes

Priority P1: Use of databases and analysis

Finding – Data sets in NAF, for a variety of reasons, are not always accurate in reflecting poverty and consistently applied in reviewing applications for benefit eligibility. The NAF data base does not provide information on all benefits/services being provided and MOSD feels that it is very important to be comprehensive, especially for benefit qualification purposes. Other data sets that are being developed and being used by Government organizations, such as the data base under the CCSS, collect a wider range of data on beneficiary income and status.

Recommendation – The NAF should work with both the MOSD and the CCSS to determine whether the CCSS data base serves its needs and how it can be expanded to include any missing relevant data and how it can be accessed by those in the field reviewing applicant eligibility for all assistance programs. A coordinated data base accessing data from Government organizations that collect relevant data used in making eligibility determinations will be of great use to NAF in targeting benefits to only those who are eligible.

Priority P2: Coordination and use of research studies and data gathering

Finding – A large volume of information and data gathering, research and analysis on poverty programs and poverty alleviation is being conducted in Jordan and internationally. While many organizations are involved in these activities, there seems to be a lack of commitment to share information and data and, as a result, few policy makers and program implementers are benefiting.

Recommendation – The Government, working with all organizations that collect relevant data on poverty alleviation programs or for use in poverty studies, should formulate a usage and dissemination policy that will benefit policy makers and program implementers in improving poverty alleviation program efficiency and effectiveness. The data must be stripped of identifiers and confidentiality agreements must be developed to ensure the confidentiality of program beneficiaries. The CCSS would seem to be the logical body to coordinate a usage and dissemination policy, develop confidentiality provisions for data usage and help to ensure greater coordination and use of research data, information and findings.

Priority P3: Targeting benefits & effective expenditures

Finding – Data from the 2009 World Bank poverty update, indicates that about half of the cash benefits go to the poor, about 20 percent are near-poor and the rest are better off. This is an improvement over the situation in 2004 and should improve in the future. At the same time, qualifying conditions are not always clear and strictly enforced. Targeting benefits just to the poor continues to be a problem and, if left unresolved, will undermine confidence in the program.

Recommendation – The NAF should review qualifying conditions and make appropriate changes where necessary to ensure consistent application and results. The NAF also should review carefully a representative sample of benefit awards to determine for enforcement of qualifying conditions for cash assistance benefits and determine exactly what percentage of the cases have accurate decisions. This accuracy measure should be used as a benchmark to judge effectiveness of targeting and eligibility criteria. At the same time, the NAF should work closely with the World Bank Social Protection Enhancement Project (SPEP—discussed below under “Identifying the Poor”), MOSD and the CCSS in identifying it’s needs in a proxy means test to ensure that the test will approximate, as closely as possible, the location and other characteristics of the poor.

Priority P4: Identifying the poor and proxy means testing

Finding – The statistical measurements used by both the DOS and NAF for defining who is poor and who should receive cash assistance benefits are wide apart and difficult to judge who is being helped by the Government’s efforts to alleviate poverty. It’s understandable that the measurements are not the same because each organization has different purposes in identifying poverty. A strict means test is notoriously hard to implement, costly (if precise and well-monitored) and may not be helping the people it should help while helping others who do not qualify.

Recommendation – The proxy means test under development with the support of the World Bank’s Social Protection and Enhancement Project (SPEP) will be a better indicator of who and where the poor are for receiving cash assistance benefits. We encourage the Government to refine the measurement under development and implement this test as soon as possible because we believe it will better target expenditures and ensure that the cash assistance benefit is more effective in reducing poverty and more efficient in spending limited resources over the long term period.

Priority P5: Expanding coverage through Conditional Cash Transfers

Finding – The NAF has improved coverage of its recurring cash assistance benefit and more persons hear about the program every year. Some conditions are placed on receipt of the cash assistance benefit to encourage families to keep children in school, but the monitoring is occasional and it’s difficult to show compliance because proper data bases are not yet in place to provide timely data on participation in the program and success in education efforts. A well-designed CCT program would have strict criteria, close monitoring and disqualification of benefits if there is non-compliance at any time.

Recommendation – The Government should review the experiences of countries in the region, such as Yemen and Turkey, to develop well-designed pilot CCT programs that would be directly applicable to the situation in Jordan. If the education programs are successful among the poor, then emphasis could be placed on helping mothers and children with nutrition, pre-natal care, vaccinations, and good health and wellness care programs. Well-designed programs will help to expand coverage of the poor in cash assistance programs and provide the opportunity to build human capital and lift persons out of poverty.

Priority P6: Improving services through the savings on better targeting and paying benefits to the poor

Finding – Savings from recommended changes in NAF (or other assistance programs) may be realized by ensuring those who should receive social assistance cash benefits do receive the benefits and those who should not receive benefits, especially those in upper income quintiles, do not. The World Bank Poverty Update for 2009 indicates that as many as 30 percent of the NAF recipients are in the middle to upper income groups.

Recommendation – The savings that could be realized by making changes recommended in this report, should be used to expand coverage through CCT programs that have comprehensive monitoring and evaluation systems. The recommended changes also may, in themselves, help to expand coverage to other poor people who would be eligible to receive the cash assistance benefits.

Priority P7: Social transfers vs subsidies

Finding: The Government’s response to rising food and fuel prices starting in 2007-2008 included increasing expenditures in the cash transfer programs of the MOSD, NAF and the NZF. This was effective in providing resources to a program that is better targeted and provides greater distributional impact than regressive, price commodity subsidy programs.

Recommendation: Government policies should focus on making the social assistance programs more effective and efficient (as recommended in other recommendations for this sector). The focus of budgetary scarce resources should not be on regressive commodity subsidy programs. Programs designed to support the vulnerable and have the greatest distributional impact—the social transfer programs—should be a priority. Over the medium to long-term, greater social assistance program efficiency and effectiveness will provide better targeting, greater coverage and more efficient use of resources to help the vulnerable in society than commodity price subsidies.

Plan of Action for the 2012 – 2014 MTEF Budget

The recommendations in the Issues, Findings and Recommendations section are provided in two groups, but the intention is that both groups should be considered as soon as possible and, if accepted, implemented rapidly. Most recommendations can be implemented over the period of the 2012 – 2014 MTEF Budget:

- Initially, several changes can be made rapidly to the budget process and administration of the social assistance programs that will help to clarify expenditures, streamline bureaucratic processes and put the program emphasis where it should be in proper monitoring and evaluation of the effectiveness of programs. The National Budget and budget numbers submitted from line ministries should be in agreement, at the very least, on actual expenditure number that are two years prior to the current budget submission. Therefore, we recommend B1 Reconciling Data Between the Line Ministries and the GBD. Also, we could not find a good budgetary reason for using the pass-through mechanism to make subsidy payments to a number of agencies, so we recommend eliminating that mechanism under recommendation B2 Eliminating Pass-Thru's That Serve No Useful Purpose.
- An administrative reform that may take more time than the first two recommendations above is recommendation B3 Use of Banking System vs Post Office for Cash Benefit Delivery. However, as we point out under this issue and recommendation, the Zakat Fund pays its cash benefits through the Islamic Banks, so we believe a gradual changeover can be made sooner rather than later (over the next two years) and any problems with accessibility (which should be very few since the Islamic Banks also serve rural areas as well as poverty pockets) can be resolved with alternative benefit delivery methods. This should eventually lead to monthly savings on outlays of JD 45,000.
- It is in the Government's interest to have shared, easily accessible, and comprehensive automated data bases in which beneficiary data are located and regularly updated. It also is important that the data, research and analysis are shared widely, under strict confidentiality policies and usage agreements, to understand how effective and efficient the programs are in alleviating poverty throughout Jordan. These automated data bases also are the foundation for building well-targeted assistance programs and conditional cash transfer programs. It follows, therefore, that the Government should begin implementing, within the next two years, recommendations P1 Use of Databases and Analysis and P2 Coordination and Use of Research Studies and Data, to set the stage for implementing, P3 Targeting Benefits and Effective Expenditures, P4 Identifying the Poor and Using Proxy Means Tests for Programs and P5 Expanding Coverage Through Conditional Cash Transfers. Recommendations P1 – P3 should be implementable over the 2012 – 2013 MTEF Budget period, while preparations continue for implementing a system of Proxy Means Tests and pilot projects for CCT programs.
- We strongly urge the Government to put in place these first 3 policy reforms as rapidly as possible in order to make the social assistance and other programs more effective and efficient, and thereby saving resources. This then leads to program savings (JD 15,840,000 over three years and perhaps more) as described in P6 Improving Services through the Savings on Better Targeting and Paying Benefits to the Poor. These savings could help with social assistance program expansion and implementing good proxy means tests and CCT programs.

- The final recommendation in this group should be considered as the program data bases and research and analysis produce better results and demonstrate more effective social assistance programs. The international trend is to move away from commodity price subsidies and let other, more efficient programs for poverty alleviation provide assistance to those most in need. This is the reason that we are proposing giving priority resources to the cash transfer programs rather than to costly, less efficient and effective price subsidy programs, as discussed in recommendation P7 Social Transfers vs Subsidies. We believe there will be less political resistance to eliminating price subsidies as the case is made for providing assistance to the most needy through efficient and effective cash transfer programs.

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Annexes

Annex 1 – Program Expenditure Tables

Table 6 - MOSD Annual Actual, Estimated, and Indicative Expenditures

MOSD Actual Exp (JD, Million)	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 est	2012 ind	2013 ind	2014 ind	2015 ind	2016 ind
Handicapped Affairs	-	-	-	-	-	-	-	7.9	9.44	6.71	6.95	7.25	7.41	7.57	7.74	7.91
Community Dev & Combat Poverty	-	-	-	-	-	-	-	6.62	3.44	5.44	5.63	5.87	6	6.13	6.27	6.4
Admin & Support Services	-	-	-	-	-	-	-	4.71	5.9	5.52	5.71	5.95	6.1	6.22	6.35	6.49
Social Defense	-	-	-	-	-	-	-	3.81	4.26	2.64	2.73	2.85	2.91	2.98	3.04	3.1
Family and Childhood	-	-	-	-	-	-	-	0	5.8	2.9	3	3.13	3.2	3.27	3.34	3.45
Total for Ministry	10.15	8.93	8.23	8.95	8.6	10.94	13.02	23.04	28.83	23.22	24.02	25.05	25.62	26.17	26.74	27.35

Table 7 - NAF Annual Actual Expenditures and Indicative Current Services

NAF Exp (JD, Million)	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 alloc	2012 ind	2013 ind	2014 ind	2015 ind	2016 ind
Recurring Cash	21.60	38.29	47.77	52.5	52.44	49.85	48.2	70.32	78.44	74.4	80.02	83.44	85.27	87.15	89.1	91
Urgent Cash Payment	0.39	0.394	0.51	0.5	0.74	0.5	0.47	0.53	1	0.88	0.95	0.99	1.01	1.03	1.06	1.08
Handicapped Care Aid Cash	1.65	1.91	2.35	2.7	2.72	2.8	3.05	3.34	3.6	3.3	3.55	3.7	3.78	3.86	3.95	4
Physical Rehab Cash Payment	0.09	0.107	0.16	0.15	0.1	0.31	0.09	0.14	0.15	0.14	0.15	0.16	0.165	0.17	0.17	0.18
Vocational Training Fee Payment	0.01	0.013	0.013	0.013	0.013	0.013	0	0	0	0	0	0.018	0.02	0.02	0.02	0.02
Health Ins Cards - Dir Transfer to MOH	2.00	2	2	2	2	2	2	2	2	0	0	0	0	0	0	0
Program Admin Expenses	8.40	0.9	1.17	2.7	1.38	2.01	3.04	2.24	1.7	1.9	2.04	2.13	2.18	2.23	2.28	2.33
Total Current	34.15	43.61	53.97	60.56	59.39	57.48	56.85	78.57	86.89	80.62	86.71	90.44	92.43	94.46	96.58	98.61
Total Capital	0.28	0.29	0.28	0.29	0.27	0.29	0.39	0.42	0.35	0.5	0.54	0.56	0.57	0.58	0.60	0.61
Total for NAF	34.43	43.90	54.25	60.85	59.66	57.77	57.24	78.99	87.24	81.12	87.25	91.00	93.00	95.04	97.18	99.22

Table 8 - NAF Annual Actual Expenditures and Indicative Current Services

NAF Exp (JD, Million)	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 alloc	2012 ind	2013 ind	2014 ind	2015 ind	2016 ind
Recurring Cash	21.60	38.29	47.77	52.5	52.44	49.85	48.2	70.32	78.44	74.4	80.02	83.44	85.27	87.57	89.85	91.1
Urgent Cash Payment	0.39	0.394	0.51	0.5	0.74	0.5	0.47	0.53	1	0.88	0.95	0.99	1.01	1.03	1.06	1.08
Handicapped Care Aid Cash	1.65	1.91	2.35	2.7	2.72	2.8	3.05	3.34	3.6	3.3	3.55	3.7	3.78	3.86	3.95	4.04
Physical Rehab Cash Payment	0.09	0.107	0.16	0.15	0.1	0.31	0.09	0.14	0.15	0.14	0.15	0.16	0.165	0.17	0.17	0.18
Vocational Training Fee Payment	0.01	0.013	0.013	0.013	0.013	0.013	0	0	0	0	0	0.018	0.02	0.02	0.02	0.02
Health Ins Cards - Dir Transfer to MOH	2.00	2	2	2	2	2	2	2	2	0	0	0	0	0	0	0
Program Admin Expenses	8.40	0.9	1.17	2.7	1.38	2.01	3.04	2.24	1.7	1.9	2.04	2.13	2.18	1.71	1.78	1.85
Total Current	34.15	43.61	53.97	60.56	59.39	57.48	56.85	78.57	86.89	80.62	86.71	90.44	92.43	92.36	96.83	98.27
Total Capital	0.28	0.29	0.28	0.29	0.27	0.29	0.39	0.42	0.35	0.5	0.54	0.56	0.57	0.58	0.60	0.61
Total for NAF	34.43	43.90	54.25	60.85	59.66	57.77	57.24	78.99	87.24	81.12	87.25	91.00	93.00	92.94	97.43	98.88

Table 9 – NZF Annual Actual, Estimated and Indicative Expenditures

NZF Exp (JD, Million)	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 est	2012 ind	2013 ind	2014 ind	2015 ind	2016 ind
Admin & Support Serv	-	-	-	-	-	-	-	-	0.056	0.091	0.073	0.074	0.075	0.077	0.078	0.08
Cash Assist	-	0.295	0.354	0.415	0.459	0.532	0.847	1.125	1.162	1.275	1.312	1.35	1.65	1.69	1.72	1.76
Urgent Cash	-	0.131	0.265	0.276	0.187	0.105	0.194	0.19	0.195	0.21	0.199	0.2	0.2	0.2	0.21	0.21
Orphan Cash	-	0.098	0.118	0.138	0.153	0.178	0.283	0.375	0.388	0.425	0.438	0.45	0.55	0.56	0.58	0.59
Poor Student Cash	-	0.007	0.062	0.004	0.0056	0.006	0.007	0.007	0.007	0.008	0.008	0.009	0.01	0.01	0.01	0.01
Rehab Assist	-	0.001	0.05	0.046	0.057	0.11	0.18	0.47	0.271	0.245	0.4	0.45	0.5	0.51	0.52	0.53
Medical Care Program	-	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Occasional In-Kind	-	0.077	0.071	0.11	0.142	0.17	0.281	0.455	0.26	3.37	0.405	0.5	0.55	0.56	0.58	0.59
	-															
Total for NZF	-	0.619	0.93	0.999	1.0136	1.111	1.802	2.632	2.349	5.634	2.845	3.043	3.545	3.617	3.708	3.78

Annex 2 – NEP 2009 – 2011 Performance Indicators

Table 10 – NEP Performance Indicators for MOSD

Projects & Activities MOSD	2011	2012	2013	Level Achieved (Est 2011)
% Poverty Ratio (Headcount)	13%	13%	-	13.3% (2008)
# Households with Productive Projs	432	454	450	415
# of Social Care & Protection Cnters	58	58	60	56 (cnters & offices)
SPEP Exp	1.5 million JD	2.5 million JD	1.6 million JD	750,000 (2010)
Credit Funds – Rotary Funds	250,000	300,000	550,000	150
Dar Al Hanan Cntr	297,000	195,000	178,000	297,000
# Productive Household Proj Small Grants	350	250	300	415 (2005-10)
Support of Jordan River Foundation Proj	200,000	250,000	250,000	250,000
Small grants proj	350,000	500,000	0	350,000
Support of Safety Fund for Orphans Future Projs	250,000	300,000	300,000	250,000
Develop Community & Poverty Eradication Prog	1.3 million	1.7 million	1.8 million	5.4 million (2010 for Prog)
Register of Societies	2.9 mill	5 mill	5 mill	2.9 mill
Al Tufaila Cntr	660,000	620,000	404,000	400,000
Establish Juvenile Police Directorate	0	170,000	186,000	0
Cntr for Persons with Mult Disabil	50,000	23,000	34,000	50,000
Combating begging & rehab	103,000	76,000	77,000	103,000
Protecting Family fr Violence	50,000	200,000	200,000	200,000
Establishing Housing for Poor	1.5 mill	3.2 mill	3.2 mill	1.5 mill

Table 11 – NEP Performance Indicators for NAF

Projects & Activities NAF	Expected Expenditures (JD, Million)			Level Achieved (Est 2011)
	2011	2012	2013	
Financial Aid	85.5	85.4	85.3	86.7 (allocated for all programs)

Table 12 – NEP Performance Indicators for NZF

Projects & Activities NZF	Expected Expenditures (*000 JD)			Level Achieved (Est 2011)
	2011	2012	2013	
Emergency Cash Aid	190	195	200	199
Recurrent Cash Aid	1,750	1,800	2,000	1,312
Support to Impoverished Students	95	100	110	8
Medical Days Proj	70	85	100	10
Charity Bread, Food & Clothing tokens, Ramadan banquets, & School Bags	427	495	555	405
Orphans Support	590	595	620	438
Rehabilitation projects	400	450	500	400